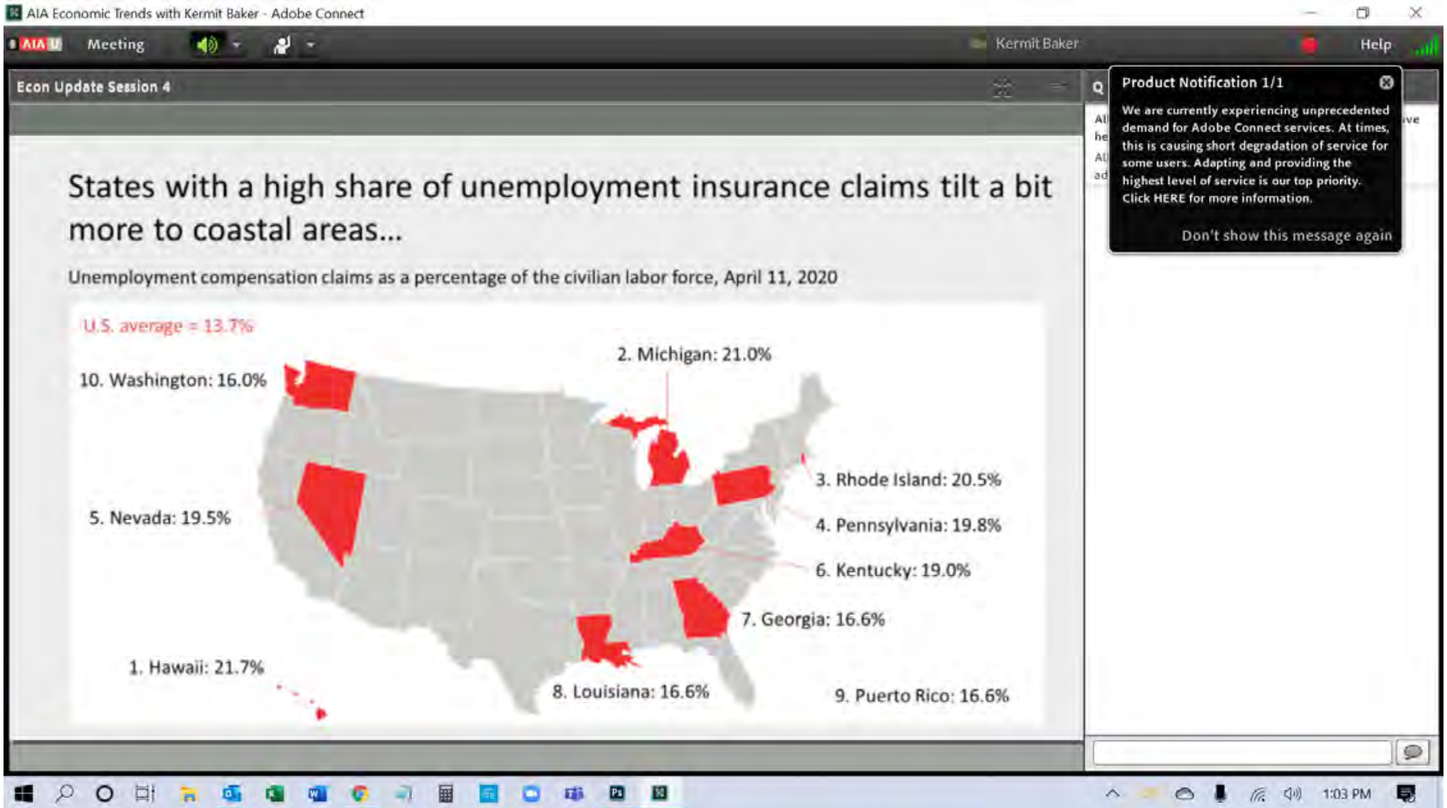
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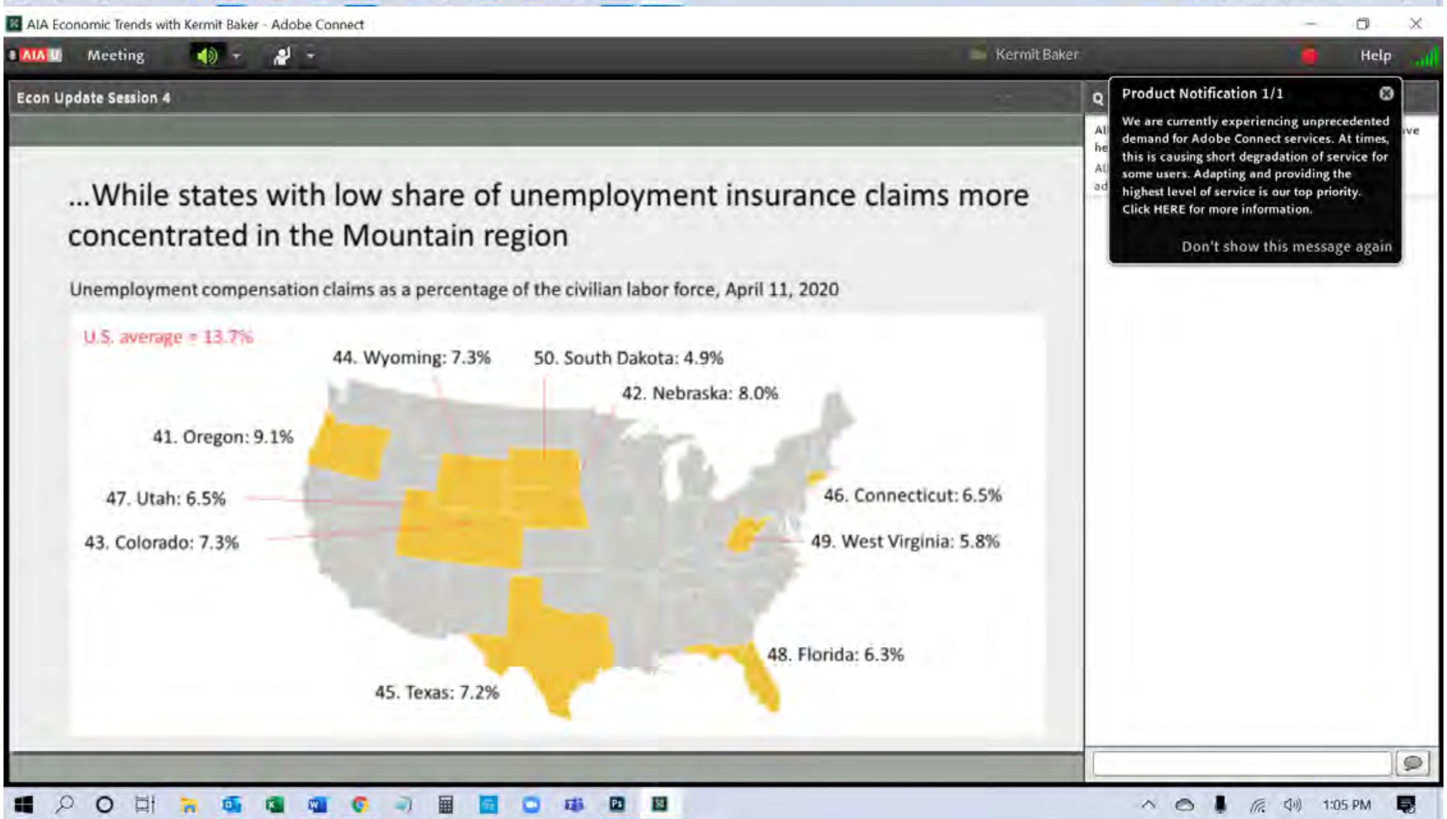
States with a high share of unemployment insurance claims tilt a bit more to coastal areas...
