

# INTERIOR DESIGN MAGAZINE

JUDITH DAVIDSEN – INTERIOR DESIGN, 10/1/2009

**GIANTS HOSPITALITY**

**context is all**

**% OF FEES BY PROJECT TYPE**

**2008-2009 ACTUAL FEES**

Project Type	Percentage
Restaurants	35%
Hotels	25%
Bars	15%
Other	25%

**2008-2010 FORECAST FEES**

Project Type	Percentage
Restaurants	30%
Hotels	30%
Bars	15%
Other	25%

From July 2008 through June of this year, the 75 *Interior Design* Giants in hospitality earned \$508,635,813, down 14 percent from the previous year. This may not sound all that great, but it's actually quite a performance when you consider that those particular 12 months contained two quarters—the fourth of 2008 and the first of 2009—that even Austan Goolsbee, chief economist of the President's Economic Recovery Advisory Board, called "*epically bad*." Many Giant projects were canceled or postponed at the height of the crisis, but more were ultimately won over the course of the year: 183 hotels lost, for instance, but 257 gained; 105 restaurants, bars, and nightclubs lost but 257 also gained; five cruise ships gained with no losses. Even more surprising: While it would not have been entirely unreasonable to expect the bulk of "hospitality" projects to have been low-rent corner bars, devoted to the drowning of fears and sorrows, it was in fact hotels that rose 3 points to account for 59 percent of Giant income, bearing out the belief of one Giant that "there is plenty of pent-up demand" for business trips and vacations. Almost a third of the Giants also worked on health-care projects featuring hospitality components.

Work outside the U.S. rose 47 percent, and almost half the Giants believe that foreign countries offer the best prospects over the next two years, specifically China, India, and the Middle East—not including the United Arab Emirates, which topped the list until Dubai's spectacular tumble. The Caribbean, which came in third last year, is barely on the Giants' radar now. In the U.S., the South is felt to have the greatest potential, followed by the Northeast, West, and Midwest. Mid-price and economy properties offer the greatest promise, condo hotels and time shares the least.

Over the past year, staffing contracted 15 percent, with designer positions down 17, project managers and directors 11, and other design staff 34. The only staff category to grow was principal/partner, up 13 percent. For this group, the median salary remained the same, while billing rates slid 6 percent. Project-manager salaries went up 3 percent, as billing rates dropped 2 percent. Designer salaries fell 2.7 percent, but billing rates rose 5.9 percent.

The proportion of sustainable projects rose from 27 to 32 percent, with 10 Giants reporting that 75 percent or more of projects filled the bill and, conversely, five firms doing no green work at all. Although eight Giants say that eco-minded choices tend to be client-driven, 22 firms try to convince stragglers by letting the products do the talking. Six firms make the cost-benefits argument. One firm has a scare-tactic approach: "We explain to clients that, if they don't go green, they risk being out of sync with the industry by the time their project is built."

When Giants are dealing with manufacturers, the economy seemed to aggravate some problems. They mainly appear to boil down to efficiency: faster deliveries and responses and more thorough and easily accessed product profiles, especially improved online images for client presentations. One Giant suggested that, given the decrease in sales reps, cut sheets with complete information could be a great time-saver. Time, of course, being money.

