



Architects Performance

A Survey of Practice Turnover, Costs & Profits, Staffing and Performance Indicators in Private Architectural Practices

2020



Architects Performance

2020 edition

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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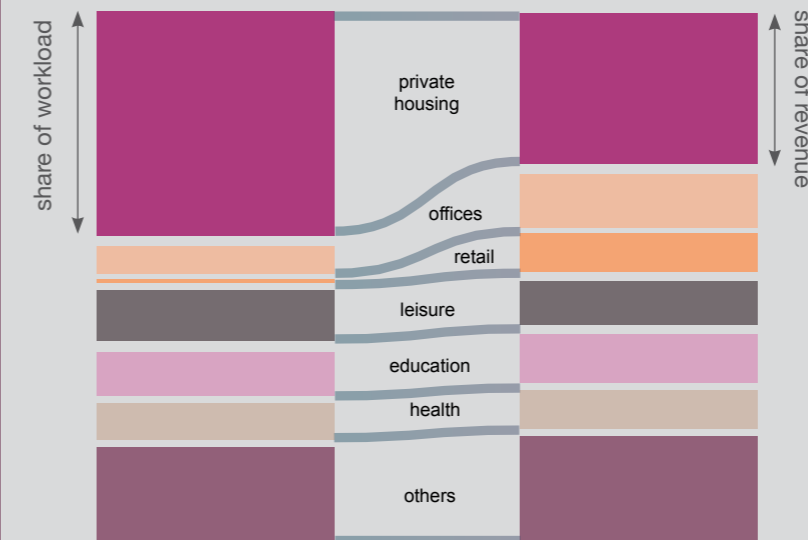
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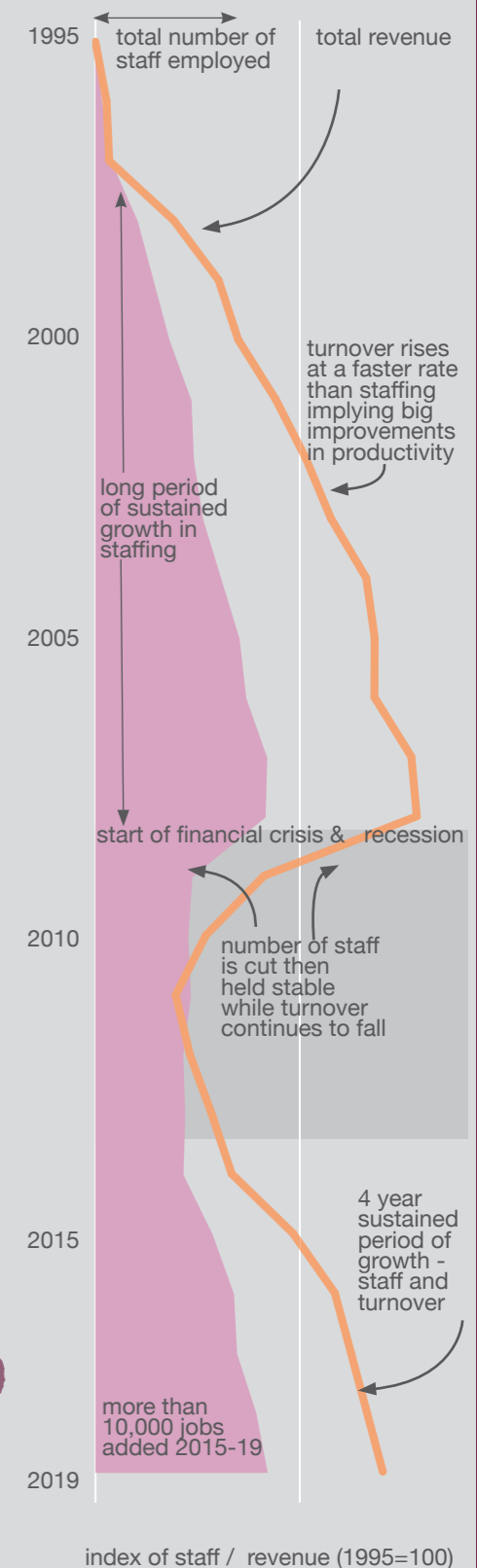
Private Housing is the largest source of work

but its share of revenue is less than its share of work.

