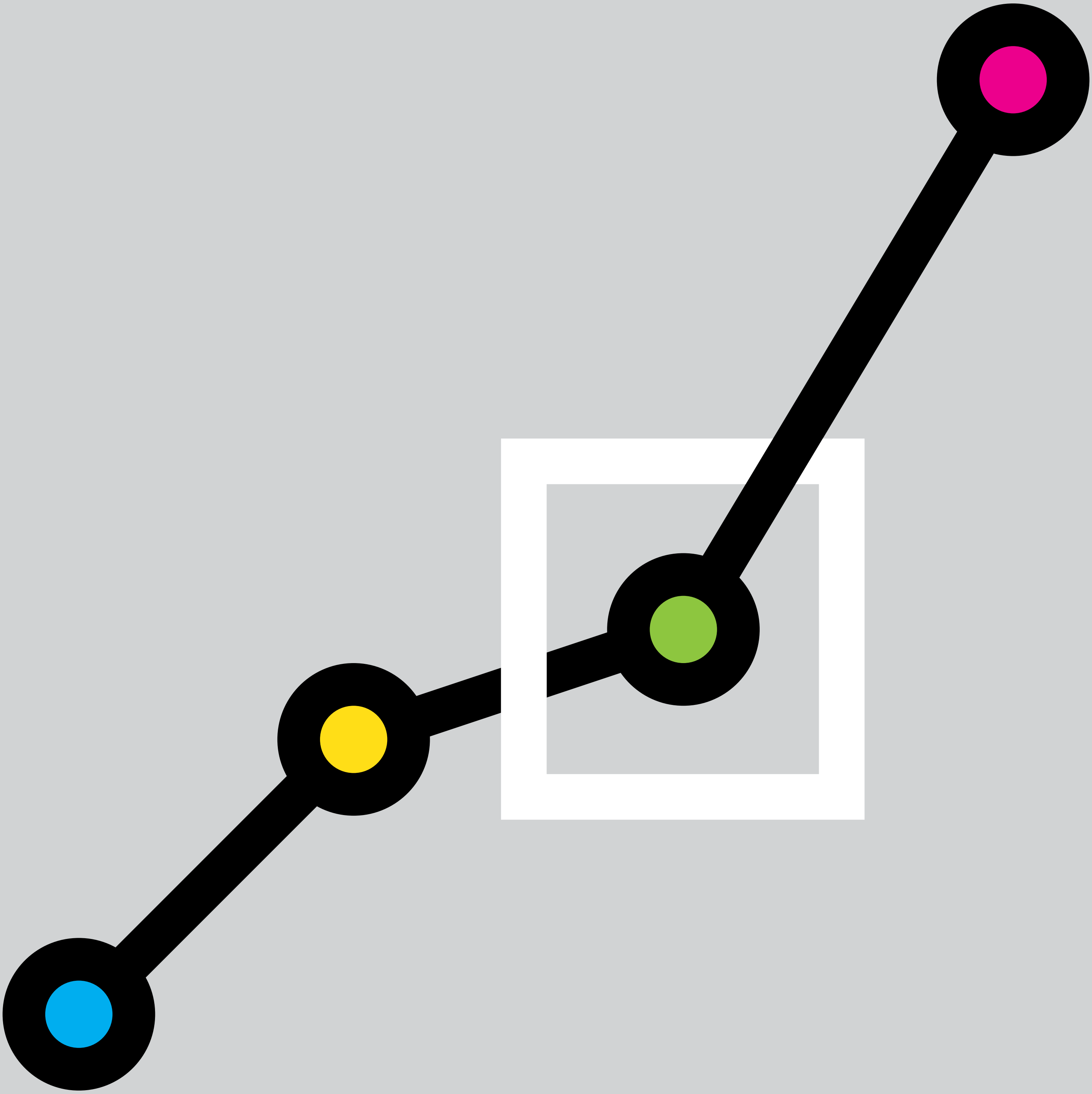
Future Trends Survey:

May 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 May 2019 Survey returns.

Future workload (May 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	20
Stay the same	56
Increase	25
TOTAL	100
Balance	**+5**

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

For the third month in a row, the RIBA Future Trends Workload Index stands at +5.

In terms of geographical analysis, practices in London remain, on balance, the most pessimistic. Whilst the London balance figure is up 5 points form last month's figure of -7, in May 2019 it remains in negative territory at -2.

Midlands & East Anglia has slipped from a positive balance figure of +9 in April 2019, to zero in May 2019.

The South of England remained steady with a balance figure of +3 in May 2019, the same as in April 2019.

Wales & The West (+8) continued its relative strength this month. The North of England continued its run of being the most positive region, recording a balance figure of +16.

Analysing the May 2019 workload forecast data in terms of practice size, we can see the following:

