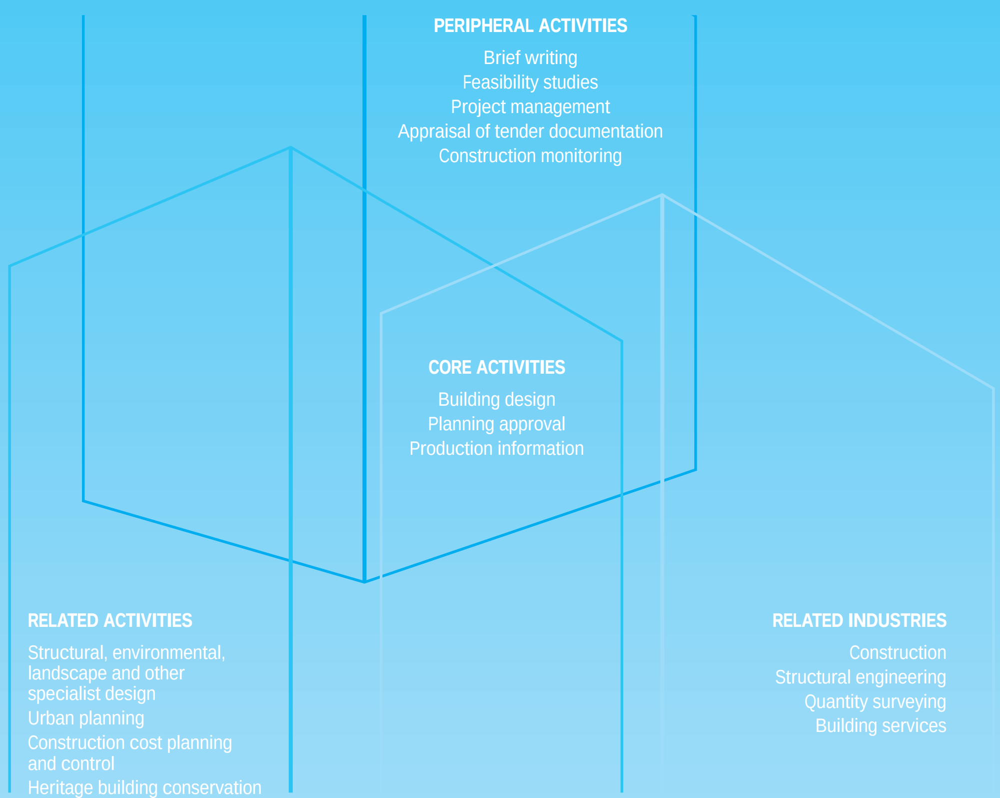

PERIPHERAL ACTIVITIES
Brief writing
Feasibility studies
Project management
Appraisal of tender documentation
Construction monitoring
CORE ACTIVITIES
Building design
Planning approval
Production information
RELATED ACTIVITIES
Structural, environmental, landscape and other specialist design
Urban planning
Construction cost planning and control
Heritage building conservation
RELATED INDUSTRIES
Construction
Structural engineering
Quantity surveying
Building services

architecture

This analysis provides an in-depth coverage of the core activities of building design, planning approval and product information.

SECTION.02 ARCHITECTURE

INDUSTRY REVENUES

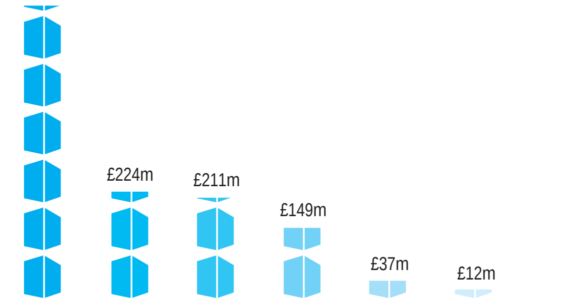
UK architecture firms had fee income of £1.5bn in 1995/96.

UK MARKET SIZE

Fee income from UK clients in 1995/96 amounted to £1.25bn. This accounts for 22% of the £5.7bn earned by professional firms in the construction industry as a whole.[1]

RIBA estimate that architects are commissioned for roughly 50% of all construction work.[2]

Architectural Firms UK Fee Income 1995/96

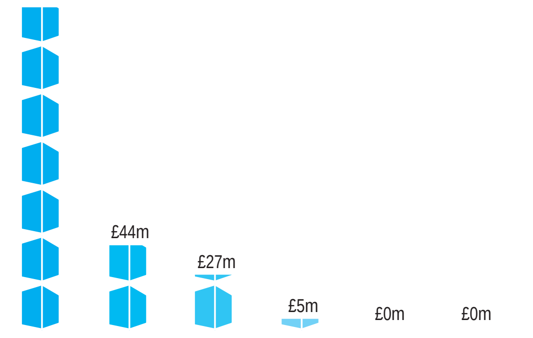


BALANCE OF TRADE

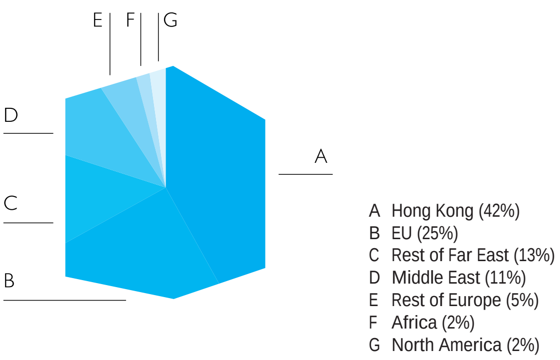
Some £250m of architectural fee income in 1995/96 was earned abroad.[3] 20% of RIBA members undertake work overseas as well as in the UK.