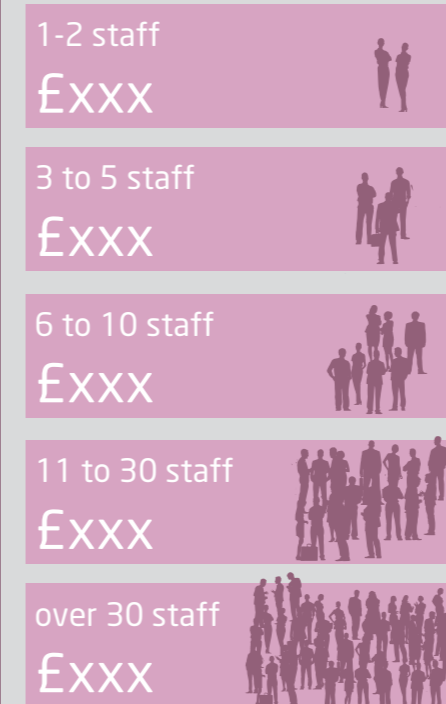


Long-term growth

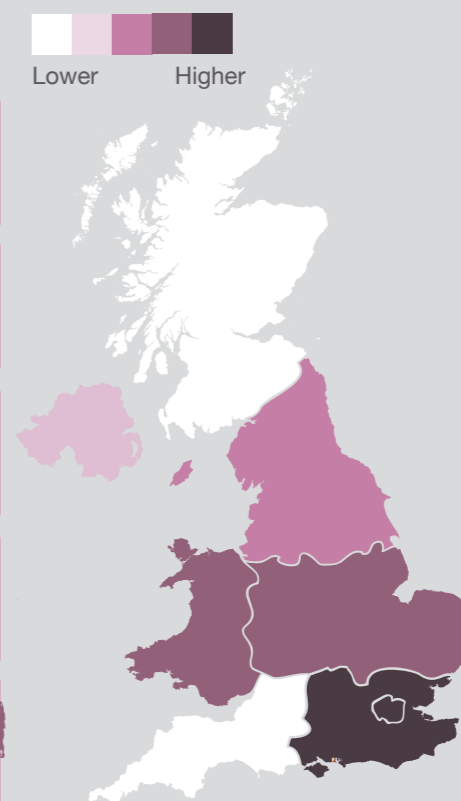
productivity improves as growth in turnover out-paces staffing.



Average practice turnover per head:



London practices have the highest turnover per head



Lower Higher

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practice turnover



1.1 The market in context

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Architectural market size is £3.4 billion in 2019. This is 24% higher than four years ago.

CHART 1-1
Architects' estimated total practice turnover, 1995-2019

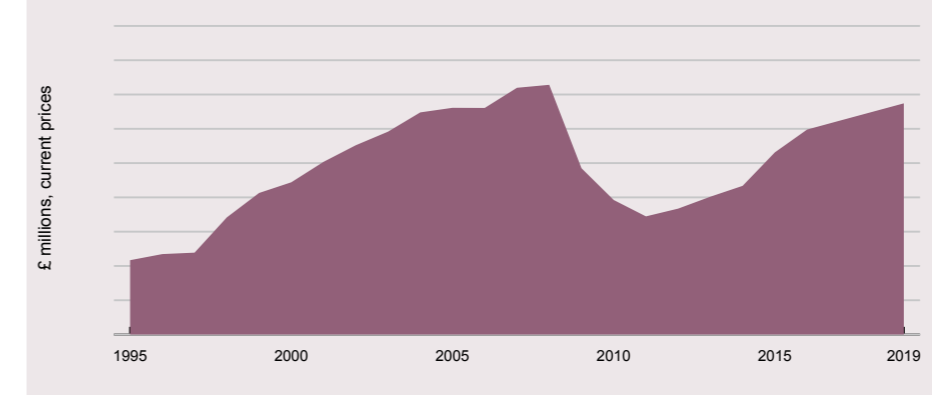


CHART 1-2
Architects' estimated workloads, measured at new commissions stage, 1995 - 2019

