



RIBA Business Benchmarking 2018

Report prepared for the RIBA by
The Fees Bureau



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Business Benchmarking 2018

Key 2018 benchmarks of RIBA Chartered Practices business performance show a profession which is continuing to grow. Total staff employment and total revenue are both higher than 2017. Since the very first survey in 2012, growth in revenue has continued to outpace employment growth, implying an ongoing increase in productivity. This pattern is very different from the experience of the UK economy as a whole.

The key indicator of average revenue per practice has trended up in all practice sizes, while average revenue per head is higher in all but one size. But expenditure is also higher this year in all practice sizes, and the rise in expenditure has been across all cost elements. The knock-on effect is that profits have fallen.

Staff salaries have increased, partly contributing towards the higher expenditure figures. In most cases salary rises have been ahead of inflation, suggesting practices are working hard to retain staff. Pay is also higher for Partners/Directors/Sole Principals, reversing last year's fall, but the rise in pay is not universal. In some practices, specifically those with between 10 and <100 staff, the pay for Partners/Directors/Sole Principals fell compared with last year.

The amount of international work being carried out by Chartered Practices is higher this year than last, but its origin has been changing; Asia and the EU have both overtaken the Middle East as being the most important sources of work.

Data analysis and reporting undertaken by
The Fees Bureau, a division of
Mirza & Nacey Research Ltd

Data collection by MRM Solutions Ltd

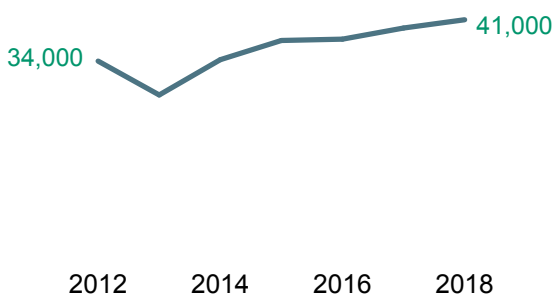
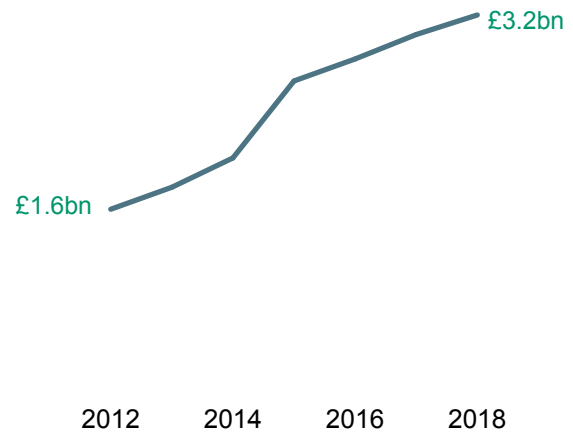
Research undertaken for the
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December 2018

RIBA Chartered Practice revenue in 2018:

