

## **Architecture Billings Index Falls More than Six Points**

*Institutional sector enters negative category for the first time this year*

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**Washington, D.C. – October 22, 2008** – Following three consecutive months of signs of greater stability in design activity, the Architecture Billings Index (ABI) fell precipitously, dropping more than six points. 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 September ABI rating was 41.4, down sharply from the 47.6 mark in August (any score above 50 indicates an increase in billings). The inquiries for new projects score was 51.0. This is also the first time in 2008 that the institutional sector has fallen below the 50 mark.

“With all of the anxiety and uncertainty in the credit market, the conditions are likely to get worse before they get better,” said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. “Many architects are reporting that clients are delaying or canceling projects as a result of problems with project financing.”

### **Key September ABI highlights:**

- Regional averages: Midwest (45.2), West (45.0), Northeast (44.2), South (44.1)
- Sector index breakdown: mixed practice (45.9), institutional (45.6), commercial / industrial (42.1), multi-family residential (40.3)
- Project inquiries index: 51.0

### **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/walkthewalk).