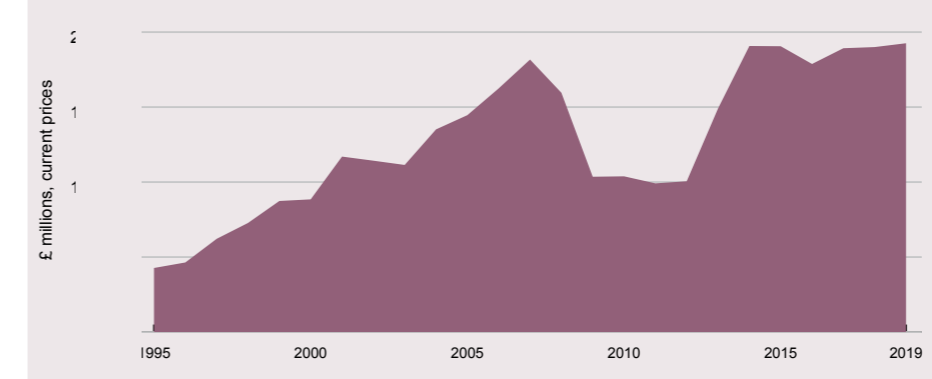


CHART 1-3
Long-term trends in Architects' estimated workloads and practice turnover, indexed, 1995-2019

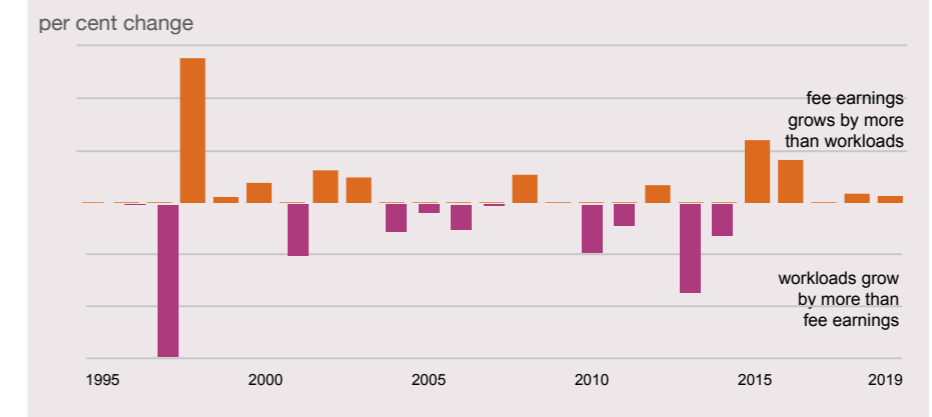


TABLE 1-1
Estimated practice turnover from all architectural practices

year	estimated value of total practice turnover, £millions	year	estimated value of total practice turnover, £millions
1995	xxx	2015	xxx
2000	xxx	2016	xxx
2005	xxx	2017	xxx
2010	xxx	2018	xxx
		2019 provisional	xxx

Market size is measured in terms of the practice turnover (fee earnings / revenues) of private architectural practices in the UK. The market size has been estimated from data returned by survey participants. Individual practice turnover has been converted into practice turnover per head' and then grossed-up to reflect an estimate of the total market for each consultant. The 2019 data is based on actual data for the first two quarters with a forecast for the remainder of the year.

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.

CHART 1-10
Estimated share of total practice turnover, 2019, analysed by region

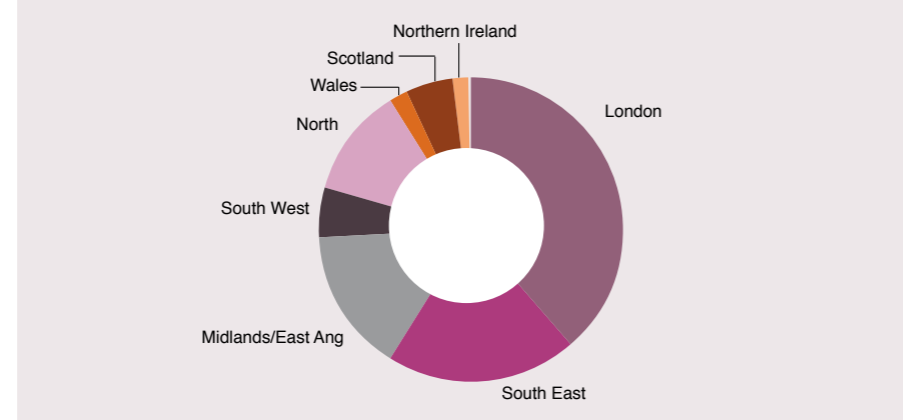


TABLE 1-4
Estimated share of total practice turnover analysed by region, 1995 - 2019

