AIA

Architecture Billings Index (ABI)
August 2018

The Architecture Billings Index (ABI) is a diffusion index derived from the monthly Work-on-the-Boards survey, conducted by the AIA Economics & Market Research Group. The ABI serves as a leading economic indicator that leads nonresidential construction activity by approximately 9-12 months. The survey panel asks participants 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. An index score of 50 represents no change in firm billings from the previous month, a score above 50 indicates an increase in firm billings from the previous month, and a score below 50 indicates a decline in firm billings from the previous month.

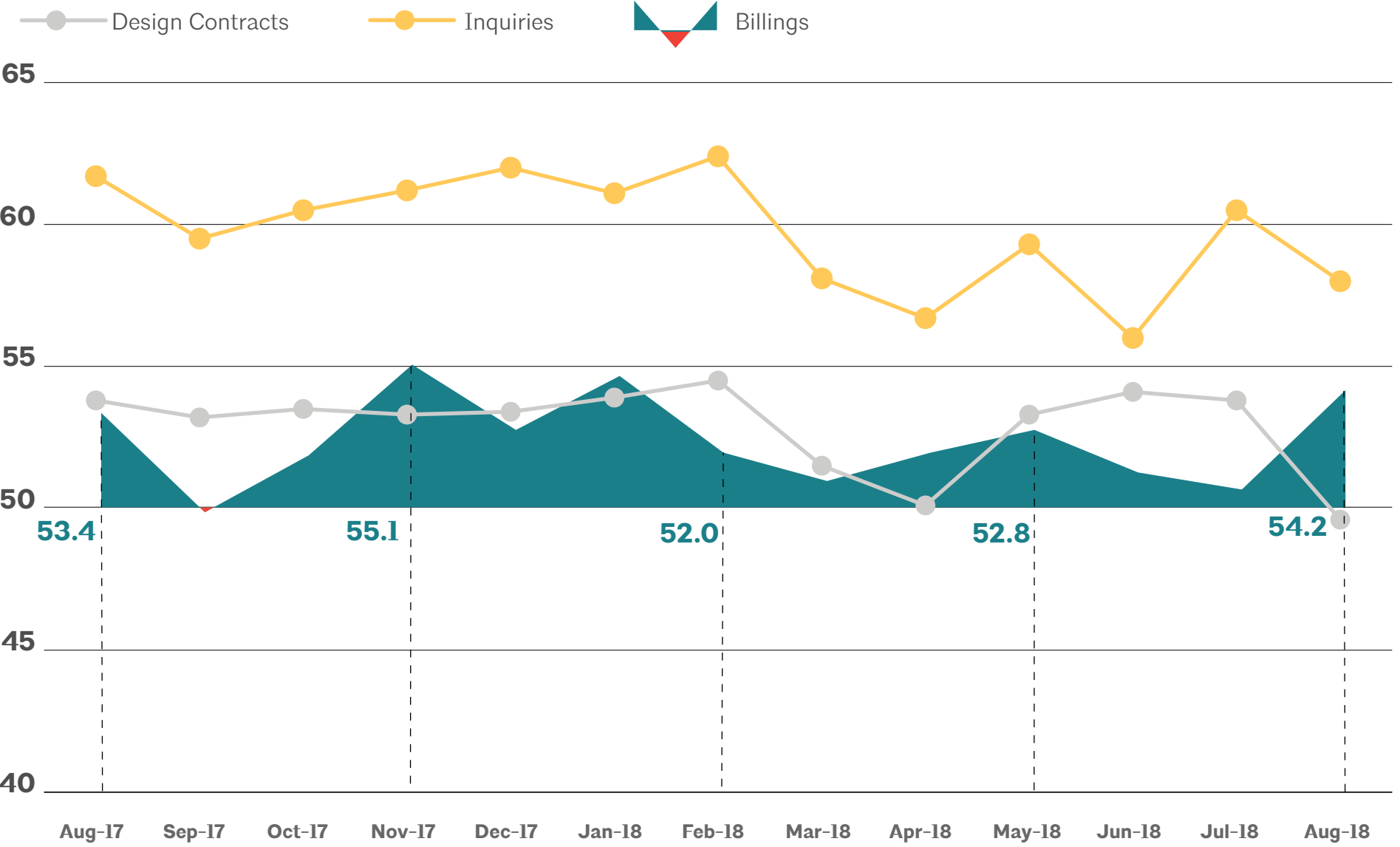*All graphs represent data from August 2017–August 2018.