Chartered Practice revenue has **DOUBLED** since 2012

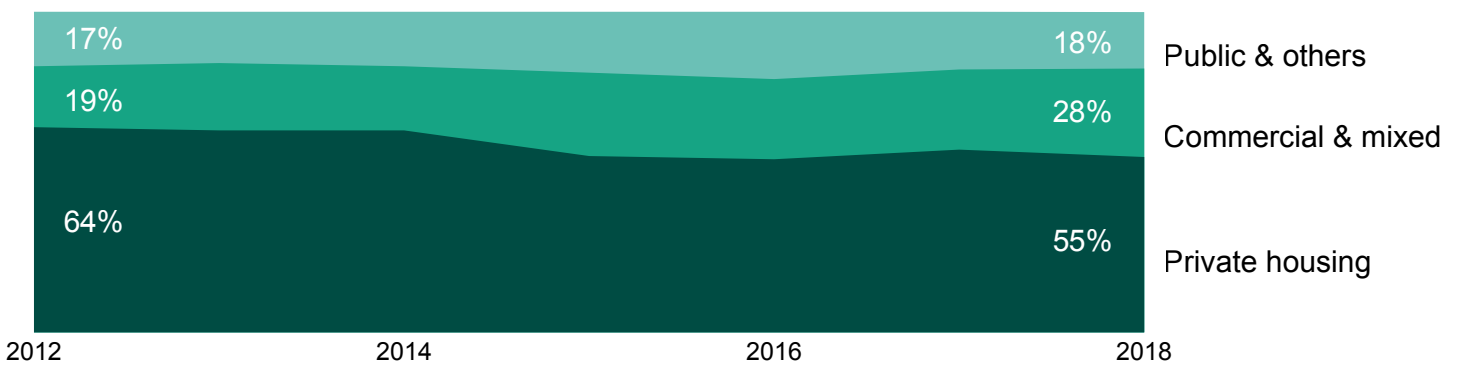
£3.2 billion



Staff numbers up by **20%** since 2012

Private housing remains the largest revenue source for most practices

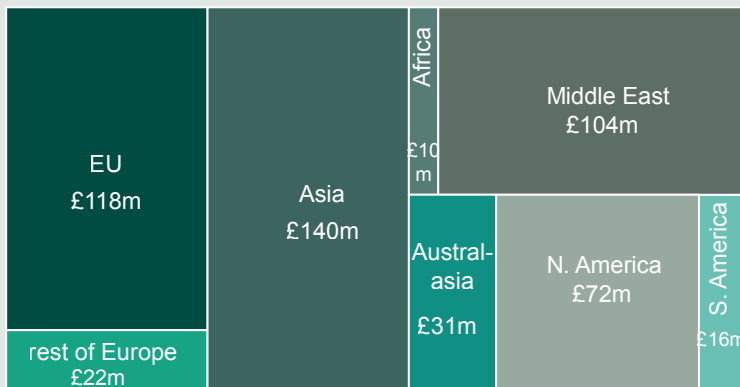
Average share of practice revenue:



... resulting in **lower** profits

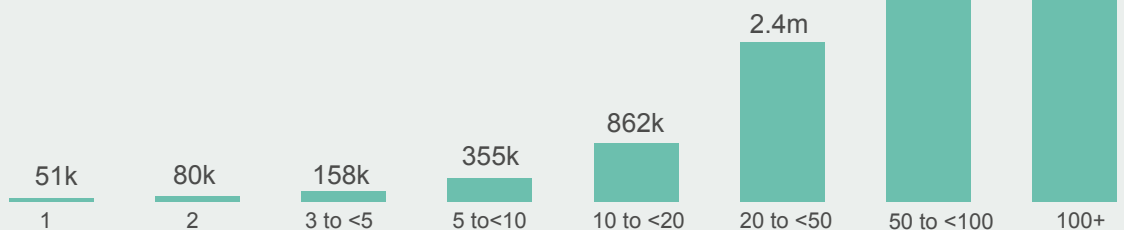
Average **expenditure** for most practice sizes is **higher** this year...

£513 million of **international** work
More work comes from **Asia** and the **EU**



Average practice revenue **soars** with size

Average practice revenue ranges widely by practice size, from £51,000 for a 1 person practice to £28m for a practice with 100+ staff.



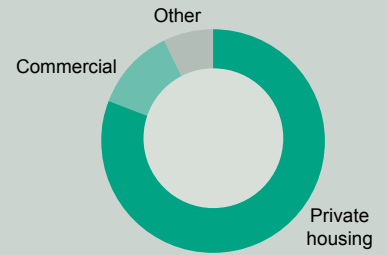
Key Benchmarks 2018 for each practice size

Practice size 1



800 practices
800 employed
2% of work is international

Revenue £51,000
Expenditure £24,000
Profit £27,000



Salary
£27,000 Partner/Director/Sole Principal

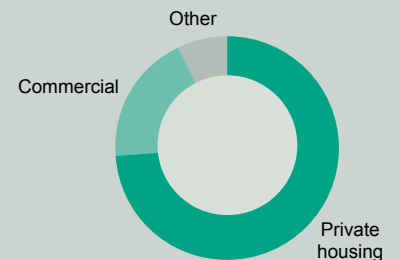
Projects
Number worked on during the year: 15
Bid success rate: 55%

Practice size 2



500 practices
1,000 employed
1% of work is international

Revenue £80,000
Expenditure £43,000
Profit £34,000



Salary
£28,000 Partner/Director/Sole Principal

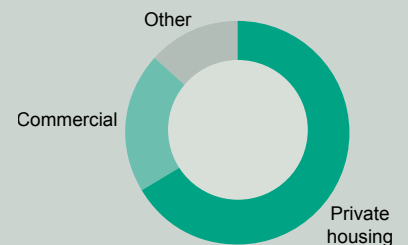
Projects
Number worked on during the year: 21
Bid success rate: 63%

