

Overview

- FORECAST PARTICIPANTS
- AIA ARCHITECTURE BILLINGS INDEX (ABI)
- INDIVIDUAL FIRM COMMENTS
- SUMMARY

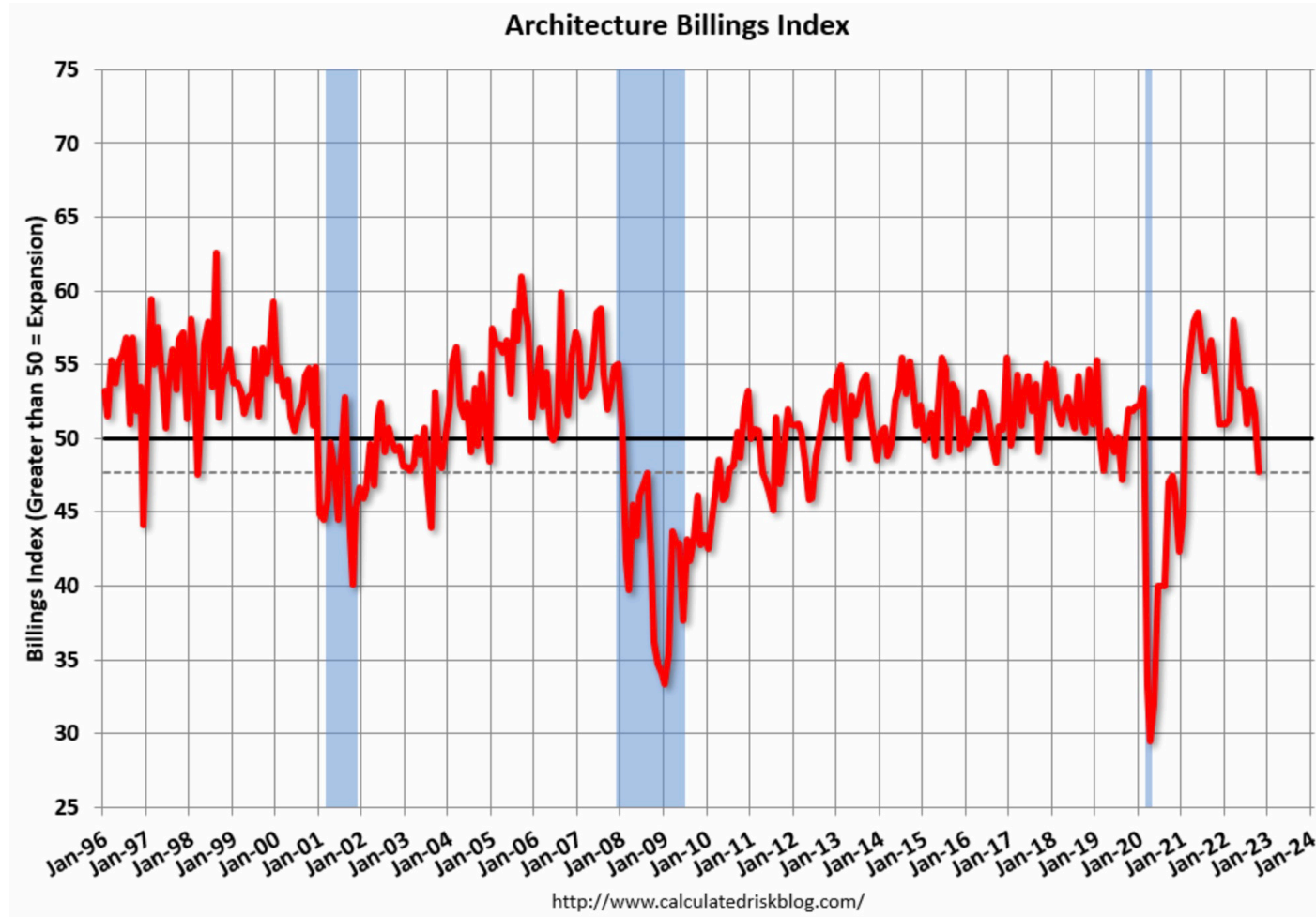
Forecast Participants

- ABNA ENGINEERING – NICOLE ADEWALE – PRINCIPAL
- ALPER AUDI – WARREN BERGQUIST – PRINCIPAL
- ARCTURIS – CHRISSY HILL ROGERS – DIRECTOR ARCHITECTURE
- CHRISTNER ARCHITECTS – SHANNA WIECHEL – MANAGING PRINCIPAL, OPERATIONS
- DAVID MASON ASSOCIATES – TAYLOR MASON – PRINCIPAL
- ENGENUITY – DARRELL JACOBS – PRINCIPAL
- FAITH GROUP – FAITH VARWIG - OWNER

