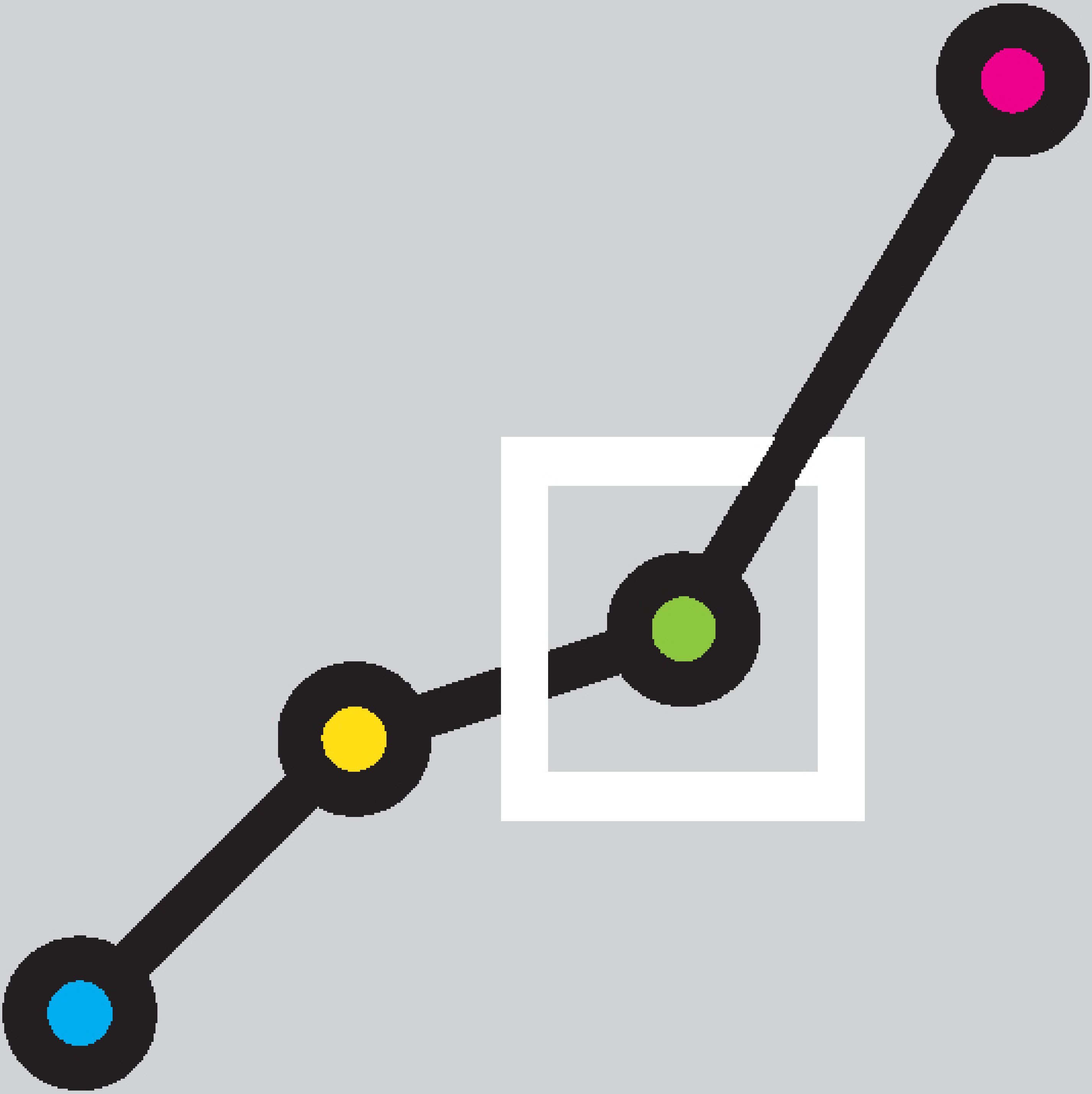
Future Trends Survey:

June 2018



RIBA
Architecture.com

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 June 2018 Survey returns.

Future workload (June 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	14
Stay the same	55
Increase	31
TOTAL	100
Balance	+17

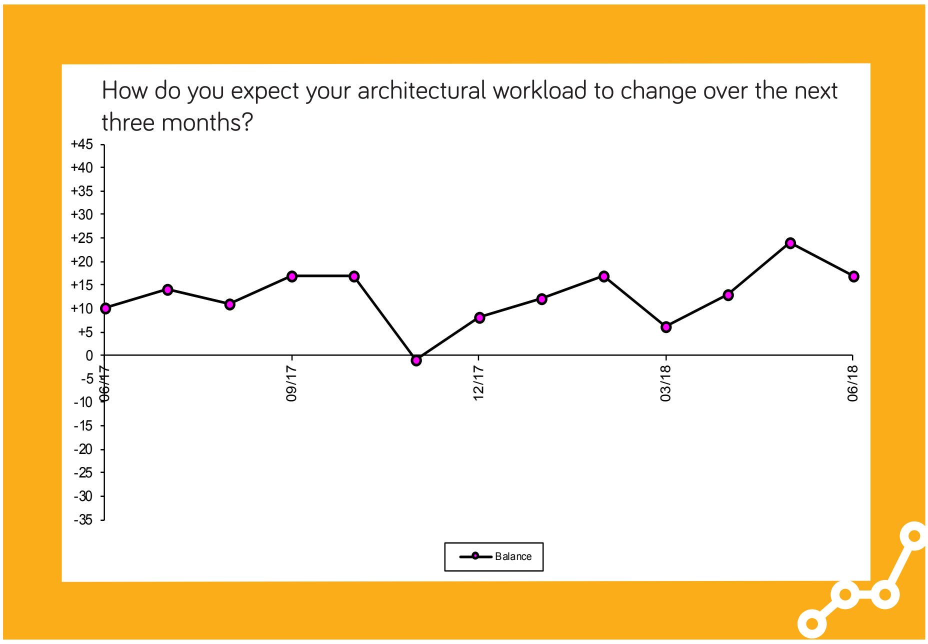
(The definition for the balance figure is the difference between those expecting more work and those expecting less.)