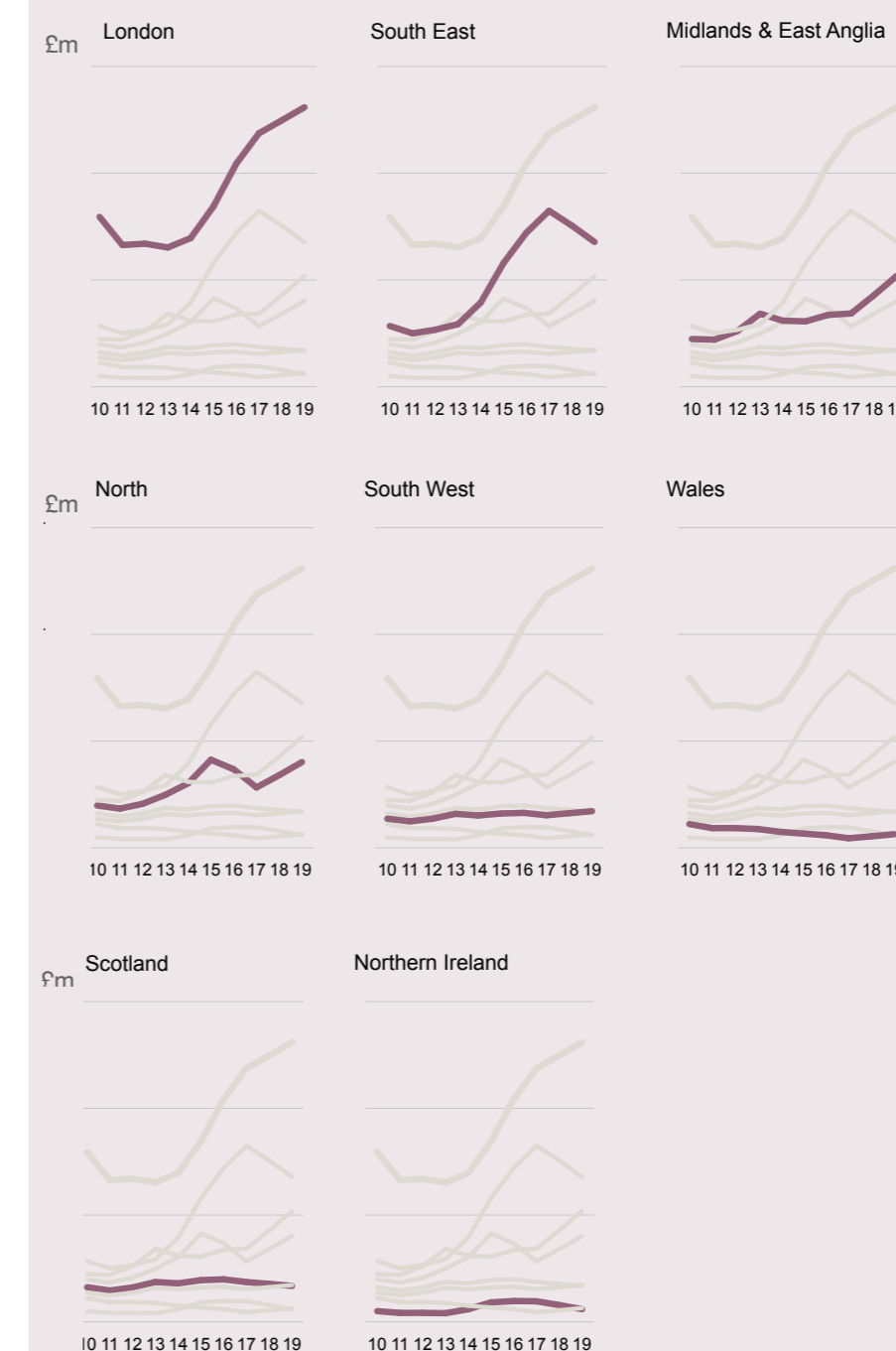
Region	market value total value of practice turnover, £ millions			
	1995	2005	2015	2019
London	xx	xx	xx	xx
South East	xx	xx	xx	xx
Midlands/East Ang	xx	xx	xx	xx
South West	xx	xx	xx	xx
North	xx	xx	xx	xx
Wales	xx	xx	xx	xx
Scotland	xx	xx	xx	xx
Northern Ireland	xx	xx	xx	xx
TOTAL	xx	xx	xx	xx

