

Another Historic Low for Architecture Billings Index

All building project sectors suffering from poor economic climate

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Washington, D.C. – February 18, 2009 – On the heels of a modest uptick in December, the Architecture Billings Index (ABI) dropped to a historic low level in January. As a leading economic indicator of construction activity, the ABI reflects the approximate nine to twelve month lag time between architecture billings and construction spending. The American Institute of Architects (AIA) reported the January ABI rating was 33.3, down from the 34.1 mark in December (any score above 50 indicates an increase in billings). The inquiries for new projects score was 43.5.

*** Every January the AIA research department uses a formula from the Department of Commerce that re-estimates ABI data based on seasonal factors resulting in a recalibration of recent figures.**

“Now that the stimulus bill has passed and includes funding for construction projects, as well as for municipalities to raise bonds, business conditions could improve,” said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. “That said, until we can get a clearer sense of credit lines being made available by banks, it will be hard to gauge when a lot of projects that have been put on hold can get back online.”

Key January ABI highlights:

- Regional averages: West (38.3), Midwest (34.6), South (34.4), Northeast (29.8)
- Sector index breakdown: mixed practice (39.6), institutional (37.1), commercial / industrial (33.8), multi-family residential (29.5),
- Project inquiries index: 43.5

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

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