Mirza & Nacey Research

Construction Futures

Quarterly Results from the Architects Workload Survey - the UK's leading indicator of construction activity

Sample Quarter

This sample is intended for illustrative purposes only, to show the type of information covered and examples of the layout. Data has been amended - these are NOT the published tables / charts.

Contents

Pages from *Construction Futures* which are included in this sample are highlighted in the contents list, above. This sample is intended for illustrative purposes only, to show the type of information covered and examples of the layout. Data has been amended - these are NOT the published tables / charts.

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Comment

A glance at the sector performance graphic, right, suggests the private sector is in decline and that the growth is now coming from health and education.

Wrong. The sectoral analysis of statistics this quarter hides an important point; the strongest growing sector is in fact 'private other'.

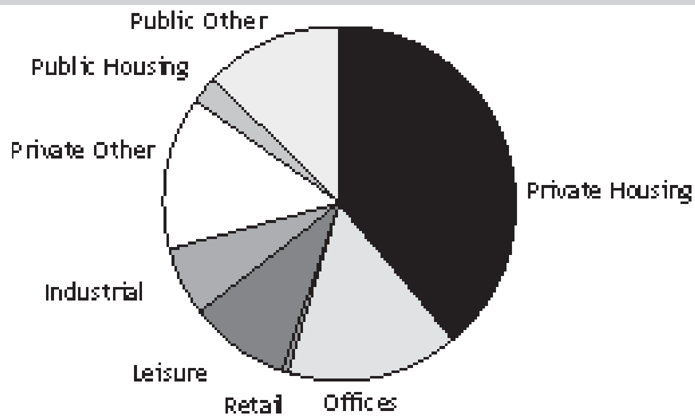
This catch-all definition is usually ignored in this analysis but this quarter some huge new commissions have found their way onto it. These are large 'mixed' projects - schemes which combine housing, leisure, office and retail work. We have seen some increase in the number of such schemes being reported recently, although this quarter is unusual in terms of the size of individual 'mixed' projects.

Such schemes seem to be popular in town or city centre redevelopments. If it were possible to separate out these 'mixed' schemes into their constituent parts - housing, leisure, offices, retail - it is likely that each of these private sectors would in fact show 'growth' over the quarter rather than 'no change' or 'fall'.

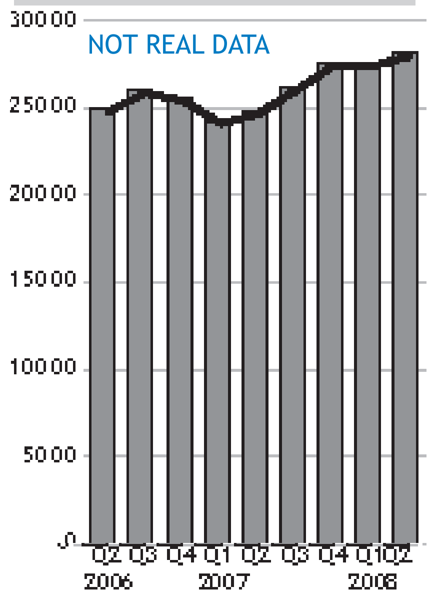
The revived force of the public sector has emerged this quarter. Health new commissions have leapt up by 68 per cent, education by 28 per cent. The new commissions figures this quarter in both sectors now match - or exceed - the high points recorded in the early 2000's. Health new commissions have been rising for the last three quarters, education for six. In both cases, nearly all new work is new build.

The rising new commissions figure recorded this quarter is again accompanied by solid confidence about future prospects. Over a third of responding architectural practices expect growth over the next six months, over half expect no change to the existing high levels.

