



Architects & the Economy: Quantifying the impact of U.S. architecture and design firms

May 2026

EXECUTIVE SUMMARY

The U.S. architecture and design industry plays a pivotal, often underestimated, role in the nation's economic landscape and its response to pressing societal challenges. It is a dynamic and economically significant sector, contributing billions to the national GDP and supporting millions of jobs.

From 2010 to 2025, this sector has demonstrated significant growth in revenue and employment, contributing substantially to the Gross Domestic Product (GDP) and tax receipts. The relatively small architecture profession—comprised of 116,000 architects¹ and a total of 205,000 employees²—with \$74.1 billion in net revenue³ enables \$693.4 billion in construction value³ and supports 5.6 million jobs^{4,5}.

Economic footprint of the architecture profession

Architecture profession	<ul style="list-style-type: none"> - 116,000 licensed professionals - 205,000 architecture firm staff - \$74.1 billion net revenue
Contributions	<ul style="list-style-type: none"> - \$693.4 billion construction value to GDP - Over 5.6 million jobs supported - GDP multiplier of 1.5

Sources: NCARB by the Numbers, 2025; U.S. Bureau of Labor Statistics, December 2025; AIA Business of Architecture Firm Survey Report, 2024; U.S. Census Bureau; ACEC Economic Assessment of the Engineering + Design Services Industry, 2024

Architects' impact extends far beyond direct financial metrics. Architecture and design firms are at the forefront of addressing critical societal challenges, including climate change, housing affordability, workplace evolution, and urban renewal. Their expertise is instrumental in mitigating climate change through sustainable, high-performance building design, yielding substantial energy savings and reduced carbon emissions while simultaneously increasing property values and occupant wellbeing.⁶

The industry is actively innovating to address housing affordability, leveraging strategies such as modular construction and Accessory Dwelling Units (ADUs) to create more affordable, accessible, and efficient housing options.⁷ Furthermore, as businesses navigate hybrid work models, architectural interventions are proving crucial in encouraging workers to return to the office by creating healthier, more collaborative, and productive environments, with measurable returns on investment in employee wellbeing and retention.⁸

Architecture firms are central to urban revitalization efforts, transforming public spaces and infrastructure to foster economic growth, improve livability, and enhance community engagement.⁹

While the industry faces near-term headwinds, including declining architectural billings and rising material and labor costs, long-term projections remain positive, driven by urbanization, infrastructure development, and increasing demand for specialized design.²

services across sectors such as industrial, health care, and education.¹⁰¹¹

This report comprises two components: financial economic impact and societal economic impact, which together provide a comprehensive analysis of the industry's historical performance, current trends, and its contributions to a resilient and sustainable future.

Key conclusions

- **Substantial economic contributor:** The industry is a powerful economic engine, with the broader engineering and design services sector contributing \$693.4 billion in construction value to U.S. GDP and supporting over 5.6 million jobs in 2024, demonstrating a significant multiplier effect.
- **Growth trajectory with short-term headwinds:** While long-term revenue and employment projections for architectural services remain positive, the industry is currently navigating a challenging period marked by declining architectural billings and rising material/labor costs.
- **Innovators in housing solutions:** The industry actively develops and implements strategies to enhance housing affordability, including optimizing space, utilizing cost-effective materials, embracing modular construction, and designing Accessory Dwelling Units (ADUs). While ADUs offer significant potential, their effectiveness is amplified by supportive policy frameworks and careful attention to social equity.
- **Pivotal in climate action:** Architecture and design firms are central to achieving climate goals through sustainable and high-performance building design, which yields substantial energy savings, reduced emissions, increased property values, and improved occupant health. The AIA 2030 Commitment demonstrates a strong industry-led effort in this area.
- **Catalysts for workplace transformation:** Design is critical in shaping post-pandemic workplaces, fostering healthier, more collaborative, and productive environments that attract and retain talent. Investments in wellness-oriented, flexible office designs yield measurable return on investment (ROI) in employee productivity, reduced absenteeism, and talent retention.
- **Drivers of urban vitality:** Through comprehensive urban design, including public spaces, infrastructure improvements, and mixed-use developments, the industry revitalizes cities, stimulates local economies, increases property values, and enhances overall livability.

1 NCARB by the Numbers, 2025, www.ncarb.org/nbtn2025

2 U.S. Bureau of Labor Statistics, www.bls.gov/web/empsit/ceseebla.htm

3 AIA Business of Architecture Firm Survey Report, 2024, www.aia.org/firmsurvey

4 U.S. Census Bureau

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8 Office Design for Employee Health and Wellbeing, NewGround International, www.newground.com/insights/office-design-for-employee-health-and-wellbeing/

9 Building for People: How Urban Revitalization Shapes the Future of Cities, pagethink.com,

www.pagethink.com/publication/2025/building-people-how-urban-revitalization-shapes-future-cities

10 AIA Work-on-the-Boards survey, 2025, www.aia.org/abi

11 U.S. Architectural Services Market Industry Report, 2030, Grandview Research,

www.grandviewresearch.com/industry-analysis/us-architectural-services-market-report

ARCHITECTURE FINANCIAL ECONOMIC IMPACT

The built environment is a fundamental pillar of economic activity and societal wellbeing. At its core, the U.S. architecture and design industry shapes this environment, encompassing a diverse range of professional services from conceptualization and planning to detailed execution and interior fit-out. This report provides a comprehensive analysis of the economic impact of architecture and design firms in the United States, covering the period from 2010 to 2025. It delves into historical revenue and employment trends, quantifying the industry's broader economic footprint.

