



# INSTITUTE OF ARCHITECTS PUJA BRUNEI IAPB

# ARCASIA: ACA21

ASIAN CONGRESS OF ARCHITECTS

ARCASIA COMMITTEE ON PROFESSIONAL PRACTICE [ACPP]  
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# Is the Professional Fees in Your Country Competitive, or Determined by Market Forces?

## 1. Introduction

Professional fees for architects and built-environment consultants have always been a sensitive issue, as they balance between maintaining professional integrity and meeting client expectations in a competitive marketplace. The determination of fees differs from country to country, often depending on regulatory frameworks, professional body guidelines, and the maturity of the construction industry.

# **Is the Professional Fees in Your Country Competitive, or Determined by Market Forces?**

## **2. Historical Context**

Traditionally, many countries in Zone B (including Brunei, Malaysia, Singapore, and others) had prescribed fee scales regulated by statutory boards or professional institutions. These were intended to:

- Ensure fair remuneration for professional work.
- Safeguard quality by preventing undercutting.
- Maintain parity and protect the public interest.

However, global trade liberalisation, deregulation trends, and competition laws have gradually shifted professional fee structures towards market-driven mechanisms.

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## 3. Current Practices in BRUNEI DARUSSALAM

- **Brunei (IAPB/BAPEQS):** Fees are still linked to the statutory scale of minimum fees under the Architects, Professional Engineers, and Quantity Surveyors Order (CAP 114). However, increasing competition and direct negotiations have introduced elements of market determination.
- While the Architects Act provides for a Schedule of Minimum Fees, enforcement is increasingly difficult, and clients often demand discounted or lump-sum fees.
- With deregulation, fee scales are no longer mandatory, leading to competitive bidding. This has raised concerns about fee undercutting and compromised quality.
- Fee guidelines exist but it is only as a reference, are often negotiated based on project scale, client resources, and market conditions.

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## 4. Competitiveness vs. Market Forces

- Competitive Fees:
  - Encourages efficiency and innovation among architects.
  - Offers clients options across different service levels.
  - Risks: “Race to the bottom” may compromise quality, professional ethics, and long-term sustainability of the profession.
- Market-Determined Fees:
  - Negotiated directly between client and consultant.
  - Reflects real economic conditions, client budgets, and supply-demand dynamics.
  - Risks: Professionals may be undervalued, leading to weakened positions in contract administration and project quality.

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## **5. Challenges Across the Region**

1. Globalisation – International consultants entering local markets increase pressure on fees.
2. Client Perception – Many clients see architectural services as cost rather than investment.
3. Regulation vs. Free Market – Tension between government regulations and competition laws (e.g., WTO, anti-price fixing laws).
4. Undercutting – Junior or inexperienced firms often offer below-minimum rates to win projects, setting unsustainable precedents.

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## 6. Way Forward

- Reaffirm Professional Value: Educate clients that quality design reduces lifecycle costs.
- Strengthen Professional Bodies: IAPB, PAM, SIA, UAP, etc. must advocate for minimum fees or ethical fee competition.
- Transparent Scope Definition: Clear breakdown of scope of work linked to fees can help clients appreciate value.
- Regional Collaboration: Through ARCASIA/CAA, develop a shared framework for fair fees while respecting national laws.
- Quality-Based Selection (QBS): Promote evaluation of architects based on competence and track record, not just lowest price.

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## 7. Conclusion

In Brunei Darussalam, professional fees are increasingly influenced by market forces, but competitiveness must not come at the expense of professional dignity, sustainability, and public interest. Most of the big projects in Brunei are based on RFQ.

**A balance is needed:** fees should reflect both fair value for professional expertise and flexibility to accommodate market realities.

*Thank  
you*

**SEKIAN TERIMA KASIH**