

shedding borders

with the economic recovery stuck in low gear, u.s. architects are looking overseas for commissions.

by cheryl weber, lead ap

The call to Seattle architect Jim Olson, FAIA, in 2004 came out of the blue. It was a Hong Kong businessman wanting to commission a lavish villa for him and his wife. How did they find him? As Olson, founding partner of Olson Kundig Architects, tells it, the couple had spent a year researching architects independently of one another. At the end of that year, both had bookmarked an Olson-designed house in San Francisco. “Publications seem to be a very important part of our getting noticed outside the U.S.,” Olson says. “One was an international magazine, another was a book of architect-designed houses. The other was a Midwest Airlines magazine the husband happened to see on a plane.”

From that project came other Hong Kong commissions, and then Korean clients began calling. One was a large architecture firm asking Olson Kundig to collaborate on a design competition entry, which subsequently won. Among the firm’s current work in Asia are two prototype houses for a high-end residential development, an office building, and a cultural facility. The

timing was fortuitous. “Our clients in Korea and Hong Kong were going strong in 2009 and 2010,” Olson says, while the American economy languished.

By plan or by chance, Olson Kundig is among a growing number of small to mid-sized firms whose work in other countries is helping to sustain them as our own economy struggles to its

feet. Some are quietly capitalizing on the international relationships they’ve been building for decades. Others are tapping into construction sprees in China, India, and the United Arab Emirates that began in the mid-2000s. Although large offices have long cultivated global relationships, it’s only relatively recently that residential building booms abroad have

opened a pipeline of opportunities for smaller U.S. practices—just in time, too.

an open door

“It’s been the thing that saves us through this period; otherwise our staff would be down to bare bones,” says Jeffrey Heller, FAIA, president of San Francisco-based Heller Manus Architects.

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Dan Page

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The firm made its first foray into Asia in 2004, when Heller was invited to give a talk in Seoul, South Korea. After the conference he hopped over to Shanghai and was astounded by what he saw: a vast construction landscape of modern villas and flashy high-rises, fueled by the migration of hundreds of millions of people from farms to cities.

“In 2004, the U.S. economy was going great; we had no reason to go to China, but what was happening was clearly historic, and I was determined we’d get engaged,” says Heller, who, along with CEO and current AIA president Clark D. Manus, FAIA, heads an office of 20 to 30 employees. Heller networked his way to the first commission. A Chinese-American architect he’d known in San Francisco introduced him to the large architecture office in Shanghai that continues to be Heller Manus’ main partner there. Last year, two-thirds of the firm’s work was in China, where it has one full-time employee.

Not only is there plenty of construction in China, but much of it is fast-tracked, compared with the grinding pace of entitlement and financing that plagues U.S. projects. Heller blames bureaucracy as much as the Great Recession for choking off stateside commissions, especially in California. “It takes from three to six years to get projects done here, whereas in China

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the china connection

from its San Francisco base and a Shanghai satellite, Heller Manus Architects does more than half of its work in China. But, says principal Jeffrey Heller, FAIA, business dealings are a lot more complicated than in the U.S. Donna Li, a senior partner at the AllBright Law Office, Shanghai, which helps Heller Manus navigate the bureaucracy, offers this advice for firms with their eye on China.

What major challenges do American architects face when doing business in China?

Business dealings in China face far more supervision and government control than in the U.S. American firms who want to set up a China office must apply to the Chinese authorities for approvals, or face severe fines for doing unpermitted business. Tax and foreign currency controls are the other major issues, and have a direct impact on profitability—even for architects without offices there. Only after the relevant tax is paid can money be exchanged from renminbi to U.S. dollars and wired out of China.

What kinds of contracts should be in place?

Usually a retainer agreement between an American architect and the Chinese client will suffice. Due to the differences in language and legal systems, AIA contracts need to be localized and translated before use. American architects may also need to adopt their clients’ contract documents, which are required in certain regions.

What legal recourse does an American architect have if something goes wrong?

You can bring a case of contractual breach to a competent People’s Republic of China court. If the retainer agreement contains an arbitration clause, the architect can submit the case to an arbitral tribunal either inside or outside China. Compared to courts, arbitral tribunals are generally regarded as more convenient and efficient. A number of arbitral tribunals in China, such as the China International Economic and Trade Arbitration Commission, have adopted English as a working language.

