

Service bulletin

Architectural Services



2009

Highlights

- Operating revenues earned by architectural and landscape architectural service firms combined was \$3.3 billion, down 2.7% from 2008. This was the only decline in industry revenues in recent years, and coincided with the economic recession that began in late 2008. The industry's operating expenses increased by 0.5% in 2009, leading to a 13.2% profit margin, down from 15.9% in the previous year.
- Architectural services, the larger of the two industries, accounted for \$3.0 billion or 91.3% of total revenues. Operating revenues for this industry decreased 2.8% from \$3.1 billion in 2008. Landscape architectural services represented the remaining 8.7%. Its revenues also dropped 2.3% to \$286.6 million in 2009.
- The majority of the sales of architectural services and landscape architectural services were derived from non-residential building projects (66.3%). Residential building projects generated 15.2% of the sales. The remaining sales came from landscape architecture, urban planning and other related services.
- For non-residential building projects, the sales were mainly composed of educational building projects such as schools, colleges and universities (14.4%). Health care projects such as hospitals and nursing homes followed at 13.5%. Office buildings generated 10.6% of the sales. Other non-residential building projects also included entertainment, recreational and cultural buildings, retail and restaurants, industrial buildings, transportation and distribution facilities, hotels and convention centres.
- Residential building projects had almost twice as much business from multi-family residential projects (9.7%) than from single family residential projects (5.4%).
- Most of the firms providing architectural services were located in Ontario; they generated 42.5% of the operating revenues. Quebec (17.2%), Alberta (16.8%) and British Columbia (14.4%) followed. The national level decline was driven mostly by a drop in operating revenues in Alberta (-5.9%) and British Columbia (-18.3%). According to the Building Permits Survey, the value of all building permits decreased in Alberta (-14.2%) and British Columbia (-27.9%).



Statistical tables

Table 1
Summary statistics for architectural services, by province and territory, 2007 to 2009

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2009 p					
Newfoundland and Labrador	27.3	23.3	8.9	14.8	34
Prince Edward Island	x	x	x	x	x
Nova Scotia	47.1	42.2	16.2	10.3	93
New Brunswick	32.8	27.9	9.4	14.9	52
Quebec	519.3	407.0	183.9	21.6	1,210
Ontario	1,283.3	1,156.8	499.6	9.9	1,894
Manitoba	83.3	77.6	32.7	6.8	98
Saskatchewan	65.7	57.2	21.4	13.0	66
Alberta	507.6	438.5	188.6	13.6	545
British Columbia	434.4	384.3	187.8	11.5	1,013
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	3,019.7	2,631.9	1,155.0	12.8	5,030
2008 r					
Newfoundland and Labrador	22.3	19.4	7.8	13.0	31
Prince Edward Island	x	x	x	x	x
Nova Scotia	45.1	40.5	16.2	10.2	93
New Brunswick	29.3	24.0	8.4	18.1	55
Quebec	506.2	382.9	173.8	24.4	1,158
Ontario	1,268.7	1,118.2	483.2	11.9	1,765
Manitoba	75.1	69.6	30.7	7.3	85
Saskatchewan	63.1	55.5	21.2	12.1	68
Alberta	539.2	446.4	190.9	17.2	518
British Columbia	531.4	437.7	215.3	17.6	1,039
Yukon	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	3,105.4	2,616.4	1,156.0	15.7	4,834
2007					
Newfoundland and Labrador	17.0	14.6	6.5	14.2	31
Prince Edward Island	x	x	x	x	x
Nova Scotia	39.5	37.1	14.5	6.2	75
New Brunswick	27.5	24.1	9.4	12.6	50
Quebec	453.1	351.2	157.4	22.5	1,170
Ontario	1,141.5	996.4	431.1	12.7	1,832
Manitoba	64.7	59.8	25.8	7.6	92
Saskatchewan	55.2	49.0	19.2	11.2	67
Alberta	493.7	394.9	175.5	20.0	549
British Columbia	496.7	396.1	201.7	20.2	1,027
Yukon	x	x	x	x	x
Northwest Territories	8.8	8.2	3.1	7.4	7
Nunavut	x	x	x	x	x
Canada	2,807.2	2,340.3	1,047.4	16.6	4,920

Note(s): According to the North American Industry Classification System (NAICS 54131). Landscape architectural services (NAICS 54132) not included (see Table 2). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 2
Summary statistics for landscape architectural services, by province and territory, 2007 to 2009

