

RIBA Business Benchmarking 2017

Report prepared for the RIBA by
The Fees Bureau

[Executive Summary](#)

1 Introduction

Overall, the 2017 figures show a positive picture of growth; Chartered Practice revenue has continued to climb, growing by 7 per cent over the year. The average revenue per head figure is higher for every practice size group. Profits, too, are up, but by marginally less: 6 per cent. That's because running costs have nudged up this year, particularly salaries. The increased spend on salaries reflects growth in the number of staff employed (higher by 5 per cent) rather than any measurable growth in salaries received.

Also higher this year is the value of international work; revenue from work outside the UK is 2 per cent higher. As we head towards Brexit, an unexpected finding this year is that work from the EU has gone up by more than a quarter.

This year's report includes two changes. We have pulled out more information for the very largest practices, so the previous size group 50+ has now been split to create two new groups. This provides more meaningful data for the largest practices - who generate more than half of the profession's total revenue between them. We've added a new question about the use of BIM. Currently, practices are using BIM on 15 per cent of projects. We will monitor how this figure changes as BIM becomes more widespread.

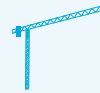
Finally, a reminder that Chartered Practices can interrogate these statistics in more detail by visiting the interactive RIBA Benchmarking Tool, where practices can view their own benchmarking data and compare it with others'.



39,800
staff employed in practices, includes 5,400 Partners/ Directors/Sole Principals



57%
of practice revenue is from housing. Majority of this is from one-off housing & extensions



167,000
projects worked on by practices in the last 12 months



£498 million
revenue from work on projects outside the UK

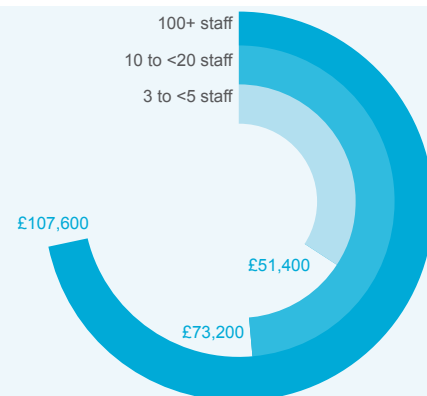
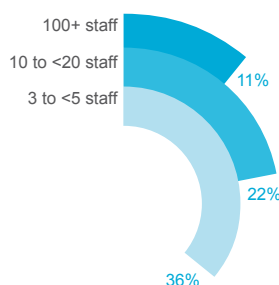


2 Key Statistics and Business Benchmarks

Revenue

RIBA Chartered Practices generated £3.0 billion worth of revenue in 2017, 41% of this comes from practices with 100 or more staff, and 60% from practices based in London. Average revenue per head increases by practice size; practices with 100+ staff consistently record highest per head figures.

Average practice revenue per head, all fee-earning staff, selected practice sizes. See section 2, pages 15-23.



Profits

Total profits of £561m reported by RIBA Chartered Practices for the last financial year. This is 17 per cent of revenue. Because 'profits' often includes a remuneration element for Partners/Directors/Sole Principals, the profit as a per cent of revenue figure varies widely between practices of different sizes.

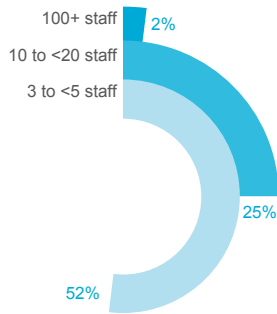
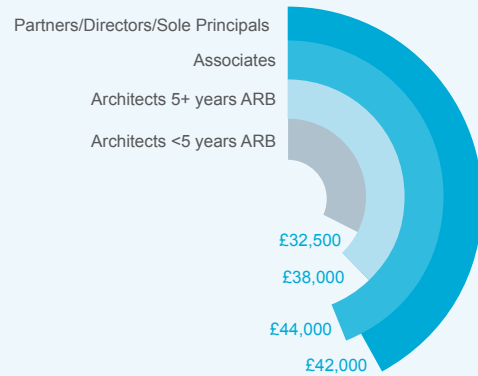
Average practice profits as a per cent of revenue, selected practice sizes. See section 3, pages 24-29.

2 Key Statistics and Business Benchmarks (continued)

Salaries

The total salary bill reported is 59 per cent of expenditure and 45 per cent of total revenue. Average salaries generally increase with practice size, for all staff types. Highest salaries are in London for all staff types except Partners/Directors/Sole Principals.

Average earnings for selected staff, all practice sizes UK average. See section 5, pages 35-45.



Type of client

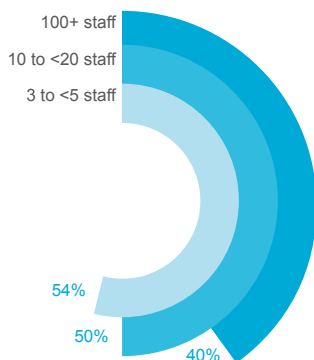
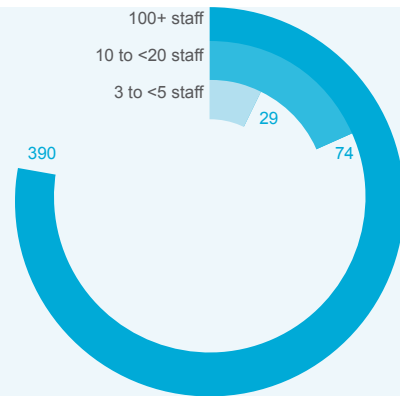
Over half of clients in smaller practices are consumer clients. Largest client groups in 100+ practices are property developers and contractors.

Proportion of practice revenue from consumer clients, selected practice sizes. See section 2, pages 20-23.