TABLE 1-5
Estimated value of total practice turnover analysed by region, 1995 - 2019

Region	market value total value of practice turnover, £ millions			
	1995	2005	2015	2019
London	xxx	xxx	xxx	xxx
South East	xxx	xxx	xxx	xxx
Midlands/East Ang	xxx	xxx	xxx	xxx
South West	xxx	xxx	xxx	xxx
North	xxx	xxx	xxx	xxx
Wales	xxx	xxx	xxx	xxx
Scotland	xxx	xxx	xxx	xxx
Northern Ireland	xxx	xxx	xxx	xxx
TOTAL	xxx	xxx	xxx	xxx

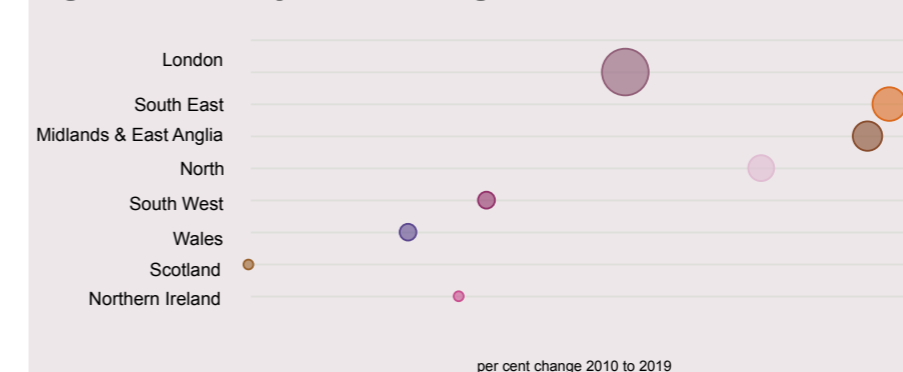
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CHART 1-11
Total practice turnover by region, 2010-19



London generates 39% of total turnover, this share has grown fast in recent years.

CHART 1-12
Regional markets by size and change 2010-19



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1.4 Architects' Practice Turnover

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TABLE 1-6
Range of practice turnover, 2018/19

per cent reporting practice turnover	size of practice (no. architectural staff)						ALL
	1	2	3 to 5	6 to 10	11 to 30	31+	
<£29,999	xx	xx	xx	xx	xx	xx	xx
£30-49,999	xx	xx	xx	xx	xx	xx	xx
£50-99,999	xx	xx	xx	xx	xx	xx	xx
£100-199,999	xx	xx	xx	xx	xx	xx	xx
£200-299,999	xx	xx	xx	xx	xx	xx	xx
£300-499,999	xx	xx	xx	xx	xx	xx	xx
£500-999,999	xx	xx	xx	xx	xx	xx	xx
£1m-1,999,999	xx	xx	xx	xx	xx	xx	xx
£2,000,000+	xx	xx	xx	xx	xx	xx	xx

TABLE 1-7
Average (MEDIAN) practice turnover, 2018/19, analysed by size of practice

practice size (number of architectural staff)	practice turnover per practice, £s		
	lower quartile	MEDIAN	upper quartile
1	xxx,xxx	xxx,xxx	xxx,xxx
2	xxx,xxx	xxx,xxx	xxx,xxx
3 to 5	xxx,xxx	xxx,xxx	xxx,xxx
6 to 10	xxx,xxx	xxx,xxx	xxx,xxx
11 to 30	xxx,xxx	xxx,xxx	xxx,xxx
31+	xxx,xxx	xxx,xxx	xxx,xxx

Practice turnover rises by size at an exponential rate.

