

Architecture Billings Index Drops to All Time Low for Second Straight Month

Commercial sector continues slide as institutional market follows suit

Contact: Scott Frank
202-626-7467
sfrank@aia.org

For immediate release:

Washington, D.C. – December 17, 2008 – Business conditions at architecture firms continue to deteriorate, with the Architecture Billings Index (ABI) posting its lowest level since the survey began in 1995 for the second month in a row. 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 November ABI rating was 34.7, down from the 36.2 mark in October (any score above 50 indicates an increase in billings). The inquiries for new projects score was 38.3, also a historic low point.

“With mounting job losses, declines in retail sales, and travel cut-backs the need for new commercial facilities has dropped considerably recently,” said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. “What’s just as troubling is that the institutional sector --schools, hospitals and public buildings -- is also beginning to react to tighter credit conditions and a weakening economy.”

Key November ABI highlights:

- Regional averages: Northeast (39.5), South (36.8), West (33.5), Midwest (31.4)
- Sector index breakdown: mixed practice (44.5), institutional (40.8), multi-family residential (30.0), commercial / industrial (26.7)
- Project inquiries index: 38.3

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. Visit

www.aia.org/walkthewalk.

http://www.aia.org/press2_template.cfm?pagename=release_121708_abi