

FAQ on Architects' Fees

Does SIA recommend fees?

No, all SIA members are free to determine their own levels of fees.

Does SIA have a Scale of Fees to guide the level of fees that Architects can seek from Clients?

SIA's Scale of Fees was published in the 1st to 3rd editions of the SIA Conditions of Appointment and Architect's Services and Mode of Payment. The Scale of Fees was derived from information collected at that time, and arranged into a structure combining key considerations (i.e. total construction cost and complexity of project with a proportioned level of fees) in a useful way. By expressing the estimated Architect's fee as a percentage of the total construction cost meant that the quantum of Architect's fees would fluctuate in tandem with the market prices in the wider construction sector economy, and was therefore accepted as a fair reference.

Despite being presented as the basis for a "recommended" fee, the SIA Scale of Fees was not mandatory and, in practice, most Architects and Clients agreed to fees separately. However, the Scale of Fees was useful for Clients in verifying that an Architect had not mistakenly proposed an excessive level of fees.

Since the introduction of Singapore's Competition Act the SIA has acknowledged that the Scale of Fees cannot be presented or mandated as a recommended basis for calculating fees, and has acknowledged the continuance of general practice in which most Architects and Clients agree on fees separately. However, because of the clear benefits of the Scale of Fees to Clients in verifying that the level of proposed fees is not excessive, SIA has maintained the Scale of Fees for reference purposes only.

In 2011, SIA will be launching the 4th Edition of the Conditions of Appointment and Architect's Services and Mode of Payment in editable electronic format. Referred to as an "eContract," the new edition will remove any residual expressed references to the Scale of Fees as a recommended basis for calculating fees. The eContract will allow Architects to customise the terms of appointment to suit their particular ways of practice and the project itself, including to establish the mode and level of proposed fees for themselves. Such fees are expected to take into account the required design complexity, size of the project, duration and scheduling of the project, expertise and track record in similar types of projects, and other aspects of direct costs and productivity efficiencies.

How do I check that an Architect is not overcharging me?

Fees will vary between Architects due to their different specialisations, track records & experience on particular development and services types.

An Architect should be able to justify the level of fees being proposed based on considerations such as the required design complexity, size, and duration and scheduling of the project, as well as the Architect's own expertise and track record in similar types of projects, and other aspects of direct costs and overheads, etc.

Architects may propose a fee that takes into account various aspects of value-adding to the Client that are possible due to the Architect's particular expertise and specialisation, reputation, or other strengths and skills.

What is the SIA Fee Calculator?

The SIA Fee Calculator was launched to SIA members in 2010 to provide a software tool to assist them in calculating fees.

The Fee Calculator is a program designed to process various data inputs by the Architect. The fee calculated is a direct output of the information inputted, and is similar to a spreadsheet program (only that SIA saves its members the task of setting up the program with the necessary arithmetic formulae).

Of further benefit is that the Fee Calculator is easier to use and modify (to suit each project's particular needs) than a normal spreadsheet. SIA members also appreciate the flexibility of the Fee Calculator which operates online with 'real time' updating for instant indication of the effect that changes of inputs will have on the overall fee.

Feedback from Clients has so far been positive, with Clients appreciating the substantiated basis from which proposed fees have been determined by the Architect.

Does the SIA Fee Calculator recommend fees?

No, the SIA Fee Calculator is only a tool; an arithmetic framework to process the data inputted by the Architect. All data is entered by the Architect, not the SIA, and there are no hidden adjustments, corrections, biases or weighting in the programming. The mathematical formulae are straight forward.

The Fee Calculator allows all of the various parameters to be controlled by the Architect (e.g. the architectural services, duration and stage scheduling estimates of the project, salary rates of assigned personnel, coefficient for overheads and profits (which also take into account the Architect's estimates of productivity efficiency), the expected time that the respective designations of assigned staff will spend on the project, etc).

The Fee Calculator's comprehensive provisions of possible fields for data entry promote a well-considered and disciplined approach to fee estimation by the Architect. The Fee Calculator provides a fee output which is specific to the Architect vis-à-vis the particular project, and promotes a fee output that is justifiably neither too high nor too low.

Can the Client set their own fee?

Yes, most certainly. However setting an unjustifiably low fee may result in low interest amongst Architects to make an offer of architectural services based on that consideration.

It should be noted that SIA's Architectural Design Competition Guidelines actually recommend that Clients calling for an architectural design competition work with a neutral architect advisor up-front to determine a fair and reasonable fee for the successful competition participant to be remunerated with while executing architectural services during the subsequent design and construction periods of the project. Such provisions illustrate a preferred emphasis for Clients to engage their Architects on a basis of merit rather than primarily on fees. This is also in line with the approach of the Quality & Fee Method framework administered by BCA for

Government building projects in Singapore; where up to 80% of the assessment of an Architect's bid is based on Quality attributes, and correspondingly only 20% relates to fee. This framework seeks the best outcome of value-for-money architectural services.

Are Architects restricted in the manner they can bid for jobs?

Yes, to a degree. As a matter of professional conduct Architects are prohibited from certain conduct pursuant to the Architects Act and its subsidiary legislation (e.g. Architects Rules).

For example, Architects are prohibited from entering into fee bidding with another Architect.