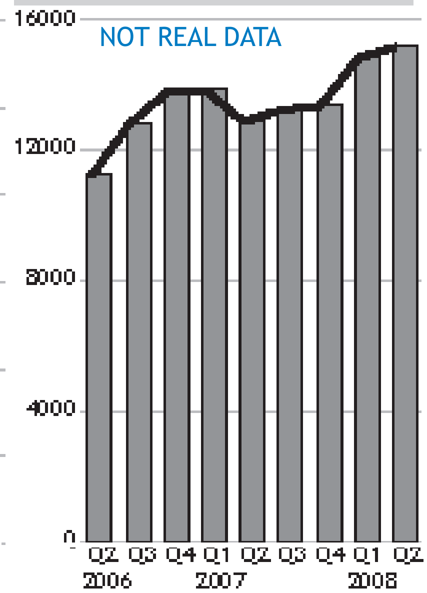
Sector Split: This Quarter's New Commissions



New Commissions
£ millions, constant (2000) prices



Production Drawings
£ millions, constant (2000) prices



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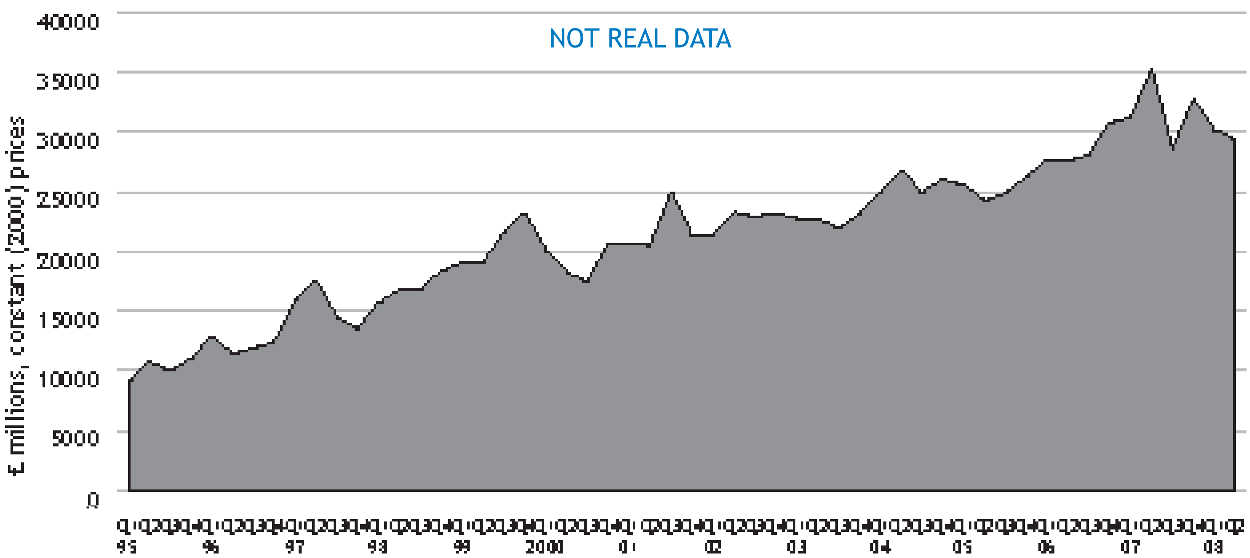
Long term Trends in New Commissions



Sector Performance this Quarter

PRIVATE HOUSING ⇩

LEISURE ⇧

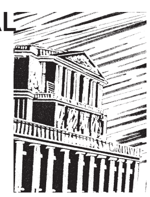
OFFICES ⇧

PUBLIC HOUSING ⇩

RETAIL ⇩

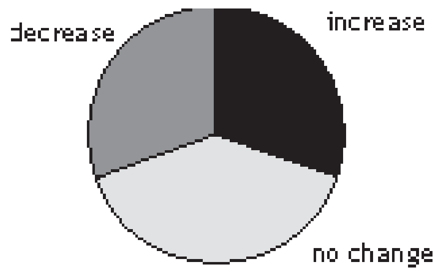
EDUCATION ⇩

INDUSTRIAL ⇩



HEALTH ⇧

Future Workload Predictions



per cent of practices who expect workloads to ...

	increase	no change	decrease	'balance'
Sole Practitioners	30	39	30	😐
Small Practices	30	39	30	😐
Medium Practices	30	39	30	😐
Large Practices	30	39	30	😐
ALL ARCHITECTS	30	39	30	😐

Regional Performance this Quarter

⇩ London, Midlands/ EAng, North, Wales, N. Ireland

⇔ Scotland

⇧ South East, South West

Definitions

Data sourced from the Architects Quarterly Workload Survey, undertaken every three months amongst a representative sample of private architectural practices.