Unemployment compensation claims as a percentage of the civilian labor force, April 11, 2020
U.S. average = 13.7%
2. Michigan: 21.0%
10. Washington: 16.0%
3. Rhode Island: 20.5%
5. Nevada: 19.5%
4. Pennsylvania: 19.8%
6. Kentucky: 19.0%
7. Georgia: 16.6%
1. Hawaii: 21.7%
8. Louisiana: 16.6%
9. Puerto Rico: 16.6%
1:03 PM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...While states with low share of unemployment insurance claims more concentrated in the Mountain region
Unemployment compensation claims as a percentage of the civilian labor force, April 11, 2020
U.S. average = 13.7%
44. Wyoming: 7.3%
50. South Dakota: 4.9%
42. Nebraska: 8.0%
41. Oregon: 9.1%
47. Utah: 6.5%
46. Connecticut: 6.5%
43. Colorado: 7.3%
49. West Virginia: 5.8%
48. Florida: 6.3%
45. Texas: 7.2%
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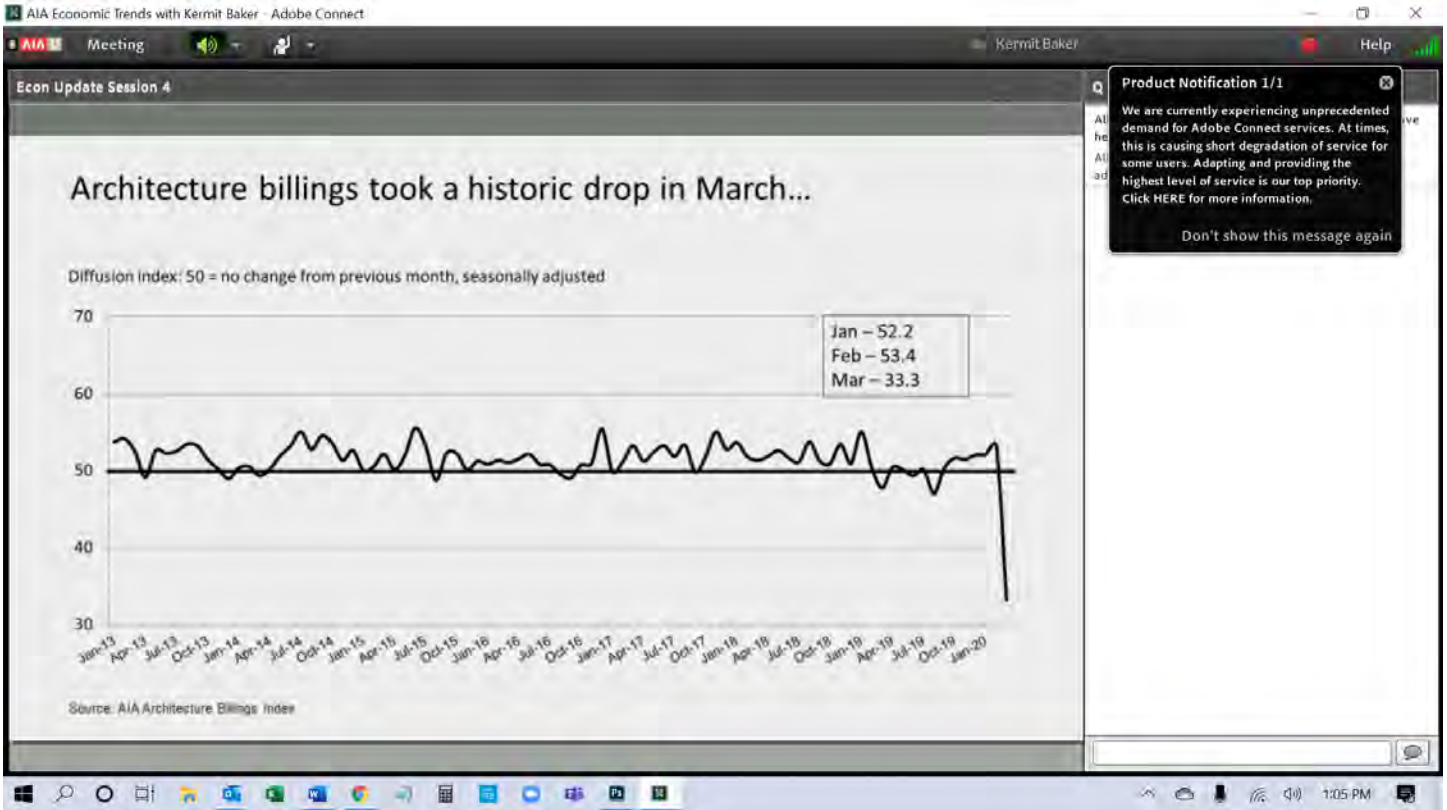
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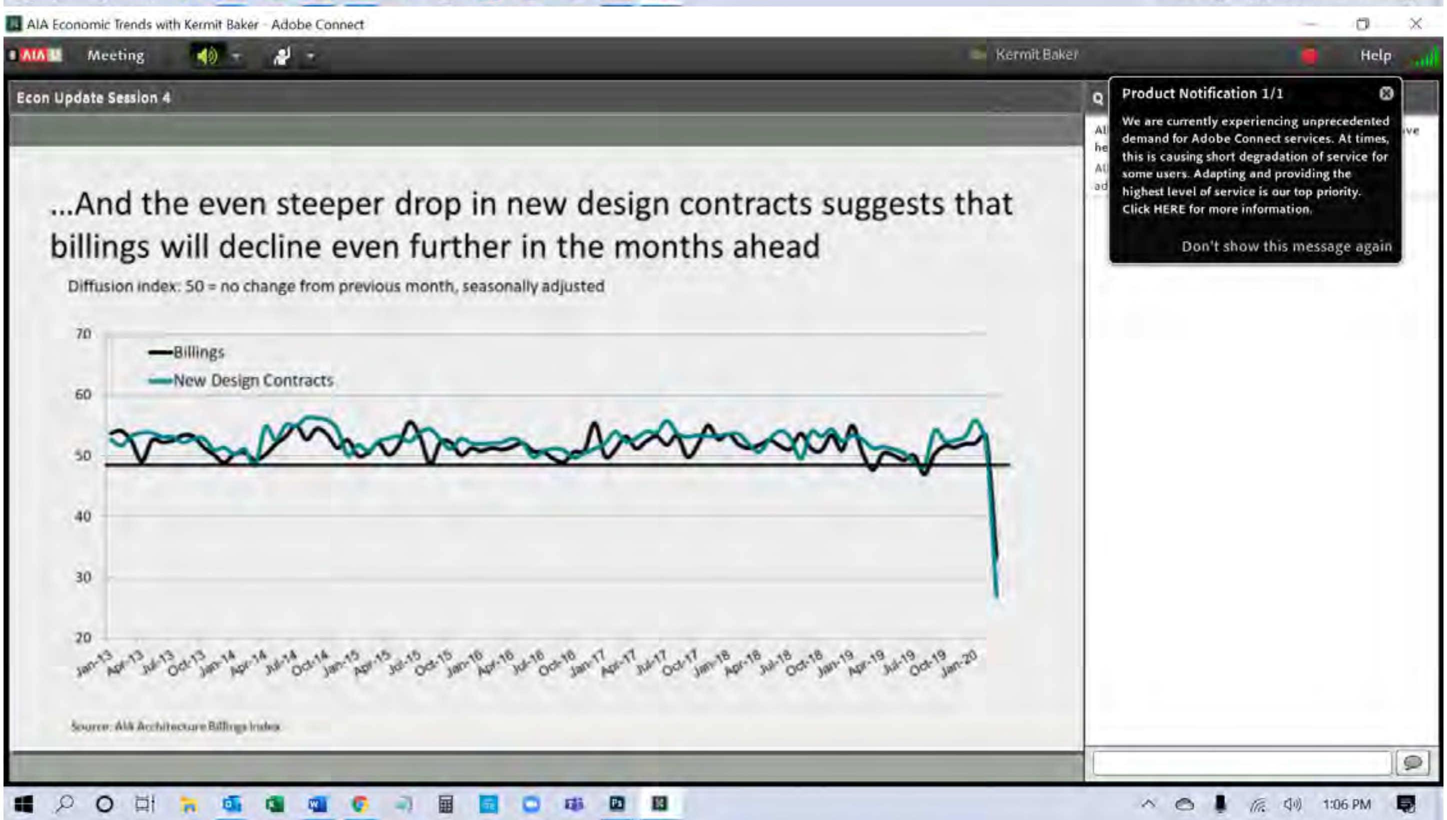