The period from 2010 to 2025 was marked by significant economic fluctuations, technological advancements, and evolving societal priorities. Following the 2008 financial crisis, the industry embarked on a path of recovery and adaptation. More recently, the COVID-19 pandemic reshaped how people live, work, and interact with spaces, creating new demands and opportunities for design professionals. This analysis aims to provide a robust, data-driven overview of the vital role architects play in advocating for the continued recognition and support of this critical sector.

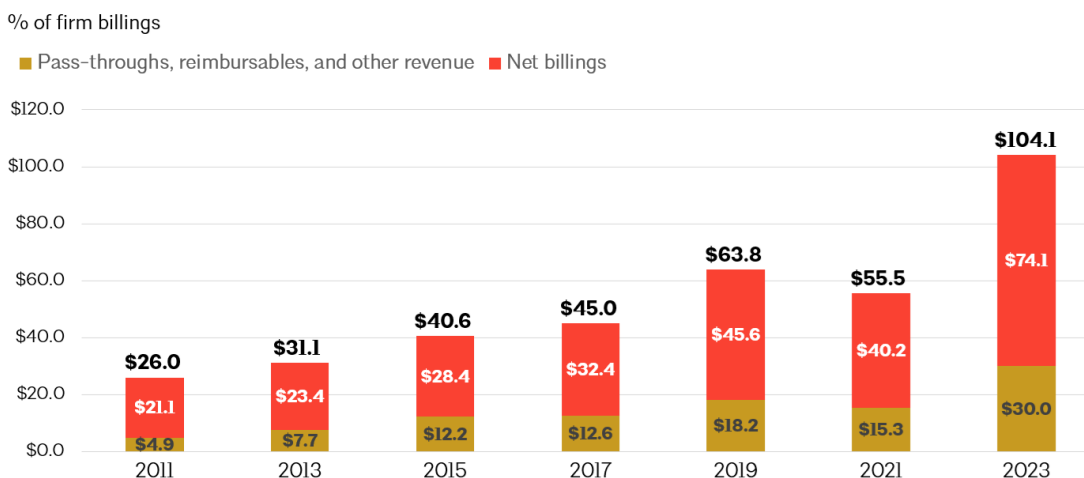
Historical performance (2010–2023)

The architecture and design industry has demonstrated resilience and growth over the past decade, reflecting its integral role in both new construction and the adaptation of existing infrastructure.

Revenue trends: Architectural services¹

The U.S. architectural services market has experienced substantial growth since 2011. According to AIA's biennial firm survey report, *The Business of Architecture*, gross billings at U.S. architecture firms totaled \$104.1 billion in 2023, a substantial increase from \$44 billion in 2008 and \$26 billion in 2011. This upward trajectory underscores the consistent demand for architectural expertise across various building types and sectors.

Architecture firm billings showed dramatic increases from 2021 to 2023



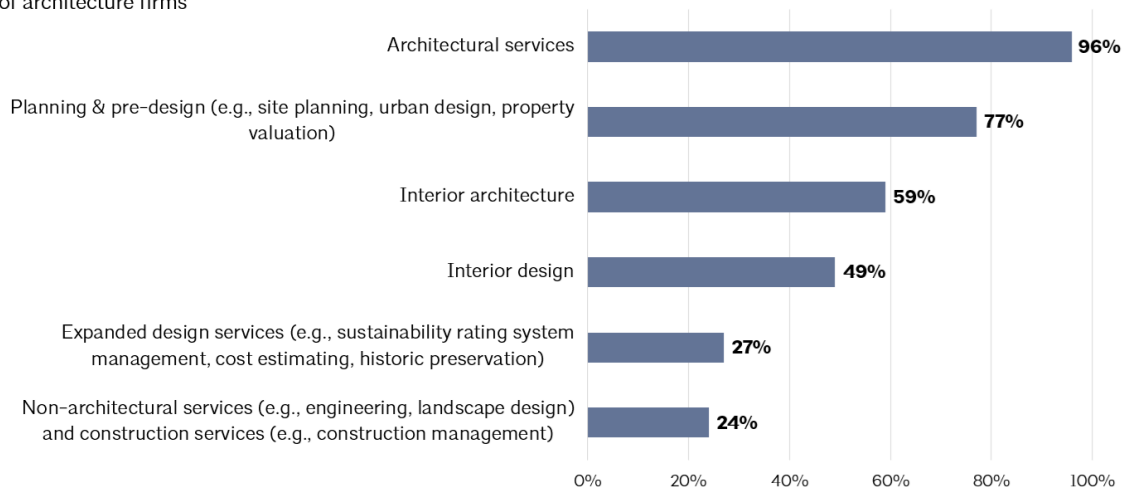
Source: AIA *Business of Architecture* firm survey report, 2024

Nearly all architecture firms offer architectural services. However, architectural services are much more expansive. In addition to the basic design services that essentially all architecture firms offer, there are several other services that architecture firms provide:

- More than three-quarters of firms (77%) offer planning and pre-design (e.g., site planning, urban design, property valuation).
- More than half (59%) offer interior architecture services, and 49% offer interior design.
- More than a quarter (27%) offer expanded design services (e.g., sustainability/high performance rating system management, cost estimating, historic preservation).
- About a quarter offer non-architectural design services (e.g., engineering, landscape design) and construction services (e.g., construction management).

