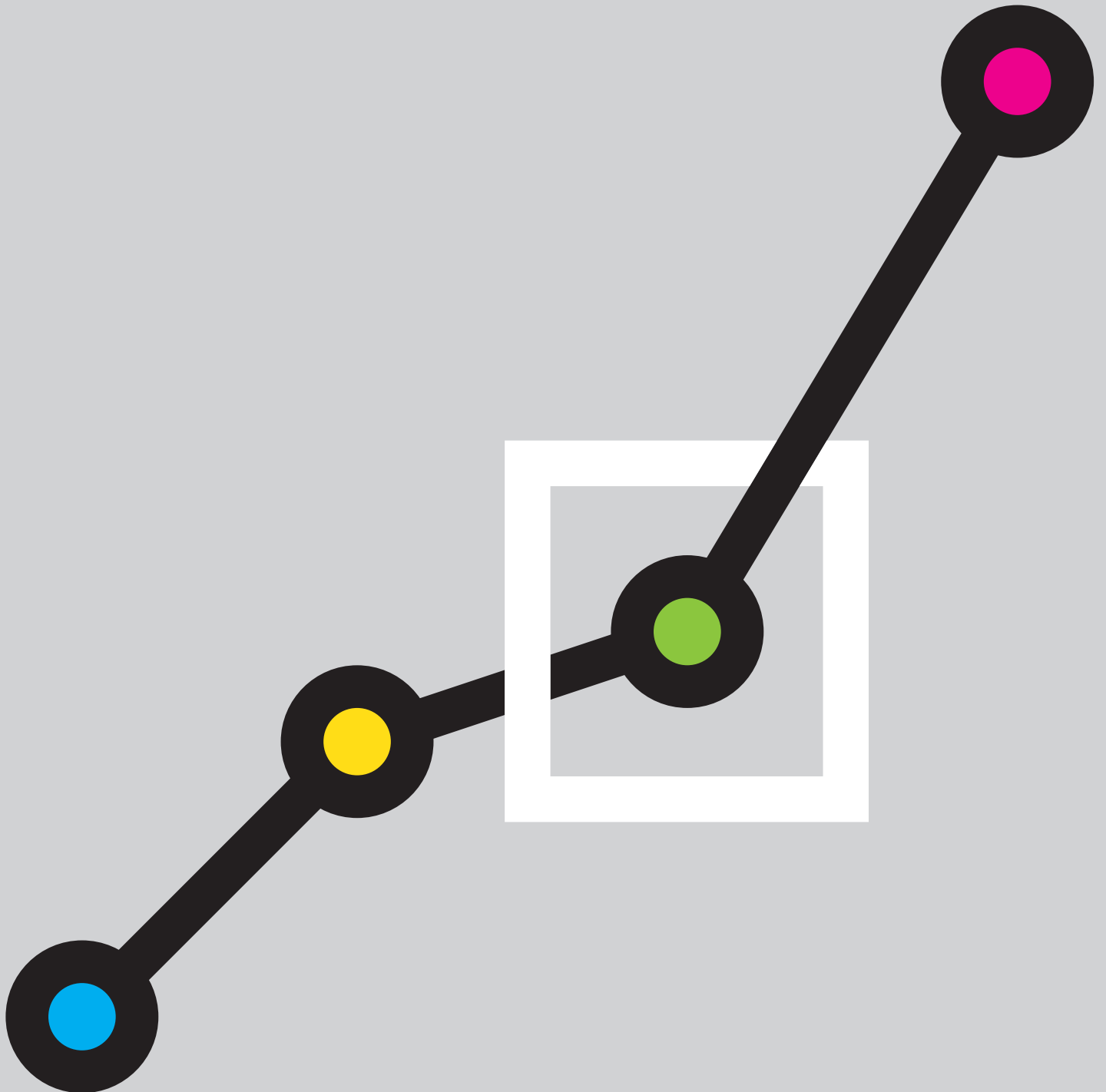


Future Trends Survey:

June 2016



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 2016 Survey returns.

Future workload (June 2016)

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	11
Stay the same	56
Increase	33
TOTAL	100
Balance	+22

(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 down this month, falling to +22 in June 2016, compared with +30 in May 2016.

