

## **Architecture Billings Index Ends 2006 with Highest Mark of the Year**

*Commercial and institutional sectors continue to see heavy demand for design services*

*For immediate release:*

**Washington, D.C. – January 17, 2006** – Following a six point jump in November, the Architecture Billings Index (ABI) increased even more in December and finished 2006 with its highest score. The commercial / industrial sector recorded its highest reading in the history of the survey that originated in 1995, while scores in the institutional market also showed improvement.

With an approximate nine to twelve month lag time between architecture billings and construction spending, the ABI is a leading economic indicator of construction activity, and should translate into a high level of activity throughout 2007. The American Institute of Architects (AIA) reported the December ABI rating was 59.5 up from 57.4 in November (any score above 50 indicates an increase in billings).

“Despite a sluggish economy, there is no sign of a slowdown in nonresidential construction activity in the foreseeable future,” said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. “This is very positive news for the construction industry and those markets affected by it because 2006 ended on a strong rebound, after trending down for most of the first 10 months.”

### **Key December ABI highlights:**

- Regional averages: Northeast (69.7), West (61.2), Midwest (56.1), South (52.1)
- Sector index breakdown: commercial / industrial (63.0) institutional (60.2), mixed (57.8), residential (49.3)
- Inquiries index: 58.5

SunTrust Robinson Humphrey Business Services Analyst, Mark Hughes stated, “These very solid billings are further confirmation that the construction market has retained momentum going into 2007 and that growth should be solid over the next several quarters. This is important, timely information in light of the drift in many construction-related stocks since mid-year. Additional favorable data points such as this should help boost investor confidence in the sector.”

### **About the AIA Architecture Billings Index**

The Architecture Billings Index is derived from a monthly “Work-on-the-Boards” survey and produced by the AIA Economics & Market Research Group. Based on a comparison of data compiled since the survey’s inception in 1995 with figures from the Department of Commerce on Construction Put in Place, the findings amount to a leading economic indicator that provides an approximately nine to twelve month glimpse into the future of nonresidential construction activity. The diffusion indexes contained in the full report are derived from a monthly survey sent to a panel of AIA member-owned firms. Participants are asked whether their billings increased, decreased, or stayed the same in the month that just ended. According to the proportion of respondents choosing each option, a score is generated, which represents an index value for each month.



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