ABI

| National | Regional | Sector | Practice |

National
Firm billings see a healthy rebound in August

Graphs represent data from August 2017–August 2018.

👍 Above 50   👎 Below 50   No change from previous period

— Design Contracts   —●— Inquiries   ▼ Billings

53.4   55.1   52.0   52.8   54.2

Aug-17 Sep-17 Oct-17 Nov-17 Dec-17 Jan-18 Feb-18 Mar-18 Apr-18 May-18 Jun-18 Jul-18 Aug-18

Regional
### Firms in South report continued strength in billings; Northeast weakness lingers

Graphs represent data from August 2017–August 2018 across the four regions. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.

West: 54.2

Midwest: 52.5

South: 57.0

Northeast: 46.9
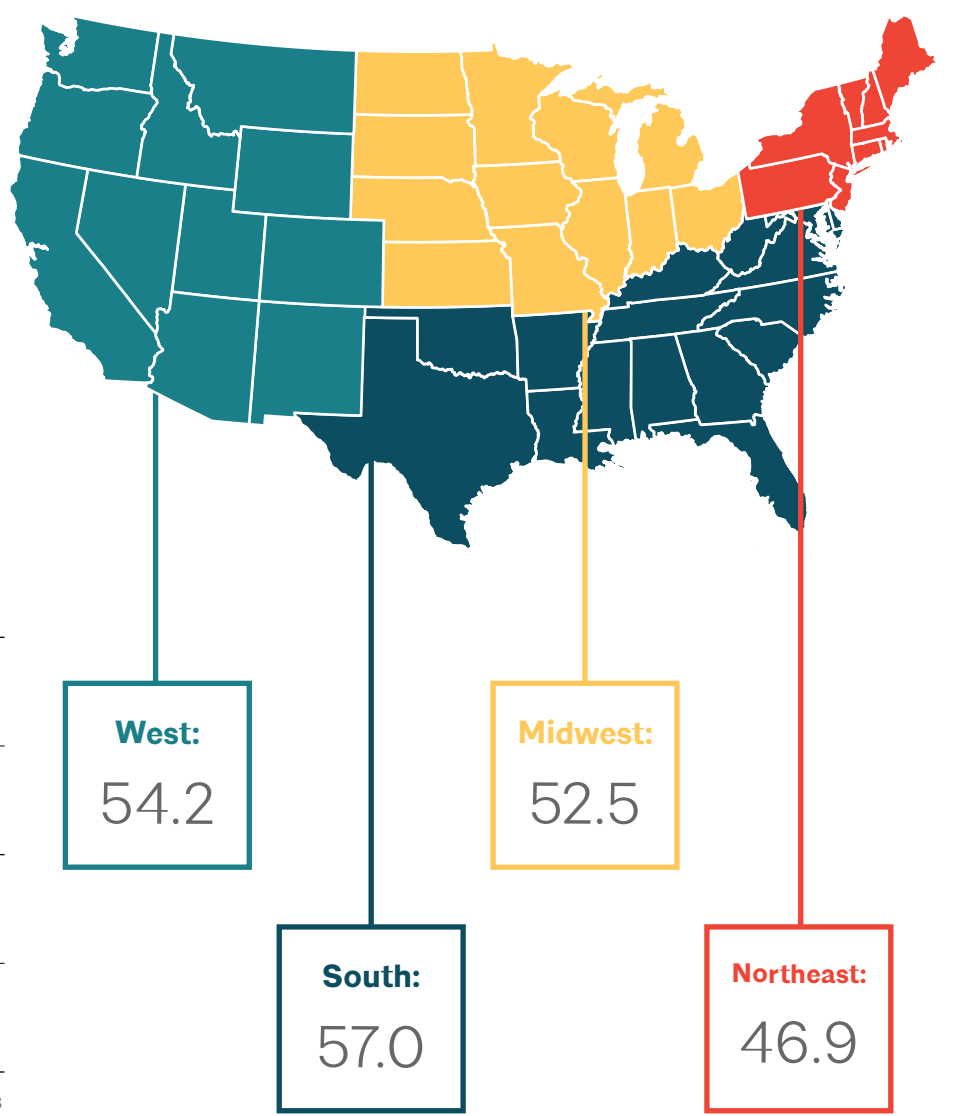
Sector
Design activity for all major building sectors remains healthy

