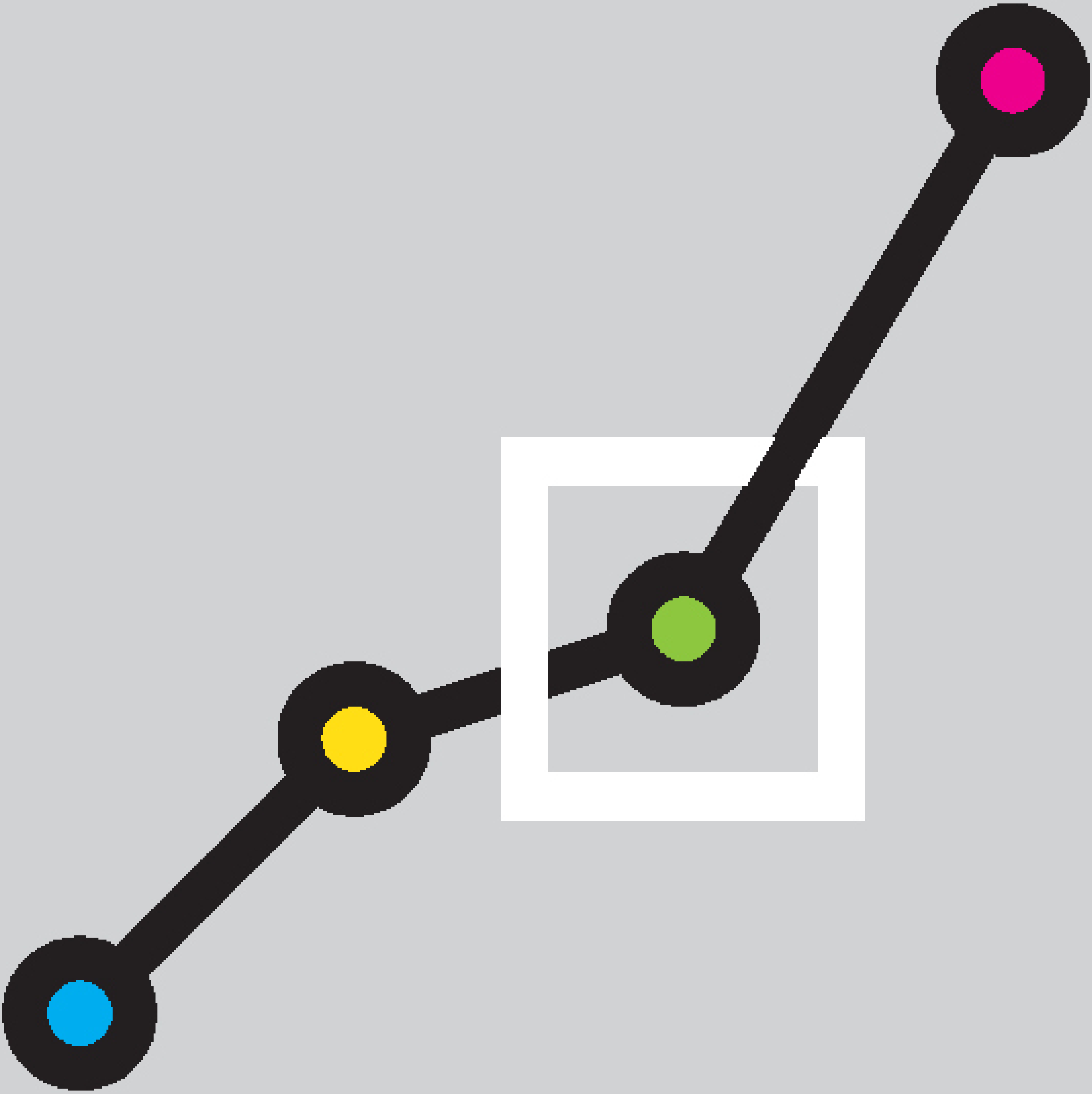
Future Trends Survey:

October 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 October 2018 Survey returns.

Future workload (October 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	17
Stay the same	55
Increase	28
TOTAL	100
Balance	+11

(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 up a little this month, at +11 in October 2018 compared with +7 in September.

In terms of geographical analysis, practices in London remain the most cautious about future workloads, with a balance figure of +3. The balance figure for practices in the Midlands and East Anglia was +9, in the South of England +12 and in Wales and the West +13. The North of England remains the most optimistic, with a balance figure in October 2018 of +25.

Analysing the September 2018 workload forecast data in terms of practice size, large practices (51+ staff) remain the most positive, returning a workload balance figure of +71. For medium-sized practices (11 - 50 staff) the balance figure was +24, whilst for small practices (1 - 10 staff) the balance figure was more modest at +6.

Each quarter we ask our participating practices about how their current levels of work in progress compare with those 12 months ago. In October 2018, our practices reported an annualised reduction in workload of 2%.

This is the second consecutive quarter in which the value of work in progress has declined - technically a recessionary position. The overall picture seems to be one of a market for architectural services that is lacking in growth momentum. It is too early to say whether this represents a cyclical change or is more related to the general economic unease generated by the on-going and increasing uncertainty around Brexit.

