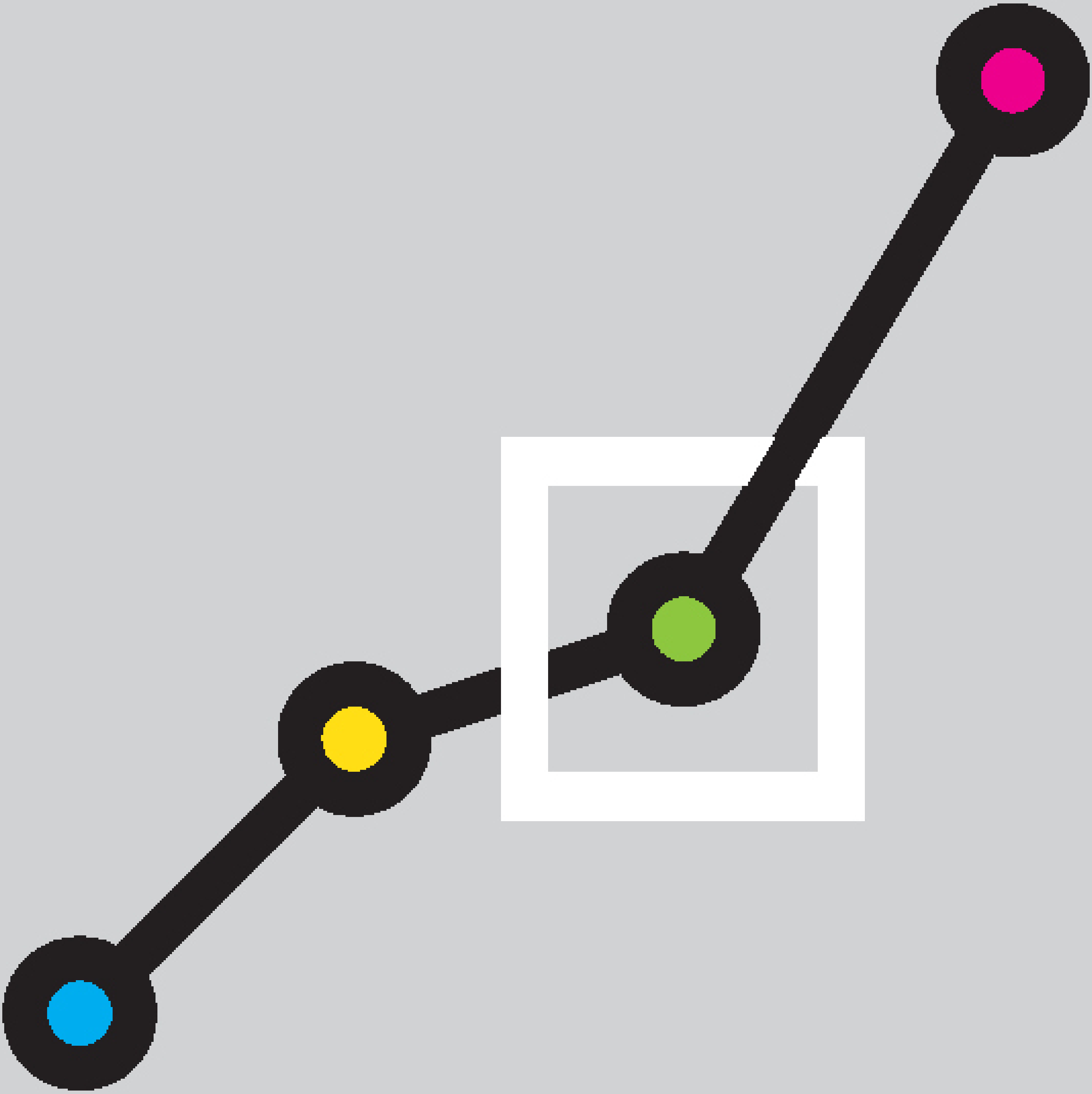
Future Trends Survey:

January 2019



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The RIBA's monthly Future Trends Survey

was launched in January 2009 to monitor business and employment trends affecting the architects' profession. Participants give monthly predictions for overall workload and staffing levels over the next three months, and are also asked about their workload predictions in key sectors: private housing, commercial, community and public sector. In addition practices are asked on a quarterly basis about their current workload and staffing levels. The Survey is carried out by the RIBA in partnership with the Fees Bureau. Results of the Survey, including a full graphical analysis, are published each month on **www.architecture.com**

The following is a summary analysis of the results from the January 2019 Survey returns.

Future workload (January 2019)

How do you expect the architectural workload in the organisation you work in or own to change over the next three months.

Overall

Expect	%
Decrease	23
Stay the same	57
Increase	20
TOTAL	100
Balance	-3

(The definition for the balance figure is the difference between those expecting more work and those expecting less.)

The RIBA Future Trends Workload Index saw a further decline this month, falling to -3 in January 2019 from +3 in December 2018.

In terms of geographical analysis, practices in Wales and the West remain the most pessimistic about future workloads, with a balance figure of -14. Practices in London (balance figure -10) and the South of England (balance figure -6) are also very cautious about the medium-term outlook.

The balance figure for practices in the Midlands and East Anglia was down a little at -3 in January 2019. The North of England remains by far the most optimistic location, with a balance figure in January 2019 of +26, up from +15 last month.

Analysing the January 2019 workload forecast data in terms of practice size, large practices (51+ staff) have now become much more negative, with a balance figure of -40. For medium-sized practices (11 - 50 staff) the balance figure was much more upbeat at +15, but small practices (1 - 10 staff) remained more nervous, with a balance figure of -5.

The following graph plots the RIBA Future Workload index over time:

Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.