Architecture billings took a historic drop in March...
Diffusion index: 50 = no change from previous month, seasonally adjusted
Jan – 52.2
Feb – 53.4
Mar – 33.3
70
60
50
40
30
Jan-13 Apr-13 Jul-13 Oct-13 Jan-14 Apr-14 Jul-14 Oct-14 Jan-15 Apr-15 Jul-15 Oct-15 Jan-16 Apr-16 Jul-16 Oct-16 Jan-17 Apr-17 Jul-17 Oct-17 Jan-18 Apr-18 Jul-18 Oct-18 Jan-19 Apr-19 Jul-19 Oct-19 Jan-20
Source: AIA Architecture Billings Index
1:05 PM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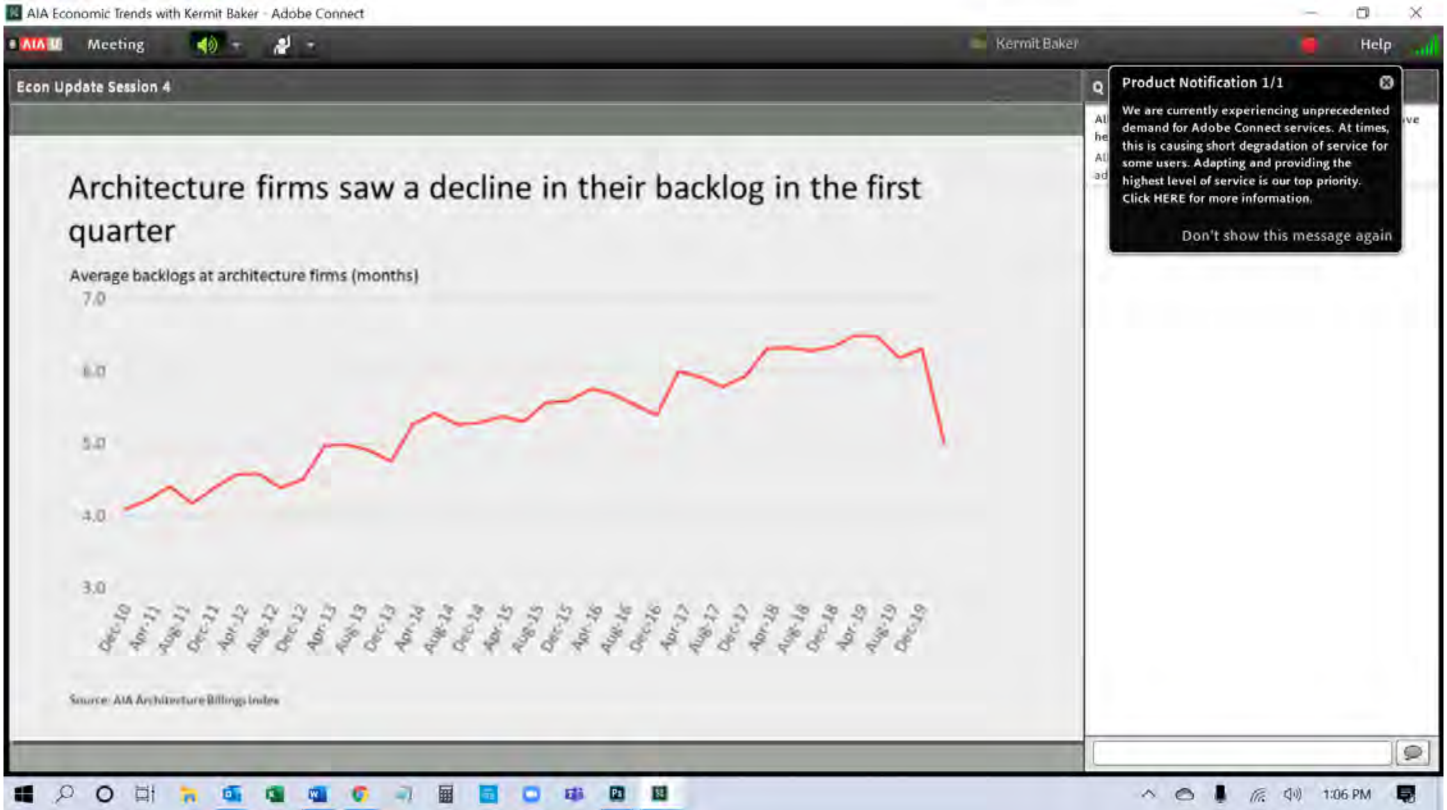
...And the even steeper drop in new design contracts suggests that billings will decline even further in the months ahead
Diffusion index: 50 = no change from previous month, seasonally adjusted
Billings
New Design Contracts
70
60
50
40
30
20
Jan-13 Apr-13 Jul-13 Oct-13 Jan-14 Apr-14 Jul-14 Oct-14 Jan-15 Apr-15 Jul-15 Oct-15 Jan-16 Apr-16 Jul-16 Oct-16 Jan-17 Apr-17 Jul-17 Oct-17 Jan-18 Apr-18 Jul-18 Oct-18 Jan-19 Apr-19 Jul-19 Oct-19 Jan-20