Using SIC code 74201 and excluding overseas expenses – eg cost of local staff, ONS estimates that UK exports of architectural services were £51m in 1996. Imports of architectural services were £5m, giving a net balance of £46m.[4]

Architectural firms' overseas income, 1995/96



Architectural firms' overseas fee income by region, 1995/96



EMPLOYMENT

There are around 30,000 practising architects in Britain. It is estimated some 3% are currently unemployed.

89% of architects are male. 53% are full-time employees and 40% are self-employed.

The number of students on architectural courses has risen steadily in recent years. In 1994/95, the last year for which figures are available, there were 9,716 architectural students.[5]

1 *Source CIC/DETR Survey of UK Construction Professional Services 1997*
2 *RIBA, Strategic Study Phase 1, 1992*
3 *Source CIC/DETR Survey of UK Construction Professional Services 1997*
4 *Source Overseas trade in business services 1996 ONS News release Nov 1997*
5 *Source RIBA, Strategic Study Phases 3&4, 1995*

SECTION.02 ARCHITECTURE

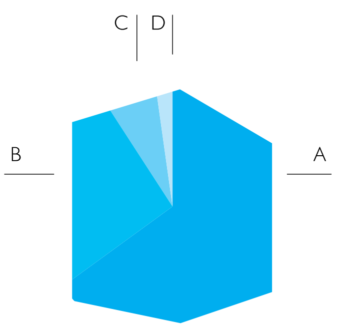
INDUSTRY STRUCTURE

7% of architectural practices – some 350 firms – earn 65% of UK fee income. 64% of UK firms have a turnover of less than £100,000.[6] Of 5,000 architectural practices, 70% employ fewer than six people.[7]

The role of the architect is changing, as are the priorities of the profession – it is becoming more client focussed and more concerned with social and environmental issues relevant to the built environment.

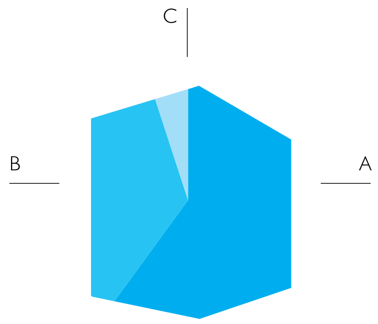
As much as 50% of procurement processes involve central or local government as a client.

Architectural firms' UK commissions
by method of procurement, 1995/96



A Negotiation (65%)
B Formal competition (26%)
C Partnering (7%)
D Other (2%)

Architectural firms' overseas commissions
by method of procurement, 1995/96



A Negotiation (60%)
B Formal competition (35%)
C Partnering (5%)

INTERNATIONAL CRITICAL ACCLAIM

Thanks to flagship projects overseas (for example Norman Foster's HSBC Headquarters in Hong Kong or Richard Rogers' Pompidou Centre in Paris), British architects are internationally known and admired.

SECONDARY ECONOMIC IMPACT

Architecture is a key part of the construction industry, which as a whole in the UK is worth £51bn.[8]

UK architects working overseas often generate spin off income for the rest of the construction industry, since they tend to specify UK products or contractors. These benefits are, however, difficult to quantify.

Architecture courses in British universities attract overseas fee income. The reputation of British architecture abroad encourages foreign students to study here – they accounted for 14.4% of new intake into the first year of architecture courses in 1994/95.

POTENTIAL FOR GROWTH

The National Lottery has provided a boost for the architecture industry, increasing the number of commercial and industrial non-housing projects. Private sector output grew by 10% in 1997, while the public sector declined by slightly less.[9]

Demand for new housing projected to 2016 and growth in infrastructure projects, due to major work in the railway and water industries, also offer opportunities.

6 *Source CIC/DETR Survey of UK Construction Professional Services*
7 *Source RIBA, Strategic Study Phase 1, 1992*
8 *Source CIC, Partners in Building Prosperity – A Manifesto for the Construction Industry 1997*
9 *Source Peter Hetherington & Tony May's 'Middle England's mad, bad dream in bricks & mortar', The Guardian 27/1/98*

GROWING THE SECTOR – POINTS FOR CONSIDERATION

Among issues facing architecture professionals are:

- responding to the emphasis clients increasingly place on value for money, indicated by the rise of the project manager and of design and build
- promoting the importance of design quality in building, alteration and conservation
- promoting the cultural, social and environmental benefits of well-designed buildings
- exploiting overseas markets and ensuring that unreasonable barriers are not placed in front of UK architects wishing to work abroad
- private sector initiatives to educate clients and the general public in the importance of excellent architecture