RANK 2009	FIRM (Headquarters   web site)	HOSPITALITY FEES (Millions)	VALUE Work (Millions)	SO. FT. Installed (Millions)	DESIGN STAFF	RANK 2008
1	HBA/Hirsch Bedner Associates (Los Angeles   <a href="http://hbadesign.com">hbadesign.com</a> )	\$70.207	\$4,212.42	40.12	390	1
2	Wilson Associates (Dallas   <a href="http://wilsonassoc.com">wilsonassoc.com</a> )	\$53.460	\$3,000.00	NR	302	2
3	Gensler (San Francisco   <a href="http://gensler.com">gensler.com</a> )	\$35.879	\$535.00	7.20	820	3
4	Rockwell Group (New York   <a href="http://rockwellgroup.com">rockwellgroup.com</a> )	\$21.924	\$107.30	1.63	106	4
5	Bilkey Llinas Design (Palm Beach Gardens, Florida   <a href="http://bilkeyllinas.com">bilkeyllinas.com</a> )	\$21.200	NR	NR	118	9
6	Leo A Daly (Omaha   <a href="http://leoadaly.com">leoadaly.com</a> )	\$17.717	NR	NR	212	12
7	HOK (St. Louis   <a href="http://hok.com">hok.com</a> )	\$17.710	\$2,875.00	9.75	325	5
8	Daroff Design + DDI Architects (Philadelphia   <a href="http://daroffdesign.com">daroffdesign.com</a> )	\$15.015	\$180.00	3.00	30	7
9	BBG-BBGM (New York   <a href="http://bbg-bbgm.com">bbg-bbgm.com</a> )	\$14.400	NR	NR	65	6
10	FRCH Design Worldwide (Cincinnati   <a href="http://frch.com">frch.com</a> )	\$13.518	\$300.00	NR	103	8
11	Baskerville (Richmond, Virginia   <a href="http://baskerville.com">baskerville.com</a> )	\$9.813	\$703.82	7.22	77	19
12	Callison (Seattle   <a href="http://callison.com">callison.com</a> )	\$9.790	NR	NR	107	21
13	DiLeonardo International (Warwick, Rhode Island   <a href="http://dileonardo.com">dileonardo.com</a> )	\$9.430	NR	NR	82	13
14	Pierre-Yves Rochon (Chicago   <a href="http://pyr-design.com">pyr-design.com</a> )	\$8.950	\$1,156.15	1.88	36	18
15	Duncan Miller Ullmann Design (Dallas   <a href="http://designdmu.com">designdmu.com</a> )	\$8.208	\$600.00	8.50	44	15
16	Gettys (Chicago   <a href="http://gettys.com">gettys.com</a> )	\$7.821	\$140.00	NR	47	14
17	Stonehill & Taylor Architects and Planners (New York   <a href="http://stonehilltaylor.com">stonehilltaylor.com</a> )	\$7.270	\$200.00	2.50	31	17
18	VOA Associates (Chicago   <a href="http://voa.com">voa.com</a> )	\$6.324	\$105.40	4.20	101	29
19	ForrestPerkins (Washington   <a href="http://forrestperkins.com">forrestperkins.com</a> )	\$5.700	\$150.00	NR	35	22
20	Chambers (Baltimore   <a href="http://chambersusa.com">chambersusa.com</a> )	\$5.693	\$65.00	1.40	10	28
21	BraytonHughes Design Studios (San Francisco   <a href="http://bhdstudios.com">bhdstudios.com</a> )	\$5.334	NR	NR	31	23
22	RTKL Associates (Baltimore   <a href="http://rtkl.com">rtkl.com</a> )	\$5.313	\$275.00	6.50	83	20
23	Joi-Design (Hamburg, Germany   <a href="http://joi-design.com">joi-design.com</a> )	\$5.200	\$65.00	NR	39	37