Source: AIA Architecture Billings Index
1:06 PM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Architecture firms saw a decline in their backlog in the first quarter
Average backlogs at architecture firms (months)
7.0
6.0
5.0
4.0
3.0
Dec-10 Apr-11 Aug-11 Dec-11 Apr-12 Aug-12 Dec-12 Apr-13 Aug-13 Dec-13 Apr-14 Aug-14 Dec-14 Apr-15 Aug-15 Dec-15 Apr-16 Aug-16 Dec-16 Apr-17 Aug-17 Dec-17 Apr-18 Aug-18 Dec-18 Apr-19 Aug-19 Dec-19
Source: AIA Architecture Billings Index
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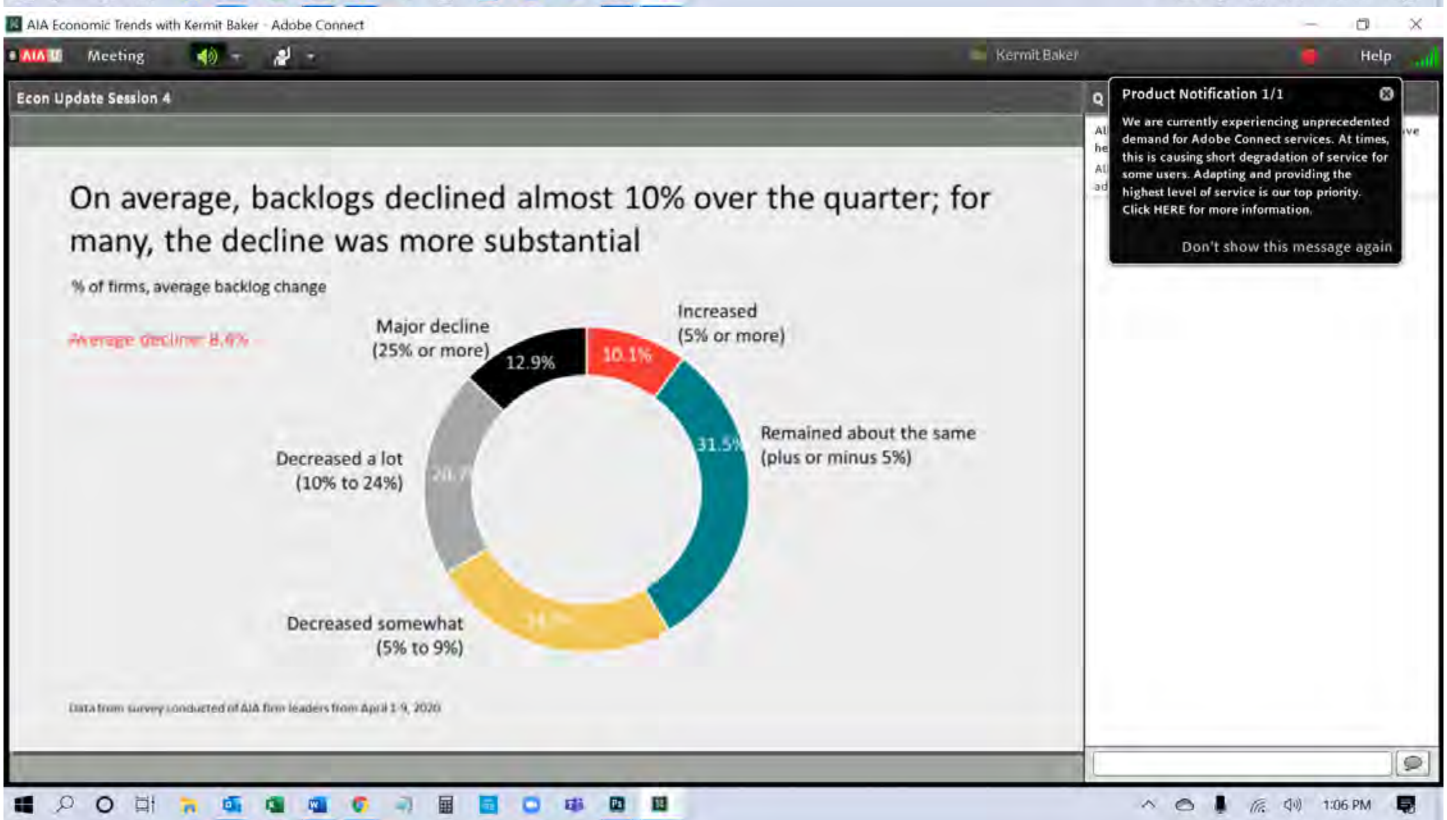
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On average, backlogs declined almost 10% over the quarter; for many, the decline was more substantial
% of firms, average backlog change
Average decline: 8.6%
Major decline (25% or more)
12.9%
Increased (5% or more)
10.1%
Remained about the same (plus or minus 5%)
31.5%
Decreased a lot (10% to 24%)
Decreased somewhat (5% to 9%)
