

Architects' leadership, initiative and vision help vitalize economy

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“Ain’t it awful”

(ironically, the abbreviation for which is “AIA,” as a colleague in the consulting world, David Dunning, wryly observes) is an all too common refrain from architects, expressed about everything from lack of appreciation by clients to unfair tactics by competitors to being whipsawed by the economy. Maybe, at times, it is pretty awful, but waiting for things to change for the better – and invariably they do, if one can stay in practice long enough – may prolong a situation that architects’ initiative and creativity can avert.

During the past 35 years, the economy has generally gone full cycle, from boom to bust, every five years (the long boom of the mid- to late ‘90s being the exception), and some of the dips were so severe in certain geographies that employment in the architecture profession dropped by 40 percent (in New York and Boston in the late ‘80s). Most firms survived those dips, even if their revenue and staff shrank. Among those firms that did not survive – that is, firms were absorbed into others or simply ceased to exist – were firms whose leaders chose

to ignore signs around them, or, now with the benefit of hindsight, responded inadequately to those signs.

As one example that covers several firms, the real estate boom in Dallas in the late ‘80s led to extremely easy debt financing available even to inexperienced and incompetent developers (meaning that the lending industry was a huge part of the problem, as evidenced by the subsequent formation of and intervention by the Resolution Trust Administration that was, for a period in the early ‘90s, rumored to be the largest holder of private real estate in the country). That developers continued to develop new projects even as economic and demographic indicators pointed to a shortage of tenants caught the attention of some architects who turned down commissions or required pay-as-you-go rather than we’ll-pay-you-when-we-finalize-financing. But those firms that rode on the fraying coattails of their developer clients followed them down the same path to non-existence.

Taking a 15-year leap to the present begs three questions: (1) Are architects destined always to be victims of the economy? (2) If not, what can they do to have more influence on the future of their own practices? (3) And taking it a step further, can architects affect the economy?

Victims of the Economy?

The answer to the first is a qualified “no,” and there are enough firms around, even in the Northwest, to confirm that. Certainly architecture firms, like most businesses, will always be affected by the economy. And with awareness of factors and trends that shape the economy, and judicious planning and follow through in response, architects can thrive even in a difficult economy. As an example, a modest-sized firm in Honolulu saw, in the early ‘90s, its mainstay of retail clients about to go dormant as Japanese investors virtually stopped funding projects in Hawaii. While many firms decided to wait out the downturn, this firm identified an opportunity: local

health care. During the next three months, the two principals contacted most of Honolulu’s hospitals, and the enthusiasm and responsiveness that they exhibited resulted in enough work that the firm grew even as competitors shrank dramatically. In other instances, firms facing declining economies shift their sights geographically and/or to other services, often including a

buildings, but he also saw opportunity. He spoke with city officials (no longer corruption-oriented!), investors and developers. The result was success in getting tax abatements and low-interest financing that encouraged developers to take on projects that up to that point they hadn’t seen as having potential, and, not surprisingly, the firm became the planner and architect of choice. That

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focus on planning and renovation work. Perhaps a hallmark of firms’ success in fast changes in direction is the enthusiasm and commitment they convey, compared to firms who might make similar strategic shifts conveying a message of dismay at having to make such shifts in focus.

Influencing Your Future?

There certainly are strategies to employ and steps to take by which firms can have greater influence on their futures. For some firms, moving into the arena of being their own client has been successful, but one should quickly note that there are probably more failures than successes on the high-risk playing field of architect-as-developer. Being a good architect is not an easy task, nor is being a good developer. To be good at both is probably more difficult than simply the sum of the two.

A more intriguing approach to influence one’s future occurred in Albany, N.Y., in the late ‘70s. A partner in a small firm looked around the city that had long been devastated by a hard-hit economy, resulting in exorbitantly high unemployment and a legacy of corrupt local government. He saw vacant sites and underutilized

was the first of several times that the firm had created markets. Of particular note is the realization that other architects (and non-architects) in the area saw the same vacant sites and underutilized buildings, but only this firm saw their possibilities, and perhaps even more significantly, took action and became the catalyst for the market coming to life.

Affecting the Economy?

Regarding the third question, the answer is a probable “yes,” as perhaps the above story evidences, but the extent of the impact on the overall economy may be so small as to be difficult to identify. However, architects can indeed influence the local economy, maybe more so than they realize. By integrating themselves into the civic, business and financial communities, by helping others envision opportunities in the natural and built environments, by speaking less about what’s wrong and more about how to make things better, architects can help to energize players in the private and public sectors, and that energy contributes to vitalizing the economy. Such activities put the architect into a role as leader rather than observer, as initiator rather than follower, as visionary rather than doomsayer, and when such roles are coupled with willingness to act, the architect can indeed influence the economy.

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