



ARCHITECTURE & INTERIORS  
SALARY & EMPLOYMENT REVIEW  
February 2017

**FRAME**





**2016 in Architecture employment was certainly a tale of two halves. The first half of the year continued with the optimism which gained pace during 2015, whilst the second half of the year was a time of caution following BREXIT and the subsequent uncertainty surrounding a leave vote.**

Whilst many employers and employees spent the latter months of 2016 fearful of what these uncertain times may bring, the end to the year brought glimmers of the optimism which we had experienced in 2015. Perhaps caution, from a recruitment perspective, is not as widespread as many had feared and for us January 2017 has been far busier than predicted. We certainly hope this is a sign of things to come.

2017 is likely to be challenging for some as well as presenting opportunities to others. It may be a year full of extremes, on each end of the scale, but what are Architecture and Interiors employees really

feeling about the year to come? In November and December 2016 FRAME Recruitment conducted a large salary and employment survey of over 12,000 industry employees, which will be the second year we have surveyed and analysed market conditions. We also consulted with a number of UK practices of differing sizes, to look at the key employment trends within their businesses. The result is FRAME's 2017 Architecture & Interiors Salary and Employment Review.

Are employees more likely to change employers in 2017 compared to previous years? What will employers be doing to keep their best staff? Is pay and bonuses up or down on previous years? These are just a small number of the questions we look to answer in the year's review.

I hope you enjoy the read.

**Ben Darnton**  
**Managing Director, FRAME**

This report has been produced internally by FRAME Recruitment.  
Data collected in November & December 2016.  
All salary data listed in GBP

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# RETENTION

In our 2016 review we talked in detail about retention levels and potential issues which practices may face whilst the industry was experiencing a period of high growth. As with any industry experiencing good times, retention often becomes more difficult as employees look for the next best thing. We were therefore expecting to see a more cautious approach to employee movement in our data, as a parallel to market conditions. However this is not the case.

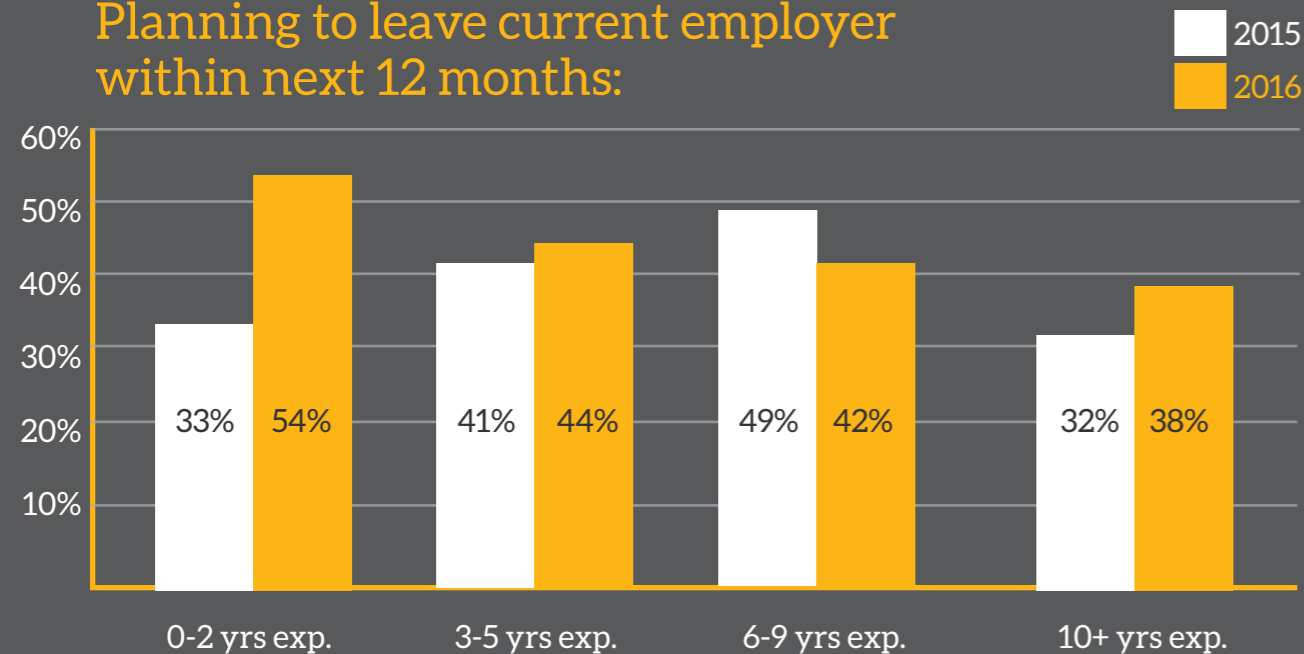
In January 2016 we reported that, on average, 38% of Architecture employees could not see themselves with their current employer in 12 months time. If you compare this to January 2017, this number increased to 44%. But why the increase? Looking deeper into the numbers reveals one employee area where retention will exceed any other and it is those with 0-2 years experience who have been the main contributor

