



Economics Group

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Architecture Billings Slipped in October, but Remain Positive

The Architecture Billing Index (ABI) fell 1.5 points in October to 53.7. The reading, however, is still consistent with further improvement in construction activity. Commercial/industrial activity rose on the month.

<p>ABI Still Pointing to Upward Momentum</p> <ul style="list-style-type: none"> Design activity remained above the key threshold of 50 for the sixth straight month in October, but moderated 1.5 points to a reading of 53.7. Despite the slight pullback, the score is 2 points above its year-ago reading and continues to intimate improvement in construction activity. Much of the weakness in October was concentrated in multifamily residential, but the level is still above its long-run average. 	<p>Commercial/Industrial Activity Perking Up</p> <ul style="list-style-type: none"> Commercial/industrial billings rose during the month to a reading of 52.3. The level is now the highest since mid-2014 when the series hit its most recent cycle peak. Some of this increased activity is likely due to the ramp up in office and hotel construction. Institutional billings were largely unchanged in October and continue to suggest solid momentum. Forward-looking billing indicators remained at a high level in October.
<p>Architecture Billings Index Seasonally Adjusted</p> <p>—Architecture Billings Index: Oct @ 53.7</p>	<p>Commercial and Ind. Architecture Billings Seasonally Adjusted</p> <p>—Commercial/Industrial Billings: Oct @ 52.3</p>
<p>Resi. Billings & Priv. Const. Spending Index, Year-over-Year Percent Change, Seasonally Adjusted</p> <p>—Residential Billings: Oct @ 54.7 (Left Axis) —Priv. Residential Const. Spending: Sep @ 0.7% (Right Axis)</p>	<p>Institutional Architecture Billings Seasonally Adjusted</p> <p>—Institutional Billings: Oct @ 54.4</p>

Source: The American Institute of Architects, U.S. Department of Commerce and Wells Fargo Securities, LLC

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