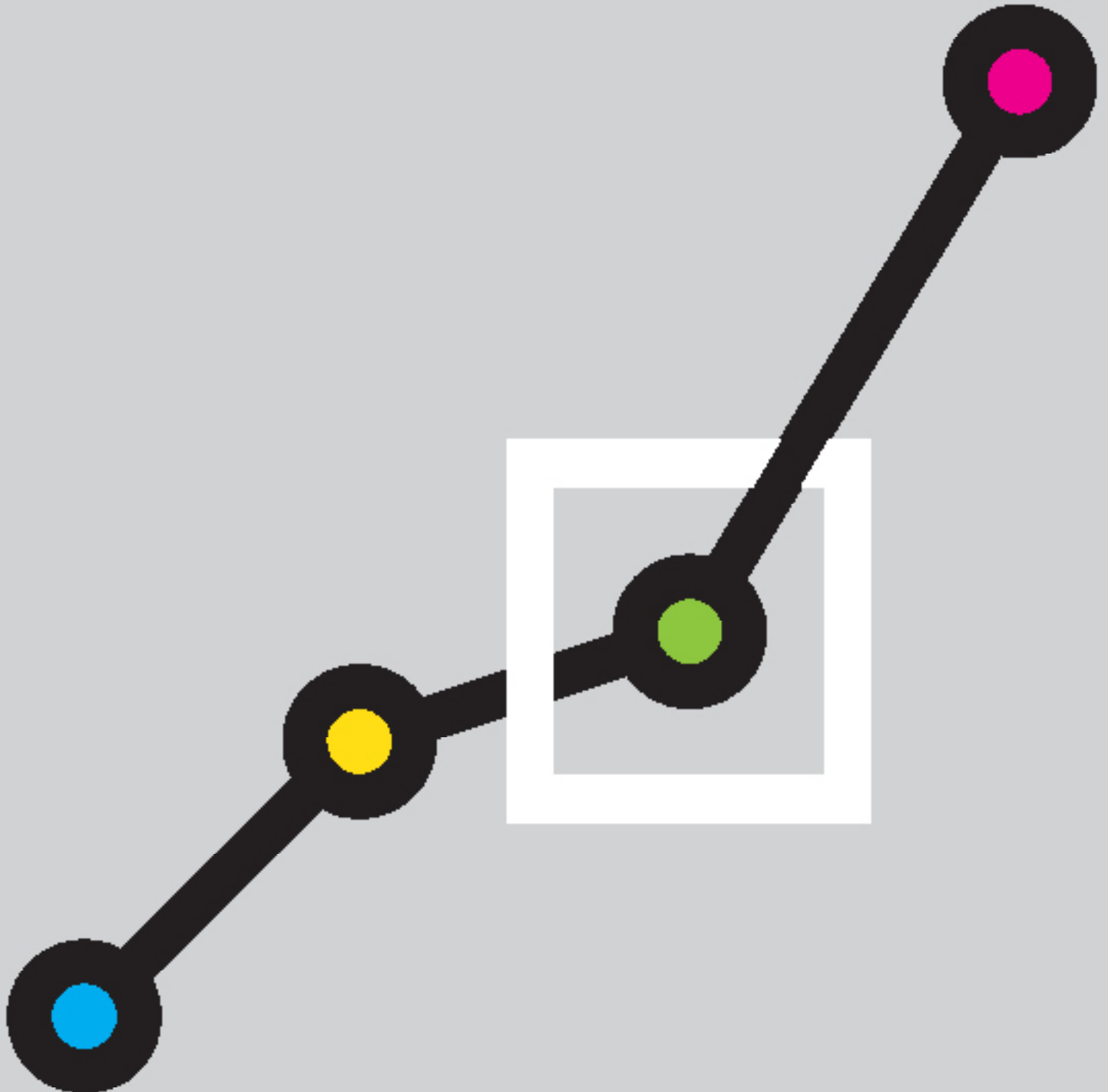


Future Trends Survey:

December 2018



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 December 2018 Survey returns.

Future workload (December 2018)

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	21
Stay the same	55
Increase	24
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 was down considerably this month, falling to +3 in December 2018 from +10 in November.

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 geographical analysis, practices in Wales and the West are the most pessimistic about future workloads, with a balance figure of -10. Practices in London (balance figure +1) and the South of England (balance figure +8) also remain fairly cautious about the medium-term outlook.