Data from survey conducted of AIA firm leaders from April 1-9, 2020
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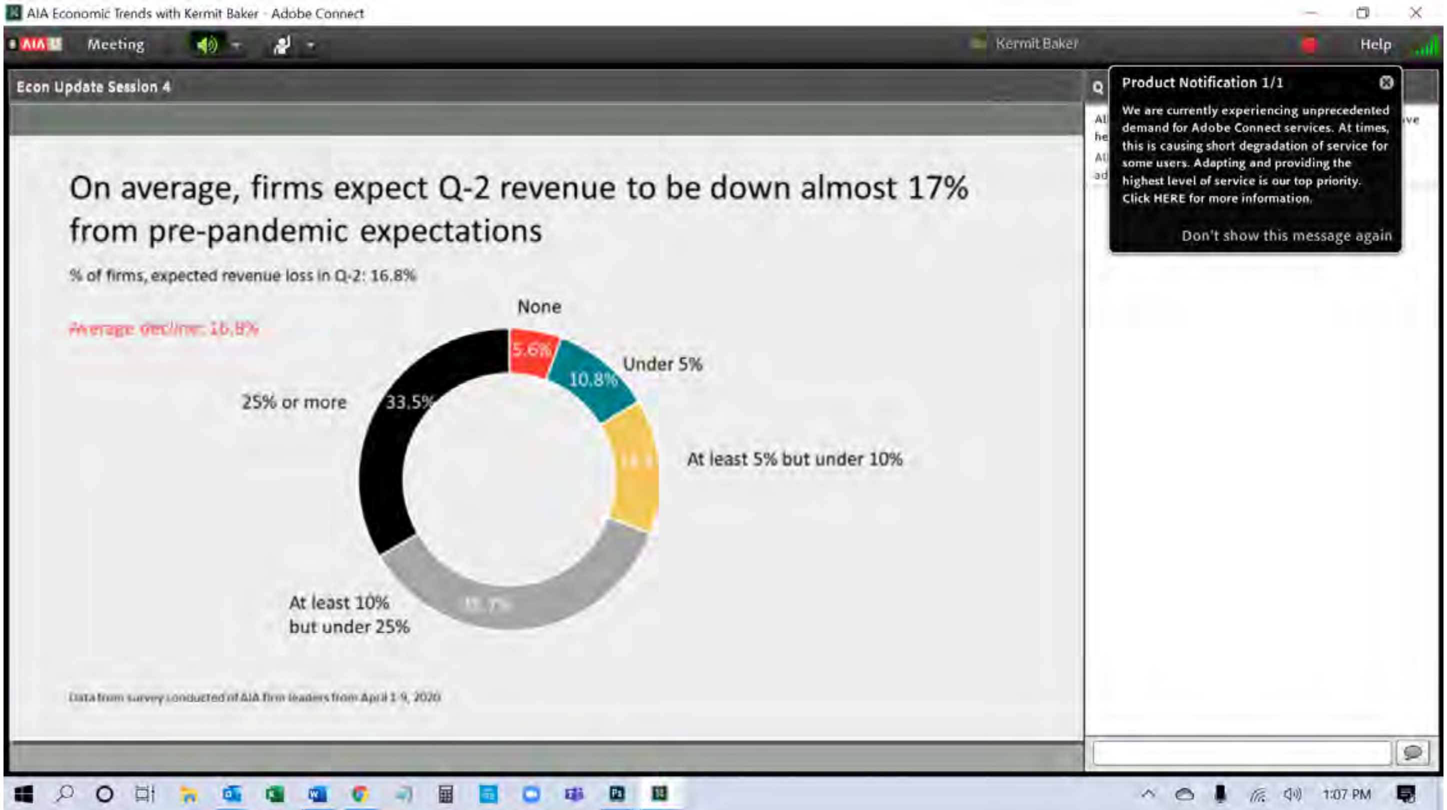
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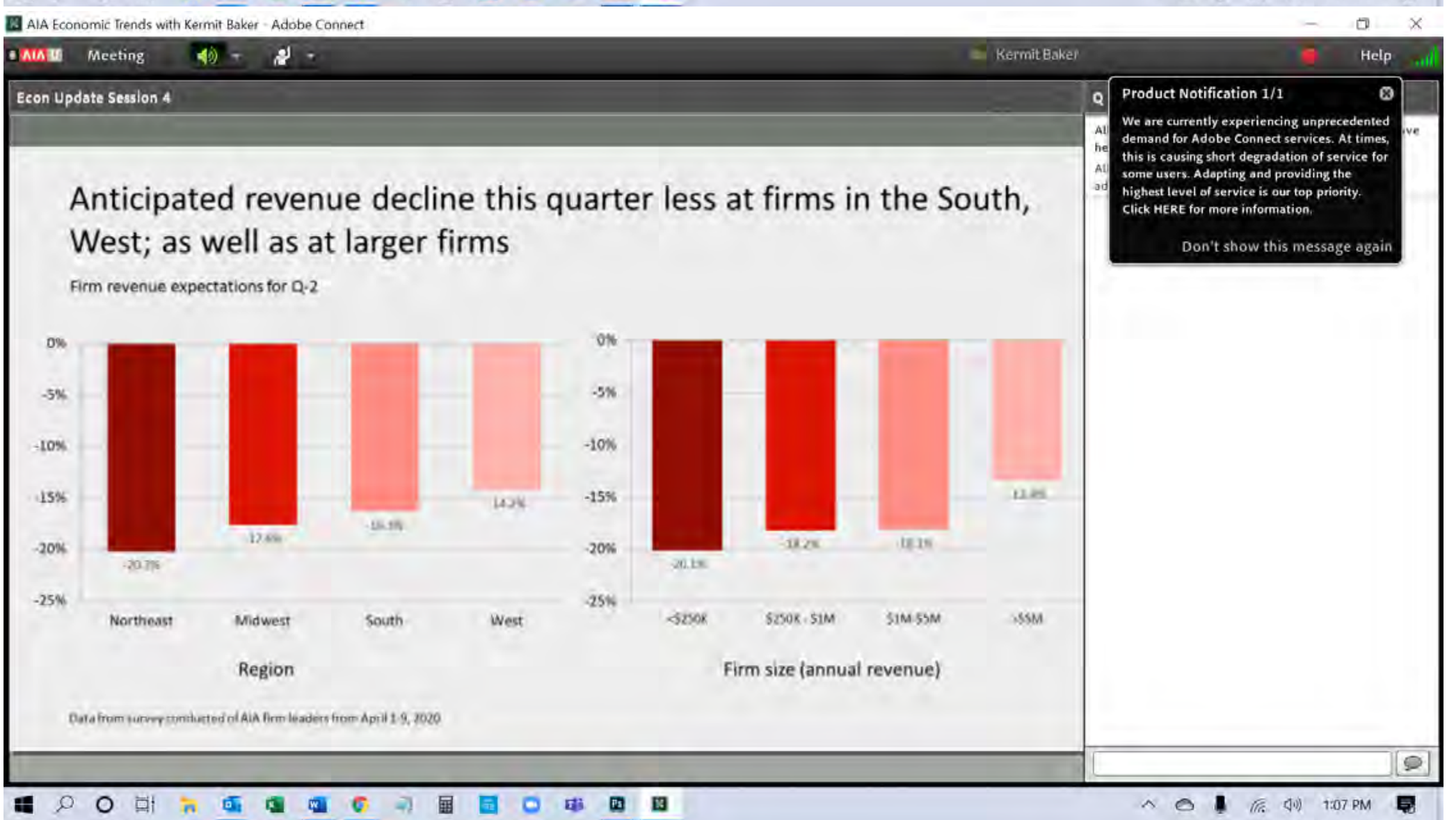
On average, firms expect Q-2 revenue to be down almost 17% from pre-pandemic expectations
% of firms, expected revenue loss in Q-2: 16.8%
None
5.6%
Under 5%
10.8%
At least 5% but under 10%
25% or more
33.5%
At least 10% but under 25%
Data from survey conducted of AIA firm leaders from April 1-9, 2020
1:07 PM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Anticipated revenue decline this quarter less at firms in the South, West; as well as at larger firms
Firm revenue expectations for Q-2
0%
-5%
-10%
-15%
-20%
-25%
-20.7%
-17.6%
Northeast
Midwest
South
West
Region
-20.1%
-18.2%
-18.1%
<$250K
$250K - $1M
$1M-$5M
>$5M
Firm size (annual revenue)
Data from survey conducted of AIA firm leaders from April 1-9, 2020