The RIBA Future Trends Workload Index remains firmly positive, standing at +17 in June 2018, but down from +24 in May 2018. In terms of geographical analysis, practices in the North of England, with a balance figure of +41, and the Midlands and East Anglia, balance figure +28, continue to be very upbeat about medium term workload prospects. London practices continue to be more cautious, with a balance figure of +12. The biggest change this month has been a significant dip in confidence in Wales and the West, balance figure +6 in June 2018, and the South of England, balance figure +4.

Analysing the May 2018 workload forecast data in terms of practice size, large practices (51+ staff) returned a workload balance figure of +60, for medium-sized practices (11 - 50 staff) the balance figure was +40, but for small practices (1 - 10 staff) the balance figure was much lower at +14.

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

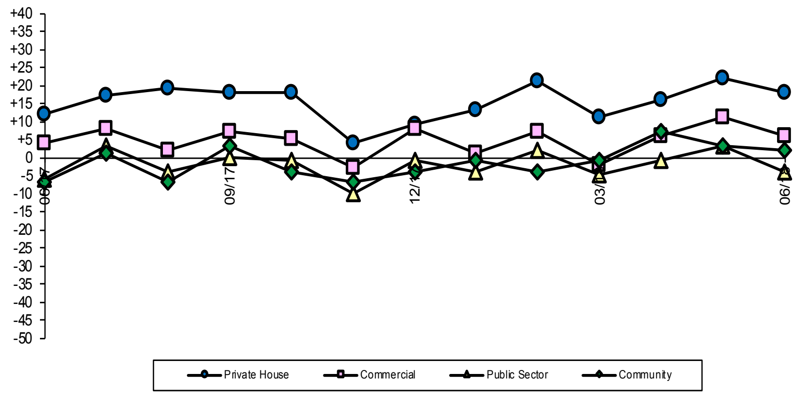
Notes
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.



In terms of different work sectors, the private housing sector workload forecast, balance figure +22, remains by some margin the strongest of our sector forecasts, and the private housing sector remains the driving force sustaining a stable market for architectural services. A cooling of the housing market in London and the South of England, increases in interest rates and potential withdrawal of right to buy subsidies may impact on this sector in the medium term.

All our other sector workload forecasts dipped somewhat in June 2018. The commercial sector, with a balance figure of +6, and the community sector, with a balance figure of +2, both remain in positive territory, but the public sector forecast was down to -4, indicating that practices anticipate an overall decline in public sector work.

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



Future staffing levels (June 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	11
Stay the same	76
Increase	13
TOTAL	100
Balance	+2

(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 fell back quite sharply this month, wiping out most of last month's gain, and falling to +2 in June 2018.

The staffing forecast for large practices (51+ staff) was +60 in June. However, medium-sized practices (11 - 50 staff), with a balance figure of zero, and small practices (1 - 10 staff) with a balance figure of +1 appear to have become much less confident about taking on additional staff in the short to medium term.

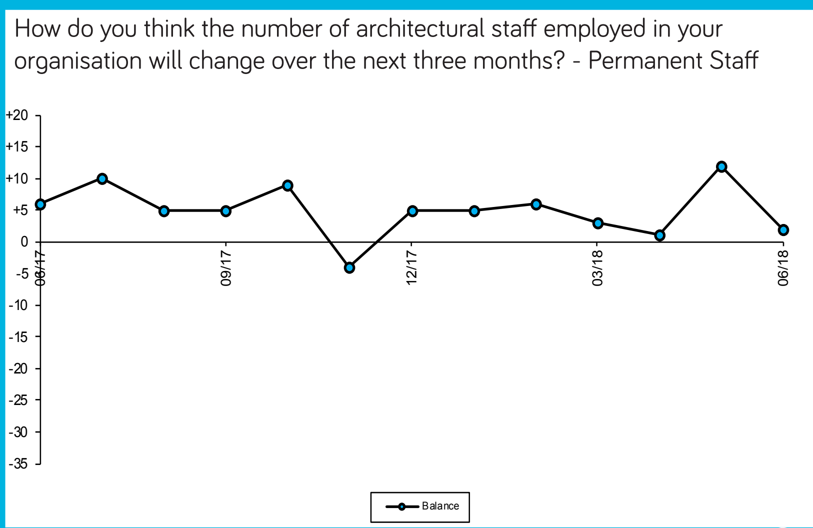
Mirroring the Workload Index, practices in the North of England (balance figure +28) and the Midlands and East Anglia (balance figure +6) are the most optimistic about being able to take on more staff over the next quarter, whereas London practices (balance figure zero), practices in Wales and the West (balance figure -10) and the South of England (balance figure -12) 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.

A small number of correspondents report that they have seen significant construction tender price inflation and that this has led to delays in getting projects to site.

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 183 practices took part in the Survey in June 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.