

Architect-Billing Index in U.S. Increases to Five-Year High

By Jeff Kearns - Dec 19, 2012

Billings by U.S. architecture firms increased in November at the fastest pace in five years, a sign construction will pick up next year as businesses invest in commercial projects.

The American Institute of Architects Billings Index climbed to 53.2 last month, the highest level since November 2007, from 52.8 in October, the Washington-based group said today. Readings above 50 signal an increase in activity. The gauge has advanced for six consecutive months, the longest winning streak in its 17-year [history](#).

Billings tend to lead construction by nine to 12 months, according to AIA chief economist Kermit Baker. The value of all U.S. construction projects climbed in October to an \$872.1 billion annual rate, the fastest since September 2009, Commerce Department data show.

“There appears to be some new life generated in the construction sector of the economy, which has been pretty much dormant since the recession,” **Bernard Baumohl, chief global economist at Economic Outlook Group LLC**, a Princeton New Jersey-based forecasting firm, said before the report.

AIA researchers produce the report by surveying about 700 U.S.-based firms, including Skidmore Owings & Merrill LLP and HOK Architects Corp., on whether billings rose, fell, or remained the same in the past month. Firms reporting [inquiries](#) about designing new projects also rose for a sixth straight month, climbing to a nine-month high of 59.6 from 59.4 in October.

“It’s indicative of confidence,” Rodd Merchant, a senior vice president at JE Dunn Co., a [Kansas City](#), Missouri-based building contractor, said before the report. “A lot of that work on the private side is driven by corporations investing in their operations, whether office or industrial.”