Projects worked on

Average number of projects worked on in the year rises with practice size. 42 per cent of projects are one-off new houses, extensions, conversions; 15 per cent are other private housing.

Number of projects worked on - last 12 months, selected practice sizes. See section 7, pages 51-54.



Success at winning work

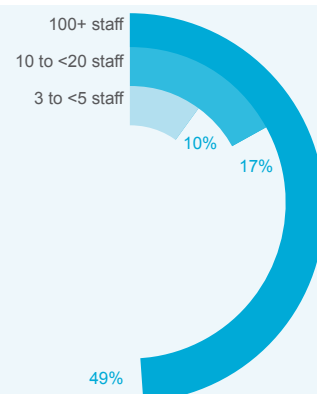
The average practice worked on 56 different projects in the past year, bid for 41 new ones and won 22. The success rate, on average, is 53 per cent. Smaller practices have a higher success rate than larger ones.

Proportion of bids won - last 12 months, selected practice sizes. See section 8, pages 55-56.

Use of BIM

In response to a new question this year, Chartered Practices reported using BIM on about 15 per cent of projects. Usage is higher amongst larger practices.

Proportion of all projects worked on during the year on which BIM is being used, selected practice sizes. See section 6, pages 49-50.



3 Changes 2016-17

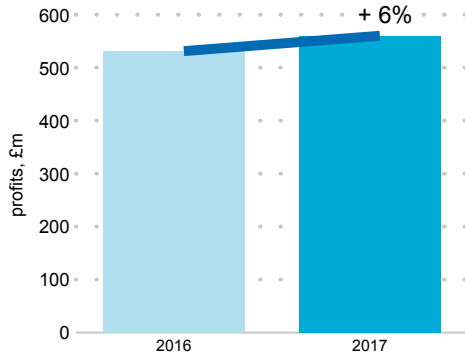
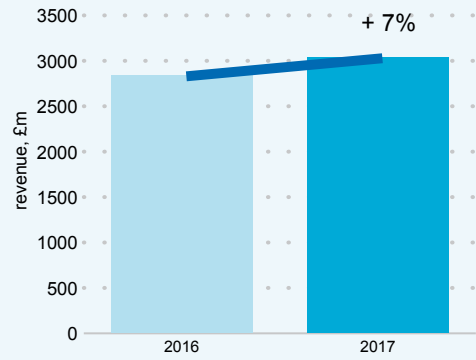
Revenue

Total revenue generated by Chartered Practices is 7 per cent higher compared with last year. Average revenue per head figure is higher for every practice size group.

Total revenue earned by Chartered Practices, last two years.

A new methodology is being used to gross up total numbers. The 2016 figures differ from those published in the 2016 report.

2016 2017



Profits

Practices' profits are 6 per cent higher in 2017 than in 2016. Average profit per Partner/Director/Sole Principal has fallen although average dividend paid has increased.

Total profits generated by Chartered Practices, last two years.

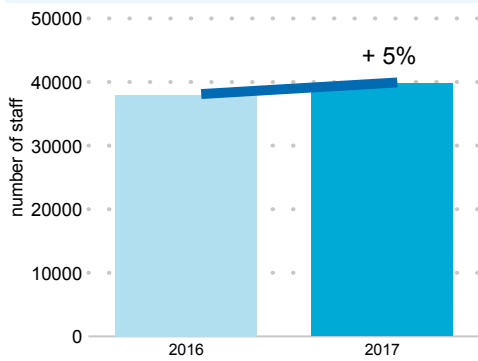
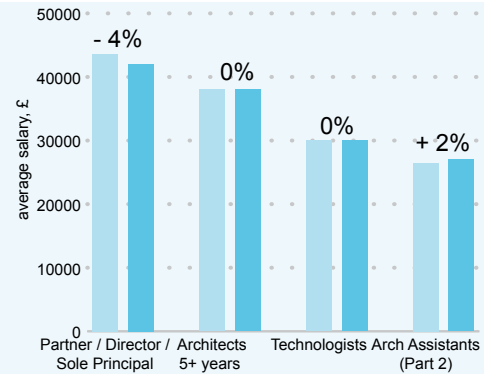
2016 2017

Salaries

Average earnings of Partners/Directors/Sole Principals are lower this year; salaries for most other staff types show no change.

Average salaries for selected staff categories, last two years.

2016 2017



Workforce

Total number of staff employed by Chartered Practices is 5 per cent higher than last year. 37 per cent of staff are female (36 per cent last year). 6 per cent of staff are freelance/contract, the same as last year.

Total employment (full-time equivalent) in Chartered Practices last two years.

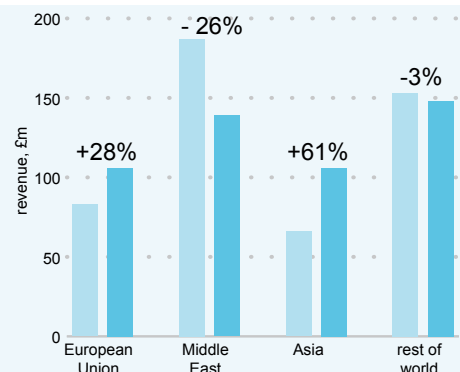
2016 2017

International

Total revenue earned from work outside the UK has increased by 2 per cent this year. The Middle East remains a large source of international work; whereas the Asian market has grown a significant 61 per cent.

Total revenue earned by Chartered Practices from international regions, last two years.

2016 2017



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

Learn more about the RIBA interactive Benchmarking Tool
by watching the explanatory video:
[www.architecture.com/RIBA/Professionalsupport/
Businessbenchmarking.aspx](http://www.architecture.com/RIBA/Professionalsupport/Businessbenchmarking.aspx)