



The 21st ASIAN Congress of Architects

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8-12 September 2025

***Are the professional fees
in Lao PDR competitive,
or determined by market
forces?***

ALACE

20

25

ALACE
EXPO '24
Association of Lao Architects and Civil Engineers
EXHIBITION | ANNUAL MEETING | FORUM



24
UNLOCK
10-16 JUNE 2024
TIME: 09:00-19:00 FREE
LOCATION: Convention Hall



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- 2025 Overview
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2025 Overview

The activities undertaken by ALACE in 2024 remain aligned with and contribute towards the realization of the organization's vision which are:

Be a Center / Be competitive / Build consolidation / enhance connectivity / toward Civilization

the outstanding core that we have achieved in 2024 is

BE A CENTER: ALACE has been striving to establish a clearer public identity. This has been achieved through a series of meetings and the dissemination of regulations to both central and provincial members. The organization of technical seminars, in collaboration with various stakeholders, has highlighted the association's potential to serve as a crucial hub for supporting and finding solutions to challenges faced in the fields of architecture and engineering

ENHANCE CONNECTIVITY: The association's activities toward its members and fellow professionals are characterized by a strong emphasis on the involvement of committees and members as driving forces. This approach aims to foster creativity and provide a platform for young professionals to actively participate in professional development and ensure its sustainability.

Overall, the tangible outcomes of the 2024 activities have been the creation of new possibilities in the profession and the strengthening of the internal organization to drive the development of human resources, education, and career guidance for the future

Challenges Faced

Economic constraints: ALACE is still facing Limited financial resources, which continually constrain the ability to invest in advanced technologies, training, and collaborative initiatives.

Lack of a robust framework for ethical and competent professional practice. The framework should be emphasized:

- Licensing and Registration (processing)
- Developed and Updated Codes of Ethics and Professional Conduct
- Mandatory Continuing Education
- Professional Liability Insurance

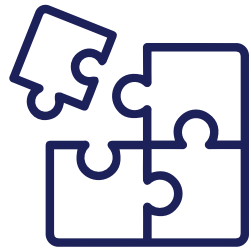
The absence of these crucial elements poses a significant risk to public safety and the integrity of the built environment.

Strategic Initiatives



1

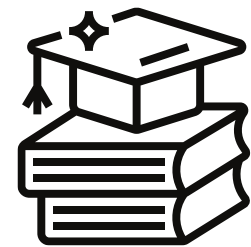
Promote the implementation of regulations requiring Laotian architects and civil engineers to be officially registered and licensed, which aims to bring all architects and engineers into a regulated system



2

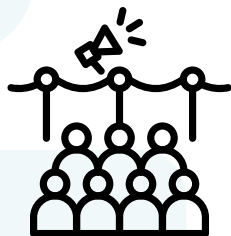
Policies and strategies to create a sub-community within the field, such as creating events, competitions, awards, workshops, field trips, studio visits, etc., with the following objectives:

- Increase revenue generation and self-reliance through proposal writing, sponsorship acquisition, and partnerships.
- Create a platform for the younger generation to showcase their work and creativity, fostering a competitive spirit for continuous creation.



3

Collaborating with educational institutions to align and enhance curricula: By working closely with educational institutions, we can ensure that the curricula for architecture and engineering programs are updated to reflect the current needs of the construction industry and society. This will lay the groundwork for producing highly skilled professionals who can contribute meaningfully to the development of our communities



4

Creating new and creative forms of advertising and communication to attract young architects and engineers, providing them with access to information, enabling them to create creative content, and educate the general public

01: set up permanent office



Organization development

Another significant of ALACE to finally capable to set up the permanent office, this will benefit:

1. Long-term Sustainability:

- Improved Financial Stability: A permanent office can enhance fundraising efforts and attract sponsorships.
- Enhanced Organizational Structure: Provides a stable foundation for the long-term growth and development of ALACE.

2. Enhanced Visibility and Professionalism

- Increased Credibility: A physical office space enhances ALACE's credibility and professionalism in the eyes of members, stakeholders, and the public.
- Improved Public Image: A dedicated office space strengthens ALACE's presence within the architectural and engineering community.
- Professional Image: Provides a professional and welcoming space for meetings, workshops, and events.