	Operating revenue	Operating expenses	Salaries, wages and benefits	Operating profit margin	Statistical establishments
	millions of dollars			percent	number
2009 p					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	2.5	1.8	0.9	25.9	7
New Brunswick	2.8	2.6	1.3	7.1	10
Quebec	54.4	41.2	20.9	24.1	234
Ontario	127.1	109.8	55.3	13.7	381
Manitoba	9.7	7.5	4.4	22.6	26
Saskatchewan	2.6	1.9	0.8	26.6	9
Alberta	32.6	28.3	16.8	13.3	109
British Columbia	51.9	43.6	25.4	16.0	165
Yukon Territory	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	286.6	239.2	127.2	16.5	953
2008 r					
Newfoundland and Labrador	x	x	x	x	x
Prince Edward Island	x	x	x	x	x
Nova Scotia	2.6	1.9	0.9	27.7	7
New Brunswick	2.6	2.3	1.2	9.0	10
Quebec	50.7	40.6	19.5	20.0	241
Ontario	137.5	118.3	64.0	14.0	345
Manitoba	7.1	5.9	2.9	17.8	23
Saskatchewan	x	x	x	x	x
Alberta	38.8	30.8	17.6	20.7	112
British Columbia	49.6	38.6	22.4	22.1	136
Yukon Territory	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	293.2	241.7	130.3	17.6	893
2007					
Newfoundland and Labrador	1.6	1.4	0.6	14.8	7
Prince Edward Island	x	x	x	x	x
Nova Scotia	2.4	2.0	1.0	17.1	10
New Brunswick	1.5	1.3	0.7	10.3	6
Quebec	48.4	41.4	18.3	14.5	241
Ontario	135.0	111.7	61.2	17.2	398
Manitoba	6.4	4.9	2.5	23.1	21
Saskatchewan	2.2	1.5	0.6	29.4	8
Alberta	32.7	28.1	17.2	14.1	119
British Columbia	44.8	34.8	19.3	22.4	132
Yukon Territory	x	x	x	x	x
Northwest Territories	x	x	x	x	x
Nunavut	x	x	x	x	x
Canada	275.8	227.8	121.8	17.4	949

Note(s): According to the North American Industry Classification System (NAICS 54132). Architectural services (NAICS 54131) not included (see Table 1). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total.

Table 3
Operating expenses for architectural services, Canada, 2007 to 2009

	2007	2008 ^r	2009 ^p
	percent		
Total labour remuneration	45.3	44.4	44.0
Commissions paid to non-employees	x	x	x
Professional and business services fees	11.3	9.4	9.5
Subcontract expenses	15.2	17.5	17.7
Charges for services provided by your head office	F	1.3	x
Cost of goods sold	5.1	5.0	4.2
Office supplies	2.2	2.3	2.0
Rental and leasing	3.7	3.6	3.8
Repair and maintenance	1.8	2.0	2.0
Insurance	2.1	2.2	2.4
Advertising, marketing and promotions	F	1.0	1.0
Travel, meals and entertainment	1.8	1.8	1.8
Utilities and telecommunications expenses	F	F	1.0
Property and business taxes, licences and permits	F	F	F
Royalties, rights, licensing and franchise fees	x	x	x
Delivery, warehousing, postage and courier	x	F	F
Financial services fees	F	F	F
Amortization and depreciation of tangible and intangible assets	1.7	1.7	1.9
Bad debts	F	1.4	1.4
All other expenses	5.0	4.3	4.5

Note(s): According to the North American Industry Classification System (NAICS 54131). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, numbers may not sum exactly to totals. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 4
Operating expenses for landscape architectural services, Canada, 2007 to 2009

	2007	2008 ^r	2009 ^p
	percent		
Total labour remuneration	56.8	56.3	55.7
Commissions paid to non-employees	x	x	x
Professional and business services fees	7.8	7.0	7.2
Subcontract expenses	6.7	8.9	9.5
Charges for services provided by your head office	F	F	x
Cost of goods sold	3.0	3.6	3.7
Office supplies	3.0	3.1	2.9
Rental and leasing	4.4	4.3	4.2
Repair and maintenance	3.6	3.2	3.0
Insurance	1.4	1.4	1.2
Advertising, marketing and promotions	F	1.2	1.3
Travel, meals and entertainment	3.8	3.0	2.8
Utilities and telecommunications expenses	1.5	1.4	1.4
Property and business taxes, licences and permits	F	F	F
Royalties, rights, licensing and franchise fees	x	x	x
Delivery, warehousing, postage and courier	x	F	F
Financial services fees	F	F	F
Amortization and depreciation of tangible and intangible assets	2.2	1.8	1.9
Bad debts	1.5	1.7	1.5
All other expenses	2.8	2.0	2.6

Note(s): According to the North American Industry Classification System (NAICS 54132). See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, numbers may not sum exactly to totals. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues.

