Tax changes and overbuilding will curtail new office and apartment projects for 2-3 years...

Except in some locations along the Atlantic coast, commercial office construction is on a steep decline due to overbuilding and removal of tax advantages through the Tax Reform Act of 1986. Similarly, multiple-unit residential construction is expected to decline. These effects of tax reform will continue into the 1990's. While the initial limiting effects of tax changes will depress speculative construction in some sectors during the next 2-3 years, it is expected that the positive effects of increased consumer spending will create a significant demand by 1990 that will continue for several years. Volume of construction in the early part of the next decade will likely exceed that of 1987.

...but building will increase in the early 1990's.

Americans are demanding better buildings.

Several qualitative trends seem to encompass the entire construction industry. Demand for higher quality construction is increasing in the U.S.: aesthetics, durable materials and finishes and equipment requiring low maintenance are all in greater demand. The "smart" building is also emerging as a new requirement in the residential, manufacturing and commercial sectors. Retrofit and renovation are increasing as well. Concern for health and safety is dictating a myriad of factors in construction ranging from site location to materials, layouts, mechanical systems and access for the handicapped. Construction projects are getting larger and more complex. American architectural firms are ahead of their Canadian counterparts in the use and development of CAD in everything from conceptual design to facility management.

Fewer but larger projects has led to a shake-out in the development industry.

Although projects are increasing in scale there is a slackening in demand: a shake-out is occurring in the industry that will lead to fewer but larger development firms. How this will impact on the size and number of architectural practices remains to be seen.