New commission = Stage C in the RIBA Plan of Work. At this stage, project inception and feasibility studies will have been completed and preparation of outline proposals will begin.

Production drawing = Stage E in the RIBA Plan of Work, later than new commissions stage. At this stage the detailed design of the building will commence.

Regional Predictions

⇩ South East, Scotland, North, N. Ireland

⇔ South West

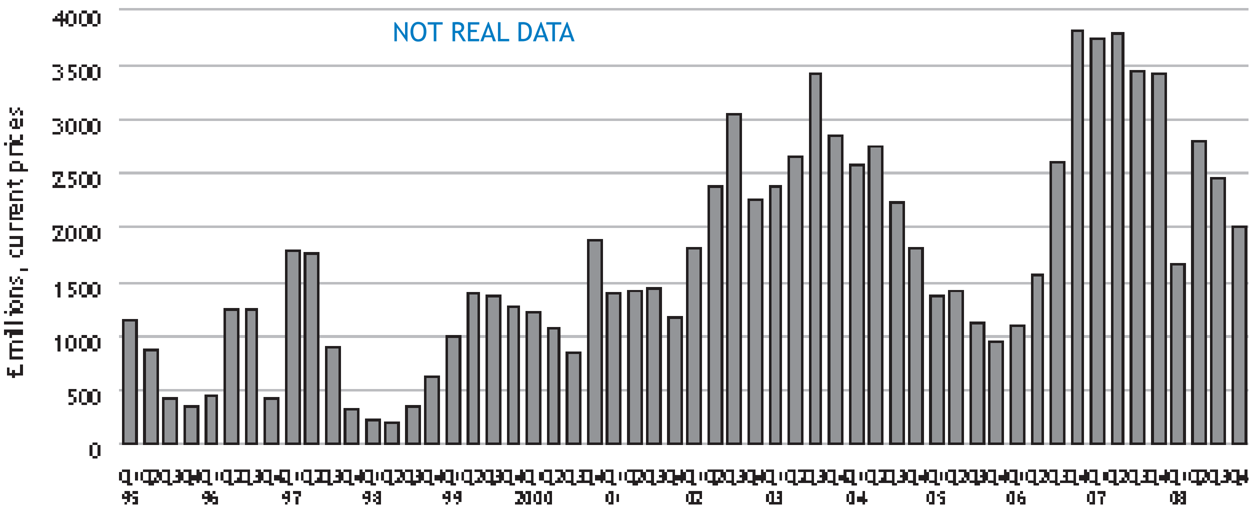
⇧ Midlands/E Ang, London, Wales

Public Housing

New build work has dipped this quarter, by 25 per cent. The sharp rise in refurbishment work cannot compensate for the fall in new build although overall new commissions are at the same level as six months ago.

The later stage production drawings work is very sharply lower this quarter.

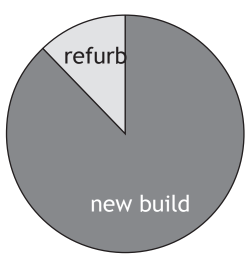
Value of Public Housing New Commissions Workloads



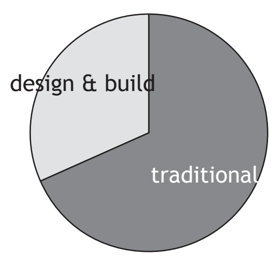
New Build Work

Refurbishment Work

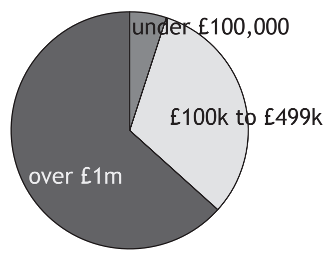
Work Type
per cent by value of work reported



Contract Type
per cent by number of jobs reported



Job Size
per cent by number of jobs reported



year / quarter		Volume of work (£ millions, current prices) NEW COMMISSIONS new build	refurbishment	ALL	PRODUCTION DRAWINGS ALL
2006	Q3	700	100	1700	1400
	Q4	700	100	1700	1400
2007	Q1	700	100	1700	1400
	Q2	700	100	1700	1400
	Q3	700	100	1700	1400
	Q4	700	100	1700	1400
2008	Q1	700	100	1700	1400
	Q2	700	100	1700	1400