to this increase.

This experience category was one of the least likely to move, according to our survey 12 months ago, with just 33% planning to leave their employer and only marginally superseded by employees with 10+ years experience. In 2017 employees with 0-2 years experience are now the most likely to leave their employers, with a huge swing that brings the number up to 54% and higher than any other employee category.

Darnton comments: "Other than business owners, junior staff are the most concerned about their prospects. They may be seeing a reduction of projects in their practice, becoming nervous about whispers around the office and they will not have been through any previous economic uncertainty. For many, their first idea is to move companies."

## Planning to leave current employer within next 12 months:



## “Junior staff are most concerned about their prospects”

Those with 0-2 years experience have also felt a perceived reduction of career development opportunities with just 51% believing their employer is helping them to develop their career compared to 75% in 2016. "It is unlikely that any practice would purposely or willingly stop developing their junior staff, but this is a sign of the times. There are more important topics on the boardroom table, such as winning or retaining projects, and career development programmes may have been hit" says Darnton.

Contrary to recent reports around a reduction of jobs for junior employees FRAME have seen the opposite. "Quite simply we have seen more opportunities for junior staff in the last quarter of 2016 than we have in the previous. The start of 2017 has been no different" says Darnton.

In 2016 employees with 6-9 years experience were the danger area when it came to retention, with 49% of these employees looking to make a move. These employees have felt

### Does your current employer offer good career development opportunities?

0-2 years exp	51%
3-5 years exp	63%
6-9 years exp	59%
10+ years exp	61%

the pain of the credit crunch and are looking at their current employer as a safe port in a storm, and subsequently we have seen a small reduction in the data to 42%. People with this level of experience are expected to be the most difficult to recruit in 2017. Their desire to stay with their current employer will make it far harder for the competition to hire these people, who at this level can help to both win and deliver projects. Traditional recruitment and hiring strategies may need to be replaced by an executive search or headhunting style if companies are to hire these types of people.



# INSIDE THE MIND OF A CANDIDATE

## BIG Vs SMALL COMPANIES

“Stability is by far the most important aspect for employees in 2017”

**Knowledge gained from our survey data, combined with conversations we have had on the specific matter, reveals some very interesting trends in candidate feelings towards employment in 2017.**

Stability is by far the most important aspect to employees, both those looking to move roles and those happy with their current post. Architecture employees are looking for project steadiness, a fair wage and financial stability. But is it really realistic for practices to be able to provide this? It is going to be a case of being open and honest and keeping employees informed. Employees will very rarely ask senior members of staff for an update on their business projections or issues, however it will be in the back of their minds and companies should recognise this.

A practice we spoke to commented: “Our commercial sector has taken a huge hit but the retail side remains strong. It is difficult for us to dress-up bad news, but we have made a concerted effort to be open and honest with our employees. We have more of an open-door policy than we had a year ago and we are more transparent in talking about the wider strategy of our business”.

When it comes to junior staff, our research revealed that their career requirements are less specific than we would have expected. “Many need a job to pay the bills and are not taking a long-term view on their career. Very few we spoke to had detailed career goals or aspirations and were planning to take things as they come this year” says Darnton.

“There has been a noticeable trend of clients buying for design and not the name above the door”

**The talent pool in Architecture has traditionally been good hunting ground for larger organisations. Like it or loathe it, historically Architecture has been driven by larger organisations expanding or contracting. However, as a whole, 2016 painted a very different picture to what had previously been experienced and it was the smaller practices who were beginning to leap forwards in winning projects, and the best talent in the market.**

Darnton comments: “Smaller companies are winning bigger projects. It is a fact. Their size means that they can be more competitive with their fees and there has been a noticeable swing of clients buying for design and not the name above the door”.

