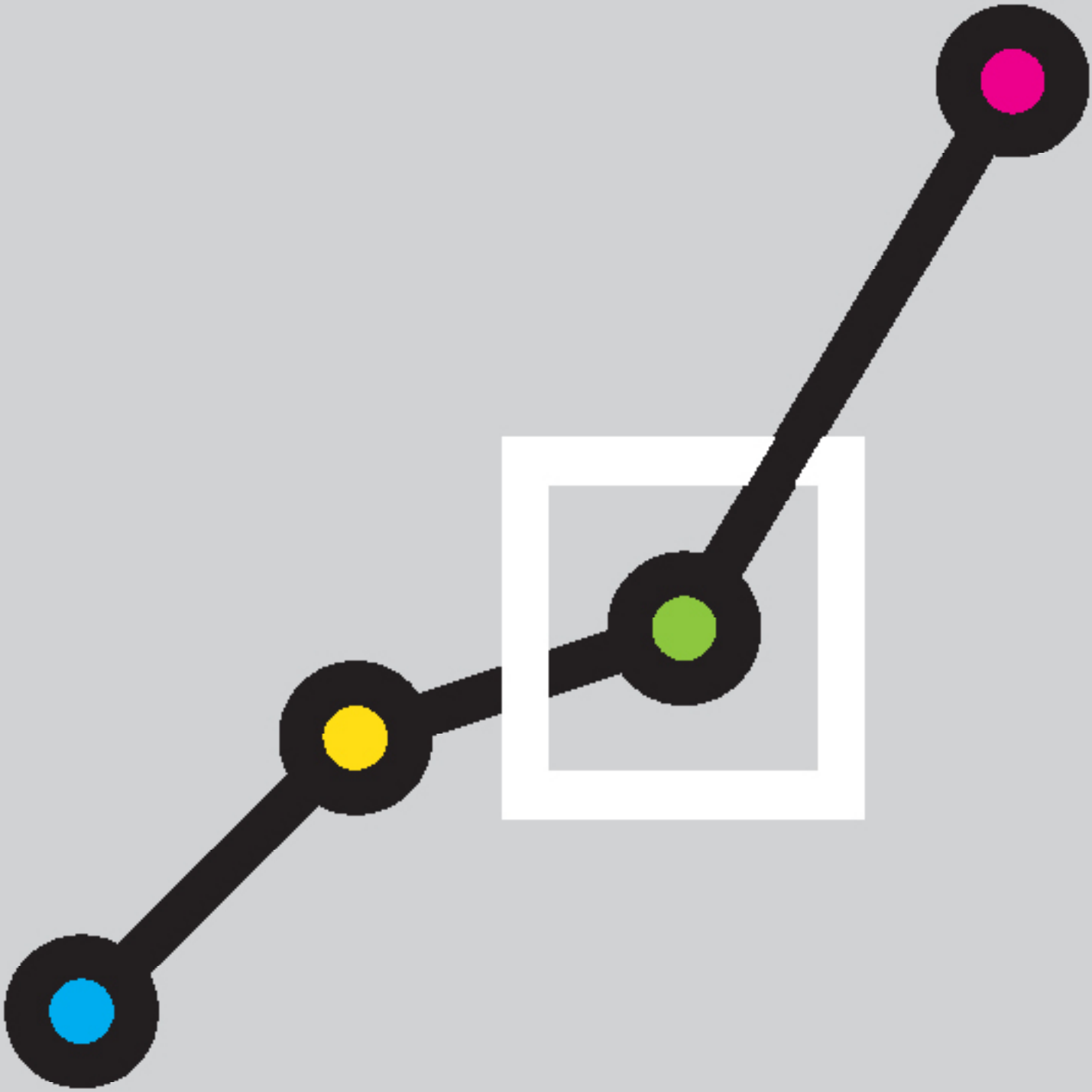
Future Trends Survey:

July 2018



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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 July 2018 Survey returns.