24	Looney & Associates (Dallas   <a href="http://looney-associates.com">looney-associates.com</a> )	\$4.942	NR	5.00	29	25
25	KNA Design (Los Angeles   <a href="http://knadesign.com">knadesign.com</a> )	\$4.893	\$618.50	2.60	20	41
26	BaMo (San Francisco   <a href="http://bamo.com">bamo.com</a> )	\$4.499	NR	NR	36	30
27	Smallwood, Reynolds, Stewart, Stewart & Associates (Atlanta   <a href="http://srssa.com">srssa.com</a> )	\$4.394	NR	2.87	14	34
28	OPX (Washington   <a href="http://opxglobal.com">opxglobal.com</a> )	\$4.377	\$193.00	1.20	38	61
29	TVSDesign (Atlanta   <a href="http://tvs-design.com">tvs-design.com</a> )	\$4.311	\$33.30	1.03	53	40
30	Yates-Silverman (Las Vegas   <a href="http://yates-silverman.com">yates-silverman.com</a> )	\$4.200	NR	NR	19	38
31	HFS Concepts 4 (Long Beach, California   <a href="http://hfsc4.com">hfsc4.com</a> )	\$4.190	\$75.00	NR	34	11
32	WATG (Irvine, California   <a href="http://watg.com">watg.com</a> )	\$4.094	NR	NR	46	16
33	J/Brice Design International (Boston   <a href="http://jbricedesign.com">jbricedesign.com</a> )	\$3.952	\$150.00	2.32	20	36
34	SFA Design (Santa Barbara, California   <a href="http://sfadesign.com">sfadesign.com</a> )	\$3.861	\$350.00	0.69	21	26
35	HKS (Dallas   <a href="http://hksinc.com">hksinc.com</a> )	\$3.751	NR	10.00	144	-
36	Westar Architects (Las Vegas   <a href="http://wagnarchitects.com">wagnarchitects.com</a> )	\$3.705	\$35.00	0.60	9	27
37	Stephen B. Jacobs Group Architects and Planners/Andi Pepper Interior Design (New York   <a href="http://sbjgroup.com">sbjgroup.com</a> )	\$3.600	\$328.00	0.50	15	64
38	Perkins Eastman (New York   <a href="http://perkinseastman.com">perkinseastman.com</a> )	\$3.456	\$69.12	0.69	150	39
39	EDG (San Rafael, California   <a href="http://edgdesign.com">edgdesign.com</a> )	\$3.399	\$67.00	0.45	21	50
40	CMMI (Atlanta   <a href="http://cmmi-redlines.com">cmmi-redlines.com</a> )	\$3.136	NR	NR	20	35
41	Cubellis (Boston   <a href="http://cubellis.com">cubellis.com</a> )	\$3.135	\$5.60	1.50	55	-
42	Graham Downes Architecture (San Diego   <a href="http://grahamdownes.com">grahamdownes.com</a> )	\$3.120	\$32.00	1.20	18	47
43	Design Directions International (Marietta, Georgia   <a href="http://ddi.cc">ddi.cc</a> )	\$3.110	\$125.50	3.18	9	46
44	Skidmore, Owings & Merrill (New York   <a href="http://som.com">som.com</a> )	\$2.787	NR	0.58	76	10
45	Heitz Parsons Sadek (West Palm Beach, Florida   <a href="http://heitz-parsons-sadek.com">heitz-parsons-sadek.com</a> )	\$2.543	\$42.00	1.15	23	44
46	Core Architecture + Design (Washington   <a href="http://coredc.com">coredc.com</a> )	\$2.529	\$25.00	0.18	11	67
47	Cheryl Rowley Design (Los Angeles   <a href="http://cherylrowleydesign.com">cherylrowleydesign.com</a> )	\$2.515	NR	NR	14	49
48	Kay Lang + Associates (Los Angeles   <a href="http://kaylangassoc.com">kaylangassoc.com</a> )	\$2.250	\$3.00	0.50	16	-
49	Simeone Deary Design Group (Chicago   <a href="http://simeonedeary.com">simeonedeary.com</a> )	\$2.250	\$0.60	2.10	14	-
50	ABA (Las Vegas   <a href="http://abalv.com">abalv.com</a> )	\$2.219	\$700.00	NR	13	33
51	Indidesign (Los Angeles   <a href="http://indidesign.com">indidesign.com</a> )	\$2.000	\$550.00	3.00	11	-
52	RDH & Associates (Addison, Texas   <a href="http://rdhassociates.net">rdhassociates.net</a> )	\$1.980	NR	NR	9	55
53	Puccini Group (San Francisco   <a href="http://puccinigroup.com">puccinigroup.com</a> )	\$1.960	NR	NR	19	42
54	Cunningham Group Architecture (Minneapolis   <a href="http://cunningham.com">cunningham.com</a> )	\$1.861	NR	0.63	141	58
