



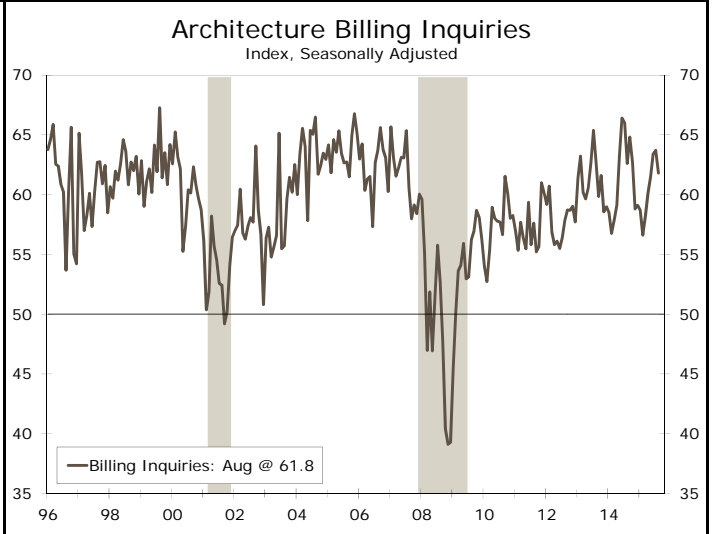
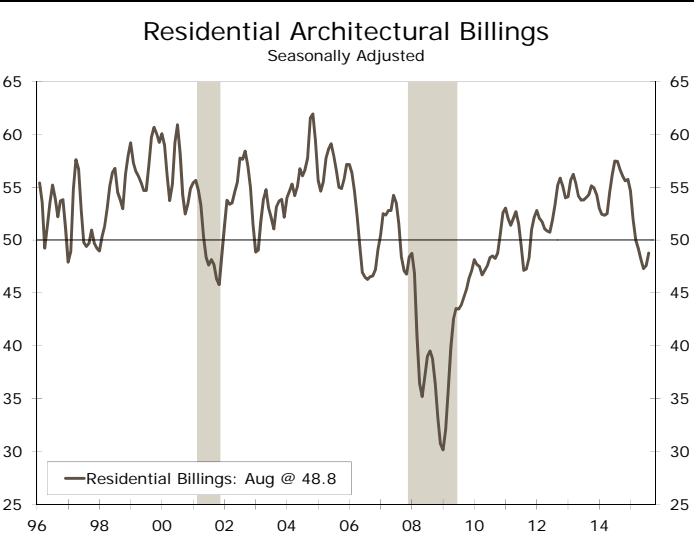
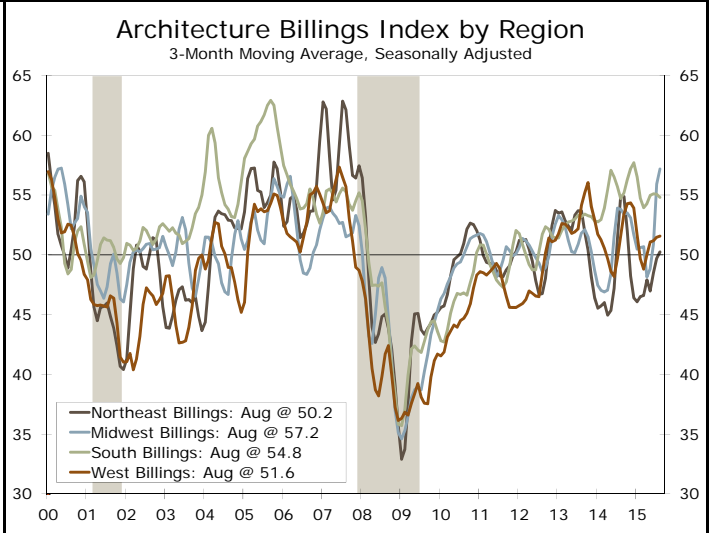
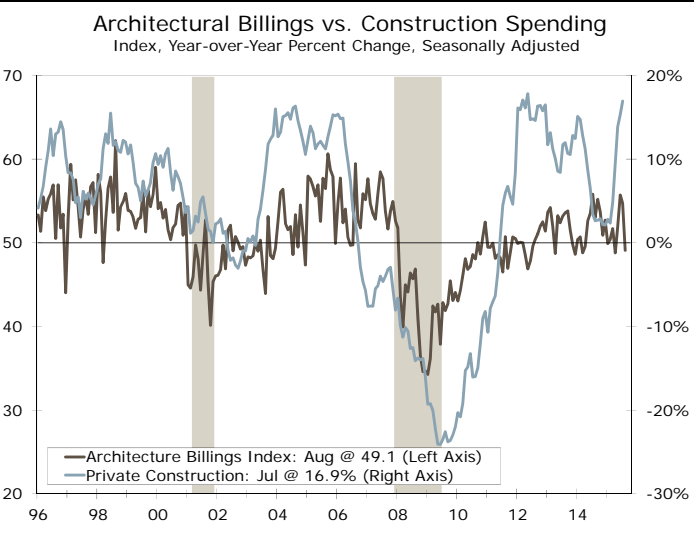
Economics Group

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Architectural Billings Fall in August

Marking reduced billing activity for the first time in four months, the Architecture Billings Index fell in August. Details in the report were mixed and point to a potential cooling in the pace of construction activity.

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| <p>Broad-Based Weak Print</p> <ul style="list-style-type: none"> • After peaking in June, the Architectural Billings Index (ABI) has declined and currently stands at the second lowest level this year. • Weakness was broad based with lower readings in multifamily residential, commercial/industrial (C&I), institutional and mixed practice. The residential and C&I sectors continue to trend below the 50-level, indicating decreased billing activity. | <p>New Project Inquiries Remain Encouraging</p> <ul style="list-style-type: none"> • By region, performance is strongest in the Midwest and South. The West remains steady while the Northeast lags behind. • Leading activity by about 9-12 months, the back slide in the ABI suggests that the pace of growth in construction spending may begin to slow in the first half of 2016. That said, the new project inquiries index, another forward-looking indicator, remains elevated and suggests the August pullback may be temporary. |
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Source: The American Institute of Architects, U.S. Department of Commerce and Wells Fargo Securities, LLC

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