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CHART 1-13
Average (MEDIAN) practice turnover, 2018/19, analysed by size of practice

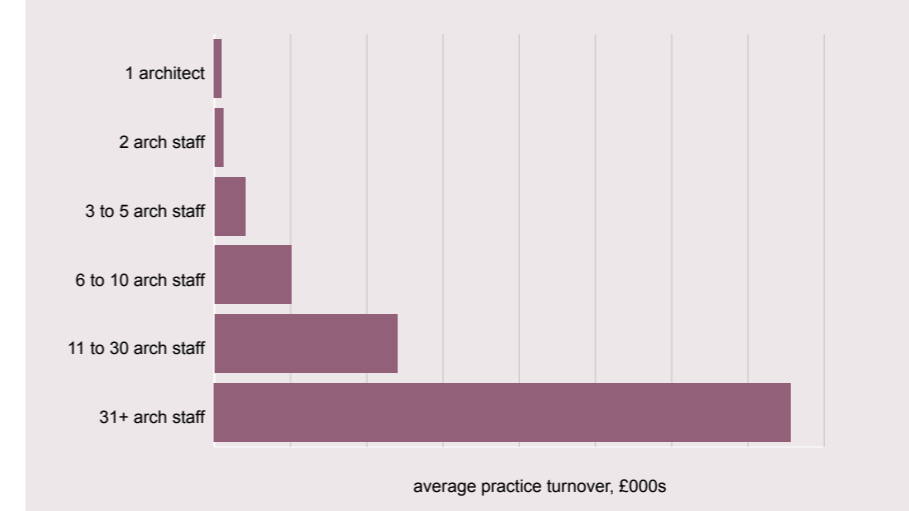
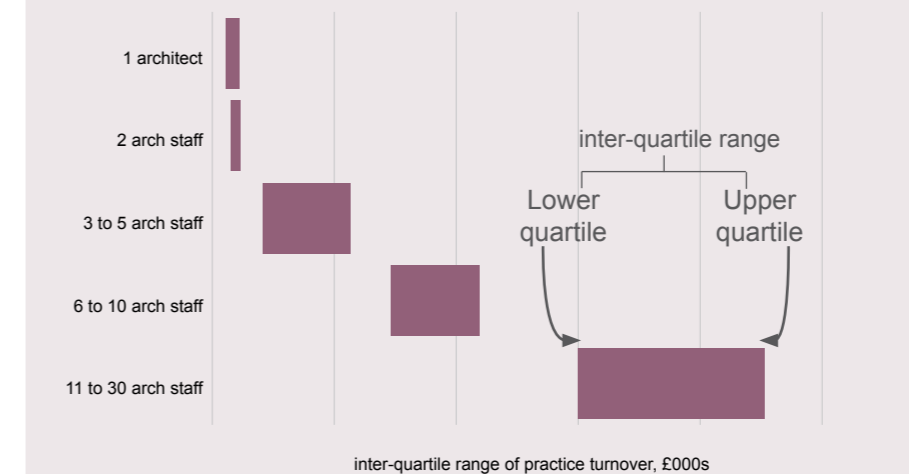


CHART 1-14
Inter-quartile range of practice turnover, 2018/19, analysed by size of practice



* Note: the largest practice size is not shown because variation between quartiles is too large to plot

Difference between the MEAN and the MEDIAN:

MEAN average is the value resulting from the adding together of all values and then dividing this figure by the number of values

MEDIAN average is the middle value, when all data from survey respondents is listed in order of magnitude.

It is felt that the median is a more representative average than the mean as it is unaffected by any extremely high, or low, rates.

The inter-quartile range indicates the breadth of values in the sample:

UPPER QUARTILE is the value which appears three quarters the way up this ordered list of data, marking the 75 per cent point

LOWER QUARTILE is the value which appears one quarter the way up this ordered list of data, marking the 25 per cent point

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TABLE 2-1
Average (mean) costs and profits 2018/19, analysed by size of practice

practice size (number of architectural staff)	average (mean) £s per practice			profits as % of turnover
	staff costs	other costs	profits	
1	xxx,xxx	xxx,xxx	xxx,xxx	xx
2	xxx,xxx	xxx,xxx	xxx,xxx	xx
3 to 5	xxx,xxx	xxx,xxx	xxx,xxx	xx
6 to 10	xxx,xxx	xxx,xxx	xxx,xxx	xx
11 to 30	xxx,xxx	xxx,xxx	xxx,xxx	xx
31+	xxx,xxx	xxx,xxx	xxx,xxx	xx