Architecture firms offer more than just design services

% of architecture firms



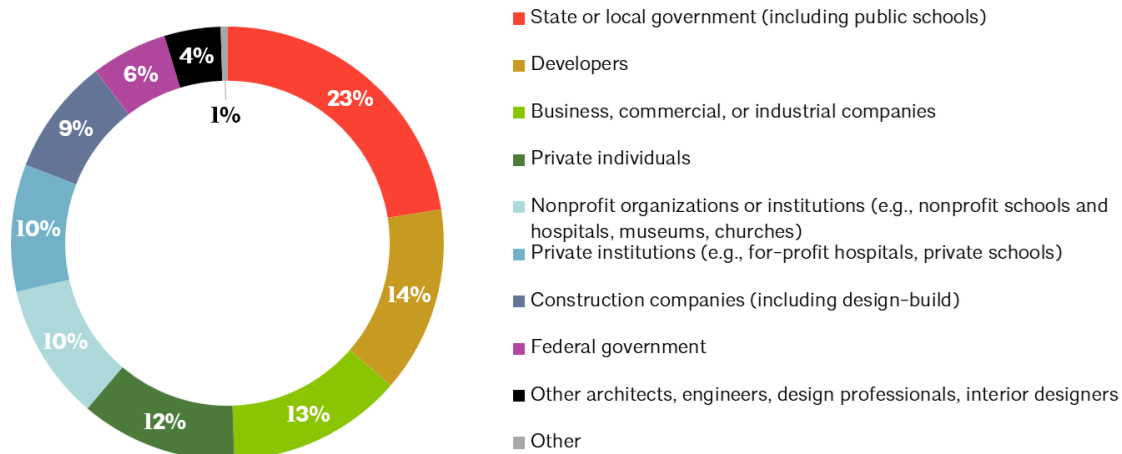
Source: AIA Business of Architecture firm survey report, 2024

In terms of the share of architectural firm revenues from these services, the largest is for basic design services (64%). However, a significant portion of revenue is derived from other specialized services, including interior design (10%); non-architecture, such as engineering and landscape architecture (10%); planning (8%); and construction (4%). This revenue diversification highlights the expanding role of architectural firms beyond pure design, encompassing comprehensive project oversight and strategic advisory functions.

Architects work for clients across all aspects of building ownership—they are engaged in every type of building for every kind of owner. Their largest share of billings comes from government clients (29%, comprised of 23% state/local and 9% federal). However, substantial architectural work also comes from developers (14% of billings), commercial companies (13%), private individuals (12%), private institutions/hospitals (10%), and nonprofit organizations (10%).

Architects work for clients across all aspects of building ownership

% of architecture firms



Source: AIA Business of Architecture firm survey report, 2024

Employment trends: Architects

The architectural profession is a significant employer within the U.S. economy. The National Council of Architecture Registration Board reports 116,000 licensed architects in the U.S. as of the end of 2024.² The vast majority of architects, 75%, are employed at these architectural, engineering, and related services firms, underscoring the specialized nature and concentration of this workforce.³

Architecture firms employ more than just licensed architects; they also include other design professionals, workers with other specialties (e.g., finance, human resources, technical), and support staff. These firms employed 205,000 workers at the end of 2025.⁴ The median annual wage for architects has grown, typically in line with the U.S. workforce overall—growing from \$73,000 in 2015 to \$102,000 in 2025.⁵

The average net billings per employee in architecture firms has grown, rising from \$86,000 in 2011 to \$143,000 in 2023.¹ When adjusted for inflation, real growth in billings per employee has equated to 23%, suggesting productivity gains over the last decade. Productivity may increase further with greater adoption of technologies such as artificial intelligence, project management tools, and digital design tools—allowing for more projects and further service expansion.

Economic footprint and multiplier effect

The economic impact of the architecture and design industry extends far beyond its direct revenues and employment. As a critical component of the broader engineering and design services sector, its activities generate significant ripple effects throughout the U.S. economy.

In 2023, the architecture profession contributed \$693.4 billion in construction value to the U.S. GDP.¹ This substantial contribution is amplified by a significant multiplier effect: every dollar produced by this industry results in an additional \$1.50 to the U.S. GDP.

These results mean that the industry's direct output stimulates further economic activity in related sectors, such as construction, manufacturing, and professional services.⁶⁷

The industry's operations also support a vast employment ecosystem. In 2024, over 5.6 million jobs⁶⁷ were supported directly and indirectly by the engineering and design services industry. These jobs include not only architects and designers but also a wide range of support staff, consultants, and workers in supply chain industries.

Economic footprint of the architecture profession

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Industry outlook and projections (2024–2026)

The outlook for the U.S. architecture and design industry in 2024–2026 is mixed, marked by both continued growth in specific segments and persistent challenges.