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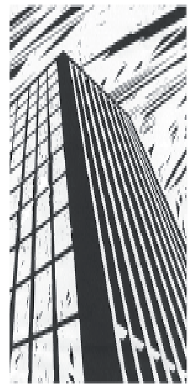
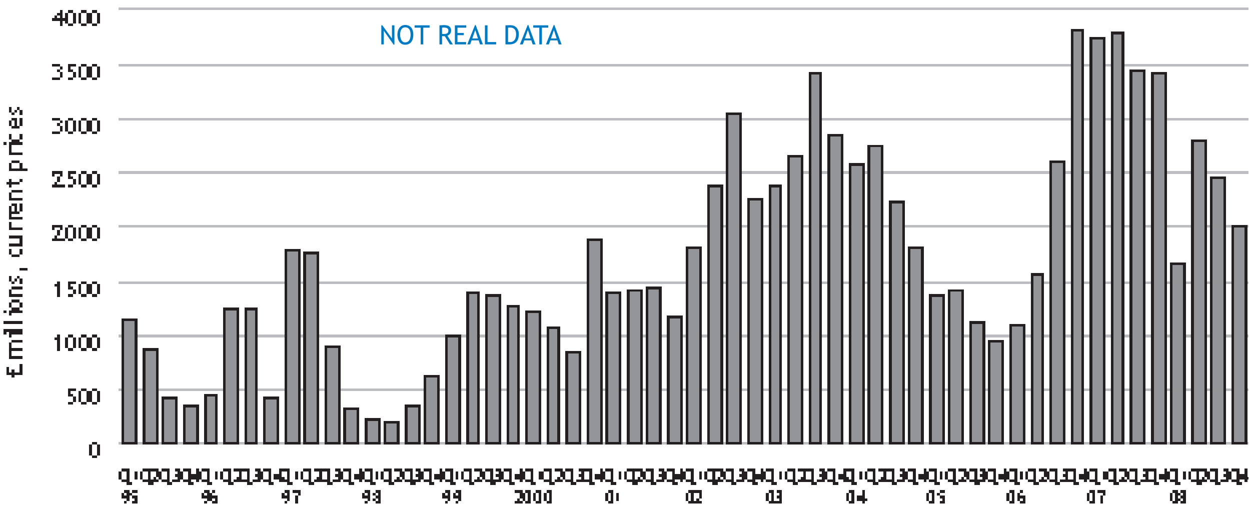


Offices

New build new commissions have bounced back up this quarter to reach a near all-time high figure. Refurbishment work continues to fall. New commissions overall remain at historically high levels. The production drawings figure is also at a high level, although it is 11 per cent down on last quarter's all-time high.

Value of Public Housing New Commissions Workloads

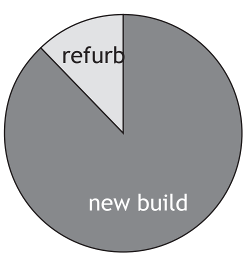


New Build Work

Refurbishment Work

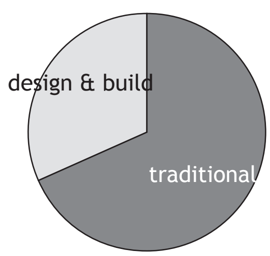
Work Type

per cent by value of work reported



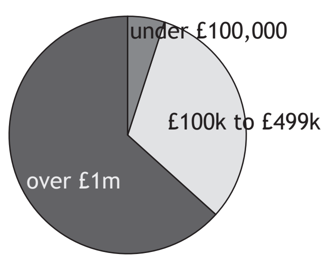
Contract Type

per cent by number of jobs reported



Job Size

per cent by number of jobs reported



Volume of work (£ millions, current prices)

year / quarter		NEW COMMISSIONS			PRODUCTION DRAWINGS
		new build	refurbishment	ALL	ALL
2006	Q3	700	100	1700	1400
	Q4	700	100	1700	1400
2007	Q1	700	100	1700	1400
	Q2	700	100	1700	1400
	Q3	700	100	1700	1400
	Q4	700	100	1700	1400
2008	Q1	700	100	1700	1400
	Q2	700	100	1700	1400