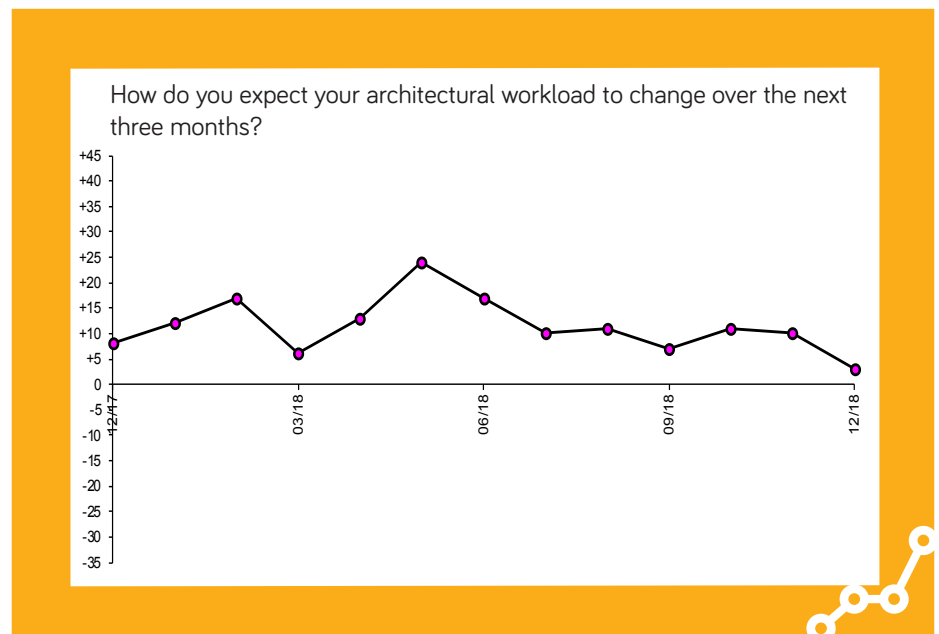
The balance figure for practices in the Midlands and East Anglia was zero in December 2018, a big fall from +12 in November. The North of England remains the most optimistic, with a balance figure in December 2018 of +15, but this is a much lower figure than this region has reported in recent months.

Analysing the December 2018 workload forecast data in terms of practice size, large practices (51+ staff) remained positive on future workloads, returning a workload balance figure of +60

For medium-sized practices (11 - 50 staff) the balance figure was a more modest +14,

but it is small practices (1 - 10 staff) that are most nervous, with a balance figure of just +1.

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



In terms of different work sectors, it was a mixed picture in December 2018.

The private housing sector workload forecast fell quite dramatically this month, down to zero from +8 in November. It is the private housing sector that has been the main engine of growth in demand for architectural services in recent years, and the decline in this sector forecast perhaps explains the weakening of confidence in the small practice segment, which is particularly dependent on private housing work.

The commercial sector forecast also saw a decline this month, down to a balance figure of -2 in December from zero last month.

The public sector workload forecast (balance figure -5) was also down, and practices remain sceptical about growth in public sector work in the medium term. The community sector workload forecast (balance figure -3) also saw a decline, more than wiping out the gains it made in November.

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



Future staffing levels (November 2018)

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.)

The RIBA Future Trends Staffing Index saw a further drop this month, falling to +1 in December 2018, down from +4 in November, suggesting a weakening in the employment market for salaried architects.

The staffing forecast for large practices (51+ staff) remained strong at +40 in December 2018, but down on recent highs. Medium-sized practices (11 - 50 staff) returned a balance figure of +14.

Small practices (1 - 10 staff), with a balance figure of -1, saw a further decline in their staffing index, moving into negative territory, and providing further evidence of increasing nervousness in the small practice sector.

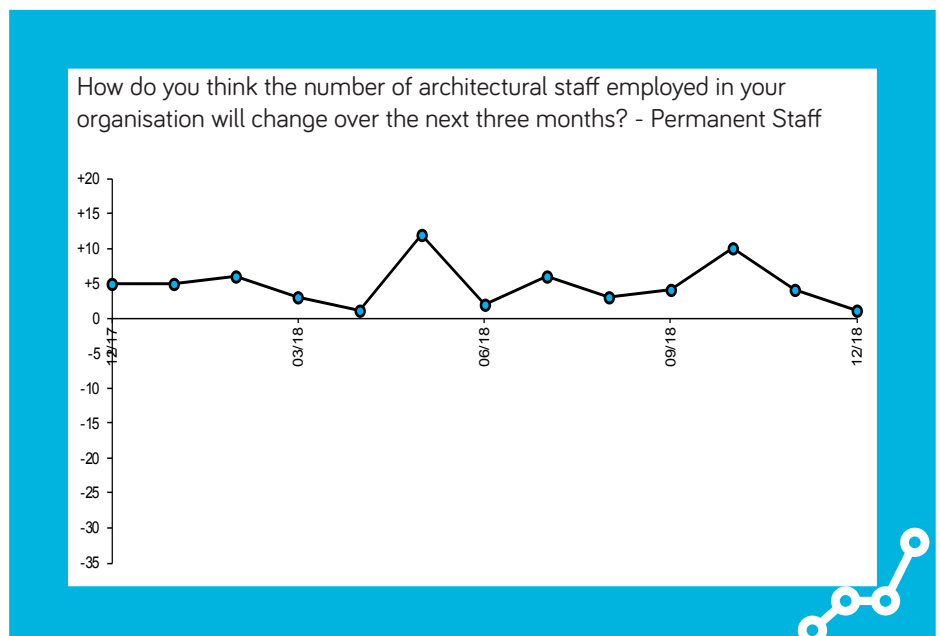
Commentary received from our participating practices continues to paint a mixed picture, with a good number of practices reporting a steady pipeline of commissions. However, many correspondents report a slowing down in decision-making on the part of investors and developers, and frequently cite Brexit uncertainty as the key factor.

The stalling of the general house sales market now seems to be affecting confidence in the private housing sector where the outlook from architects is becoming notably more cautious, particularly amongst the smaller practices who have high exposure to this type of work.

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 247 practices took part in the Survey in December 2018. 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.