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From the Philadelphia Business Journal: https://www.bizjournals.com/philadelphia/news/2021/06/24/list-extra-architectural-firms-industry-update.html

Greater Philadelphia architectural firms say business is increasing and big opportunities are on the way

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We asked the leaders of companies on our Architectural Firms List to describe how their businesses are progressing after a year-plus of tumult. In the early stages of the pandemic, sectors of their business, including construction, were brought to a halt by government orders. How did they fare and what's trending? According to them, like a thoughtfully designed structure, their industry was built to withstand even the harshest challenges.

Below are insights from six industry executives: John Campbell, president of FCA; Jeff Krieger,



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Greater Philadelphia architecture industry leaders.

president of Krieger + Associates; <u>Vince Myers</u>, president and CFO of DIGroupArchitecture LLC; <u>Michael Pilko</u>, president of RHJ Associates, P.C.; <u>Michael L. Prifti</u>, managing principal at BLT Architects, and <u>Noah Tolson</u>, principal and president of Array Architects.

Overall, how's business?

MP: Since the announcement of the vaccine, business has been steadily increasing.

JC: Overall we have in the last few months seen an increase in opportunities and business. Our health care business has increased significantly, while our corporate client business has remained consistent.

MLP: Surprisingly, 2020 was a sharp improvement over 2019 and we expect increasing strength through 2021.

NT: We are experiencing slow, but steady, growth. Covid-19 placed a significant financial strain on health systems nationwide. As elective procedures are a primary source of revenue and were delayed, canceled or rescheduled, some considerations needed to be made around capital projects, which in some cases were placed on hold or delayed. As the end of the pandemic has come into view, the need for new locations within underserved communities and to capture the spread of care services resulting from outpatient shift has become clear, and we're seeing health systems resume, launch and begin developing plans for capital projects.

VM: We're seeing an uptick in request for proposal activity as we emerge from the pandemic. Our market sector diversity and strong loyal client base has helped us maintain workflow.

JK: After the spring 2020 lockdown for residential construction and real estate, business has been booming.

What's trending?

MP: Life sciences and warehouse/distribution projects are very robust.

JC: Health care business has increased substantially. We are also seeing life sciences opportunities grow. The corporate office market has been in a holding pattern

throughout the pandemic, and we expect by the third quarter for it to become very active again as companies look to creating new workplace environments that address a more agile and hybrid way of working. It will be a period of experimenting with new models of work ... and the role of technology.

MLP: Mixed-use multifamily projects will remain hot, higher education will maintain its strength, and we'll see a gradual return in hospitality markets.

NT: Ambulatory care facilities, strategic master planning, and behavioral health design represent the biggest opportunities this year. Ambulatory facilities continue to be important to meeting the aims of population health and retaining capacity in the inpatient setting.

VM: The need for broader and more inclusive collaboration on design teams, combining expertise, diversity and capacity; building upon the smart cities initiatives to leverage resources and improve efficiencies and expanding upon sustainable design initiatives.

JK: High demand, material price hikes, and shortages of key components have created a spike in construction costs and increases in the length of time to build.

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