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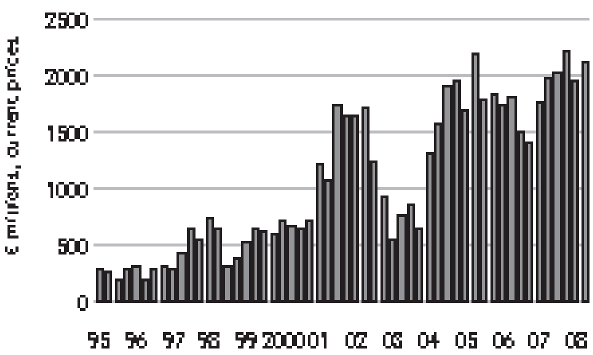
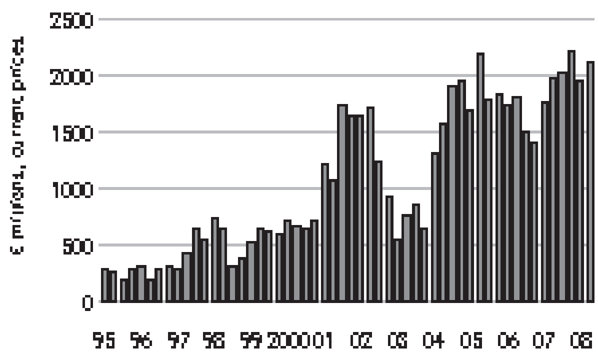
Regions