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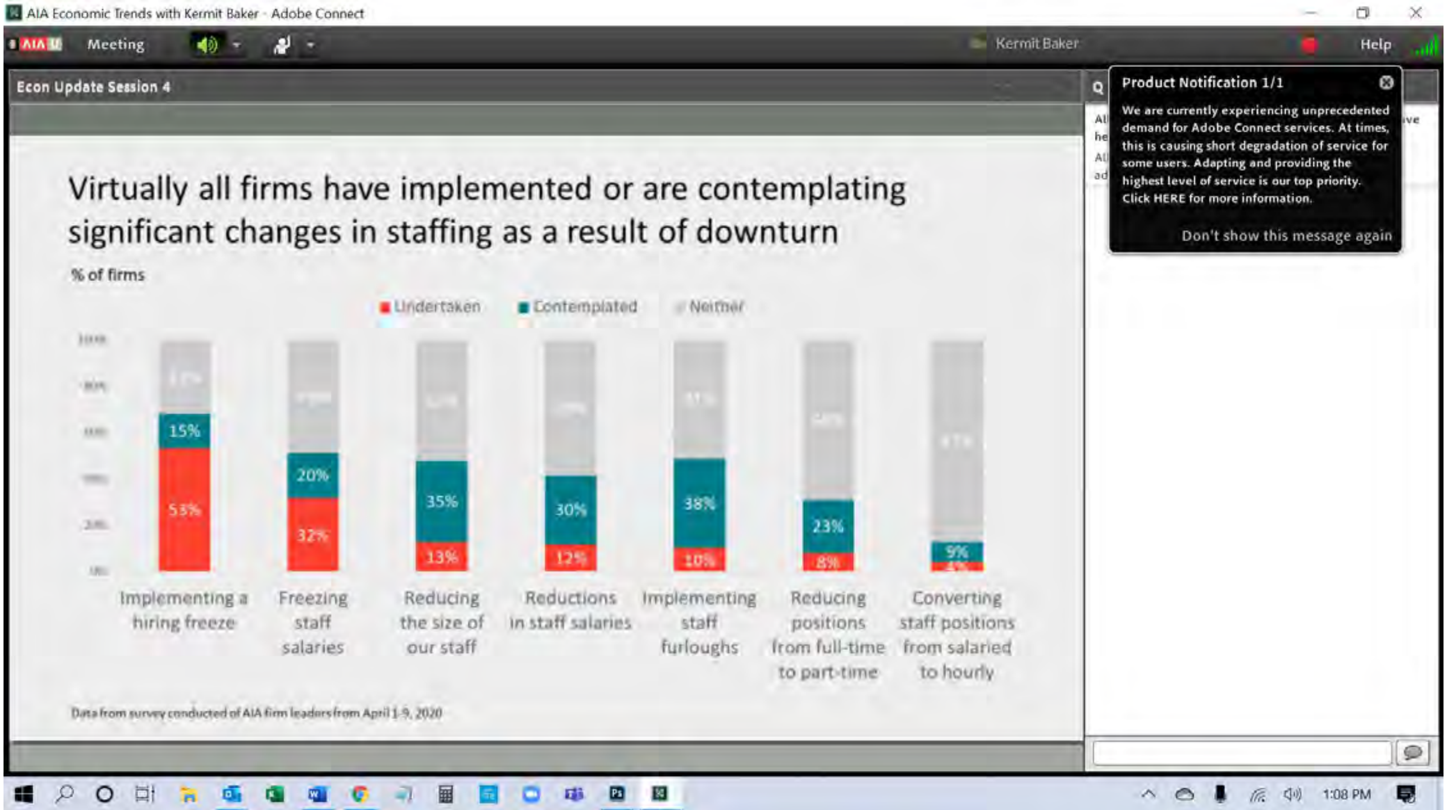
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Virtually all firms have implemented or are contemplating significant changes in staffing as a result of downturn
% of firms
Undertaken
Contemplated
Neither
15%
53%
20%
32%
35%
13%
30%
12%
38%
10%
23%
8%
9%
Implementing a hiring freeze
Freezing staff salaries
Reducing the size of our staff
Reductions in staff salaries
Implementing staff furloughs
Reducing positions from full-time to part-time
Converting staff positions from salaried to hourly
Data from survey conducted of AIA firm leaders from April 1-9, 2020
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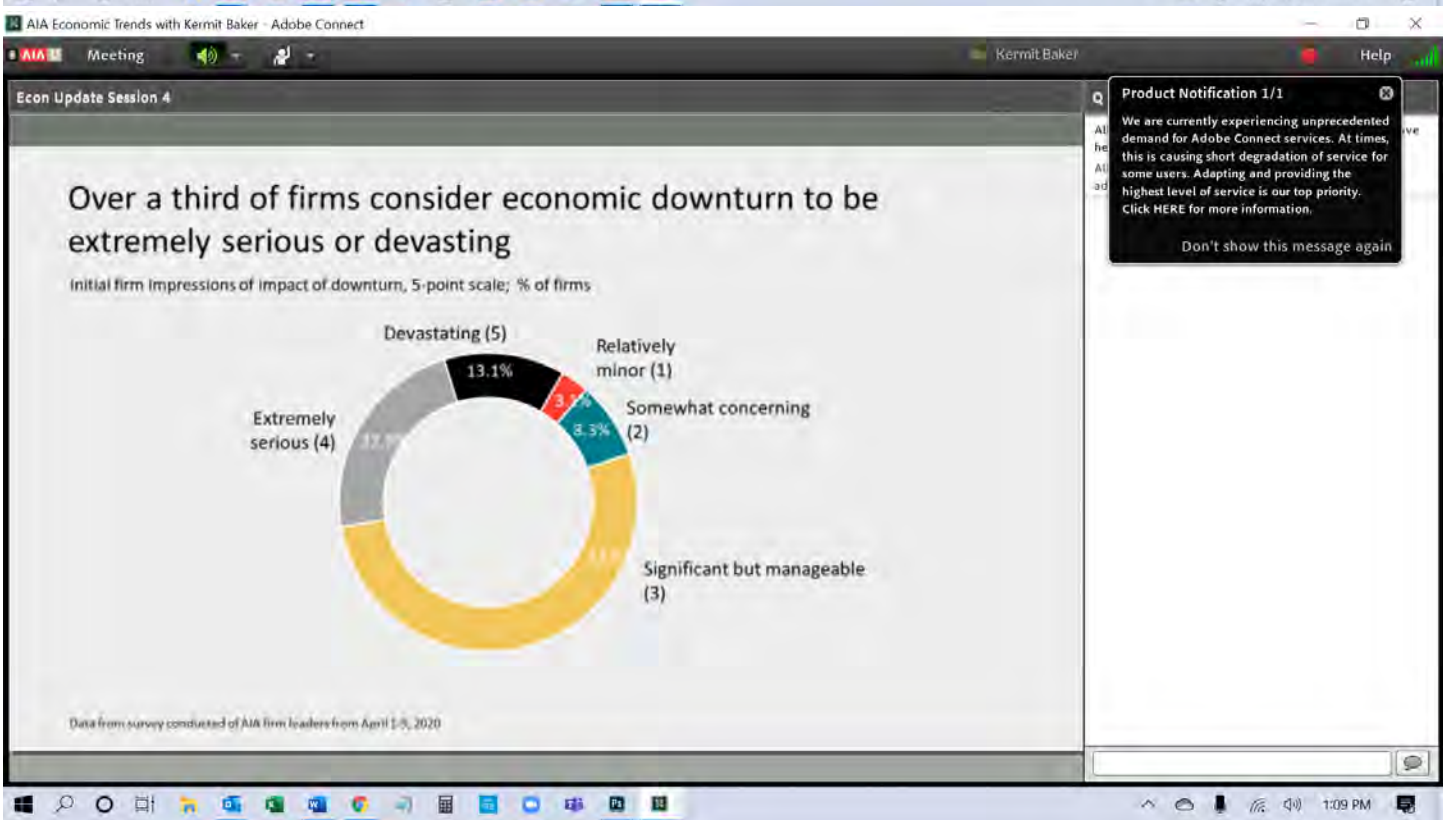
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Over a third of firms consider economic downturn to be extremely serious or devasting
Initial firm impressions of impact of downturn, 5-point scale; % of firms
Devastating (5)
13.1%
