12th Economic Trends Survey of the Impact of Economic Downturn

January 2014
Breakdown of responses

4652 architects have responded to the questionnaire.

Warning: Some of these answers were not included in the overall results due to the fact that they were not sufficiently representative in relation to the number of architects (see countries highlighted in grey).
Profile of respondents

All sizes of architectural practice are well represented.

The distribution is similar to the previous surveys.

Number of people in the company or practice where respondents work

- 1 person: 9.2%
- 2 people: 7.6%
- 3 to 5 people: 10.8%
- 6 to 10 people: 22.8%
- 11 to 30 people: 17.6%
- 30 or more people: 31.9%
The January 2014 survey reveals an upward trend of global level of optimism within the profession: the number of respondents considering the current situation as good or very good has more than doubled over the last year (from 9.1% to 21.9%).

Despite a downward trend, more than half of respondents remain still pessimistic (54.6%).

Current situation for architectural practice in Europe

<table>
<thead>
<tr>
<th></th>
<th>Pessimistic</th>
<th>Optimistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2009</td>
<td>65.16%</td>
<td>8.41%</td>
</tr>
<tr>
<td>January 2010</td>
<td>58.40%</td>
<td>15.10%</td>
</tr>
<tr>
<td>January 2011</td>
<td>53.70%</td>
<td>14.00%</td>
</tr>
<tr>
<td>January 2012</td>
<td>51.40%</td>
<td>13.70%</td>
</tr>
<tr>
<td>January 2013</td>
<td>62.60%</td>
<td>9.10%</td>
</tr>
<tr>
<td>January 2014</td>
<td>54.60%</td>
<td>21.90%</td>
</tr>
</tbody>
</table>
Current situation for architectural practice (business) in Europe

April 2009
January 2010
January 2011
January 2012
January 2013
January 2014

Pessimistic
Optimistic

0.00%
10.00%
20.00%
30.00%
40.00%
50.00%
60.00%
70.00%

Persons judging the architectural market in their country to be satisfactory, good or very good

The breakdown by country reveals that the appraisal of the situation differs significantly from one country to another.

Northern Europe, headed by Norway, Sweden and Finland, is clearly more confident and satisfied than the rest of Europe.
On the other hand, the situation seems to remain at an impasse in Southern and Central Europe, where a majority of respondents judged the situation bad or very bad.
Compared with the previous year, a slight improvement in the workload forecasts for the next three months is observed: fewer architects expect a decrease (31.3%) in their workload, and more expect an increase (23.8%).

The breakdown by building type comes later in the presentation.

<table>
<thead>
<tr>
<th></th>
<th>Decrease</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2009</td>
<td>48.47%</td>
<td>13.09%</td>
</tr>
<tr>
<td>January 2010</td>
<td>32.80%</td>
<td>22.40%</td>
</tr>
<tr>
<td>January 2011</td>
<td>32.80%</td>
<td>27.60%</td>
</tr>
<tr>
<td>January 2012</td>
<td>35.20%</td>
<td>22.10%</td>
</tr>
<tr>
<td>January 2013</td>
<td>34.10%</td>
<td>22.10%</td>
</tr>
<tr>
<td>January 2014</td>
<td>31.30%</td>
<td>23.80%</td>
</tr>
</tbody>
</table>

Expectation for architecture workload over the next three months

- **March 2009**
- **January 2010**
- **January 2011**
- **January 2012**
- **January 2013**
- **January 2014**

- **Red** Decrease
- **Green** Increase
This result indicates that nearly 1 in 2 offices has seen a decrease in staff numbers since the start of the downturn in 2008.

However, the 2014 survey reveals a positive trend: while the offices having seen a decrease in their staff numbers remain stable (45.7%), the proportion of those with a growing staff numbers increases from 15.1% to 22.40% over the past year.
Change in staff numbers since September 2008

- **Decrease**
- **Increase**
As in the previous surveys, a large majority of respondents did not expect any change in staff numbers for the next three months (62.1%).