London



This quarter: -7%	Last 12 months: -21%

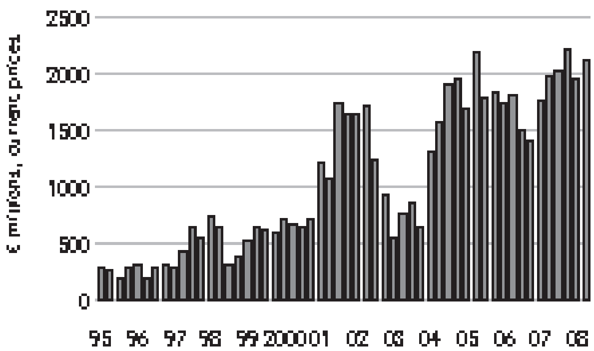
Midlands & East Anglia



This quarter: -4%	Last 12 months: +13%

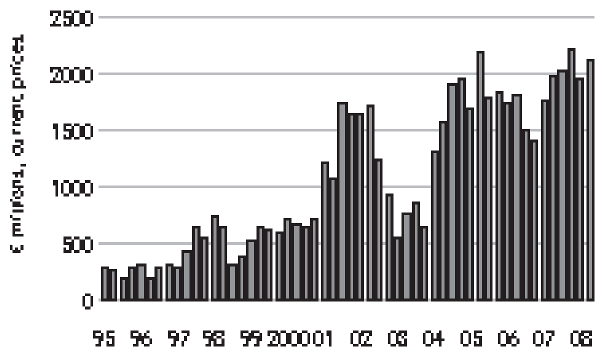
NOT REAL DATA

South East



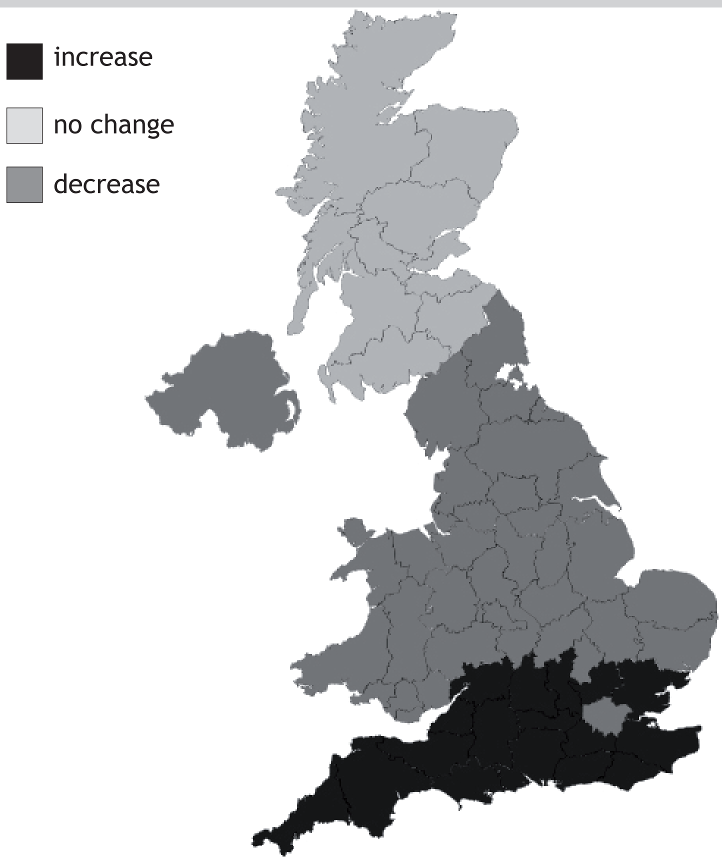
This quarter: +34%	Last 12 months:+1%

North



This quarter: -15%	Last 12 months:+8%

Regional changes, last quarter to this quarter



Workloads are higher this quarter in the South East and the South West, unchanged in Scotland, and lower everywhere else. New commissions have been growing for most of the past twelve months in the Midlands & East Anglia; the North and Northern Ireland. London's peak values were recorded over a year ago; and until this quarter workloads in the South East showed a long-term fall.

Asked in July 2008 about expected future workload levels, 30 per cent say they expect their workloads to fall. Exactly the same proportion, 30 per cent, predict an increase in work. Thirty nine per cent expect 'no change'.

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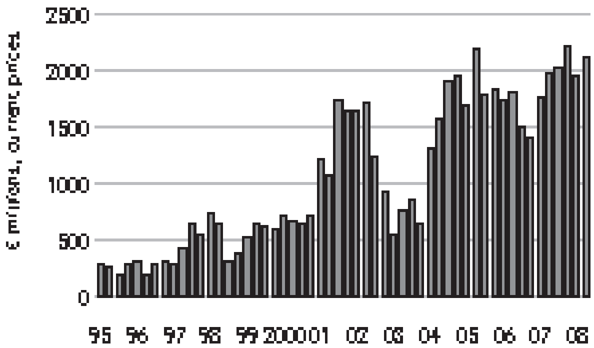
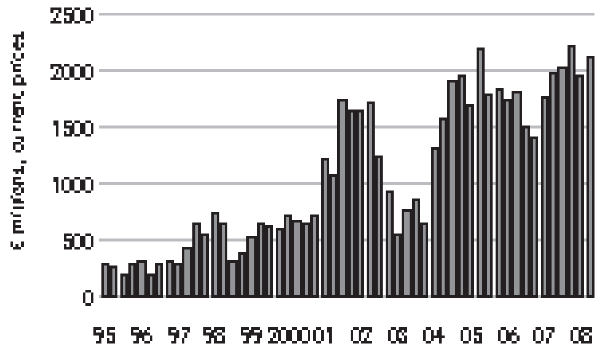
South West