Revenue projections

The U.S. architectural services market is projected to continue its growth trajectory, albeit with some near-term volatility. IBIS Grand View Research forecasts the market to grow at a Compound Annual Growth Rate (CAGR) of 4.2% from 2024 to 2030. This long-term positive outlook is primarily driven by increasing construction activities across both residential and commercial sectors, particularly in urban and semi-densely populated areas.⁸

However, short-term indicators suggest a more cautious immediate future. The AIA/Deltek Architecture Billings Index (ABI), a leading indicator of architectural activity, revealed continued declines in billings through 2025. This indicates that most firms are experiencing a decrease in billings, a trend observed for 30 out of the past 34 months following the post-pandemic boom. New signed design contracts have also been falling, reflecting client hesitation amidst ongoing economic uncertainties. New project inquiries have remained positive during this period, aside from a slowdown in Q1 of 2025, suggesting clients are still considering projects, which may yield business once business conditions stabilize. This divergence between long-term market-size projections and short-term billing indices suggests that, while the fundamental demand for architectural services remains strong, the industry is navigating a period of economic adjustment and project deferrals.⁹

Employment projections

Employment in architecture is projected to see continued growth. Architects are projected to see an 8% growth in employment from 2023 to 2033, translating to approximately

9,900 new jobs. This growth rate is faster than the average for all occupations, indicating robust demand for architectural professionals over the next decade. About 8,500 openings for architects are projected each year, on average, over this period, driven by both new positions and the need to replace workers who exit the labor force.³

Key market drivers and challenges

Several key drivers and challenges shape the industry's performance.

Drivers

- **Urbanization and infrastructure development:** Rapid urbanization, particularly in U.S. metropolitan areas and tier 2 cities, is fueling the need for infrastructure development and the construction of residential and commercial complexes, driving demand for architectural services.
- **Sector-specific growth:** Certain sectors are expected to drive significant demand.
 - The education segment is projected to register the fastest CAGR of 6.1% in architectural services from 2024 to 2030, as educational facilities require design to facilitate effective teaching and learning.⁸
 - Health care construction has also seen record highs in recent years.
 - Manufacturing, warehouses, and data centers collectively accounted for nearly 40% of commercial, industrial, and institutional construction spending from 2023 to 2025, representing a meteoric rise in demand for specialized design services in these areas.¹⁰
- **Renovation and adaptive reuse:** A growing share of design activity is devoted to additions, renovations, rehabilitation, and retrofits of existing facilities, including historic preservation. Nearly half (45%) of all architecture firm billings were for renovation and retrofit activity, while in the commercial buildings sector, that share was even higher at 55%.¹ This trend is particularly evident in the commercial office space, where most spending in 2024 and 2025 is directed towards renovating existing spaces to compete in a challenging market.¹¹ This focus on existing buildings aligns with sustainability goals and provides a consistent work pipeline.
- **Technological advancement:** The adoption of new technologies such as Building Information Modeling (BIM), virtual reality, 3D printing, and 4D modeling is becoming common, particularly in larger architecture firms. While artificial intelligence (AI) adoption is currently low across firms, architects report that only 28% of firms are either currently implementing or have fully implemented AI, led by 43% of larger firms (more than 50 employees). Adoption is lower at mid-sized (10 to 49 employees) and smaller firms (fewer than 10 employees), at 21% and 16%, respectively. Increased adoption is expected to translate into higher productivity per employee and potentially higher billings and expanded service areas.¹

Challenges

- **Economic uncertainty and interest rates:** Ongoing economic uncertainties and increased interest rates have been significant headwinds, causing clients to hesitate on new projects. Overall, nonresidential building spending decreased in 2025. While interest rates are beginning to ease, the volume of construction is not expected to increase over the next two years, as nonresidential building spending forecasts are essentially flat in 2026 and 2027 (1.0% in 2026, 2.2% in 2027), unlikely to offset

increases in material and labor costs.¹⁰

- **Material costs and tariffs:** The 2025 tariff activity has contributed to market insecurity, and a potential rise in building material costs remains a concern and could strain the construction industry. With a significant share of U.S. construction materials coming from Canada, Mexico, and China, trade policies in these three countries are of particular importance.
- **Labor shortages:** A strained construction labor market, partly due to immigration policies, poses a challenge to the industry's capacity for growth.
- **Supply chain disruptions:** The pandemic highlighted vulnerabilities in supply chains, leading to setbacks for nonresidential design and construction due to labor shortages and material availability issues.

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2 NCARB by the Numbers, 2025, www.ncarb.org/nbtn2025

3 Occupational Outlook Handbook, U.S. Bureau of Labor Statistics, www.bls.gov/ooh/architecture-and-engineering/architects.htm

4 U.S. Bureau of Labor Statistics, www.bls.gov/web/empsit/ceseebla.htm

5 AIA Compensation & Benefits Report, 2025, www.aia.org/compensation

6 U.S. Census Bureau

7 ACEC Economic Assessment of the Engineering + Design Services Industry, 2024, www.acec.org/wp-content/uploads/2024/10/ACEC-Research-Institute-2024-Economic-Assessment-Forecast-Final-1.pdf

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11. ASID 2024-25 Economic Outlook Report, www.asid.org

ARCHITECTURE SOCIETAL ECONOMIC IMPACT

Architecture and design firms are not merely economic entities; they are proactive agents of change, shaping the built environment to address some of the most pressing societal challenges of our time:

- Housing affordability & innovation
- Climate change mitigation & sustainable design
- Health & wellness in workplace transformations
- Urban revitalization

Housing affordability & innovation

The U.S. faces a severe housing affordability crisis, with over 40% of the population struggling with monthly housing costs.¹ Mayors agree—a third report that more than 50% of their households in their city were cost-burdened.² Architecture and design firms are crucial to developing systemic solutions that increase housing supply and enhance social equity.

