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CBIZ Tofias 2012 Architectural Survey

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The 2012 Architectural Survey from CBIZ Tofias, part of the nation's seventh-largest accounting and tax provider, indicates the architecture industry in greater Boston continues to stabilize itself after two years of the sharpest declines in profit (2008 and 2009) since the survey began more than 25 years ago.

Architecture firms in Greater Boston in 2011 saw a slight improvement from the slowdown, which for most firms began in 2008. There were slight increases in the direct labor utilization rate (percentage of time worked on billable projects) and the profit per direct hour compared to 2010.

Most of the participants' statistics either improved or stayed flat as compared to last year's survey. Additionally, the overhead rate continues to be at a much higher level than several years ago when local industry profits were at a record high.

"The architecture industry in the Greater Boston area is showing encouraging, though not significant, signs of improvement," says David Swan, author of the report and Leader of the Architecture, Engineering and Consulting (A/E/C) Practice. "The health of the architecture industry can be construed as a reflection on the state of the real estate market as architecture is often viewed as a leading indicator."

The 2012 Architectural Survey reported the following trends:

- Â• The average profit per direct hour increased to \$6.89 in 2011, an increase from \$5.54 in 2010.
- Â• The direct labor utilization rate rose from 61.4 percent in 2010 to 62.4 percent in 2011.
- Â• Of all the firms surveyed, the more profitable firms achieved a direct labor utilization rate above 65 percent in 2011.
- Â• As stated above, the overhead rate continues to be higher - at \$59.09 per direct hour in 2011 - than it was several years ago when industry profits were at a record high. In 2007, for example, the overheard rate per direct hour was \$47.27.

To download a copy of the survey, click on [CBIZ Tofias 2012 Architectural Survey](#). The survey is based on 2011 financial information supplied by CBIZ Tofias' architectural clients representing a cross-section of greater Boston architectural firms.

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