The progress of smaller practices has been well documented in industry media which is great press for them, especially from a recruitment perspective. On the other hand larger organisations, for the purpose of clarity we are talking companies with 100+ skilled staff,

have been attracting negative press because they have been making redundancies. “Employees in the sector read the news which makes it the perfect storm. It is working very much in favour of smaller practices” says Darnton.

But has this been seen in practice? “Absolutely” says Darnton. This started around four years ago by senior employees of larger practices, who decided to start their own business as confidence returned to the market after the 2008 financial crisis. These companies have now scaled their operations, are doing well and need the best talent to take their businesses forward. Candidates we spoke to from larger companies, and many of which we actively worked with, were looking for a different environment to work in, which gave them autonomy and the opportunity to work on a variety of projects. Smaller practices were able to offer all of this, combined with the stability of larger project wins due to their cost model, which made for an easy decision for candidates. We believe this trend will continue in 2017.



# PAY, BONUS & LIFESTYLE

One of the most frequent questions we get asked by our clients is the current trends on salaries. The last year has seen incremental increases in average salaries but generally pay has remained stagnant.

“Pay rises have been in the pounds and pence rather than the thousands. Rises have been dependent on company success and were not as wide-spread as we reported in 2016. The number of employees who received a pay rise in 2016 was down 7% and those who received a bonus down 9%” says Darnton.

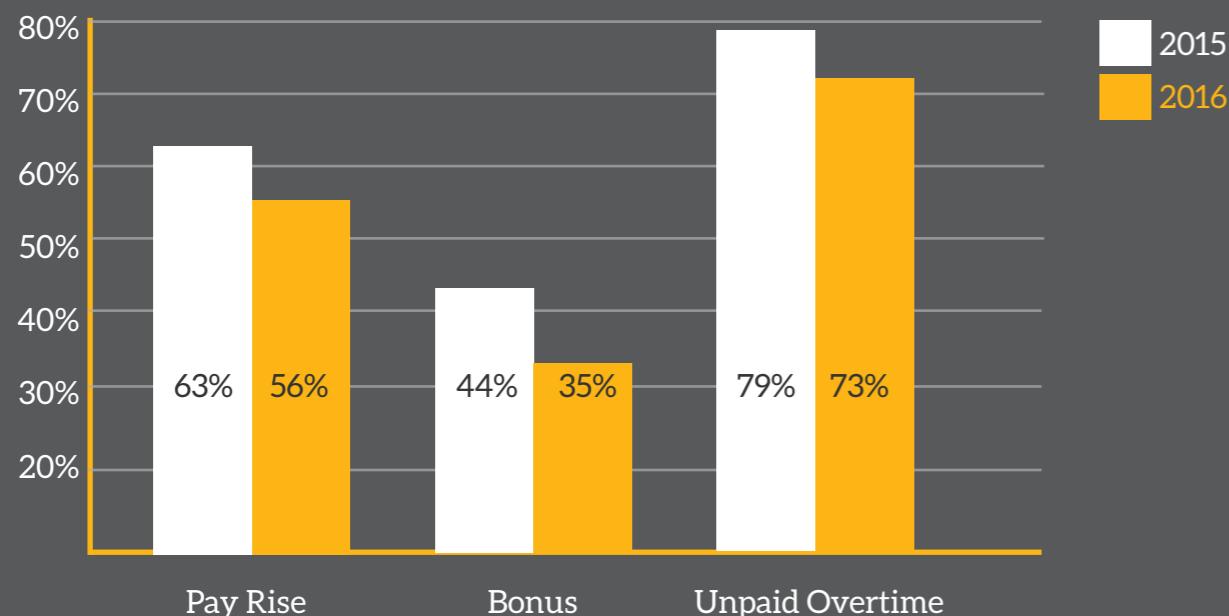
Further research has revealed that starting salaries have in fact dropped during the last 12 months. “Candidates have become more willing to accept lower pay, between 2% - 4.5%, in the face of uncertain times” says Darnton, however advises that “companies who are paying substantially less than the market averages will almost certainly face retention issue with these employees. The majority will leave when something better comes along and the employer will have to spend additional time replacing them. In the medium term this could be a false economy”.

