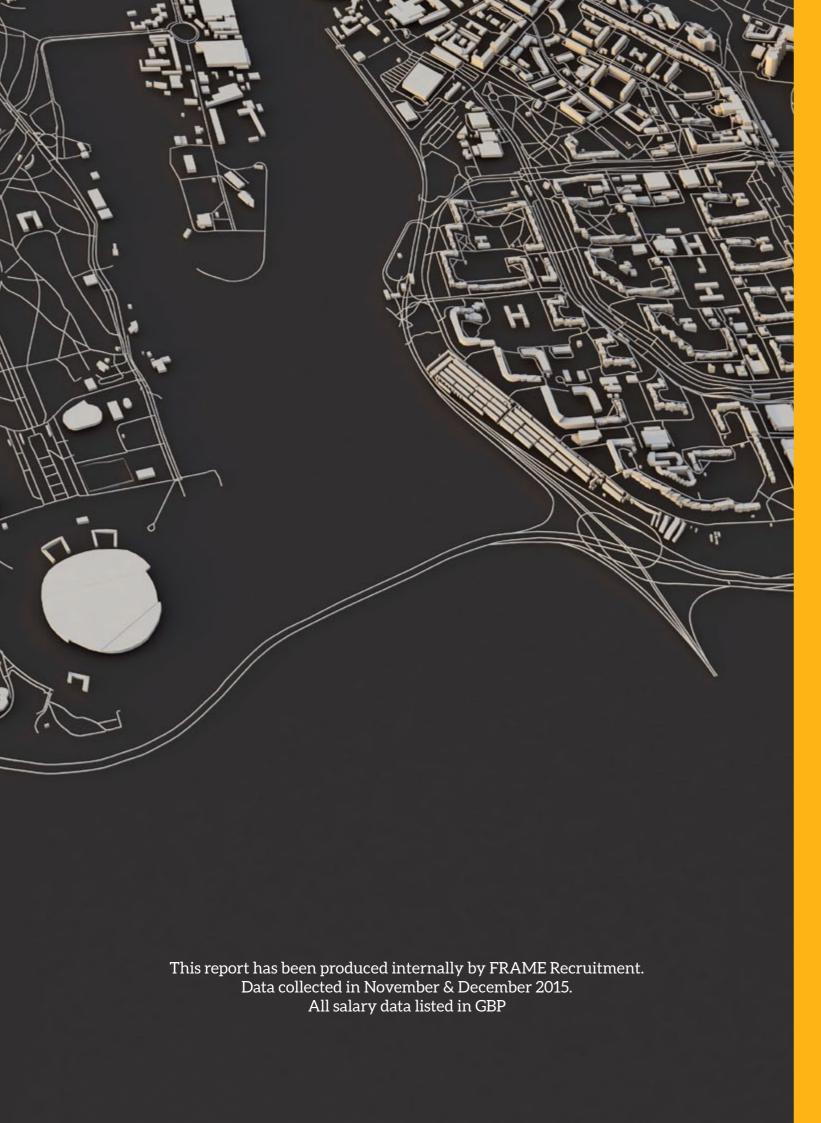


# ARCHITECTURE SALARY & EMPLOYMENT REVIEW January 2016

FRAME



2015 in Architecture employment was a year of change, a positive one. But what does 2016 hold for employees and employers alike?

Opportunities, challenges and changes will sweep across the industry this year. Some will be good, and depending if you are an employer or employee within Architecture, some not so good.

After 16 years recruiting within the sector, Faststream Recruitment rebranded its Architecture division last year and now has its own identity through FRAME Recruitment. In November and December 2015 FRAME Recruitment conducted a large salary and employment survey to over 5,000 employees in the industry - the first in a series of research initiatives which FRAME will report on this year. We also spoke to many practices across the UK to obtain their insight into the employment market, asking a number

of key questions which had arisen through our survey findings. Whilst salary reports are widely available in the industry, and we will cover salaries in this report, our principle objective was to analyse and discuss the more emotive side of working in Architecture.

Are people going to fly the nest in 2016, while times are good? Are employees happy with their career development? What types of people are really in demand? Do Architects work too much unpaid overtime? These are just some of the questions we set out to try and answer in this report. The results are fascinating, in some cases predictable and in others concerning.

I hope you enjoy the read.

Ben Darnton
Managing Director, FRAME



### WILL THEY STAY OR WILL THEY GO?

Any industry experiencing a boom time, anywhere in the world, will have employee retention at the top of the agenda in their monthly board meeting, or at least they should have. Retention however is not an easy, quick or straight forward matter to deal with.

Post credit-crunch, Architecture practices have become more modern. We have seen a big switch from traditional Partnership models setting up as Limited Companies and adding in a senior management layer, and most would argue that it needed to happen. Some have obviously always operated this way, but for others who haven't it's certainly been a time of adjustment.

Why is this significant to recruitment? Employees more than ever before are starting to place

a high value on their company's employer brand, or as some would call it 'value proposition'. This can mean any one of a number of things, but will always include; setting out clear career paths, a rewards strategy (both financial and non-financial), mentoring and considerations around work-life balance. Why are these important? Because without them organisations large and small will be unable to effectively retain their staff.