Future workload (July 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	15
Stay the same	60
Increase	25
TOTAL	100
Balance	+10

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

The RIBA Future Trends Workload Index remains positive, standing at +10 in July 2018, but down from +17 in June.

In terms of geographical analysis, practices in the North of England, with a balance figure of +30 stayed upbeat, but this was down from +41 last month. Practices in the Midlands and East Anglia, also remained positive, but the balance figure of +13 was also lower than in June. The biggest uplift in confidence about future workloads was in Wales and the West, where the balance figure in July 2018 was +21, up from +6 in June.

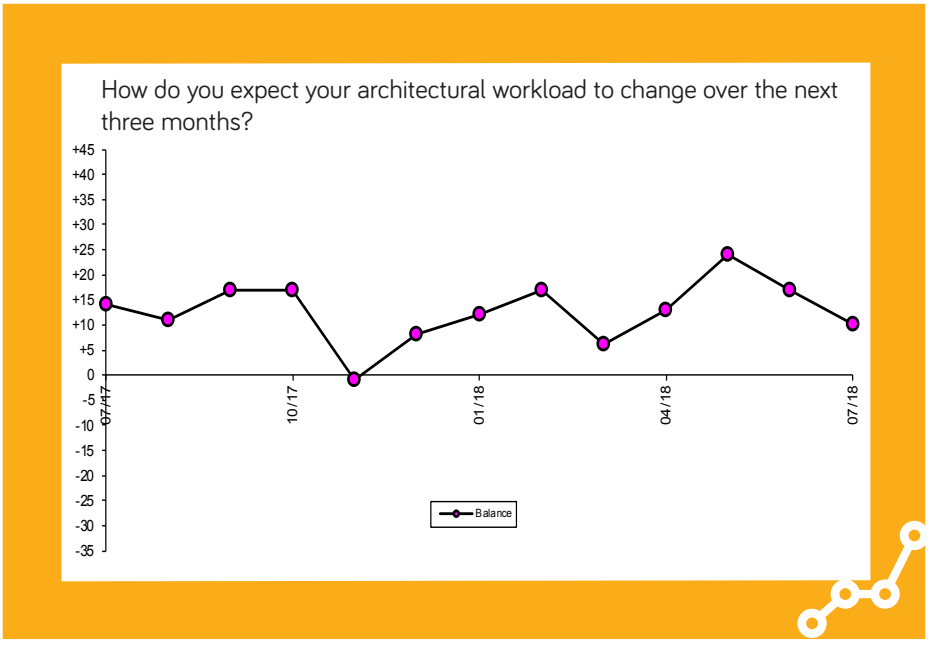
Practices in the South of England (balance figure -3) and London (balance figure -5) are much more pessimistic, and are now predicting a reduction in overall workloads over the next quarter.

Analysing the July 2018 workload forecast data in terms of practice size, large practices (51+ staff) returned a workload balance figure of +75, for medium-sized practices (11 - 50 staff) the balance figure was +37, but for small practices (1 - 10 staff) the balance figure was significantly lower at +5.

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

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.

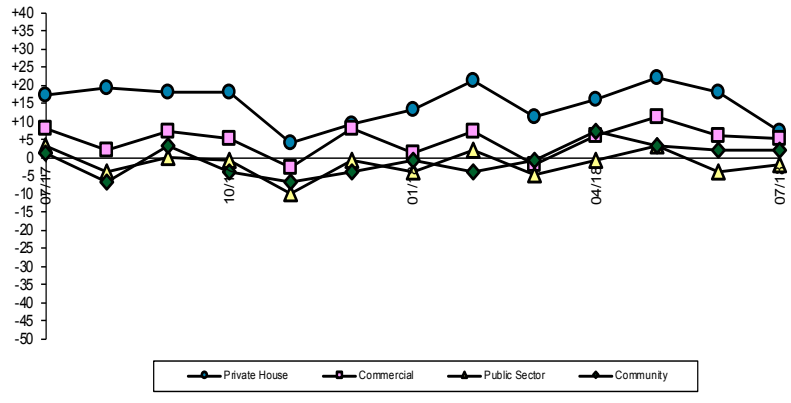


In terms of different work sectors, the private housing sector workload forecast experienced a fairly dramatic drop, standing at +7 in July 2018, down from +18 in June. This may be some cause for concern as it is the private housing sector that has consistently been the best performer in recent years and has provided the engine of growth in workloads for the profession.