Forecast Participants

- FGM ARCHITECTS – KEVIN MEYER – PRINCIPAL, MANAGING DIRECTOR
- FOX ARCHITECTS – JOHN BERENDZEN – PRESIDENT
- IMEG – JIM KAPPELER & MATT CHANDLER – PRINCIPALS
- JEMA – JOHN MUELLER – PARTNER
- LAWRENCE GROUP – MICHAEL SCHNAARE – PRESIDENT
- ROSS & BARUZZINI – JEFF CRAWFORD – DIRECTOR HIGHER ED
- SSC ENGINEERING – CHRIS CORNETT – PRINCIPAL

AIA ABI 27 Year Summary



AIA ABI 1 Year Summary

National

Business conditions at architecture firms weaken in October

Graphs represent data from October 2021–October 2022.

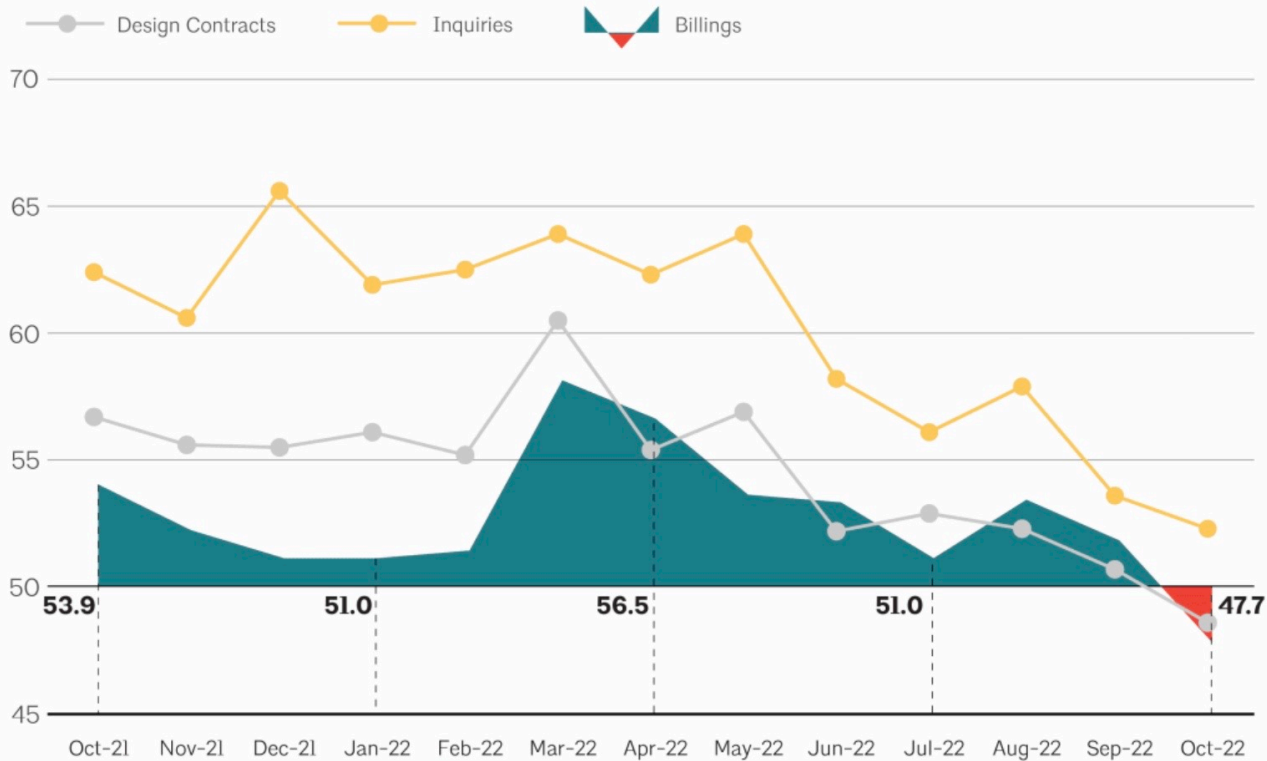


Above 50



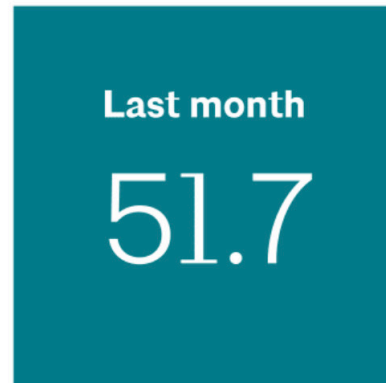
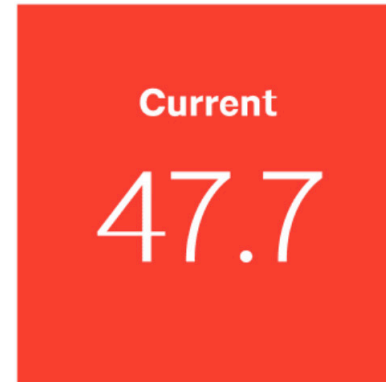
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No change from previous period

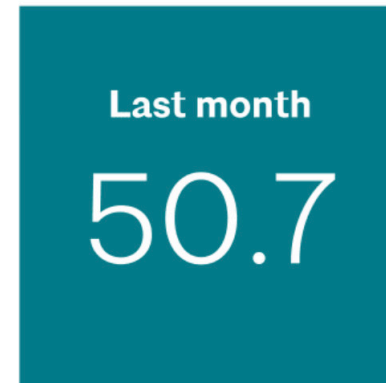
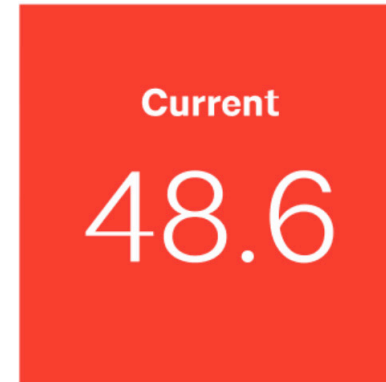


AIA ABI October 2022

Billings



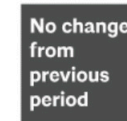
Design Contracts



Above 50



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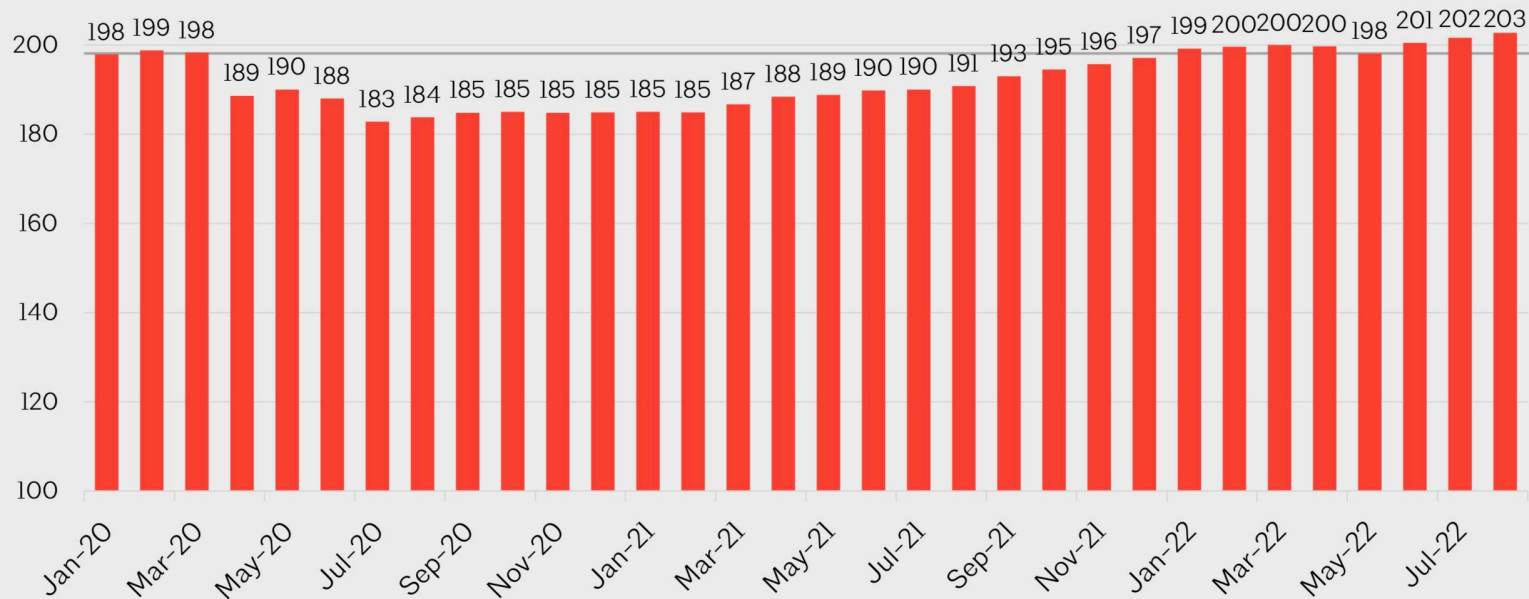