This quarter: +8% | Last 12 months:+7%

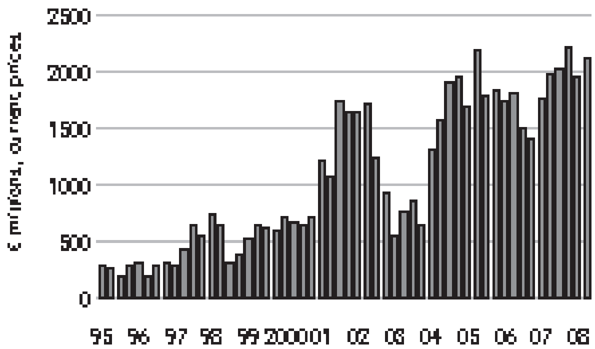
Scotland



This quarter: -1% | Last 12 months:-4%

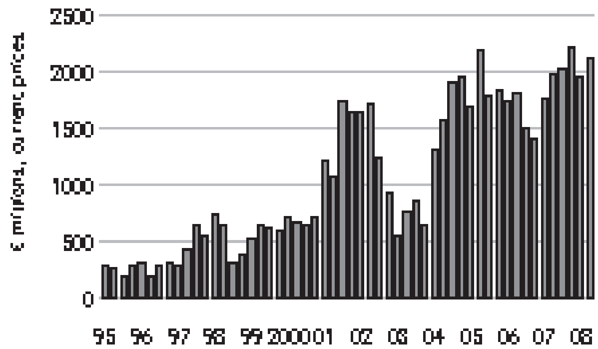
NOT REAL DATA

Wales



This quarter: -11% | Last 12 months:-7%

Northern Ireland



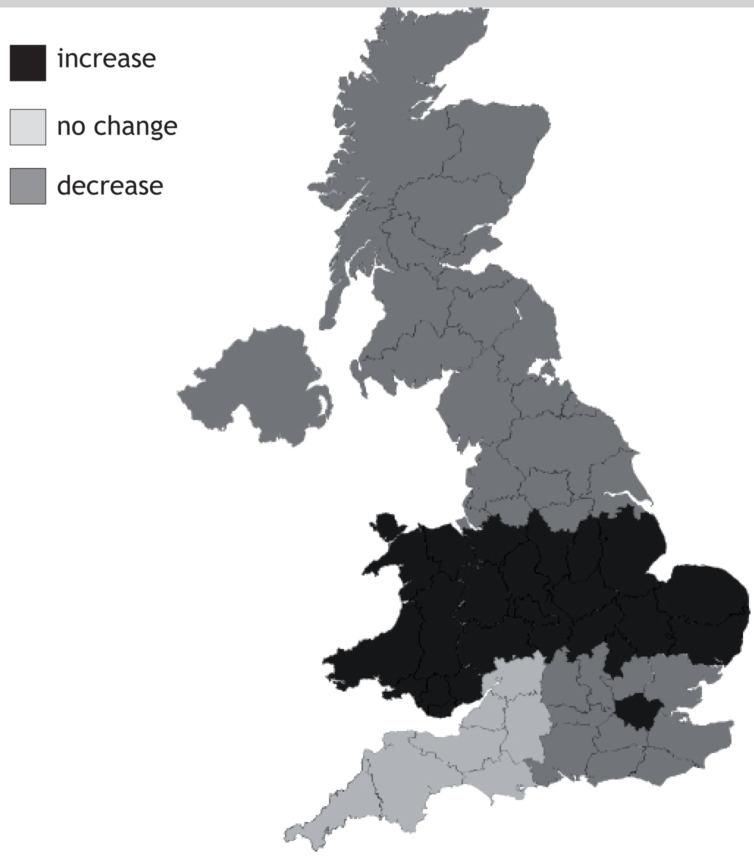
This quarter: -4% | Last 12 months:+15%

The greatest optimism is expressed by architects in Wales, the Midlands & East Anglia, and London. Architects in the South West are, on balance, neutral, being evenly split. Everywhere else more architects predict their workloads will turn down than rise although in the South East and Scotland a majority opt for 'no change'.

region	per cent respondents expecting work to: increase	no change	decrease	balance
North	21	29	50	-29
Mids/E.Ang	36	64	0	+36
S East	26	47	28	-2
London	40	29	31	+9
S West	50	0	50	0
Scotland	0	74	26	-26
Wales	80	20	0	+80
N. Ireland	0	0	100	-100

Note: The 'balance' figure is calculated by subtracting *per cent of practices expecting work to decrease* from *per cent of practices expecting work to increase*.

Regional predictions, next six months



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Notes

The Architects Quarterly Workload Survey has been carried out since the 1960's.

Mirza & Nacey have been undertaking this survey since 1989, first for the Royal Institute of British Architects, and since 1994 independently.

The figures presented in the charts and the tables concern work carried out by private architectural practices. This excludes work carried out by architects directly employed in other areas - for example local authority architects, those working for central government agencies, health authorities, housing associations and private commercial organisations which operate their own architects departments. Private practices employ approximately three quarters of architects.

The statistics are derived from a quarterly questionnaire which is sent to one in four private architectural practices in the UK. These practices are selected at random from all practices in the UK. The population is all architectural businesses, (approximately 6000) as opposed to all architectural offices (approximately 7500).

Information on the returned questionnaire forms is broken down regionally and by the size of the practice (number of full-time equivalent architectural staff). The data are then grossed up or down to reflect the correct regional and size distribution of all practices in the UK.