Architectural and Design Strategies

Architects and designers employ several innovative strategies to address housing affordability.³

- **Optimizing Space:** Smart design focuses on maximizing the usefulness of every square foot by using compact designs, multifunctional furniture, built-in storage, and open-plan layouts. Vertical expansion through low-rise, high-density housing and mixed-use developments can further optimize land usage without overcrowding.
- **Sustainable & Cost-Effective Materials:** Utilizing materials such as compressed stabilized earth blocks, bamboo, timber, and recycled/upcycled materials can significantly reduce construction costs while promoting long-term resilience and energy efficiency.
- **Passive Design Strategies:** By optimizing building orientation, natural ventilation, shading, and material selection, passive design ensures thermally efficient, well-lit homes without relying on expensive mechanical systems, thereby reducing long-term energy costs for residents.
- **Multifunctional Designs:** Creating spaces that serve multiple purposes maximizes space use, lowers construction costs, and improves usability, making housing more economical and pleasant.
- **Low-Cost Infrastructure Solutions:** Implementing off-grid systems (solar power, biogas toilets, rainwater harvesting) and promoting cluster development around shared resources can reduce individual housing costs and enhance sustainability.
- **Technological Innovations:** Emerging technologies such as 3D printing for entire homes, AI for optimized layouts, and circular-economy principles for material reuse are poised to reduce labor and material costs in construction drastically.

Accessory Dwelling Units (ADUs): Opportunities and Challenges

Accessory Dwelling Units (ADUs), such as backyard cottages or in-law suites, are increasingly recognized as a flexible and affordable housing option that maximizes

existing land use.⁴

- **Increased Housing Supply and Affordability:** ADUs can significantly increase housing supply in single-family zones where larger developments are limited.⁵ They can generate rental income for homeowners, helping them cover mortgage payments, and provide more affordable rental choices in neighborhoods lacking diverse housing options.⁶ Many ADUs are rented below market rates or occupied by family members, contributing to "naturally affordable" housing.⁵
- **Social and Environmental Benefits:** ADUs enable multi-generational living and caregiving, allowing seniors to age in place near family. They are also environmentally friendly, requiring fewer resources to build and maintain, and using significantly less energy for heating and cooling. They offer a way to add housing with minimal visual impact and without contributing to urban sprawl.⁷
- **Challenges and Nuances:** While ADUs offer numerous benefits, they are not a singular solution to the housing crisis. Some freestanding ADUs can be luxury products, making financial sense primarily for upper-middle-class families.⁸ Concerns about ADUs disrupting neighborhood character or overburdening infrastructure are generally not supported by research. Still, the issue of gentrification, where rising property values due to ADUs make it harder for newcomers to buy homes, remains a valid concern.⁴ Furthermore, a significant portion of ADUs are not used as long-term, primary residences (estimated 40% in the U.S.), and their rents can sometimes be higher than similarly sized multifamily units.⁴

Case Study: California ADU Legislation⁹

California's experience provides a compelling case study for the impact of policy on ADU development. State-level legislation, enacted from 2016 onwards, removed significant zoning and process barriers to ADU construction. This legislative action dramatically increased the number of ADU permits, from 1,181 units in 2016 to 24,857 units in 2022. Between 2017 and 2022, over 84,000 new ADU units were permitted in California. In 2022, ADUs accounted for 18% of total permits and 18% of total housing production in California, exceeding all other housing categories except traditional single-family detached homes and large multifamily buildings. Notably, ADUs contributed significantly to affordable housing, making up 23% of new completions for middle-income families and 28% for low-income families in California. These results demonstrate the powerful impact of supportive policy frameworks on the effective use of design solutions to address housing affordability.

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[04/Final To Increase the Housing Supply Focus on ADU Financing.pdf](http://www.urban.org/sites/default/files/2024-04/Final%20To%20Increase%20the%20Housing%20Supply%20Focus%20on%20ADU%20Financing.pdf)

Climate change mitigation & sustainable design

The built environment is a major contributor to global carbon emissions, accounting for approximately 40% of global carbon emissions and 40% of U.S. energy consumption annually.¹ Architecture and design firms are uniquely positioned to make significant impacts in mitigating climate change through sustainable and high-performance design strategies.