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Architecture Firm Employment

Architecture firm employment has returned to pre-pandemic levels, but seems to be levelling off

All employees, thousands, architectural services, seasonally adjusted

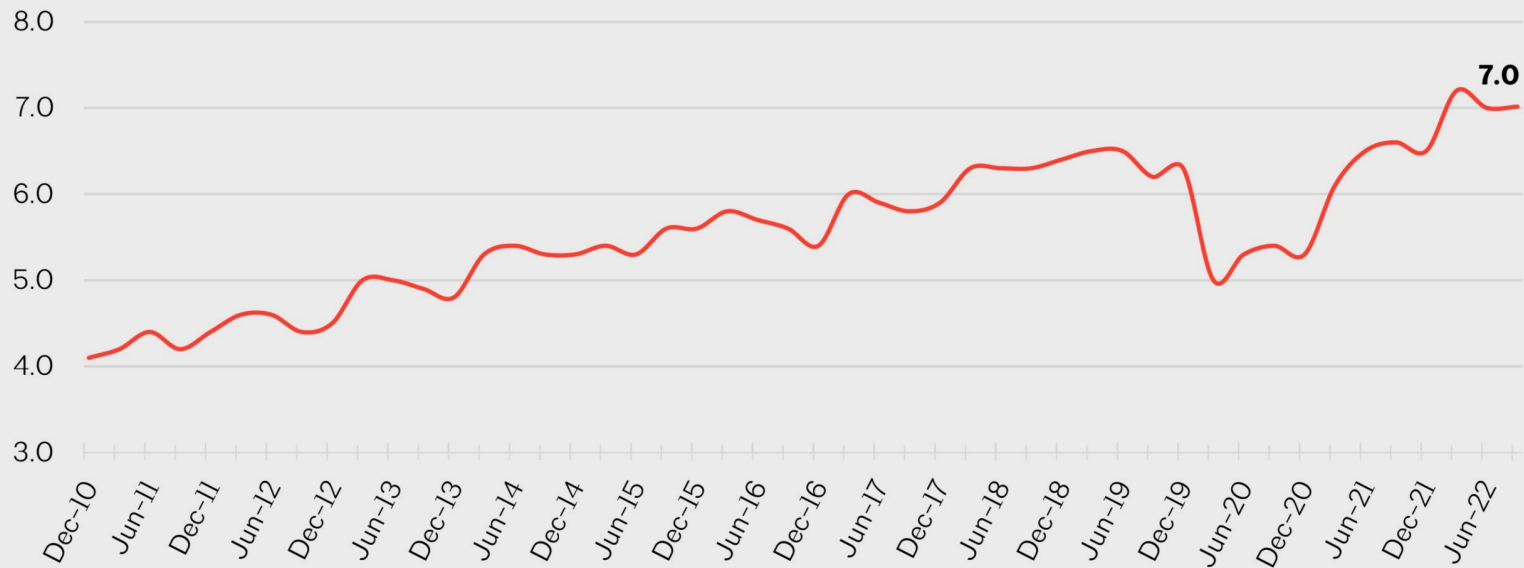


Source: Bureau of Labor Statistics

AIA Architecture Firm Backlog

Architecture firm backlogs currently average 7 months

Average backlog at architecture firms (months)



