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## As design workload falls, firms trim payroll to save

Charlotte Business Journal - by [Laura Williams-Tracy](#) Contributing writer

Charlotte architecture, engineering and design firms are pondering more layoffs in a bruising business climate.

The design profession rode the wave of the decade's building boom, staffing up to meet client demands for a broad range of building. But when the credit crunch cut funding to developers last summer, work hit a wall.

"The consensus among the firms I talk to is that they have work for the first quarter of this year, but they don't see a pipeline," says David Crawford, president of **AIA North Carolina**, the industry's statewide trade and lobbying group.

By late summer, many firms across the region began trimming their payrolls by 10% or more.

**LS3P Associates** reduced its work force in five offices to 200 employees from a high of 240 earlier last year.

**Narmour Wright Creech Architecture** had a first round of layoffs during the summer and a second round late in the year. It let go 10 employees and took the firm to a staff of 25.

Seventy-year-old firm **Pease Associates Inc.** let go its mechanical, electrical and plumbing engineering staff, affecting three employees. **Odell Associates** cut its in-house engineering staff by almost half.

Luxury-home designer **Carolina Design Group** shed 23 employees to drop to a staff of eight and closed its Ballantyne office.

Little, once the largest architecture firm in town, laid off about 40 employees in late October, sources say. John Komisin, president and chief operating officer, declines to comment on the cuts.

Layoffs are so pervasive in the industry that AIA's Charlotte chapter has launched a networking initiative to give members opportunities to commiserate and seek job leads.

"You know it's bad when the AIA is setting up a support group," says Brian Wilson, who started **The Wilson Group** 10 years ago. The firm has six employees and a diversified practice, sustained currently by work on regional airports. "We've heard and seen the horror stories around town," he says. "If you specialize in residential design, you are in trouble."

Business conditions at architecture firms around the nation mirror the local troubles. A monthly measure of billings from the American Institute of Architects saw its lowest level in November since the survey began 13 years ago.

Billings are a leading indicator of construction activity because architects are usually hired early in the life of a project.

Even seasoned architects say the current climate is remarkable.

"What used to happen was that either the private sector or the public sector got hit, and it usually resulted from overbuilding," says firm principal David Creech of Narmour Wright Creech, the firm responsible for the design of the N.C. Research Campus in Kannapolis. "This thing has hit from all sides."

One of the only bright spots in local design work is among firms focusing on health-care facilities.

Jim Langlois, managing principal of **HDR Inc.**'s Charlotte architecture group, is looking to fill up to six vacancies. He's seeking registered architects and support staff experienced in designing medical buildings.

"I've probably had 50 résumés in the past week," Langlois says of the interest in job openings. "We've been able to dodge a lot of the struggles that a lot of local firms have had."

The once high-flying luxury home market in Charlotte has plummeted from its heyday. Jim Phelps, president of Carolina Design Group, says his firm once drew 200 multimillion-dollar homes a year. It will likely do 15 to 20 a year, and that's after business recovers, he says.

"We're using this time to get reorganized and understand our business better," Phelps says.

Residential design firms hope low interest rates will bring the housing market out of its slump. Architects and engineers focused on commercial and institutional work are pinning hopes on government spending.

Don Garbrick, an engineer and president at Pease Associates, is positive about the stimulus plan proposed by the Obama administration. It will likely include funding for infrastructure projects. Pease has a civil engineering group that designs water and wastewater-treatment

plants, among other facilities.

Crawford says AIA North Carolina is lobbying legislators to consider another higher education bond similar to the \$3.1 billion spending package passed in 2000, which is now depleted. Many local governments, he says, have voter approval for projects but are being held up by unfavorable rates in the bond market. This gridlock is slowing construction of schools and other institutional buildings.

"The mood out there is very cautious," Crawford says. "We're probably one of the better-off states in the country, but it's pretty bad everywhere."

*Laura Williams-Tracy is a Charlotte-based free-lance writer who can be reached at [laura@lwtcommunications.bz](mailto:laura@lwtcommunications.bz).*

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