



Architecture Billings Index Jumps to Highest Level of Year

Four-point surge follows strong growth in previous month

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

For immediate release:

Washington, D.C. – July 18, 2007 – Following an almost three point spike in May, the Architecture Billings Index (ABI) zoomed up more than four points in June reaching its highest mark of the year. 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 59.3 (any score above 50 indicates an increase in billings), and inquiries for new projects was 62.6.

“Just when it appeared that demand for design services had crested with moderate, but flat growth in February through April, the ABI figures in May and June revealed extremely high demand for nonresidential construction projects,” said AIA Chief Economist Kermit Baker, PhD, Hon. AIA. “After seasonal adjustments, we are in a stretch of 30 consecutive months of growth in architectural billings – the second longest streak in the history of the survey that began in 1995.”

Key June ABI highlights:

- Regional averages: Northeast (62.9), South (58.0), West (57.1), Midwest (53.6)
- Sector index breakdown: institutional (61.6), mixed practice (58.1), residential (57.8), commercial / industrial (55.8)
- Billings inquiries index: 62.6

Shahrokh Shah, Managing Director in the Engineering, Construction & Building Products Group at BMO Capital Markets added, “The recent jump in the ABI is continued good news for companies in the building materials space, as well as for general and specialty contractors who will be in high demand as these projects that are on the drawing board enter the construction phase.”

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

- more -

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 almost 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. AIA members have access to the right people, knowledge, and tools to create better design, and through such resources and access, they help clients and communities make their visions real. www.aia.org