Our survey data showed that across the industry 38% of employees tell us that they are likely to leave their current employer within the next 12 months. Whilst in reality, all of these employees actually leaving for better opportunities is not likely to occur in 2016, the intention is there and where there is an intention to leave there will always be underlying issues in retaining staff.

### Percentage of respondents planning to leave current employer within the next 12 months:

Employee Category	Will leave employer within 12 months
Average	38%
Working in London	43%
Working outside London	31%
0-2 years experience	33%
3-5 years experience	41%
6-9 years experience	49%
10+ years experience	32%

# "Retention of key personnel is crucial to our business model"

Digging deeper into the findings, the problem of retention lies in a more specific group of employees. It is those with 6-9 years experience where this issue runs deepest. 49% of employees within this experience bracket told us that they would not be with their current employer in 12 months time. It is this calibre of candidates which will find it easiest to find new opportunities in 2016, with one practice we spoke to telling us that "this is the number one category we're targeting" when looking to attract new talent.

Does your current employer offer good career development opportunities?

0-2 years exp	74%
6-9 years exp	56%

The issue with these employees can be attributed to a number of reasons. Only 55% had received a pay rise last year, compared to a sector average of 63%. 44% don't feel that their current employer offers them career development, the highest of any of the experience brackets we surveyed. When you compare this to entry level employees with 0-2 years experience, where only 26% feel they were not offered career development

with their employer, companies are obviously doing the right things but perhaps in the wrong place.

Companies must recognise that within their workforce there are groups of employees where retention issues must be addressed before others, and that the techniques used to retain people will be different. When it comes to retention and running a business, some employees are more important than others.

If you are part of the 38% of employees looking to leave your current employer in 2016, do not throw caution to the wind. Your CV is as important as ever to perspective employers and stability is key to your chances at finding a better opportunity. One hiring manager we spoke to told us that "we often won't interview people who can't seem to hold down a job for very long". Our advice is for people to move with caution, which may sound like conflicting advice coming from a recruitment agency, but it is true. We advise candidates every day that moving purely for money, or to solve a short-term problem, is not always a good move. If you make this mistake and put yourself back on the market relatively quickly, that black mark on your CV may hamper you in the future.



# IS LONDON GETTING BIGGER?

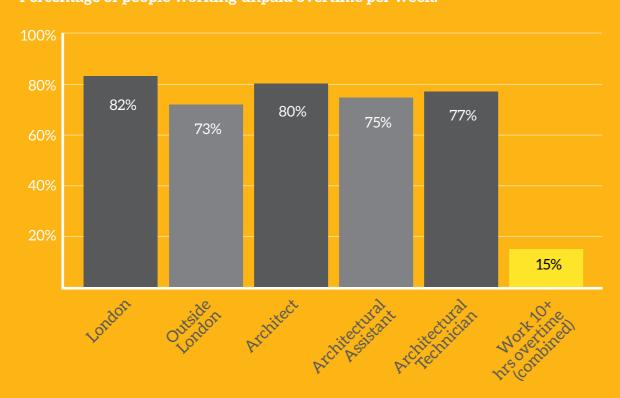
London vs the rest of the country is a big talking point from an employment perspective in most industries, including Architecture.

What we have found in 2015 is that London is getting bigger when it comes to Architecture employment. Pre-2015 companies in and within a 30 mile radius of London were paying premium salaries, but we have seen this increase to as much as 70 miles with employers willing to pay top dollar to attract and retain talent this far outside the capital. One company we spoke to said "as we're within a commuting distance of London we pay our employees that premium".

Our survey indicates that if you work in London you will be paid more

than your counterparts outside the capital, but only marginally. The average salary across Architects, Architectural Assistants and Technicians is 7.9% higher in the capital, but you will probably be working longer hours as the survey numbers report 82% of London based employees working unpaid overtime each week compared to 73% outside of the capital. Essentially the difference between London and everywhere else is small, possibly too small with the cost of living in London "fiendishly expensive" according to one employer. But is the differential enough? Not according to one hiring manager who indicated that "10% + would be nearer the mark".

Percentage of people working unpaid overtime per week:



"London is fiendishly expensive. A 10%+ salary differential would be nearer the mark"

Does this mean a mass exodus of Architects flocking to the countryside? No. In 2015 FRAME reported a 56% increase in vacancies across the UK. It means that people have more options of employment in and outside the capital. Our survey reports that 15% of all Architecture employees work more than 10 hours a week in unpaid overtime, and an industry average of 79% working unpaid, over and above their contractual hours. The increase in the number of opportunities available on the market means that the thought process by employees is not a question of "shall I relocate to the countryside" but more "shall I cut down my commute by 30 minutes each way every day".



### PAY, BONUS & LIFESTYLE

As we mentioned earlier in this report, 63% of employees received a pay rise in 2015, and on the most part employees should expect a rise in 2016. Every company we spoke to anticipate a rise in salaries and contract rates to at least match inflation this year. Whether you will get a bigger rise will be based on a number of the usual factors such as how well the business is doing and how much they want to keep you.