Since 2012, the number of respondents expecting an increase has however steadily grown (from 10.1% in 2012, to 15.2% in 2014).
Expectation re: staff numbers for the next three months

- Red line: Decrease
- Green line: Increase
In comparison with January 2013, the number of respondents expecting a decrease in workload for private housing has significantly declined (from 43% to 33.1%).

In January 2014, one quarter of respondents now even expect an increase in workload for private housing.

Readers are reminded that private housing accounts for 44% of the market for architects in Europe.
Expected change in workload over next three months - Private Housing

- **Decrease**
- **Increase**
This survey shows encouraging trends for public housing projects.

Compared with January 2012, the proportion of respondents expecting an increase in their workload in public housing has doubled (from 10.2% to 20.7%).

At the same time, the proportion of those expecting a decrease in their workload in public housing continues to decrease (from 41.9% to 34.1% over the past year).

Readers are reminded that public housing accounts for 6% of the architects’ market in Europe.
Expected change in workload over next three months - Public Housing

- Decrease
- Increase

April 2009: 60.00%
January 2010: 50.00%
January 2011: 40.00%
January 2012: 30.00%
January 2013: 20.00%
January 2014: 10.00%
The number of respondents expecting a decrease of their workload for commercial projects is clearly downward: while in January 2013 half of respondents expected a decrease in their workload, they are now 35.7%.

On the other hand, 14.1% now expect an increase over the next 3 months in this area (compared with 10.2% in 2012).

Readers are reminded that commercial projects account for 23% of the architects’ market for in Europe.
Expected change in workload over next three months - Commercial

- **Decrease**
- **Increase**

Dates:
- April 2009
- January 2010
- January 2011
- January 2012
- January 2013
- January 2014
The January 2014 survey confirms the improvement that were foreseen in 2013 regarding the workload forecasts for other private projects: the number of respondents expecting a decrease in their workload falls from 42.9% to 30.3%.

At the same time, those expecting an increase are now 13.3%.

Readers are reminded that other private projects account for 7% of the architects’ market in Europe.
Expected change in workload over next three months - Other Private

- **Decrease**
- **Increase**

Data from April 2009 to January 2014.
The trend of workload forecast for other public projects is also encouraging: fewer respondents now expect a decrease in workload (34.2%), while those expecting an increase are stable (17.3%).

Readers are reminded that other public projects account for 20% of the architects’ market in Europe.
Expected change in workload over next three months - Other Public

- Decrease
- Increase
It is not known what the percentage of the market these tasks represent for architects, but it remains the area that is the least pessimistic about future workload: 28.5% of respondents expect an increase over the next 3 months, compared with 21.3% that expect a decrease.

<table>
<thead>
<tr>
<th></th>
<th>Decrease</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 2009</td>
<td>47.38%</td>
<td>16.51%</td>
</tr>
<tr>
<td>January 2010</td>
<td>31.60%</td>
<td>28.20%</td>
</tr>
<tr>
<td>January 2011</td>
<td>26.00%</td>
<td>36.10%</td>
</tr>
<tr>
<td>January 2012</td>
<td>23.90%</td>
<td>31.30%</td>
</tr>
<tr>
<td>January 2013</td>
<td>23.30%</td>
<td>31.40%</td>
</tr>
<tr>
<td>January 2014</td>
<td>21.30%</td>
<td>28.50%</td>
</tr>
</tbody>
</table>
CONCLUSIONS

- The January 2014 Economic Trend Survey reveals that the general mood among the profession is improving: more respondents expect an increase of their workload in the short-term, and envisage, as a result, an increase in staff numbers.

- All fields of activities show upward trends: the proportion of respondents expecting an increase of workload for public and private housing projects, for commercial projects but also for other public and private projects clearly rises.

- The survey confirms, therefore, that the situation is stabilising and that the tentative signs observed in the previous surveys have turned into encouraging positive trends, suggesting a slow recovery of the market.

- However, the situation differs from one country to another: countries of Northern Europe remain more confident than those of Southern and Central Europe.