Table 5
Distribution of operating revenue by type of client, for the architectural services and the landscape architectural services industries, Canada, 2007 to 2009

	Clients in Canada	Businesses (incl. architectural firms)	Individuals and households	Governments and public institutions	Clients outside Canada
	percent				
Architectural services					
2009 ^p	96.1	44.9	7.0	44.1	3.9
2008 ^r	95.6	48.3	7.6	39.7	4.4
2007	95.6	52.7	5.9	37.0	4.4
Landscape architectural services					
2009 ^p	94.3	52.9	11.4	29.7	5.7
2008 ^r	94.5	53.5	12.8	28.2	5.5
2007	93.8	54.7	11.9	27.2	6.2

Note(s): According to the North American Industry Classification System (NAICS 54131 and 54132). Based on a sample of firms (weighted). The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues. Due to rounding, components may not add to total.

Table 6
Distribution of operating revenue by type of service, for the architectural services and the landscape architectural services industries, Canada, 2007 to 2009

	2007	2008 ^r	2009 ^p
	percent		
Architectural Services	84.8	84.0	84.4
Residential building projects	18.4	17.8	15.2
Single family	5.4	5.5	5.4
Multi-family	13.0	12.3	9.7
Non-residential building projects	63.7	63.3	66.3
Office buildings	11.1	11.7	10.6
Retail and restaurant	9.1	7.2	6.8
Hotels and convention centres	2.5	2.1	2.0
Health care	12.1	12.4	13.5
Entertainment, recreational & cultural	6.2	6.7	7.6
Educational	12.9	12.8	14.4
Industrial buildings	3.5	4.2	4.5
Transportation and distribution facilities	2.7	2.4	2.5
Other non-residential	3.6	3.8	4.3
Historical restoration building projects	1.0	1.0	1.0
Advisory services	1.6	1.8	2.0
Landscape Architectural Services	4.6	4.3	4.0
Urban Planning Services	3.7	4.0	4.0
Project Site Master Planning Services	1.4	1.4	1.5
Interior Design Services	2.4	2.8	2.1
Engineering Services	1.0	1.8	1.5
Other Services	2.1	1.8	2.5

Note(s): Based on a sample of firms (weighted). According to the North American Industry Classification System (NAICS 54131 and 54132). See "Data sources, definitions and methodology" at the end of tables for definition of terms. The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues. Due to rounding, components may not add to total.

Table 7
Distribution of foreign fee income, for the architectural services and the landscape architectural services industries, by geographic region, 2007 to 2009

	2007	2008 ^r	2009 ^p
	percent		
United States	53.1	43.4	42.3
Mexico	3.9	2.5	2.9
Other	43.0	54.1	54.9

Note(s): According to the North American Industry Classification System (NAICS 54131 and 54132). Based on a sample of firms (weighted). The smallest firms, in terms of revenues earned, are not included in the estimates. These firms account for a relatively small portion of total industry revenues. Due to rounding, components may not add to total.

Data sources, definitions and methodology

Description

This annual sample survey collects data required to produce economic statistics for the architectural services and the architectural landscape services in Canada. Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry. Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

Target population

The target population consists of all establishments classified to the architectural services industry (NAICS 541310) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in planning and designing the construction of residential, institutional, leisure, commercial and industrial buildings and other structures by applying knowledge of design, construction procedures, zoning regulations, building codes and building materials. As of reference year 2006, this survey also includes all establishments classified to the architectural landscape industry (NAICS 541320). This industry comprises establishments primarily engaged in planning, designing and administering the development of land areas for projects such as parks and other recreational areas, airports, highways, hospitals, schools, land subdivisions, and commercial, industrial and residential areas by applying knowledge of land characteristics, location of buildings and structures, use of land areas and design of landscape projects.

Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data. The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments. Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some. The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling. The effective sample size for reference year 2009 was 769 collection entities.

Definitions

Operating revenue excludes investment income, capital gains, extraordinary gains and other non-recurring items.

Operating expenses exclude write-offs, capital losses, extraordinary losses, interest on borrowing, and other non-recurring items

Operating profit margin is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

Salaries, wages and benefits include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

Disclosure control

Statistics Canada is prohibited by law from releasing any data which would divulge information obtained under the Statistics Act that relates to any identifiable person, business or organization without the prior knowledge or the consent in writing of that person, business or organization. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

Data accuracy

Of the units contributing to the estimate, the weighted response rate was 90.8%. CVs were calculated for each estimate and are available upon request.