02: continue developing network among ALACE in other provinces throuout the country



Conferences to disseminate regulations and the importance of professionalism in each province have been continuously held and have been very successful. It is noticeable that we can gather members from each province and have a stronger community

Internal and external collaboration

Architectural professional fees in Lao PDR vary significantly based on the project's scale, complexity, location, and the architects' experience.

1. Common fee structure

-percentage of construction cost

Residential Projects: 5–10%

Commercial/Complex Projects: 7–15%

E.g., For a \$100,000 home, fees might range from \$5,000–\$10,000.

- **Fixed Fee:**

Agreed upfront for defined services (e.g., design only or complete project management).

- **Hourly Rates:**

\$20–\$80/hour, depending on expertise (common for consultations or minor revisions).

2. Key Influencing Factors

- Project Type: Luxury villas, commercial buildings, or public infrastructure have different fee scales.
- Scope of Work: Fees increase if services include master planning, interior design, or construction supervision.
- Architect's Profile: International firms or highly experienced architects charge premiums (e.g., 20–30% higher than local averages).
- Location: Projects in Vientiane or Luang Prabang may cost more due to higher demand and regulations.

3. Typical Cost Ranges

- Small Residential (e.g., single home): \$1,000–\$10,000+
- Medium Commercial (e.g., hotel, office): \$10,000–\$50,000+
- Large-Scale Developments: \$50,000+ (often negotiated individually).

4. Additional Costs

- Permitting: Architects may assist with approvals (fees: 0.5–2% of construction cost).
- Revisions: Major design changes often incur extra charges.
- Site Visits: Travel expenses for remote locations.

5. Clients' Needs

- Request Detailed Quotes: Ensure the scope, deliverables, and payment milestones are documented.
- Compare Portfolios: Prioritize architects with local experience (familiarity with Lao regulations/materials).
- Negotiate Flexibility: Some firms offer lower fees for phased payments or repeat clients.

Notes

Fees in Laos are not standardized, so negotiation is common. Always formalize agreements in writing. For precise estimates, share your project details (size, type, location) with 2–3 firms for tailored quotes.

Due to the complication of service fees in markets, the Ministry of Public Works and Transport has been drafting an essential decision.

Section	Description
Regulations and Guidelines	Rules for compliance, responsibilities, and procedures for individuals/entities.
Fee Structures	Tables specifying percentage-based fees for different categories or services.
Rights and Responsibilities	Details rights, obligations, and penalties for non-compliance.
Implementation and Enforcement	Procedures for monitoring and enforcing rules, including penalties.
Administrative Details	Provisions for documentation, approvals, and operational guidelines.

Example

Category	Fee Type	Percentage
Level I	Base Fee	1.70%
Level II	Base Fee	1.90%
Level III	Base Fee	2.10%

Professional Fees

1. Percentage fees
2. Time charge fees
3. Lump sum fees
4. Cost plus fees
5. Built area fees

Basic Consideration

Article 19 and 20 of the Government Decision on the Professional Fees

Project Type	Survey and Design fees (%)		
Type I	1.70	1.50	1.20
Type II	1.90	1.70	1.30
Type III	2.10	1.90	1.40
Type IV	2.30	2.10	1.50
Type V	2.50	2.30	1.70
Project Type	Consultant fees (%)		
Type I	1.90	1.70	1.30
Type II	2.10	1.90	1.40
Type III	2.30	2.10	1.50
Type IV	2.50	2.30	1.70
Type V	2.70	2.50	1.90

Challenges to Standardization & Fair Compensation

- **Lack of Strong Professional Body:** While the Lao Architect Association exists, it lacks the strong regulatory power and fee guideline enforcement seen in some more mature markets. There is no universally mandated fee scale.
- **Price-Based Competition:** The intense focus on low price as the primary selection criterion often leads to unsustainable fee levels, compromising design quality, thoroughness of documentation, and adequate site supervision.
- **Informal Economy:** Part of the market operates informally, further depressing fee expectations.

Thank you