FRAME’s findings on contract pay reveals a more positive story with

rates around 5% up on last year across the board. “Contract hires within businesses are deadline driven and as a result contractors are standing firm on their rates.” says Darnton.

When it comes to lifestyle, employees are working less overtime compared to last year, albeit marginally. There was a reduction of 6% in permanent employees working unpaid overtime. “The sentiment of staff is that they are becoming more unwilling to work unpaid overtime. This is regularly highlighted by our candidates as one of the reasons they are looking to move on” says Darnton. However from a client perspective FRAME has not seen a distinctive change in attitude to unpaid overtime although those who have recognised this, and are prepared to address it, are being creative about their solutions. One practice told us: “We have been interviewing people who have had to work until 10pm most week nights. Whilst these are extreme cases the fact is that project deadlines mean working longer hours is sometimes part of the job. However, we do not want to be that type of practice so we have recently introduced a ‘time-off in lieu’ policy for time worked past 7pm. The staff are happy with it and we are also using this as a selling point to potential hires.”

## 2015 v 2016 rewards and lifestyle



## Average permanent salaries (per year):

Job Title	Working in London	0-2 yrs exp	3-5 yrs exp	6-9 yrs exp	10+ yrs exp
3D Visualiser	Yes	£28,130	£36,125	£45,025	£50,035
3D Visualiser	No	£24,325	£30,155	£40,075	£45,165
Architect	Yes	£31,850	£35,500	£42,315	£48,895
Architect	No	£28,555	£33,250	£38,795	£45,685
Architectural Assistant	Yes	£25,235	£28,120	£32,330	£35,615
Architectural Assistant	No	£24,495	£26,325	£30,200	£33,450
Architectural Technician	Yes	£25,315	£32,050	£35,125	£43,075
Architectural Technician	No	£22,745	£27,275	£30,060	£36,825
Project Architect	Yes	£35,125	£40,015	£44,895	£50,160
Project Architect	No	£30,890	£35,220	£40,135	£45,400
Interior Designer	Yes	£24,150	£31,400	£47,025	£50,135
Interior Designer	No	£20,225	£27,500	£44,490	£47,995

## Average contract rates (per hour):

Job Title	Working in London	LTD	PAYE
3D Visualiser	Yes	£28.25	£21.95
3D Visualiser	No	£25.50	£19.80
Architect	Yes	£26.30	£20.45
Architect	No	£24.75	£19.25
Architectural Assistant	Yes	£22.00	£17.10
Architectural Assistant	No	£20.75	£16.10
Architectural Technician	Yes	£24.60	£19.10
Architectural Technician	No	£22.80	£17.70
Project Architect	Yes	£26.50	£20.60
Project Architect	No	£24.65	£19.15
Interior Designer (junior)	Yes	£18.15	£14.10
Interior Designer (junior)	No	£16.20	£12.50
Interior Designer (mid-weight)	Yes	£21.30	£16.55
Interior Designer (mid-weight)	No	£20.25	£15.75
Interior Designer (senior)	Yes	£27.45	£21.35
Interior Designer (senior)	NO	£25.10	£19.50



## IN SUMMARY

2017 is likely to present the sector with many unknowns and the challenge the sector faces from BREXIT will not be known for some time, although we may begin to feel some effect once Article 50 is triggered. Will it be reminiscent of the ups and downs created by the Euro Debt Crisis? I certainly hope not.

There are however positive vibes around the market and for FRAME we're feeling good about the activity around the business. The lower value of the Pound has been advantageous for Architecture. Would there have been as many projects from clients outside of the UK had we voted to stay in the EU? Possibly not. And for every redundancy there is a new vacancy opening up somewhere else, partly due to the changing dynamic in smaller practices winning bigger business. This puts the sector on a level playing field - is this possibly the most level we have seen it in years?

With the market venturing through such uncertain times, FRAME will be collecting and reviewing more regular employment data in addition to our yearly employment review. Starting in February 2017, FRAME will begin to measure and report on employee confidence, looking specifically at workers confidence in the sector, their employer, their desire to move jobs and their feelings on remuneration. This will be reported in the form of a confidence index where we will measure and analyse the rise and fall of confidence levels. We hope that this real-time insight will be of value to the wider marketplace. More details to follow soon.

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