A more accurate method is used to estimate annual totals so quarterly figures do not always add up to annual totals.

'Constant' price series data for the most recent quarter will always be 'provisional' pending confirmation of the deflator from the DTI.

Historical Statistics: Main Sectors

Table 1 VALUE OF NEW COMMISSIONS (£m, current prices)

		HOUSING			NON HOUSING			TOTAL		
		Private	Public	All	Private	Public	All	Private	Public	ALL
2003		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2004		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2005		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2008	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

Table 2 VALUE OF PRODUCTION DRAWINGS (£m, current prices)

		HOUSING			NON HOUSING			TOTAL		
		Private	Public	All	Private	Public	All	Private	Public	ALL
2003		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2004		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2005		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2008	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

Table 3 VALUE OF NEW COMMISSIONS (£m, constant 2000 prices)

		HOUSING			NON HOUSING			TOTAL		
		Private	Public	All	Private	Public	All	Private	Public	ALL
2003		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2004		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2005		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2008	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

Table 4 VALUE OF PRODUCTION DRAWINGS (£m, constant 2000 prices)

		HOUSING			NON HOUSING			TOTAL		
		Private	Public	All	Private	Public	All	Private	Public	ALL
2003		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2004		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2005		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2008	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

Historical Statistics: Regions

TABLE 5 VALUE OF NEW COMMISSIONS ANALYSED BY REGION
(location of the architects office) (£m, current prices)

		London	South East	Mids/ E.Ang	South West	Wales	North	Scotland	N. Ireland
2003		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2004		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2005		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2008	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

TABLE 6 VALUE OF PRODUCTION DRAWINGS ANALYSED BY REGION
(location of the architects office) (£m, current prices)

		London	South East	Mids/ EAng	South West	Wales	North	Scotland	N. Ireland
2003		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2004		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2005		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007		xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2006	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2007	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q3	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q4	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
2008	Q1	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx
	Q2	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx	xxxxx

TABLE 7 ARCHITECTS LEADING INDICATOR OF WORKLOAD

		% practices expecting work over next six months to... increase	no change	decrease	balance
2003		xx	xx	xx	+xx
2004		xx	xx	xx	+xx
2005		xx	xx	xx	+xx
2006		xx	xx	xx	+xx
2007		xx	xx	xx	+xx
2006	Q3	xx	xx	xx	+xx
	Q4	xx	xx	xx	+xx
2007	Q1	xx	xx	xx	+xx
	Q2	xx	xx	xx	+xx
	Q3	xx	xx	xx	+xx
	Q4	xx	xx	xx	+xx
2008	Q1	xx	xx	xx	+xx
	Q2	xx	xx	xx	+xx

Table 8 INDEX OF EMPLOYMENT IN PRIVATE PRACTICE
(2000 Quarter 1 = 100)

		Principals	Salaried Architects	Other Architectural Staff	Total
2003		111.1	111.1	111.1	111.1
2004		111.1	111.1	111.1	111.1
2005		111.1	111.1	111.1	111.1
2006		111.1	111.1	111.1	111.1
2007		111.1	111.1	111.1	111.1
2006	Q3	111.1	111.1	111.1	111.1
	Q4	111.1	111.1	111.1	111.1
2007	Q1	111.1	111.1	111.1	111.1
	Q2	111.1	111.1	111.1	111.1
	Q3	111.1	111.1	111.1	111.1
	Q4	111.1	111.1	111.1	111.1
2008	Q1	111.1	111.1	111.1	111.1
	Q2	111.1	111.1	111.1	111.1

Definitions

The data refer to the contract value of all work received by private practices at two stages; new commissions and production drawings.

A **new commission** is defined as starting at Stage C as listed in the RIBA Plan of Work. At this stage, project inception and feasibility studies will have been completed and preparation of outline proposals will begin.

A **production drawing** is taken to start at Stage E in the RIBA Plan of Work, and so occurs later than the new commissions stage. At this stage the detailed design of the building will commence.

The statistics quoted are in GB Pounds (usually £ millions), and represent the **contract value** of all work. This refers to the value of all building work, and includes professional fees, but excludes the purchase price of the land or plot. The figures are grossed up values and are our estimate of the total value of new work received during the quarter by all architects, not just those responding to the survey.