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Architects feel front of construction woes

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When the nation's construction industry suffers, architects are among the first to notice. So, it's no surprise that things have begun to slow down at local firms.

"You see the architects as the canary in the mine shaft," said Dan Jay, principal at the St. Louis architecture firm Christner Inc. "We're the first to feel the pinch."

Jay's firm is among several in St. Louis that have been forced to lay off workers because of a lack of work. Across St. Louis' 175 firms, about 200 architects and support service workers have been laid off since October, according to an estimate by Michelle Swatek, executive director of the American Institute of Architects' St. Louis office.

Nationally, the level of billings and inquiries for architectural work dropped to historic lows in October, according to the most recent monthly survey of firms performed by the American Institute of Architecture.

Many architecture companies are small, so tough times can be particularly hard on the profession, said Kermit Baker, chief economist for AIA. Like most small businesses, these firms often don't have massive cash reserves and, on average, have only five to seven months of work lined up.

"It's a struggle to keep current customers paying on time and keep your staff billable," Baker said. "The general sense is most firms have excess staffing now and are waiting for new project work to come in."

This isn't the first time the profession has experienced trouble, so companies prepare for the lean times. For example, in 2000, when commercial construction began a four-year slide, Pat Whitaker made changes at her firm, Arcturis.

At the time, most of the company's revenue came from corporate clients. So Arcturis tried to add clients from the public sector — higher education and data centers, Whitaker said. It also stretched into planning, civil engineering

and graphic design. As a result, Arcturis more than quadrupled revenue from \$4.2 million in 2002 to \$19 million in 2008 and increased from 50 to 140 workers, she said.

Many architecture firms similarly have diversified, Whitaker noted. At Arcturis, such moves have helped it remain relatively stable in tough times, even though it recently laid off 15 people. But in hopes of bringing some workers back when conditions improve, the firm provided severance pay and outplacement services to laid-off workers.

"We saw (layoffs) coming, but there's not much you can do," Whitaker said.

Architect Dan Kirchner saw it coming two weeks ago when he was laid off from another local company. Kirchner, 46, spend 15 years at a company that focused on redesigning retail buildings.

"The retailers aren't doing so well and most business expansions are based on sales," said Kirchner, who lives in House Springs. "If the sales aren't there, they're not going to expand."

It was the second time Kirchner has been laid off, so when he got the news, he was disappointed but not surprised.

Not all firms are experiencing difficulties, though. Since October, Clayton-based Bond Wolfe Architects has increased its employment by two to 18 and it will be hiring one more person in coming months, said Susan Pruchnicki, principal. But the hirings don't mean Pruchnicki is ignoring what's going on. She said she's simply responding to the demand.

"I'm waiting for the other shoe to drop," Pruchnicki said. "But right now, we have work to do. We are busy. It's a service-based industry."

Bond Wolfe is staying busy by focusing on projects such as firehouses or schools. Others try projects outside the region.

That tactic can provide temporary relief. But out-of-town companies usually do the same kind of thing.

Perhaps all that can be done, Pruchnicki said, is for architects to be patient.

"We are an economy-driven industry," she said "We require people to build stuff

to keep busy ... I think if people stay calm and look at the big picture, it's natural that these things happen."

That may be true, but the fluctuations have left some architects, such as Dan Kirchner, deeply concerned. He hopes demand for environmental building standards will create more jobs soon. But after a six-month layoff early in his career, he won't wait much longer. "If nothing comes up in six months, I'll switch to another career," he said.

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