Economic Benefits of Green Buildings and Infrastructure

Investing in sustainable design offers substantial economic returns and environmental benefits:

- **Operational Cost Savings:** Green buildings can reduce energy consumption by 30–50% compared to traditional buildings, leading to significant reductions in utility bills.² LEED-certified buildings, for instance, consume 25% less energy and 11% less water.³ Studies show average operating cost savings of 10.5% in the first year for new green buildings, increasing to 16.9% over five years.³ For example, a study in Washington, D.C. found LEED-certified commercial buildings had 7.43% lower operating expenses and 9.4% lower utility expenses on average.⁴
- **Increased Property Value and Rents:** Properties designed with green building principles often sell for more and command higher rents.² LEED certification can boost a building's market appeal, with Los Angeles seeing LEED-certified spaces commanding \$2.91/sqft in rent compared to \$2.16/sqft for non-LEED spaces.³ Homes built to LEED standards have shown an 8% boost in resale value.³ Healthy-certified office spaces also transact at 4.4–7.7% more per square foot in effective rents.⁵
- **Reduced Maintenance and Waste:** High-quality, sustainable materials tend to last longer, reducing maintenance costs; LEED buildings have nearly 20% lower maintenance costs than typical commercial buildings. Green buildings incorporating recycling can reduce waste output by 90%.³
- **Job Creation and Market Growth:** The green building sector is a growing economic force. The global green building materials market was valued at \$423.10 billion in 2023 and is projected to reach \$1,352.12 billion by 2033, growing at a CAGR of 12.32%.³ Green infrastructure design, installation, and maintenance activities also support new jobs, with green infrastructure jobs in Pennsylvania growing by 9.2% from 2011 to 2019, outpacing overall job growth.⁶
- **Improved Occupant Health and Productivity:** Beyond financial metrics, green and healthy building design significantly impacts human capital. Workers in green offices report 30% fewer 'sick building syndrome' symptoms, 6% higher sleep scores, and are 16% more productive.³ They also score 25% higher on critical thinking tests.³ These improvements translate into tangible economic benefits for businesses through reduced absenteeism and increased output.⁷

Case Study: Empire State Building Retrofit³³

A compelling example of the economic and environmental benefits of sustainable retrofits is the Empire State Building in New York. A \$20 million retrofit project in 2009 reduced energy consumption by over 40% and carbon emissions by 54%. This project is estimated to save \$4.4 million annually, demonstrating a clear return on investment through high-performance glass, upgraded insulation, and energy-efficient lighting and

HVAC systems. Such large-scale retrofits showcase the transformative power of architectural and engineering design in achieving significant environmental and financial gains.

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6 Economic Benefits of Green Infrastructure, U.S. EPA, www.epa.gov/green-infrastructure/economic-benefits-green-infrastructure

7 Employee Wellness & Office Design: Boost Productivity & Retention, www.futureoftheoffice.com/insights/2516527_the-roi-of-employee-wellness-how-office-design-impacts-productivity-and-retention

8 The Economics of Large-Scale Historic Restoration Projects, Climate Seal, www.climate seal.com/large-scale-historic-restoration-projects/

Health & wellness in workplace transformations

The shift to hybrid work models has necessitated a re-evaluation of office spaces, with design playing a critical role in attracting employees back to physical workplaces. Architecture and design firms are at the forefront of this transformation, creating environments that prioritize wellbeing, collaboration, and productivity.

Evolving Workplace Design and Employee Wellbeing

The "office of the future" emphasizes wellness, creativity, and collaboration.¹ This evolution is a direct response to employee expectations for environments that support mentorship, connection, and overall wellbeing.²

- **Wellness-Oriented Design:** A significant number of organizations (46% in a 2022 JLL survey) are focusing on wellness initiatives when designing or renovating office spaces.¹ Key elements include improved air quality, natural lighting, ergonomic furniture, fitness centers, and spaces for relaxation or meditation.³ Biophilic design, which integrates natural elements like plants and views of greenery, has been shown to reduce stress, improve air quality, and boost mental health and productivity.³
- **Flexibility and Control:** In hybrid settings, offices must offer a mix of quiet zones for focused work, collaborative areas for teamwork, and shared desks. Providing workers with control over their environment, including temperature, lighting, and air quality, significantly enhances comfort and concentration. Operable windows and semi-outdoor spaces can further improve comfort and reduce air conditioning costs.⁴
- **Neuro-Inclusive Design:** An emerging trend is neuro-inclusive design, which creates adaptable environments with customizable lighting, sound-masking technology, and flexible furniture to accommodate diverse cognitive styles and sensory needs, thereby enhancing focus and creativity for all employees.²
- **Addressing Mental Health:** With a high percentage of U.S. workers reporting mental health challenges linked to workplace conditions⁵, thoughtful office design that includes private areas for relaxation and quiet reflection, as well as amenities like meditation rooms, is crucial for supporting mental wellbeing and fostering a positive atmosphere.³

Economic Returns of Wellness-Oriented Design

Investing in thoughtful office design is not merely an aesthetic choice; it is a strategic business decision with measurable economic returns:

- **Increased Productivity:** Well-designed offices can boost productivity by up to 20%.⁶ Employees in healthy, comfortable environments are more focused, make fewer errors, and recover more quickly from stress.⁶ Studies indicate that improving office environments can generate substantial economic gains, potentially exceeding ¥200,000 (approx. \$1300 U.S. dollars) per employee annually.⁴ Specific design elements, like improved air quality, can increase productivity by 11%, while natural greenery can lead to a 15% rise in productivity.⁶
- **Reduced Absenteeism and Presenteeism:** Workplaces that support wellbeing see fewer sick days and less "presenteeism" (when employees are at work but not fully functioning due to health issues), resulting in cost savings and improved business performance.⁶ Workplace wellness programs, often facilitated by design, yield an ROI of \$3.48 per dollar spent due to reduced medical costs and an additional \$5.82 from