Any cultural differences related to business we should know about?

There are few, actually. In our experience, Chinese clients usually respect architects’ ideas more than American clients do, which gives architects more freedom to experiment.—c.w.



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things are accomplished in one-quarter the time," he says. "That's having an enormous impact on the profession. In my view, they've found a path to success that we've lost. They're where we were in the 1950s and 1960s."

That's good news for many out-of-work firms. But why hire foreigners, when the Chinese could do the work quickly and for less money? What clients want, many say, is big-concept, abstract thinking, which they associate with a Western approach. What's more, often that translates to dream commissions that leave budget issues oddly out of the picture, offering architects an artistic freedom

they haven't experienced since they were students.

One example of how different business dealings in Asia are from the typical American commission is Ehrlich Architects' work on the Taipei Towers in Taiwan. The Culver City, Calif., firm was asked to design the exteriors of five residential buildings ranging from 12 to 20 stories.

"The client requested a modern, uplifting design for this up-and-coming area," says Ehrlich principal Takashi Yanai, AIA, "and we wanted to bring our Southern California indoor-outdoor sensibility to the project. It was clear the developers were focused on achieving very high per-

"it takes from three to six years to get projects done here, whereas in china things are accomplished in one-quarter of the time."

—jeffrey heller, faia

square-meter prices rather than just bottom-line goals. Sales targets often entered into the design discussion, but construction costs rarely did."

That's because labor is less expensive in that part of the world, and U.S. architects are valued for their creativity, not their project management skills, says David Jameson, FAIA,

who runs a small firm in Alexandria, Va. He's designed three houses in Dubai and is working on a 25,000-square-foot house in Hanoi, Vietnam. "I got the call from Dubai on a Friday afternoon and thought it was a college roommate playing a prank," he remembers.

For the Hanoi project, Jameson was given
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a program outline from a local architect hired by the owner, a Vietnamese entrepreneur. He asked for a modern, ideas-driven house but gave no clue as to construction budget. Starting with a blank canvas is "hard, but liberating," Jameson says. "If you think of architecture as a unique situational aesthetic created through pressures, it becomes harder to pin down a direction. But the lack of constraints means more freedom."

Still, there were clashing cultural overlays. The first concepts had to be modified to accommodate feng shui principles, such as a secondary entryway behind the front door. And the absence of cost discussions didn't mean the client wasn't budget-conscious—disconcertingly so. "You show them the real thing, and they want to knock it off," Jameson says. "Their attitude was, whatever you draw, we can make it happen for the number we need."

Payment can be touch-and-go, too. The Dubai houses weren't built, and the client still owes Jameson money. "They've honored the close-out agreement and continue to send money, but sporadically, and in small increments," he says. "It's a bit Wild West-like."

building relationships

Foreign work is a leap of trust. Distance is disturbing when a client goes quiet,

and there may be little legal recourse if a project evaporates midstream. Those scenarios crossed Seattle architect Stuart Silk's mind when the agent for a large Chinese corporation asked him to design nine of the 80 luxury homes at Zhongkai Sheshan Villas, outside Shanghai. The agent had seen Silk's work while touring a gated community in Palm Springs, Calif.

"There's no linear way to check out these companies, but you can get a sense of their viability by looking at work they've done," says Silk, AIA, founding principal of Silk Architects. "My rule was to do no work without getting paid in advance. We spent more time on the payment schedules than on anything else. In the U.S. we bill monthly, but in China it's task-based. You send PDF's but not AutoCAD files until the money is in the bank."

Careful networking can prevent horror stories of architects left holding the bag. The Atlanta firm Mack Scogin Merrill Elam Architects, which designed four of the Zhongkai Sheshan Villas, was invited in by a reputable colleague. Other recognizable names on the team also reassured the architects that the project was legitimate.

Another major factor was in their favor, too: Foreign architects in China assume little or no liability because construction drawings are done by a local design institute.

Yet inevitably that means

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relinquishing some design control, an issue that principals Merrill Elam, AIA, and Mack Scogin, AIA, resolved up front. “We had decided that our designs would be strong enough to sustain that loose fit,” Elam says. “We built in a certain amount of flexibility about how all the details might be executed. And they were good about asking for clarification when they didn’t understand the intent.”