Relatively minor (1)
Somewhat concerning (2)
8.3%
Extremely serious (4)
Significant but manageable (3)
Data from survey conducted of AIA firm leaders from April 1-9, 2020
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By end of the year, most firms expect to continue to be operating, but on a much leaner scale
% of firms
Trimmed all unnecessary expenses at our firm to stay in the best possible financial position 76%
Annual revenue will be considerably lower than it is at present 66%
Implemented changes so that our firm will be operating much more efficiently 59%
Invested in new information technologies and communications systems to keep our firm competitive and able to benefit from new opportunities 39%
Size of our firm will be considerably smaller 17%
Offering a broader set of design and/or construction services 14%
Successfully diversified into new markets (new facility categories or new geographical areas) 8%
Focusing on a more limited set of design and related services 6%
Merged with or been acquired by another firm 1%
Data from survey conducted of AIA firm leaders from April 1-9, 2020
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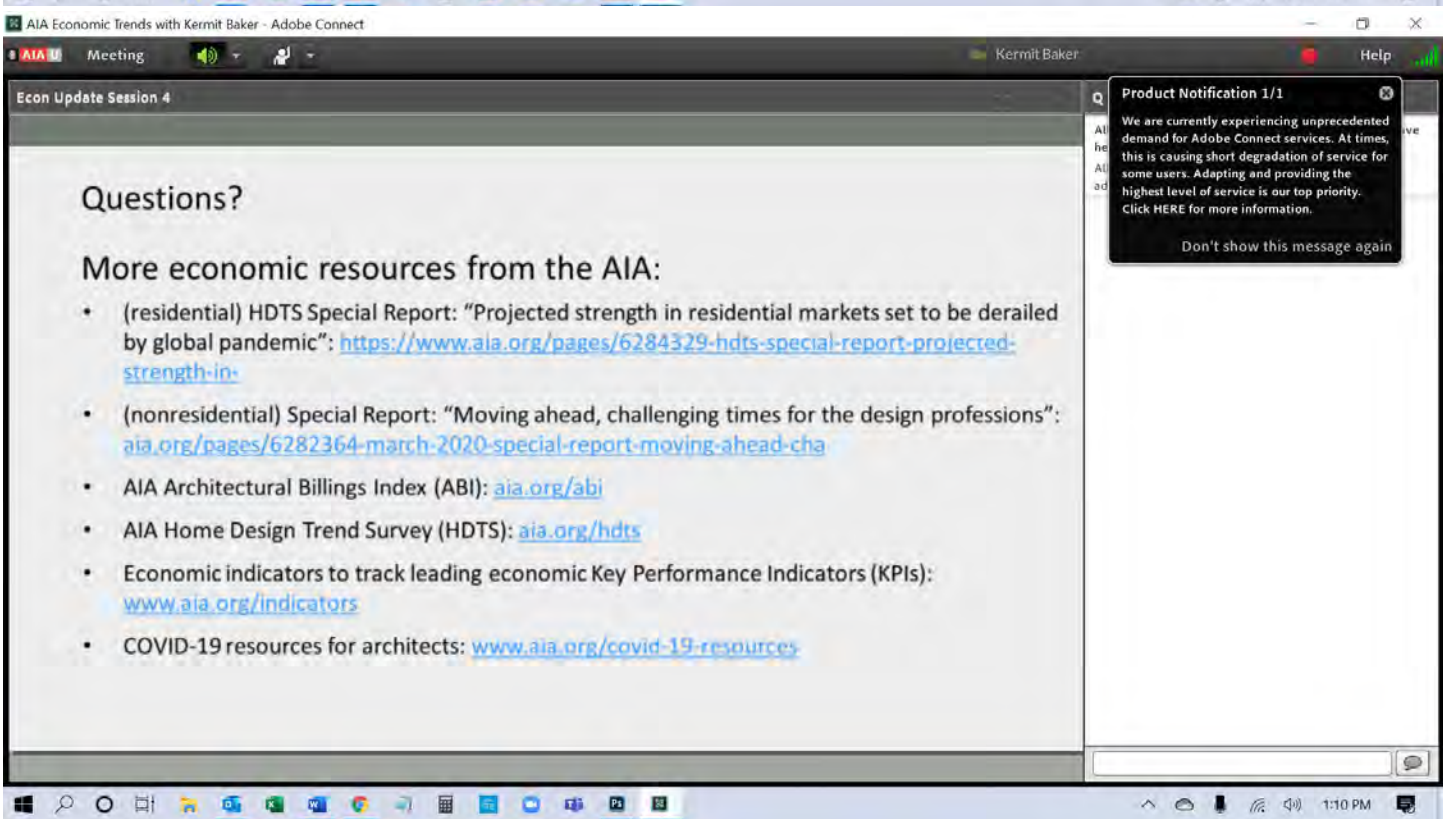
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Questions?
More economic resources from the AIA:
• (residential) HDTS Special Report: "Projected strength in residential markets set to be derailed by global pandemic": https://www.aia.org/pages/6284329-hdts-special-report-projected-strength-in-
• (nonresidential) Special Report: "Moving ahead, challenging times for the design professions": aia.org/pages/6282364-march-2020-special-report-moving-ahead-cha
• AIA Architectural Billings Index (ABI): aia.org/abi
• AIA Home Design Trend Survey (HDTS): aia.org/hdts
• Economic indicators to track leading economic Key Performance Indicators (KPIs): www.aia.org/indicators
• COVID-19 resources for architects: www.aia.org/covid-19-resources
1:10 PM