decreased absenteeism.⁸

- **Enhanced Retention and Talent Attraction:** A compelling and supportive workplace environment is a significant factor in attracting and retaining top talent. A Dell study found that 73% of office workers would consider leaving their company if their workplace did not inspire them.⁹ Companies that invest in employee wellness see significant reductions in staff turnover, as people are more likely to stay with employers that invest in their wellbeing.⁶
- **Cost Savings:** Sustainable design features in offices, such as energy-efficient systems, can reduce annual energy costs by 30–50%.¹⁰ Biophilic design elements like green walls can cut HVAC costs by 10–15%.¹¹
- **Increased Asset Value:** Healthy-certified office spaces command higher effective rents, demonstrating a market premium for buildings that prioritize occupant wellbeing.¹² This translates to a net present value of \$115 per square foot over 10 years in high-performance buildings, driven by better retention and wellbeing.⁸

Case Study: NIST Wing 5 Modernization²

The modernization of NIST's Wing 5 in Boulder, Colorado, exemplifies how experiential design can transform traditional research spaces into intuitive and inspiring environments. This project focused on creating distinct zones for focused research, team collaboration, and quiet reflection, incorporating large windows for natural light and mountain views. Such human-centered design approaches are proving effective in creating spaces where employees choose to be, contributing to higher in-person attendance and increased employee satisfaction.

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Urban Revitalization

Urban revitalization is a comprehensive strategy aimed at reinvigorating cityscapes, enhancing economic opportunities, promoting public health, and preserving cultural heritage.¹ Architecture and design firms are central to these transformative projects, which aim to create sustainable, inclusive, and vibrant communities.

Urban Design Strategies

Urban revitalization efforts focus on three core areas: economic revitalization, social regeneration, and sustainability.²

- **Economic Growth and Investment:** Targeted redevelopment attracts new investment, creates jobs, and boosts local economies. This investment includes supporting small businesses, modernizing infrastructure (transportation networks, housing, public spaces), and increasing tourism.³
- **Social Benefits:** Urban renewal improves quality of life by enhancing access to services, public safety, and livability. It fosters community engagement, provides affordable housing options, and addresses homelessness.³ Thoughtful design can cultivate a sense of pride among residents by incorporating local influences and designing for diverse needs and accessibility.^{5,8}
- **Environmental Sustainability:** Urban regeneration promotes sustainability by replacing urban land with green spaces, encouraging alternatives to vehicle use, and constructing energy-efficient buildings.² Adaptive reuse, which repurposes existing buildings for new uses, significantly reduces waste and the carbon footprint associated with new construction while preserving a city's identity.³
- **Smart City Initiatives:** Modern urban renewal integrates digital technology, sensors, and IoT applications to optimize energy use, manage traffic, and enhance civic services, leading to more efficient and responsive urban environments.¹
- **Mixed-Use Development:** This approach blends residential, commercial, cultural, and institutional spaces within a single area, maximizing land use, fostering vibrant communities, and reducing the need for long commutes.⁵
- Mixed-use properties enhance economic viability by diversifying income streams, attracting investment, and improving urban aesthetics.⁶

Economic Impact of Public Spaces and Infrastructure

Investments in public spaces and infrastructure yield significant economic benefits:

- **Increased Property Values:** Research indicates that transit projects can increase nearby property values by 30% to 40%, and in ideal conditions, by as much as 150%.³ Open green spaces, parks, and landscaping can increase nearby property values; for instance, a recreational rooftop garden increased property values by about 11%.⁷
- **Stimulated Retail Sales:** Improved street design, pedestrian amenities, and public spaces attract more people and activity, directly strengthening local businesses and increasing retail sales. For example, Brooklyn's Vanderbilt Avenue saw a doubling in retail sales after the installation of bicycle lanes and a tree-lined median, and a Harlem intersection experienced a 48% rise in store sales following public space and traffic changes.⁸
- **Job Creation:** Local public park and recreation agencies alone generated over \$201

billion in economic activity and supported almost 1.1 million jobs in 2021.⁹ Urban revitalization projects, such as downtown redevelopments, can create new jobs and increase labor income.¹⁰

- **Attracting Workforce and Businesses:** Cities that invest in parks and open spaces attract and retain a diverse, highly skilled workforce, which in turn attracts companies to start and expand their businesses.¹¹ This creates a virtuous cycle of economic growth and improved quality of life.