Elam has found that the biggest difference working in Asia is how buildings are constructed. A labor-rich market means clients aren’t looking for off-the-shelf products. They want architectural sizzle, and have the manpower to make innovative concrete forms that would be prohibitively expensive here. That’s also true in India, she says, where the firm has designed multifamily housing—now on hold—outside Hyderabad for the emerging middle class.

“There’s a lot of residential activity at the moment in India,” agrees Suman Sorg, FAIA, principal of Sorg Architects in Washington, D.C. “We hope it’s not a bubble.” Her mid-size practice has pursued U.S. State Department work abroad since startup. But the gush of private-sector work in India is new and has filled a void since 2008, when those commissions dried up locally. A New York-based developer is keeping the firm busy with projects such as the Grand Arch outside New Delhi,

which includes 900 units of middle-class multifamily housing in high-rise and mid-rise buildings.

As in China, India is creating towns from whole cloth. Sorg is thrilled to avoid the Nimbyism common in Washington, where neighbors balk at the idea of modern insertions and try to influence design, not always positively. The work there, too, is less budget-driven than in the United States. Although Grand Arch’s first phase was in planning during the global market meltdown, the developer held the line, intent on spending what was necessary to create a buzz. “The client didn’t make the units smaller or cheapen the price,” Sorg says. “It arrived on the market in 2009, and there was a lot of worry it might be too high a price point. But it got a lot of publicity, and everything sold in 48 hours.”

Sorg Architects is confident enough that this past September it opened a New Delhi office. Not only will the 10 or so employees be available to manage projects through build-out, but Sorg sees this as a long-term investment. “At the moment it’s not for the sake of profit, but to have managers from America train Indian staff,” she explains. “We are getting graduates from an MIT sister university, training them to support us in projects all over the world.”

Networking—the basis of any ongoing marketing
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effort—is a more expensive proposition overseas. The managers travel back and forth every five weeks, and Sorg, a native of India, has an advantage over her American competitors. “Clients like the fact that I have their sensibilities,” she says. “I understand privacy issues in apartments, where you have in-laws living with you—all the things I experienced growing up.”

global neighborhood

The world may be getting smaller, but when the economy goes down in one pocket of the globe, it’s thriving in another. And the deeper the emotional ties to a particular place, the more

natural the business fit. For San Francisco-based House + House Architects, that bright spot is Mexico, where principals Steven and Cathi House are grateful to find almost half their work these days. Many of those commissions come from another social force: American baby boomers wanting to retire or vacation where the cost of living is low.

For the Houses, who’ve been working in Mexico since the 1990s, marketing consists of little more than making friends during their stays in San Miguel de Allende, where they’ve built two houses for themselves, one a rental. They recently broke ground on a house for a Massachusetts

“we’re interested in how one designs a building that’s culturally relevant, yet modern and embracing new technologies and global agendas of sustainability.”

—steven ehrlich, faia

couple they met on the street. Steven House, AIA, recalls, “We overheard this nice couple talking about where to have lunch. We started chatting, and invited them to our house later that afternoon. A few months later, they decided to retire there.” The rental house is a subtle way to attract clients. And their personal home, a fixture on the city’s Sunday

house and garden tour, also draws tourists.

By now, the Houses are fully immersed in the local culture. Cathi House, who’s become fluent in Spanish, spent a week interviewing 20 local builders for their first project, and the one she chose has constructed all 19 homes they’ve designed there. Construction

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drawings are in Spanish, and they're close friends with blacksmiths, stone masons, carpenters, and the local bank manager. In fact, their deepening interest in the region inspired their latest project: a study abroad program, partnering with American architecture schools including Virginia Tech, where the couple met. The school they're building beside their home is slated to receive its first students next summer.

Steven Ehrlich, FAIA, traces his international awareness to his Peace Corps work in Morocco in the 1970s. For years, his firm has been developing a philosophy of multicultural modernism. "We're interested in how one designs a building that's culturally relevant, yet modern and embracing new technologies and global agendas of sustainability," he says. And as tantalizing as the so-far-elusive China commission seems, he says he'd turn down work that compromises his design ideals. "I can't tell you how many times we've been asked to be in a paid competition in main-line China, and they pick the French chateau from someone else," he says.

That sounds a lot like the U.S. Working anywhere is a matter of identifying the right fit. Architects who can do it find that the work has value beyond a recessionary strategy. Says Olson, "It's expanding my neighborhood out into the world. We're making all kinds of new lifelong friends." ra