Our other sector workload forecasts showed little change this month. In July 2018 the commercial sector forecast stood at +5, and the community sector forecast at +2. For the public sector the balance figure was -2.

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

How do you expect your architectural workload to change in each of the following sectors over the next three months?



Future staffing levels (July 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	9
Stay the same	76
Increase	15
TOTAL	100
Balance	+6

(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.)

In contrast to the RIBA Future Trends Workload Forecast, the RIBA Future Trends Staffing Index saw a modest rise this month, standing at +6 in July 2018, up from +2 in June.

The staffing forecast for large practices (51+ staff) was +75 in July. However, medium-sized practices (11 - 50 staff), with a balance figure of +16, and small practices (1 - 10 staff) with a balance figure of +4 appear less confident about taking on additional staff in the short to medium term. Nevertheless all size categories of practice continue to return positive staffing forecasts.

Mirroring the Workload Index, practices in the North of England (balance figure +19), the Midlands and East Anglia (balance figure +13), and Wales and the West (balance figure +15) are the most optimistic about being able to take on more staff over the next quarter,.

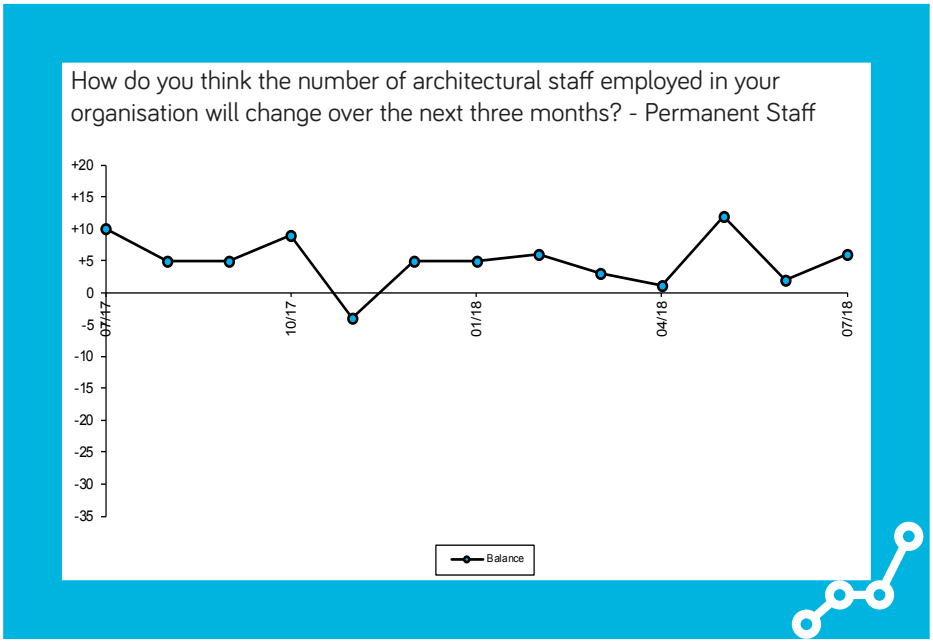
London practices (balance figure -7) and the South of England (balance figure zero) are significantly more cautious on future staffing levels.

Commentary received from our participating practices continues to suggest a reasonably steady work flow, but a highly competitive market in terms of achievable fee levels.

We have received some further commentary regarding tender price inflation affecting the viability of projects proceeding to construction, especially in certain hotspots such as Cambridge.

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 following graph plots the RIBA Future Trends Staffing Index over time:



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 198 practices took part in the Survey in July 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.