Architecture Billings Index Continues to Point to Difficult Conditions

No region or building sector immune from prolonged economic downturn

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

For immediate release:

Washington, D.C. – March 18, 2009 – Following another historic low score in January, the Architecture Billings Index (ABI) was up two points in February. 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 February ABI rating was 35.3, up from the 33.3 mark in January, but still pointing to a general lack of demand for design services (any score above 50 indicates an increase in billings). The new projects inquiry score was 49.5.

"Despite a higher score than last month, we are likely to see light demand for new construction projects through much of the year," said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. "There is hope that the stimulus bill will result in more project activity, but that is also dependent on banks easing lending standards in the months ahead. Still, the improvement in the inquiries index does provide hope that some stalled projects will resurface in the near future."

Key February ABI highlights:

- Regional averages: West (36.4), South (35.5), Midwest (35.0), Northeast (32.3)
- Sector index breakdown: mixed practice (40.1), institutional (36.8), multi-family residential (33.3), commercial / industrial (32.0)
- Project inquiries index: 49.5

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

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/press/releases/AIAB078896