Source: AIA Architecture Billings Index

Firm # 1 – Engineering

- **MARKETS**

- AVIATION – EXCEEDINGLY STRONG
- TRANSPORTATION – STRONG
- FEDERAL – HAS INCREASED SUBSTANTIALLY
- HIGHER ED – INCREASED AS A PERCENTAGE OF THEIR BUSINESS – MORE RFQ'S/RFP'S
- COMMERCIAL – WEAK

- **HIRING**

- HIRED 20 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE ANOTHER 20 PEOPLE IN NEXT 6 MONTHS
- BUDGETED \$350,000 ON RECRUITING FEES – SPENT \$650,000 IN RECRUITING FEES
- PAYING 20% TO 40% MORE IN SALARIES FOR KEY PEOPLE COMPARED TO PRE-PANDEMIC

- **RTO / WFH POLICY**

- HYBRID – ENCOURAGE EMPLOYEES TO WORK IN OFFICE BUT NO SET SCHEDULE

Firm #2 – Architecture

- **MARKETS**

- HIGHER ED – STRONG
- HEALTHCARE – STEADY – SMALLER PROJECTS
- CORPORATE – WEAK

- **HIRING**

- GENERAL STAFF – STEADY IN 2022
- NEED TO HIRE A FEW STRATEGIC PEOPLE

- **RTO / WFH POLICY**

- HYBRID – ENCOURAGE EMPLOYEES TO WORK IN OFFICE 3 DAYS PER WEEK

Firm #3 – Engineering

- **MARKETS**

- HEAVY MANUFACTURING – REALLY STRONG
- MULTI-FAMILY – STRONG
- DISTRIBUTION CENTERS – HAD BEEN STRONG BUT STARTING TO TIGHTEN UP
- HOTELS – STEADY
- HIGHER ED – STEADY
- K-12 – STEADY
- CORPORATE – WEAK

- **HIRING**

- WOULD LIKE TO ADD A FEW EMPLOYEES BUT CAN'T FIND THE RIGHT PEOPLE

- **RTO / WFH POLICY**

- IN THE OFFICE FULL TIME

Firm #4 – Architecture

- **MARKETS**

- MUNICIPAL – STRONG
- HIGHER ED – STRONG
- MULTI-FAMILY – WEAK
- CORPORATE – WEAK

- **HIRING**

- HIRED 2 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 1 PERSON IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- HYBRID – BUT ENCOURAGE EMPLOYEES TO WORK IN OFFICE

Firm #5 – Engineering

- **MARKETS**

- HIGHER ED – STRONG
- FEDERAL – STRONG
- SCIENCE & TECH – STRONG
- HEALTHCARE – STEADY
- CORPORATE – WEAK

- **HIRING**

- HIRED 8 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 8 PEOPLE IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- HYBRID – 1 OR 2 DAYS PER WEEK AT HOME FOR MOST PEOPLE
- ENCOURAGE EMPLOYEES TO COME INTO THE OFFICE BUT NOT MANDATORY

Firm #6 – Architecture

- **MARKETS**

- DISTRIBUTION CENTERS – STRONG
- INDUSTRIAL – STRONG
- MULTI-FAMILY – STRONG
- CORPORATE – WEAK

- **HIRING**

- HIRED 5 PEOPLE IN PAST 6 MONTHS
- NO NEW HIRES IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- HYBRID – IN THE OFFICE 3 DAYS PER WEEK
- A COUPLE OF EMPLOYEES WORK FROM HOME OUTSIDE THE COUNTRY

Firm #7 – Engineering

- **MARKETS**

- TRANSPORTATION – STRONG
- INFRASTRUCTURE – STRONG
- DEVELOPER – PICKING UP

- **HIRING**

- HIRED 5 PEOPLE IN PAST 6 MONTHS
- NEED TO INCREASE STAFF BY 15% IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- 90% OF STAFF IN THE OFFICE FULL TIME
- 10% OF STAFF WORK FROM HOME FULL TIME

Firm #8 – Architecture

- **MARKETS**

- HEALTHCARE – STRONG
- COMMERCIAL – STRONG
- MULTI-FAMILY – STEADY
- SENIOR LIVING – STEADY
- HOTELS – SLOWING DOWN
- HIGHER ED – WEAK
- CORPORATE (WORKPLACE) – WEAK