Case Studies: Urban Revitalization

- **The High Line, New York City**¹²
 - **Project Summary:** The High Line is a globally recognized example of transforming disused infrastructure into a thriving public space. This abandoned elevated railway line was converted into a beautifully landscaped linear park, attracting millions of visitors and revitalizing the surrounding neighborhood.
 - **Architectural Firm(s) Involved:** Various architectural and landscape design firms.
 - **Timeline:** Major phases completed 2009–2014, with ongoing development during 2010–2025.
 - **Economic & Societal Impact:** This project highlights the power of repurposing existing structures to meet modern urban demands and create economic value, significantly revitalizing the surrounding area and spurring private investment.
- **Detroit Shoreway, Cleveland, Ohio**¹²
 - **Project Summary:** This neighborhood demonstrates how a combination of public and private investment can revitalize a declining area. Through strategic improvements in housing, retail, and infrastructure, Detroit Shoreway transformed into a vibrant community and a hub for artists and entrepreneurs, attracting new residents and businesses.
 - **Architectural Firm(s) Involved:** Various architectural and urban planning firms
 - **Timeline:** Ongoing since the early 2000s, with significant developments within the 2010–2025 period
 - **Economic & Societal Impact:** Transformed into a thriving community, fostering economic and social regeneration by attracting new residents and businesses
- **Atlanta BeltLine, Atlanta, GA**¹²
 - **Project Summary:** The Atlanta BeltLine is a transformative urban redevelopment project converting 22 miles of historic rail corridor into a network of multi-use trails, parks, and transit, linking 45 neighborhoods.
 - **Architectural Firm(s) Involved:** Perkins+Will, HDR, and others
 - **Timeline:** Major phases completed 2012–2024
 - **Economic & Societal Impact:** Catalyzed over \$7 billion in private redevelopment (2010–2024), created 50,000 jobs, and delivered 2,600+ affordable housing units. It spurred a 20% increase in property values within a half-mile of its path, added over 2,000 acres of green space, improved air quality, and dramatically increased foot traffic for small businesses. Architects played a pivotal role not only in design but in stakeholder engagement and urban integration, establishing design guidelines that prioritize equity, affordable housing, and cultural preservation.
- **The Wharf, Washington, DC**

- **Project Summary:** A 24-acre, \$2.5 billion mixed-use waterfront development revitalizing the Potomac River's edge
- **Architectural Firm(s) Involved:** Perkins Eastman, SHoP Architects
- **Timeline:** Phase I (2014–2017), Phase II (2018–2022)
- **Economic & Societal Impact:** Resulted in 3 million sq ft of new development, created 1,500 permanent jobs, and included 1,400 residential units (20% affordable). Architectural design was central to creating a vibrant, accessible waterfront destination that attracted significant investment and enhanced urban livability.

Buffalo's Larkinville District, NY¹³

- **Project Summary:** Adaptive reuse of former industrial warehouses into a vibrant mixed-use district
- **Architectural Firm(s) Involved:** CJS Architects
- **Timeline:** 2010–2023
- **Economic & Societal Impact:** Generated \$200 million in new investment, created 1,000+ jobs, and increased property values by 35% (2010–2023). Architects were crucial in reimagining and transforming these industrial structures into functional and aesthetically appealing spaces, demonstrating the economic potential of adaptive reuse in urban regeneration.
- **Charlotte Rail Trail, North Carolina**
 - **Project Summary:** Extending for four miles alongside the Lynx Blue Line, the Charlotte Rail Trail exemplifies tactical urbanism, transforming a utilitarian corridor into a vibrant linear park, stitching together Uptown Charlotte and South End
 - **Architectural Firm(s) Involved:** Architect-led initiative involving multiple design and planning entities.
 - **Timeline:** Ongoing since the early 2010s
 - **Economic & Societal Impact:** Spurred \$3.5 billion in adjacent development and helped anchor one of the fastest-growing tech and innovation districts in the Southeast. Its design ethos, led by architects, focused on adaptive reuse, pedestrian-centric layouts, and the integration of public art, fostering community interaction and healthy lifestyles.
- **Mountain Home Downtown Revitalization Project, Mountain Home, Idaho¹⁰**
 - **Project Summary:** A smaller-scale example, this project, with an estimated cost of \$2.5–\$3.5 million, is projected to increase annual employment in downtown Mountain Home by 26.8 workers, boost annual labor income by \$569,000, and increase annual production by \$1.709 million.
 - **Architectural Firm(s) Involved:** Architectural and urban design firms
 - **Timeline:** Ongoing since the early 2010s
 - **Economic & Societal Impact:** This project illustrates that even modest investments in urban design can yield significant localized economic benefits, with an estimated 8 jobs created per million dollars spent on revitalization.

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About the study

AIA commissioned Piedmont Crescent Capital to assess and report on the economic impact of the architecture and design industry. The financial analysis and conclusions in this study were produced by Piedmont Crescent Capital's Chief Economist, Mark Vitner, in conjunction with AIA's research and economic team.

With over 30 years of experience in economic analysis and forecasting, Mark is the Chief Economist at Piedmont Crescent Capital. This boutique economic consulting firm provides strategic insights and guidance to clients, partners, and stakeholders on U.S. and regional economic conditions, financial markets, and geopolitics, with a focus on how these factors impact consumers, local economies, housing, and commercial real estate.

AIA's research and economic team members include:

- Kermit Baker, PhD, Hon AIA, Chief Economist
- Michele A. Russo, Vice President, Research
- Jennifer Riskus, Senior Director, Market & Economic Research
- Shakira Gonzalez Peña Dubé, Senior Manager, Market & Economic Research

About AIA

Founded in 1857, AIA consistently works to create more valuable, healthy, secure, and sustainable buildings, neighborhoods, and communities. Through more than 200 international, state, and local chapters, AIA advocates for public policies that promote economic vitality and public wellbeing.

AIA provides members with tools and resources to assist them in their careers and business, as well as engaging civic and government leaders and the public to find solutions to pressing issues facing our communities, institutions, nation, and world. Members adhere to a code of ethics and conduct to ensure the highest professional standards.

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