Glossary

Architectural Services

Architectural services that are provided for specific building projects. These services are classified by the type of building project. Included in each detailed project type are all the services normally provided by professional architects, from preliminary advisory services, through the provision of designs and construction documents, and construction contract administration services during construction. Such services may be provided on a stand-alone basis or as a package of services under a single contract. Excludes non-architectural products related to building projects, provided on a stand-alone basis, for example, construction management services, engineering design services, and drafting services. Excludes design-build contracts, in which the respondent takes on the construction

risk as well as the design risk (classified in F.7) but includes architectural services for a design-build project that are provided on a sub-contract basis.

Residential building projects

Single-family Includes the design of single family homes in sub-division developments. Townhouses with a floor-to-ceiling wall between each unit are classified as single-family houses.

Multi-family Includes the design of apartment blocks and excludes the design of nursing homes and similar residential health care building projects (classified in F.1.f).

Non-residential building projects

Office buildings Architectural services for all types of office buildings, including those for public and institutional clients. Includes office parks.

Retail and restaurant Architectural services for stores, restaurants and similar buildings. Includes projects such as shopping centers, retail stores, restaurants, gas stations.

Hotels and convention centres Architectural services for buildings providing temporary overnight accommodations, such as hotels, motels and resorts, and for convention centers.

Health care Architectural services for buildings used in providing health care. Includes active care hospitals and clinics, nursing homes, respite care centers, hospices.

Entertainment, recreational, and cultural Architectural services for entertainment, cultural, recreation and sport facility projects. Includes cinemas and theatres, museums, zoos and aquariums, health clubs, swimming pools, stadiums and arenas and community centers; monuments.

Educational Architectural services for educational buildings. Includes daycare centres, elementary, secondary and post-secondary projects. Includes school and college instructional buildings, college dormitories, and other buildings on college campuses, except stadiums and arenas.

Industrial buildings Architectural services for industrial buildings. Includes mine buildings, manufacturing plants and similar processing and assembly buildings. Excludes warehouses (classified in F.1.j).

Transportation and distribution facilities Architectural services for transportation and distribution facilities projects. These buildings include those involved in the movement of goods and people and the storage of goods. Includes bus stations, train stations, airport terminals, warehouses, distribution centers, truck terminals.

Historical restoration projects

Architectural services that incorporate legal requirements to preserve or restore the historic character of a building.

Architectural advisory services

The provision of advice, studies and reports on architectural matters, except when the advice relates to a specific project. Advice, studies and reports performed in conjunction with a project are classified based on the project type

(in F.1.a-1). Includes the provision of testimony before a court or administrative body, by a witness who, by virtue of experience, training, skill or knowledge of architecture, is recognized as being qualified to render an informed opinion on matters relating to that field or subject.

Landscape architectural services

Landscape architectural services are concerned with the design of the built landscape. Landscape architectural services include the provision of designs and construction documents; plans, studies and other advisory services related to specific projects; and construction contract administration services.

Urban planning services

Urban planning services develop plans for the use of land, in order to achieve a community's objectives for a built and natural environment that is aesthetically pleasing, efficient and functional. Urban plans express public policies related to land use and development, as expressed by municipalities or other levels of governments. They provide a framework within which the plans for actual projects can be developed. Excludes the design of site master plans for actual construction projects.

Project site master planning services

Services that provide plans for a construction site, showing the proposed location of buildings, roads, parking lots and other features. Excludes urban planning services.

Interior design services

Services of planning, designing, and administering projects in interior spaces to meet the physical and aesthetic needs of people. Interior designers work in areas such as hospitality design, health care design, institutional design, commercial and corporate design and residential design. This industry also includes interior decorating consultants engaged exclusively in providing aesthetic services associated with interior spaces, fittings and furniture.

Engineering services

The application of physical laws and principles in the design, development, and utilization of machines, materials, instruments, structures, processes, and systems. It involves provision of advice, preparation of feasibility studies, preparation of preliminary and final plans and designs, the provision of technical services during the construction or installation phase, the inspection and evaluation of engineering projects, and related services.

Related products

CANSIM

360-0004 Architectural services, summary statistics, by North American Industry Classification System (NAICS), annual (225 series)

360-0010 Architectural services, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (63 series)

360-0011 Architectural services, sales by type of client based on the North American Industry Classification System (NAICS), annual (percent) (15 series)

Survey(s)

Definitions, data sources and methods: survey number 2420 - Annual Survey of Service Industries: Architectural Services

Publications

Service Industries Newsletter, Catalogue no. 63-018-X.

Analytical paper series - Service Industries Division, Catalogue no. 63F0002X.

Release date: February 2011

Symbols

The following standard symbols are used in Statistics Canada publications:

.	not available for any reference period
..	not available for a specific reference period
...	not applicable
0	true zero or a value rounded to zero
0 ^s	value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded
p	preliminary
r	revised
x	suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>
E	use with caution
F	too unreliable to be published

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Frequency: Annual / ISSN 1916-792X

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