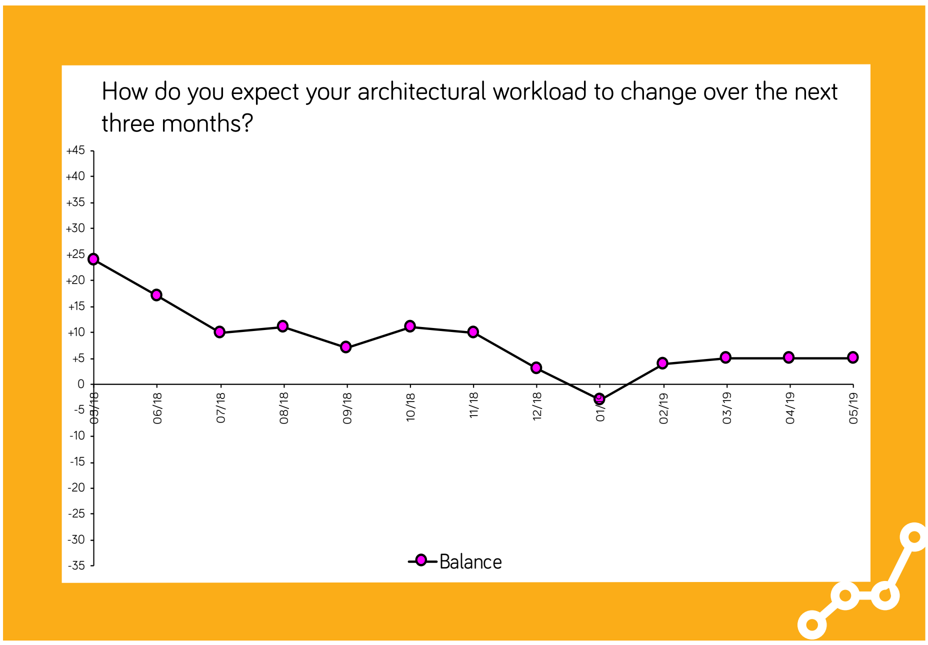
Small practices (1 - 10 staff) record a one point fall in their index score, with a positive balance of +2 in May 2019, down from +3 in April 2019.

Medium-sized practices (11 - 50 staff) continue to be the most positive, returning a balance figure of +28, up two balance points from +26 in April 2019.

Large practices (51+ staff) report a return to positive sentiment, recording a balance figure of +20, after two months of recording a zero balance.

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, three of the four sectors recorded a higher balance figure in May 2019 when compared to April Only the community sector was lower.

The private housing sector workload forecast was up four points on last month, returning a balance figure of +8. This is still a little off its long term average balance of +14, but continues to suggest the relative resilience of private housing and its importance in providing architectural workload.

The commercial sector returned to a positive balance this month, recording a positive balance of +4 in May 2019, up from -1 in April. All practice sizes are positive about future commercial workload; the most positive being large practices (51+ staff).

The workload predictions for the community sector continue to be negative. In May 2019 the community sector returned a balance figure of -4, down form -2 in April. The North of England remains positive, however, returning a balance figure of +11.

The public sector recorded a zero balance in May 2019, recovering from a negative balance of -3 in April. Wales & The West is the most positive region; medium practices (11 - 50 staff) are the most positive practice size.

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

Future staffing levels (April 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	85
Increase	8
TOTAL	100
Balance	+1

(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.)

Whilst remaining positive, the RIBA Future Trends Staffing Index fell back somewhat this month, to +1 in May 2019, down from +4 in April 2019.

Medium sized practices (11 - 50 staff) remained upbeat about future staffing levels, recording a balance figure of +21. Small practices (1 - 10 staff), with a balance figure of -1, were less confident, as were large practices (51+) with a balance figure of 0.

Commentary from practices this month continues to stress the difficulties caused by the Brexit impasse. Clients remain cautious, fees are under pressure, and projects are being put on hold or delayed.

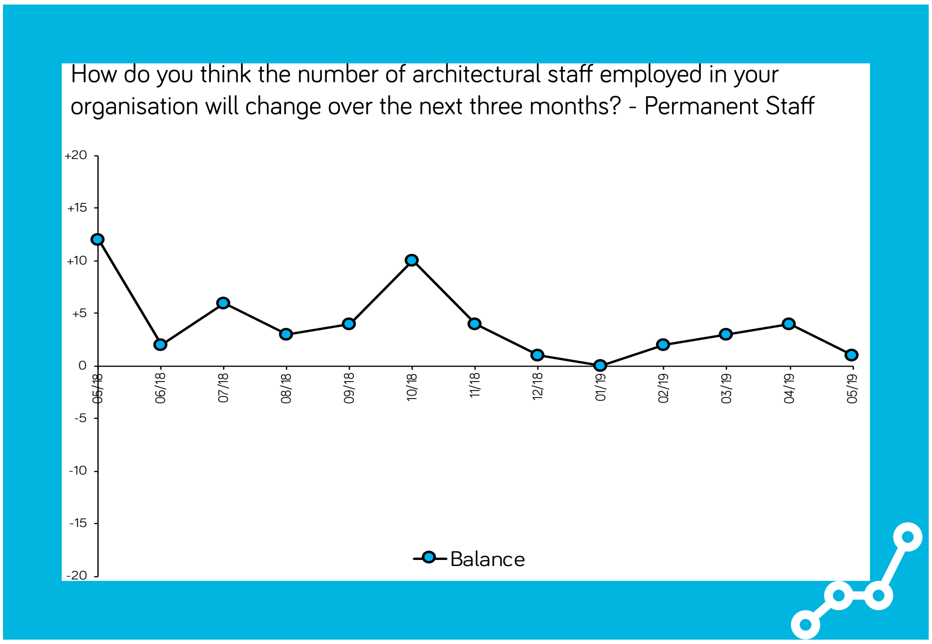
But some practices are more sanguine, reporting an increase in enquiries, a resilient domestic sector, and a reluctance to acquire work through fee discounting.

The complexity of the picture suggests an architectural market that is unsure of future workloads. Many practices face significant downward pressure. Uncertainty is a common theme. Nevertheless other practices are working to capacity, particularly in the domestic sector.

As before, it is only once we have clarity on Brexit that we will have clarity on the future architectural market.

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 226 practices took part in the Survey in May 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.