55	DAS Architects (Philadelphia   <a href="http://dasarchitects.com">dasarchitects.com</a> )	\$1.803	\$31.05	0.11	12	53
56	Hatch Design Group (Costa Mesa, California   <a href="http://hatchdesign.com">hatchdesign.com</a> )	\$1.739	\$59.55	0.17	18	-
57	Design Group Carl Ross (El Segundo, California   <a href="http://designgroupcarlross.com">designgroupcarlross.com</a> )	\$1.734	NR	NR	6	56
58	George Conte Design Consultants (Greensburg, Pennsylvania   <a href="http://georgecontedesign.com">georgecontedesign.com</a> )	\$1.690	\$25.00	2.93	7	-
59	Gwathmey Siegel & Associates Architects (New York   <a href="http://gwathmey-siegel.com">gwathmey-siegel.com</a> )	\$1.670	NR	0.80	27	66
60	Indesign (Studio City, California   <a href="http://indesignla.com">indesignla.com</a> )	\$1.600	\$80.00	0.60	14	68
61	J. Banks Design Group (Hilton Head, South Carolina   <a href="http://jbanksdesign.com">jbanksdesign.com</a> )	\$1.566	\$5.51	0.34	22	75
62	R.D. Jones & Associates (Baltimore   <a href="http://rdjones.com">rdjones.com</a> )	\$1.500	NR	NR	17	51
63	Vivian/Nichols Associates (Dallas   <a href="http://vivian-nichols.com">vivian-nichols.com</a> )	\$1.414	\$57.06	1.05	9	70
64	Architectural Design Consultants (Lake Delton, Wisconsin   <a href="http://adci.ws">adci.ws</a> )	\$1.398	\$116.80	1.32	21	-
65	Thomas Hamilton & Associates (Richmond, Virginia   <a href="http://thomashamiltonassociates.com">thomashamiltonassociates.com</a> )	\$1.378	\$37.42	0.54	10	62
66	Judd Brown Designs (Pawtucket, Rhode Island   <a href="http://jbd.cc">jbd.cc</a> )	\$1.371	\$19.50	0.12	19	-
67	Montgomery Roth (Houston   <a href="http://montgomeryroth.com">montgomeryroth.com</a> )	\$1.350	NR	NR	9	59
68	SmartDesign Group (Vancouver, British Columbia   <a href="http://smartdesigngroup.com">smartdesigngroup.com</a> )	\$1.313	\$150.00	1.50	20	-
69	HVSCompass Interior Design (Rockville, Maryland   <a href="http://hvscompass.com">hvscompass.com</a> )	\$1.236	\$274.56	4.01	10	74
70	Cleo Design (Las Vegas   <a href="http://cleo-design.com">cleo-design.com</a> )	\$1.206	NR	0.77	8	52
71	Cole Martinez Curtis and Associates (Marina Del Rey, California   <a href="http://cmcadesign.com">cmcadesign.com</a> )	\$1.200	\$50.00	0.75	7	63
<b>72</b>	<b>BG Studio International (New York   <a href="http://bgstudio.com">bgstudio.com</a>)</b>	<b>\$1.200</b>	<b>\$19.50</b>	<b>0.04</b>	<b>14</b>	<b>-</b>
73	Morrison Seifert Murphy (Dallas   <a href="http://msmgroup.com">msmgroup.com</a> )	\$1.168	NR	NR	12	57
74	Shea (Minneapolis   <a href="http://shealink.com">shealink.com</a> )	\$1.142	\$14.85	0.17	15	60
75	Oz Architecture (Denver   <a href="http://ozarch.com">ozarch.com</a> )	\$1.064	NR	NR	15	48

Hospitality design fees do not include revenues paid to a firm and remitted to subcontractors that are not considered full-time staff equivalent. For example, certain firms attract work that is subcontracted to a local firm. The originating firm may collect all the fees and retain a management or generation fee, paying the remainder to the performing firm. The amounts paid to the latter are not included in fees of the collecting firm when determining its ranking. The data was compiled and analyzed by the *Interior Design* market research staff in New York: Laura Girmscheid, research manager, and Wing Leung, research director. Judith Davidsen is a frequent contributor to *Interior Design*.

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