

## Positive outlook on European construction

The economic crisis is loosening its grip on European architects: In the third quarter of 2009, the majority of architects report a less negative development of their order backlogs in annual comparison. The construction industry operates in a late cyclical market, which means that buildings designed today will not be ready until at least two years from now. Therefore, activities of architecture firms provide a strong indicator of how the construction sector will develop. In Germany, both the development of the present order portfolio and the turnover expectations among architects are even positive. In the UK, future expectations are also positive. This is one of the findings that have emerged from the European Architectural Barometer, a research project commissioned by Arch-Vision.

Since 2009, the European Architectural Barometer has been measuring cyclical developments among larger architectural firms, those with more than two full time employees. This tool provides an indication of the present climate in, the UK, Germany, France, Spain, Italy, and the Netherlands, establishing projected building volumes as well as how buildings are being constructed. The first measurement took place in March 2009, followed by the second in July and the third in October. The next measurement will be carried out in January 2010.

### Improvement of backlog in UK and France

In annual comparison, the European architects' order backlogs are still negative in all regarded countries apart from Germany. In Germany more architects report an increase than a decrease from the third quarter of 2008 to the third quarter of 2009, resulting in the only positive index among all participating countries. The second best result has been achieved by their colleagues from the UK reporting of a marginal backlog decrease in annual comparison only.

Compared to the results from the previous quarter, architects in the UK and France have experienced a much smaller decrease in backlog. Although the present German result is still positive, the annual backlog development in the third quarter 2009 is slightly less positive than it was in the second quarter.

### Increased confidence in Germany and the United Kingdom

Architects from the UK and Germany are the most confident regarding the turnover development during the next twelve months: Like in the second quarter, their expectations are once again positive. In comparison to their expectations in the previous quarter, their present expectations have risen by more than ten index points in both countries. In all other countries, the architects' turnover expectations are still negative, but visibly less negative than they were in the previous quarter. In France, Italy and the Netherlands especially, architects only reckon with comparably small turnover losses in the 12 months to come.

### Short-term outlook among European architects (index\*)

	Index development backlog			Index expectation turnover next 12 months		
	Q1 '09 vs Q1 '08 N=600	Q2 '09 vs Q2 '08 N=600	Q3 '09 vs Q2 '08 N=1.200	Q1 2009 N=600	Q2 2009 N=600	Q3 2009 N=1.200
<b>UK</b>	78	81	99	82	103	115
<b>Germany</b>	91	108	104	95	104	116
<b>France</b>	79	72	87	82	86	99
<b>Spain</b>	41	50	56	71	71	81
<b>Italy</b>	54	81	81	57	92	96
<b>The Netherlands</b>	71	73	74	83	89	97

Source: [www.arch-vision.eu](http://www.arch-vision.eu), Oktober 2009

\*A score of 100 represents an unchanging situation; deviations below or above 100 represent architects stating an increase minus architects stating a decrease.

### About Arch-Vision

Arch-Vision ([www.arch-vision.eu](http://www.arch-vision.eu)) is a sister company of USP Marketing Consultancy, BuildInfoConsult BV, BaulInfoConsult GmbH and BouwKennis B.V. At present, Arch-Vision is fully occupied with the development and production of the European Architectural Barometer. In the medium run, Arch-Vision will develop into a complete European Architectural Platform, bringing together building material suppliers, publishers, software developers and architects. All interviews are conducted by native speakers. Twelve hundred interviews were completed for the first two measurements, future measurements will be based on twelve hundred interviews per measurement.

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**Architects: Development backlog 2009 vs 2008 (Index, n=1,800)**

**Architects: Expectations turnover next 12 months (Index, n=1,800)**