Analysing the commentary received with the survey returns, this fairly significant fall seems to have been driven at least partly by uncertainty around the outcome of the UK referendum on EU membership and its potential implications for business and consumer investment. However, our headline workload confidence index remains firmly in positive territory. The data in this report is based on survey returns received in the period immediately before the referendum, so it is not until the July figures are available that we will be able to make an assessment of any impact of the actual result of the vote on workload confidence and the value of work in progress.

In terms of geographical analysis, all the nations and regions in the United Kingdom returned positive balance figures. Following the pattern of recent months the North of England was the most positive of the English regions with a balance figure of +34. Sentiment in Northern Ireland (balance figure +67) and Scotland (balance figure

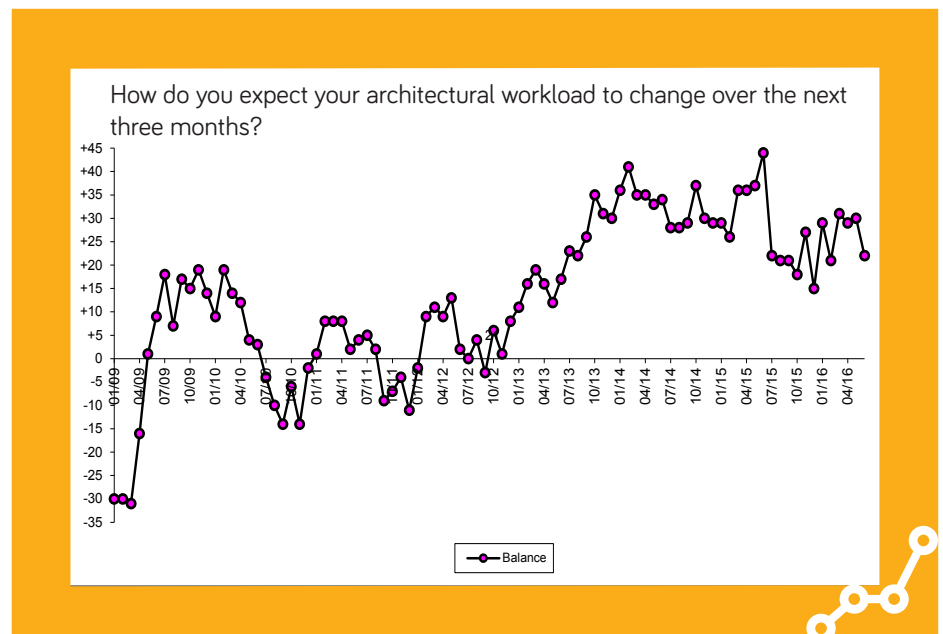
+40) is now improving significantly, whilst the South of England (balance figure +3) is now the most cautious about a rise in future workloads.

Analysing this month's data in terms of practice size, large practices (51+ staff), with a balance figure of +55, continue to be the most positive about future workload prospects, but small practices (1 – 10 staff), with a balance figure of +18, and medium-sized practices (11 – 50 staff), with a balance figure of +43, also remain positive overall.

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

Notes

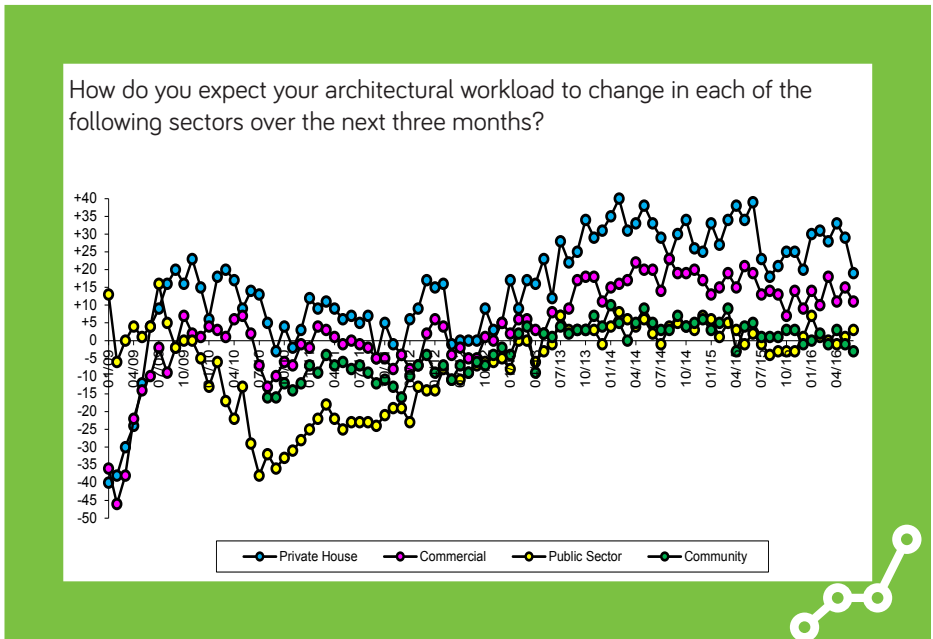
The balance figure is plotted here. The definition for the balance figure is the difference between those expecting more work and those expecting less.