Our survey reported that 44% of employees received a bonus in 2015 which is a changing dynamic in what has historically been a 'salary only' industry. Those companies which adopt a variety of financial incentives, such as structured bonuses may well win the battle in attracting the best talent on the market. However the reality is that bonuses will remain discretionary within most companies in 2016.

A combination of wages being relatively consistent across the industry, more opportunities being advertised and the majority of people working overtime is the perfect storm, allowing employees to make their career choices based on the lifestyle they want. This is where a good employer brand is worth its weight in gold and small, but significant benefits can be the difference between gaining

or losing staff. One practice we spoke to, and almost certainly others, are putting this into practice, but with caution. "There are things that we can do, or not as the case maybe, but the intangibles are important and we try to deal with them. A studio atmosphere, free breakfasts, in-house bar, social days out and monthly show and tells for the junior members are all things we can and have introduced". If businesses with a good employer brand can start to effectively spread the word of their value proposition, it will start to open the eyes of employees from other businesses who are not recognising the importance of this.

A sensitive topic that we debated on whether we should publish was the gap between male and female rewards in the industry. The survey data clearly shows a divide between the pay and bonuses received by male and female employees with males receiving on average 9.7% higher salaries. When it came to bonuses 50% of male employees received a bonus compared to 28% of female employees. Whilst it is difficult to establish the exact reason for this divide, it is likely to be a combination of different things however we have seen more female employees placed in senior roles during 2015 than ever before and this should lead to a more consistent workforce.

### Average permanent salaries (per year):

28/4	Buni				
23	JOB TITLE	EXPERIEN	ICE		
3	Architect (Working in London)	0-2 yrs	3-5 yrs	6-9 yrs	10+ yrs
1		31,200	35,300	42,125	48,275
	Architect	0-2 yrs	3-5 yrs	6-9 yrs	10+ yrs
	(Working outside London)	28,395	32,910	38,240	45,455
1	Architectural Assistant	0-2 yrs	3-5 yrs	6-9 yrs	10+ yrs
ì	(Working in London)	25,025	27,950	32,130	35,215
II.					
	Architectural Assistant (Working outside London)	0-2 yrs	3-5 yrs	6-9 yrs	10+ yrs
		24,250	26,175	30,125	33,250
1					
9	Architectural Technician	0-2 yrs	3-5 yrs	6-9 yrs	10+ yrs
(Wo	Working in London)	25,145	31,890	35,025	40,090
1					
10	Architectural Technician (Working outside London)	0-2 yrs	3-5 yrs	6-9 yrs	10+ yrs
4		22,225	27,070	32,510	36,425
K					

### Average contract rates (per hour):

	JOB TITLE	LTD	PAYE
8			
ľ	Architect (Working in London)	25.20	19.60
١			
	Architect (Working outside London)	24.50	19.05
þ			
	Architectural Assistant (Working in London)	23.40	18.20
Š			
	Architectural Assistant (Working outside London)	22.30	17.30
>			
	Architectural Technician (Working in London)	23.60	18.30
5	Architectural Technician (Working outside London)	23.30	18.10

FRAME

## IT'S ALL ABOUT REVIT

The deadline set by the Governments Construction Strategy is here, with 2016 targeted for the entire life-cycle of public sector projects to be produced in BIM. This has been the driving force behind the growth in REVIT as well as the growth in BIM within the private sector. You could say that it has also contributed to the modernisation of practices throughout the UK. From an employment perspective this has put a huge pressure on businesses to hire REVIT experts.

REVIT gurus are not walking the streets. They are in jobs, highly valued by their employer and are being paid well. Whilst roles for Architects with AutoCAD experience still outweigh those for REVIT experts, sourcing this talent requires a far different approach, similar to the techniques used in executive search.

In monetary terms a contractor with significant REVIT experience can demand around £10 per hour in addition to the rates that we have reported, and for permanent staff between £7,000 - £9,000 extra per year. This has created a war for talent within the industry for people that can come in with these skills and hit the ground running. If you have these people, great. If you do not be prepared to work hard to hire them.

For businesses looking to recruit REVIT experts, training will be key to your value proposition. FRAME reports that responses to job adverts offering REVIT training increase at a rate of 5:1. It's also not uncommon for people to take a pay cut for these types of opportunities, which again relates back to our earlier report of employees needing to take a long-term outlook on their career.

People with 6-9 years experience are being most heavily targeted for trainee REVIT roles and not junior staff who may be software savvy. It shows that REVIT aside, experience still matters. With the '6-9 years experience' category of employee more susceptible to move jobs in 2016, it will open the doors for companies to recruit talent, so long as training is offered.

There has been a dwindling demand for Vectorworks and ArchiCAD experience but demand does remain for AutoCAD experts, and always will Likewise, the on-going rail projects have driven the demand for experts in Microstation. But for 2016, it really is all about REVIT.





FRAME Recruitment Ltd Tel: +44 (0)2382 025 240

Email: design@frame-recruitment.com Website: www.frame-recruitment.com