Graphs represent data from August 2017–August 2018 across the three sectors. 50 represents the diffusion center. A score of 50 equals no change from the previous month. Above 50 shows increase; Below 50 shows decrease. 3-month moving average.

Commercial/Industrial: 53.6   Institutional: 52.3   Residential: 55.6
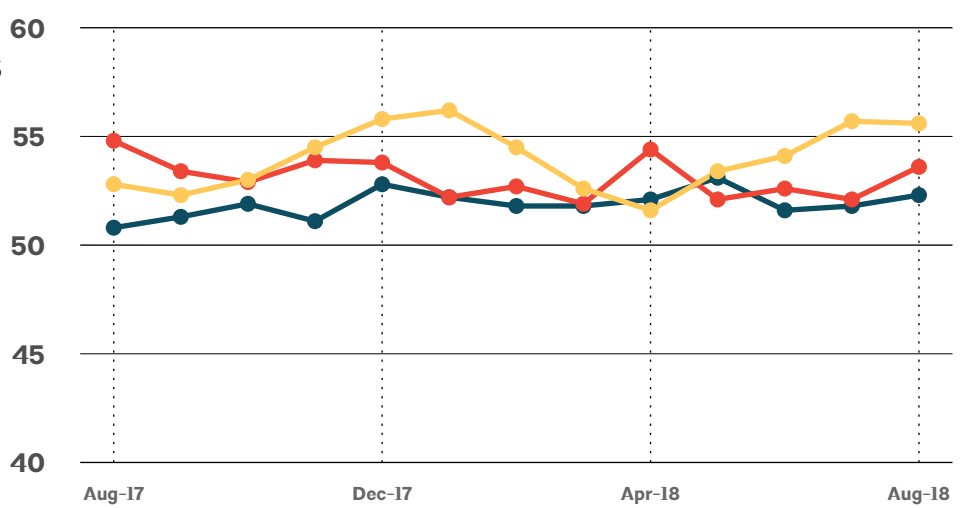
Practice
New technologies cited as key factor affecting firm productivity

units: factors affecting firm productivity; % of firms responding that they agree strongly or somewhat with statement

Statement	%
Steep learning curve with new technologies reduces productivity	80.9%
New technologies make staff more productive	79.6%
Projects more complicated now, reducing productivity	60.8%
Younger staff don't have same commitment to productivity	60.2%
Busy workloads create multitasking, reducing productivity	58.8%
Clients more demanding, which hurts productivity	50.1%
New technologies encourage "overdesigning", hurting productivity	46.2%
More small projects/renovations, hurting productivity	44.6%
More younger and less experienced staff at firm, hurting productivity	39.2%
Architecture schools have done a good job training graduates for practice	32.4%
Increasing productivity likely would increase errors	23.3%
Office layout hinders productivity	14.3%

0%   20%   40%   60%   80%   100%