TABLE 2-2
Average (mean) costs and profits 2018/19 separated out by legal entity (partnerships or limited companies), analysed by size of practice

practice size LLP PARTNERSHIPS (number of architectural staff)	average (mean) £s per practice			profits as % of turnover
	staff costs	other costs	profits	
1	xxx,xxx	xxx,xxx	xxx,xxx	xx
2	xxx,xxx	xxx,xxx	xxx,xxx	xx
3 to 5	xxx,xxx	xxx,xxx	xxx,xxx	xx
6 to 10	xxx,xxx	xxx,xxx	xxx,xxx	xx
11 to 30	xxx,xxx	xxx,xxx	xxx,xxx	xx
31+	xxx,xxx	xxx,xxx	xxx,xxx	xx

practice size LIMITED COMPANY (number of architectural staff)	average (mean) £s per practice			profits as % of turnover
	staff costs	other costs	profits	
1	xxx,xxx	xxx,xxx	xxx,xxx	xx
2	xxx,xxx	xxx,xxx	xxx,xxx	xx
3 to 5	xxx,xxx	xxx,xxx	xxx,xxx	xx
6 to 10	xxx,xxx	xxx,xxx	xxx,xxx	xx
11 to 30	xxx,xxx	xxx,xxx	xxx,xxx	xx
31+	xxx,xxx	xxx,xxx	xxx,xxx	xx

Note 1: each of the above mean figures is calculated separately. Thus adding across each row will not necessarily equate with the mean turnover figure. The 'profits as a per cent of turnover' figure is calculated as the mean of each individual per cent profit figure reported.

Note 2: for some practices, the majority of a principal's earnings may be taken from the firm's profits. This may be the case for both partnerships (including LLPs) and limited companies, where directors may take a substantial part of their income from the company's dividends. For this reason we have analysed profits, staff costs and other costs separately.

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TABLE 2-3
Range of profits as a percent of turnover, 2018/19, analysed by size of practice

per cent reporting profits as a percent of turnover:	size of practice (no. architectural staff)					
	1	2	3 to 5	6 to 10	11 to 30	31+
below 10% (or loss)	xx	xx	xx	xx	xx	xx
between 10 and 24%	xx	xx	xx	xx	xx	xx
between 25% and 49%	xx	xx	xx	xx	xx	xx
between 50% and 74%	xx	xx	xx	xx	xx	xx
75% and above	xx	xx	xx	xx	xx	xx
TOTAL FEE EARNINGS	xx	xx	xx	xx	xx	xx

TABLE 2-4
Amount of total costs reported 2018/19, analysed by size of practice

per cent reporting total costs:	size of practice (no. architectural staff)					
	1	2	3 to 5	6 to 10	11 to 30	31+
below £10,000	xx	xx	xx	xx	xx	xx
£10-24,999	xx	xx	xx	xx	xx	xx
£25-49,999	xx	xx	xx	xx	xx	xx
£50-99,999	xx	xx	xx	xx	xx	xx
£100-249,999	xx	xx	xx	xx	xx	xx
£250-499,999	xx	xx	xx	xx	xx	xx
£500-999,999	xx	xx	xx	xx	xx	xx
£1m+	xx	xx	xx	xx	xx	xx

TABLE 2-5
Amount of profits reported 2018/19, analysed by size of practice

per cent reporting profits:	size of practice (no. architectural staff)					
	1	2	3 to 5	6 to 10	11 to 30	31+
below £10,000 (or loss)	xx	xx	xx	xx	xx	xx
£10-24,999	xx	xx	xx	xx	xx	xx
£25-49,999	xx	xx	xx	xx	xx	xx
£50-99,999	xx	xx	xx	xx	xx	xx
£100-249,999	xx	xx	xx	xx	xx	xx
£250-499,999	xx	xx	xx	xx	xx	xx
£500-999,999	xx	xx	xx	xx	xx	xx
£1m+	xx	xx	xx	xx	xx	xx

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CHART 3-2
Average (median) practice turnover 2018/19 per Principal/Director, analysed by size of practice