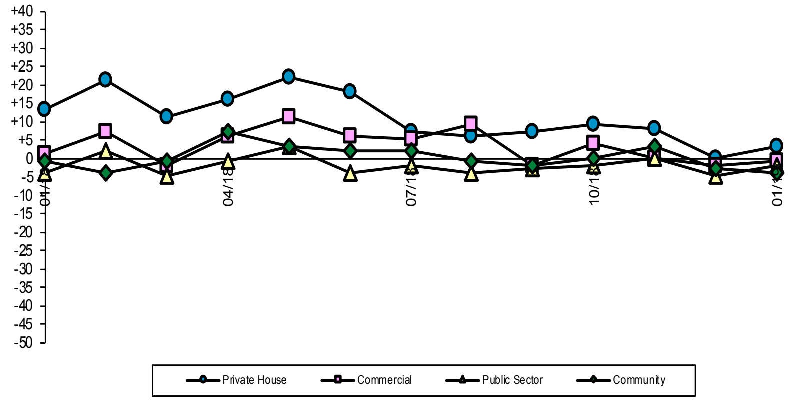
In terms of different work sectors, it was a mixed picture in January 2019.

The private housing sector workload forecast recovered a little from its dramatic fall last month, standing at +3 in January 2019, up from zero in December 2018. The commercial sector forecast also saw a modest uptick this month, rising to a balance figure of -1, up from -2 last month, but remaining in negative territory.

The public sector workload forecast (balance figure -2) also remains in negative territory The community sector workload forecast (balance figure -4) experienced a further small decline this month.

The following graph tracks the sector predictions in the RIBA Future Trends Survey over time:

How do you expect your architectural workload to change in each of the following sectors over the next three months?



Future staffing levels (January 2019)

How do you think the number of permanent architectural staff employed in your organisation will change over the next three months?

Permanent Staff	%
Decrease	7
Stay the same	86
Increase	7
TOTAL	100
Balance	0

(The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer.)

The RIBA Future Trends Staffing Index continued its recent downward momentum this month, falling marginally to zero in January 2019, down from +1 in December 2018.

The employment market for salaried architects certainly seems likely to be somewhat more challenging for applicants over the next quarter.

The staffing forecast for large practices (51+ staff) saw a very significant reverse this month, falling to -40 in January 2019.

Medium-sized practices (11 - 50 staff) returned a staffing forecast balance figure of zero this month.

Small practices (1 - 10 staff), with a balance figure of +1 saw a marginal recovery in their staffing index, nudging out of negative territory.

It is clear that for all size categories of practice the current climate is sufficiently uncertain to make them cautious about increasing staffing levels. At the same time, just 7% of our participating practices expect a reduction in permanent staffing levels over the next three months.

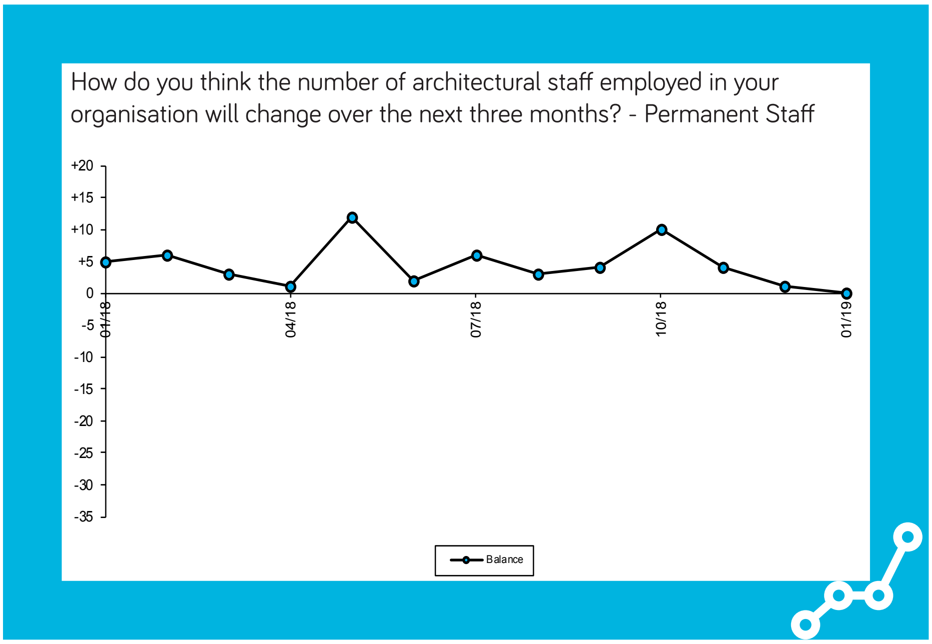
Caution and uncertainty seem to be the watchwords that characterise most of the commentary received this month from our participating practices. Lack of clarity about the Brexit process and the likely end destination is cited by many correspondents as the most significant source of this decline in confidence and a growing reluctance to commit to projects on the part of some clients.

Evidence of slowdown in the private housing sector and the higher education building sector are mentioned by a number of our practices.

The following graph plots the RIBA Future Trends Staffing Index over time:

Notes

The balance figure is plotted here. The definition for the balance figure is the difference between those expecting to employ more permanent staff in the next three months and those expecting to employ fewer



The RIBA Future Trends Survey is based on a representative sample of the range of different practice sizes and geographical locations which enables analysis of the trends in sectors, size groups and by nation and region.

A total of 236 practices took part in the Survey in January 2019. The development of a larger database of respondents will increase the statistical accuracy of the survey, and if your practice would like to participate in future months, please contact the RIBA Practice Department on 020 7307 3749 or email practice@riba.org. The survey takes approximately five minutes to complete each month, and all returns are independently processed in strict confidence by our partners the Fees Bureau.