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

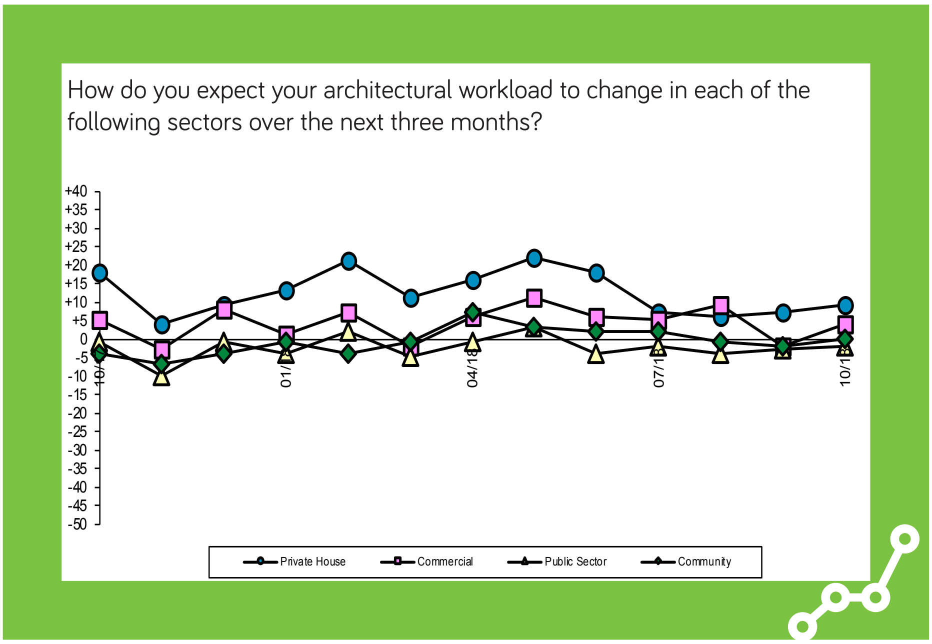
Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.

In terms of different work sectors, all our sector forecasts saw modest improvements in October 2018.

The private housing sector workload forecast increased to +9, up from +7 in September. The commercial sector forecast rose to +4, up from -2 last month and moving back into positive territory.

Both the public sector workload forecast (balance figure -2) and the community sector workload forecast (balance figure zero) experienced positive movement, but our practices continue to be very circumspect about any growth prospects in these sectors.

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



Future staffing levels (October 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	5
Stay the same	80
Increase	15
TOTAL	100
Balance	+10

(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.)

There was an increase in the RIBA Future Trends Staffing Index this month, rising to +10 in October 2018, up from +4 in September.

The staffing forecast for large practices (51+ staff) was +29 in October 2018. Medium-sized practices (11 - 50 staff) also returned a balance figure of +29 (a significant increase from last month).

Small practices (1 - 10 staff), with a balance figure of +6, remain much less confident about taking on additional staff in the short to medium term.

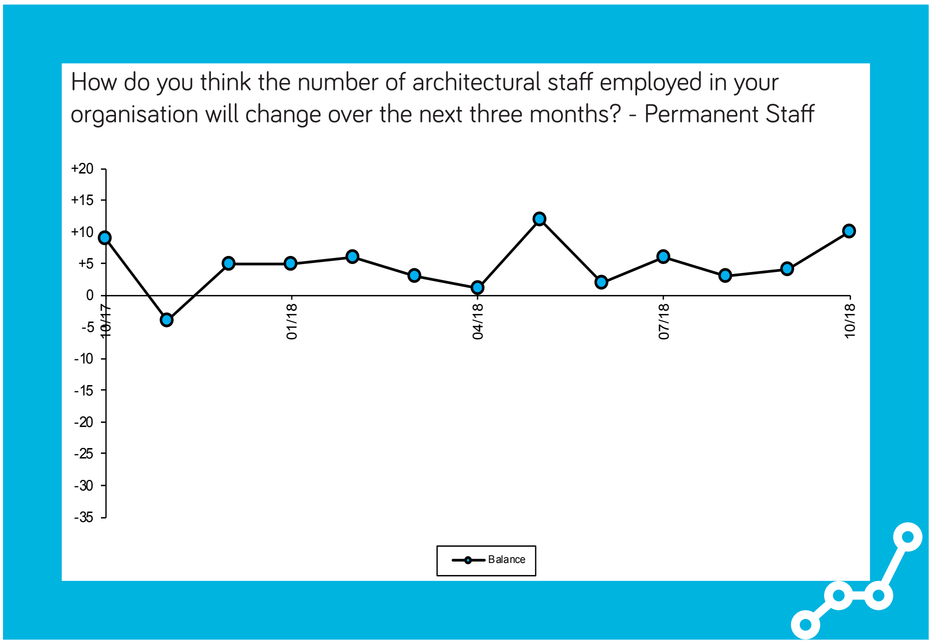
Each quarter we ask our participating practices how their permanent staffing levels compare with those 12 months ago. In October 2018 our practices reported an annualised reduction in the overall permanent workforce of 3%, suggesting that the employment market for architects is starting to tighten a little.

Commentary received from our participating practices continues to suggest a fairly steady but highly competitive market for architectural services.

Brexit anxiety continues to be a factor which is clouding overall sentiment and affecting the willingness of clients to commit to projects.

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 235 practices took part in the Survey in October 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.