CHART 3-3
Average practice turnover 2018/19 per Architect, by size of practice

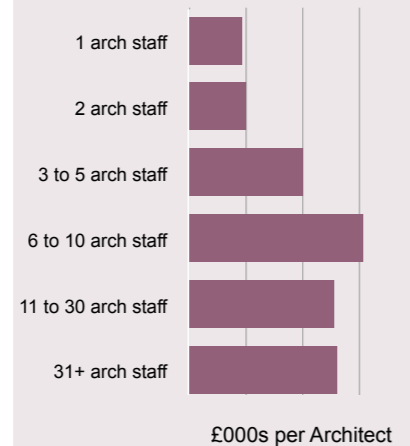


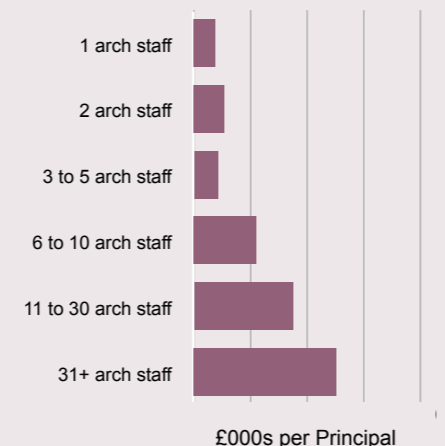
CHART 3-4
Average practice turnover 2018/19 per head - All Architectural Staff, by size



CHART 3-5
Average (median) costs 2018/19 per Principal/Director, by size of practice



CHART 3-6
Average (median) profits 2018/19 per Principal/Director, by size of practice



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3.2 Productivity

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CHART 3-7
Productivity within architectural practices, 1995-2019
£ per employee

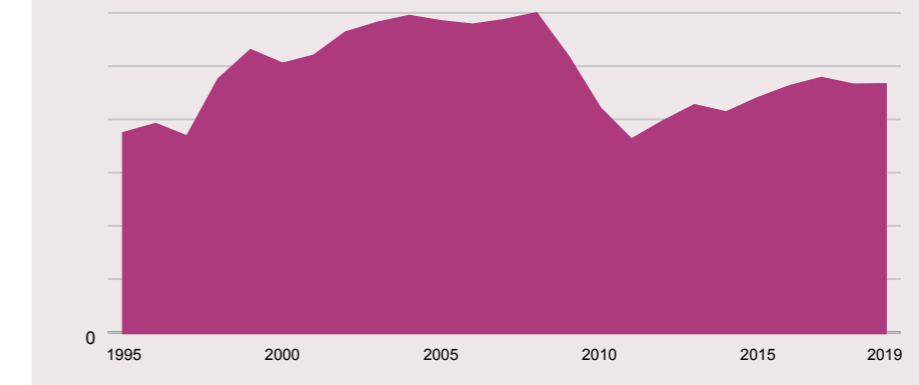
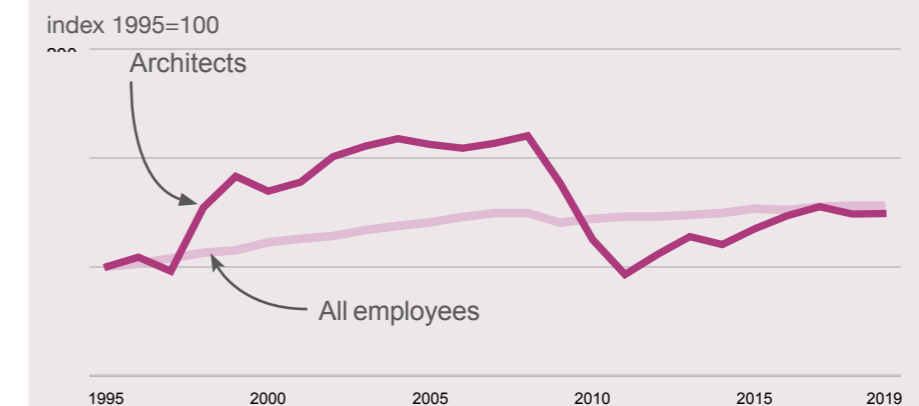


CHART 3-8
Private practice productivity compared with all UK employees' productivity, 1995-2019
index 1995=100



Source:
'All employees' data sourced and adapted from ONS, converted to an index.
Architects data is taken from chart 5-7 and converted to an index

Productivity for architectural practice is calculated by dividing the turnover minus non-staff costs by the number of fee earning staff in architectural practices. This is similar to the ONS method to create an 'output per worker' figure.