In terms of different work sectors, both the private housing sector and commercial sector workload forecasts decreased this month. The private housing sector workload forecast fell to +19 in June 2016, down from +29 in May, and the commercial sector workload forecast stood at +11 in June 2016, down from +15 in May.

The public sector workload forecast saw little change this month, moving up a little from +1 in May to stand at +3 in June. The community sector forecast saw a modest decrease, down to -3 from -1.

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



Future staffing levels (June 2016)

How do you think the number of permanent architectural staff employed in your organisation will change over the next three months?

Permanent Staff	%
Decrease	6
Stay the same	74
Increase	20
TOTAL	100
Balance	+14

(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 increased a little this month, standing at +14 in June 2016, up from +11 in May.

Small practices (1 – 10 staff) returned a Staffing Index balance figure of +8 this month.

Medium-sized practice (11 - 50 staff), with a balance figure of +50 were a lot more optimistic about their ability to take on more staff in the coming quarter.

In recent months confidence amongst our large practices (51+ staff) about increasing staffing levels has been less solid, but this month saw a significant improvement, with a balance of +36.

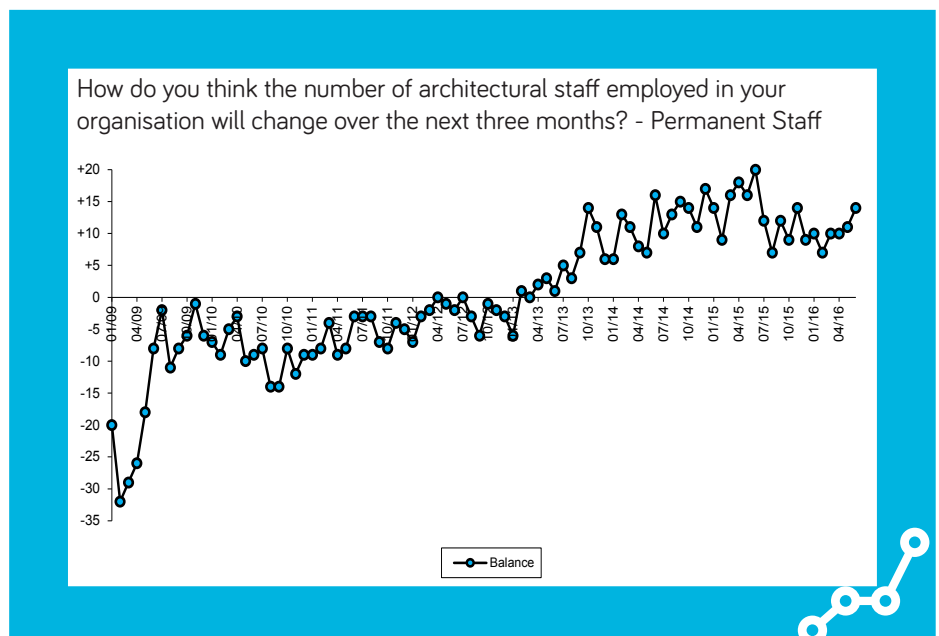
Anecdotal commentary received from our participating practices this month continues to be weighted to the positive with workload pipelines remaining healthy.

The survey was undertaken in the period immediately before the referendum on the UK's membership of the EU. A significant number of our respondents reported some trepidation about the political and economic uncertainty created by the referendum and the potential impact on future workloads. However, few reported any direct impact on the level of new orders at the time of the survey. It is only in the coming months, and in particular the key investment decision months in the autumn, that our survey will give a meaningful idea of any referendum effect on workloads and employment levels for architects.

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 230 practices took part in the Survey in June 2016. 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.