Practice size 3 to <5



700 practices
2,400 employed
3% of work is international

Revenue £158,000
Expenditure £106,000
Profit £54,000



Salary
£36,000 Partner/Director/Sole Principal
£35,700 Architect 5+ years ARB

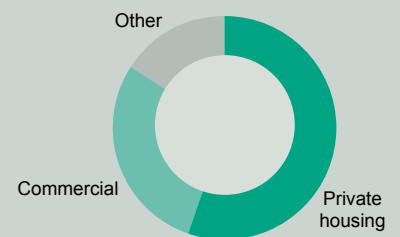
Projects
Number worked on during the year: 29
Bid success rate: 59%

Practice size 5 to <10



800 practices
5,000 employed
4% of work is international

Revenue £355,000
Expenditure £254,000
Profit £99,000



Salary
£46,000 Partner/Director/Sole Principal
£36,000 Architect 5+ years ARB

Projects
Number worked on during the year: 49
Bid success rate: 54%

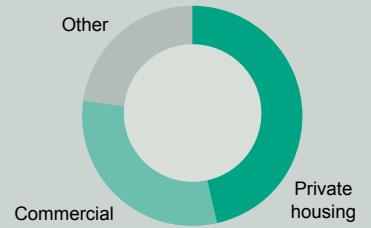
Key Benchmarks 2018 for each practice size

Practice size 10 to <20



500 practices
6,000 employed
2% of work is international

Revenue £862,000
Expenditure £635,000
Profit £213,000



Salary
£62,000 Partner/Director/Sole Principal
£39,000 Architect 5+ years ARB

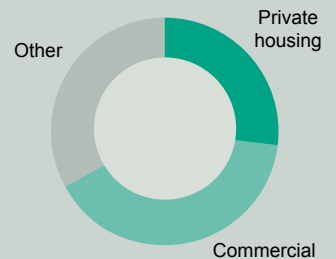
Projects
Number worked on during the year: 76
Bid success rate: 51%

Practice size 20 to <50



300 practices
8,000 employed
9% of work is international

Revenue £2.4m
Expenditure £2.5m*
Profit £0.4m

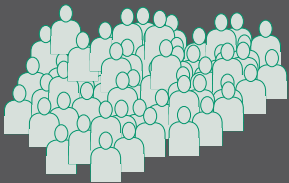


* expenditure based on incomplete sample

Salary
£80,000 Partner/Director/Sole Principal
£41,000 Architect 5+ years ARB

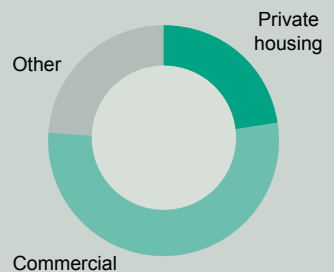
Projects
Number worked on during the year: 113
Bid success rate: 43%

Practice size 50 to <100



80 practices
5,000 employed
16% of work is international

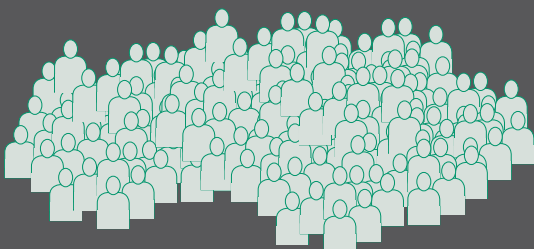
Revenue £5.6m
Expenditure £4.9m
Profit £0.7m



Salary
£116,000 Partner/Director/Sole Principal
£43,000 Architect 5+ years ARB

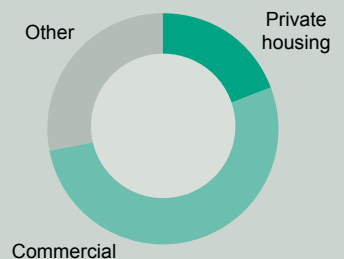
Projects
Number worked on during the year: 184
Bid success rate: 38%

Practice size 100+



50 practices
12,000 employed
29% of work is international

Revenue £28m
Expenditure £25m
Profit £3m



Salary
£175,000 Partner/Director/Sole Principal
£43,000 Architect 5+ years ARB

Projects
Number worked on during the year: 459
Bid success rate: 36%

Interact with the Benchmarking data at:
www.ribabenchmark.com

Learn more about the RIBA interactive Benchmarking Tool
by watching the explanatory video:

<https://www.architecture.com/knowledge-and-resources/resources-landing-page/business-benchmarking>