

## Negative Conditions Remain in Architecture Billings Index

*Despite nearly three-point rise, project demand well below positive level*

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For immediate release:

**Washington, D.C. – July 23, 2008** – The Architecture Billings Index (ABI) rebounded almost three points in June, after dropping two points the previous month. However, this is the fifth straight month that the index has remained below the 50 threshold, indicating that business levels at U.S architecture firms continue to deteriorate. As a leading economic indicator of construction activity, the ABI shows an approximate nine to twelve month lag time between architecture billings and construction spending. The American Institute of Architects (AIA) reported the June ABI rating was 46.1, up from the 43.4 mark in May (any score above 50 indicates an increase in billings). The inquiries for new projects score was 51.8.

“Very recently, the Midwest has been showing the best regional conditions,” said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. “But otherwise, these numbers are a continuation of weak conditions in the nonresidential construction sector. Given that inquiries for new project work have not seen much improvement, it’s likely we are several months away from a turnaround.”

### **Key June ABI highlights:**

- Regional averages: Midwest (51.8), South (49.9), Northeast (40.7), West (36.1)
- Sector index breakdown: institutional (51.6), commercial / industrial (45.8), mixed practice (44.1) multi-family residential (37.9)
- Project inquiries index: 51.8

### **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.

### **About The American Institute of Architects**

For over 150 years, members of the American Institute of Architects have worked with each other and their communities to create more valuable, healthy, secure, and sustainable buildings and cityscapes. By using sustainable design practices, materials, and techniques, AIA architects are uniquely poised to provide the leadership and guidance needed to provide solutions to address climate change. AIA architects walk the walk on sustainable design. Vicli5.2t