- **HIRING**

- HIRED 20 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 10 PEOPLE IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- HYBRID – IN THE OFFICE 3 DAYS PER WEEK

Firm #9 – Engineering

- **MARKETS**

- MULTI-FAMILY – INCREDIBLY STRONG
- INDUSTRIAL (CANNABIS) – STRONG
- HIGHER ED – STEADY
- CORPORATE – STEADY
- HEALTHCARE (MOB) – PICKING UP
- K-12 – PICKING UP

- **HIRING**

- HIRED 4 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 4 MORE PEOPLE IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- IN THE OFFICE FULL TIME

Firm #10 – Engineering

- **MARKETS**

- SOLAR – STRONG
- SCIENCE & TECH – STRONG
- HIGHER ED – STRONG
- HEALTHCARE – STEADY
- DEVELOPER – WEAK

- **HIRING**

- HIRED 6 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 8 MORE PEOPLE IN NEXT 6 MONTHS
- INCREASED EMPLOYEE REFERRAL FEE
- HIRED INTERNAL RECRUITER AFTER SPENDING \$350,000 ON OUTSIDE RECRUITERS IN 2021

- **RTO / WFH POLICY**

- HYBRID – IN THE OFFICE 8 DAYS PER MONTH
- REMOTE EMPLOYEES ACROSS THE COUNTRY

Firm #11 – Architecture

- **MARKETS**

- HIGHER ED – STRONG
- INDUSTRIAL – STRONG
- CORPORATE – STEADY BUT PICKING UP
- MULTI-FAMILY – STEADY
- HEALTHCARE – STEADY
- SCIENCE & TECH – STEADY

- **HIRING**

- HIRED 2 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 3 PEOPLE IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- HYBRID – IN THE OFFICE 3 DAYS PER WEEK

Firm # 12 – Engineering

- **MARKETS**

- SENIOR LIVING – STRONG
- HEALTHCARE – STRONG
- MULTI-FAMILY – STRONG
- HIGHER ED – STEADY
- K-12 – STEADY
- CORPORATE – STEADY

- **HIRING**

- HIRED 2 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 5 PEOPLE IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- IN THE OFFICE FULL TIME

Firm #13 – Architecture

- **MARKETS**

- K-12 – STRONG
- MUNICIPAL – STRONG
- FEDERAL – STRONG
- HIGHER ED – STEADY BUT PICKING UP
- CORPORATE – WEAK

- **HIRING**

- HIRED 6 PEOPLE IN PAST 6 MONTHS
- NEED TO HIRE 5 PEOPLE IN NEXT 6 MONTHS

- **RTO / WFH POLICY**

- HYBRID – IN THE OFFICE 3 DAYS PER WEEK

Firm #14 – Engineering

- **MARKETS**

- HIGHER ED – STRONG
- SCIENCE & TECH – STRONG
- AVIATION – STEADY BUT PICKING UP
- HEALTHCARE – STEADY
- FEDERAL – STEADY

- **HIRING**

- GREW STAFF BY 5% IN 2022
- NEED TO FILL A FEW SENIOR POSITIONS IN 2023
- HAD TO TURN DOWN SOME WORK IN 2022 DUE TO STAFFING CONSTRAINTS

- **RTO / WFH POLICY**

- HYBRID – IN THE OFFICE 3 DAYS PER WEEK

SUMMARY

- **STRONG MARKETS**

- INDUSTRIAL
- SCIENCE & TECH
- TRANSPORTATION
- MUNICIPAL
- SOLAR
- MANUFACTURING

- **STRONG / STEADY MARKETS**

- HIGHER ED
- FEDERAL
- MULTI-FAMILY
- AVIATION
- DISTRIBUTION CENTERS
- SENIOR LIVING

SUMMARY

- **STEADY MARKETS**
 - HEALTHCARE
 - HOTELS
 - K-12
 - COMMERCIAL
- **WEAK MARKETS**
 - CORPORATE

SUMMARY

- **HIRING**

- PAST 6 MONTHS – ON AVERAGE HIRED 6 PEOPLE
- NEXT 6 MONTHS – ON AVERAGE NEED TO HIRE 5.5 PEOPLE

- **RTO / WFH**

- HYBRID – IN THE OFFICE 3 DAYS PER WEEK