

## Pinch Continues for Architecture Firms

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Drop in Billing Signals Slow Recovery for Construction Industry

By Jonathan Starkey  
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Architectural firms are continuing to see a decline in business, indicating that it could take a year or more for the construction industry to begin its recovery, the American Institute of Architects said yesterday.

"We're really not in recovery mode yet, and it's probably going to be several months before we are," said Kermit Baker, chief economist at the AIA. "We're seeing specific problems in terms of financing, and obviously construction is very dependent on that."

The AIA's Architecture Billings Index was at 42.9 in May, up only slightly from 42.8 in April. A score higher than 50 would indicate an increase in billings.

The index is considered an indicator of construction spending nine to 12 months down the road. The index for the South region, which includes the Washington area, was 41.3.

Yolanda Cole, a principal at Hickok Cole Architects in the District, said many clients have reported trouble finding financing, which has brought many projects to an abrupt halt.

"If the credit could loosen, if we could get some credit, there would be a lot more economic development for all of us," Cole said.

Cole said she has seen business level off recently but expects a true recovery to be slow. "I would say we feel much more solid now than we have in the past few months," Cole said. "We feel more steady."

The billing index plunged last fall, mostly setting new lows from October through January, when it registered at 33.3. The average for the index is 51.5 going back to November of 1995, the earliest point for which data is available.

Many local firms hit by the historic downturn in business began laying people off late last year. Hickok Cole laid off 15 people, predominately architects, in November, Cole said.

Jon Penndorf, 31, lost his job at one firm in late March, in its third round of layoffs, though he was hired by Vienna-based Lessard Group in May. He said he could see the effects of the economic downturn at his former firm.

"We hadn't lost any clients, but a lot of clients were putting projects on hold pending funding," Penndorf said. "When I heard that another project was going on hold, I had a vague feeling it was my turn."

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