

INTERIOR DESIGN[®]

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summer fun



RISINGgiants

In the fitness world, they call it a plateau. You've made solid gains for a while—or, if you're talking weight, solid losses—but despite your commitment to doing things right and having good vibes about the progress, it just...halts. That's what it feels like reviewing the latest business data from *Interior Design's* Rising Giants, our ranking of the second 100 largest firms.

Previously, as the Great Recession retreated, there was nowhere to go but up. After those years of recovery followed by prosperity, the last couple of reports provided respectable results if not gaudy gains. Then, in the 2016 report, the Rising Giants actually failed to rise, losing 3 percent on total fees. This time, fees again ticked up, 4 percent to \$475 million, which is good news but not the \$506 million that was forecast. Rising Giants now predict fees of \$530 million, and we're hope-hope-hoping. Still, no one can dispute that overall business has been good, and the current data bears that out.

Steinberg [65] designed 3033 Wilshire Boulevard in Los Angeles. ➔

meaning colleges and universities, jumped 20 percent to \$23 million, with \$26 million forecast. Meanwhile, hospitality, always a big moneymaker, fell 25 percent to \$130 million. Retail dropped 30 percent to \$21 million, residential 14 percent to \$60 million.

Rising Giants installed \$12.6 billion in furniture-fixtures and construction products, up 14 percent. This has been a healthy part of the business, in the 10-digit realm, for the past three surveys. The firms are gunning for \$14.2 billion next time. As for square feet of work completed, Rising Giants are reporting 271 million and forecasting just slightly more, 276 million. Lowball? We shall see. Fees per square foot came in at \$89, right in the middle of the \$85 to \$98 range established for the past nine surveys—the outlier being \$104 in 2015.

As for where the work takes place, more and more Rising Giants are staying in the U.S., and 98 firms are betting on domestic growth, especially in the South and West. A mere 8 percent of firms took foreign work, the lowest number in a decade. It's also worth noting that work in every single non-U.S. region declined. If there's any international heat in the near future, and 46 percent of Rising Giants say there will be, it's likely to be found in China and the Caribbean.

Another interesting facet of the business lately is sustainability. Coming out of the Great Recession, green work increased steadily. But as healthy growth returned overall, the green numbers have leveled off or even fallen. On the other hand, green-related fees have reversed a few years of decline to tick up to \$104 million, 28 percent of all fees. For installed products, 45 percent were green, and the \$5.3 billion total is the highest since records have been kept.

Total interior design staff came in around 2,800, up 3 percent. Rising Giants hope to hire another 300 soon. Salaries have mostly held steady as well, with designers earning \$65,000, project managers/job captains \$93,000, and principals/partners \$152,000. Hourly billing rates per employee haven't changed either. Steady as she goes, just not upward.

Perhaps one of the reasons for these good-but-not-great results is another bit of information that hasn't changed for a while: Rising Giants say that their biggest business challenge is earning proper fees for work and educating clients on the value of design. The classic tussle.

There's that other tussle, too: plateau versus optimism. Of the existing Rising Giants, 60 reported making money, but it's worth noting that nine out of 10 firms expect business to grow. We'll take it! After all, plateaus are meant to be surmounted. —Mike Zimmerman

The total number of projects completed, 15,000, has been steady and is expected to remain so. As broken down by sector, however, work saw some interesting changes. Fees from corporate office projects rose 37 percent to \$158 million, while health care jumped a whopping 58 percent to \$51 million. Another interesting gainer: Government nearly tripled, to \$14 million, and is expected to rise another 15 percent. (Five out of 10 Rising Giants do work for the government.) Education, predominantly



RANK 2017	FIRM headquarters, web site	WORK INSTALLED				RANK 2016
		DESIGN FEES (millions)	VALUE (millions)	SQ. FT. (millions)	ID STAFF	
1	FXFOWLE ARCHITECTS New York, fxfowle.com	\$8.250	\$125.000	3.00	16	-
2	FOGARTY FINGER ARCHITECTURE New York, fogartyfinger.com	\$8.176	\$6.000	NR	65	5
3	ARRAY ARCHITECTS Conshohocken, PA, array-architects.com	\$8.100	\$316.000	2.90	22	22
4	PDR Houston, pdrcorp.com	\$8.000	\$210.000	2.00	45	-
5	ROSSETTI Detroit, rossetti.com	\$8.000	\$115.000	2.50	9	15
6	KNA DESIGN Los Angeles, knadesign.com	\$8.000	NR	NR	27	-
7	RNL DESIGN Denver, rnl-design.com	\$7.972	\$534.593	3.19	26	-
8	CHAMBERS Baltimore, chambersusa.com	\$7.876	\$95.450	NR	32	24
9	ALLIANCE ARCHITECTURE Durham, NC, alliancearchitecture.com	\$7.800	\$110.000	1.80	34	-
10	KARN CHARUHAS CHAPMAN & TWOHEY Washington, kcct.com	\$7.800	NR	NR	15	-
11	ZIEGLER COOPER Houston, zieglercooper.com	\$7.685	\$225.000	3.70	44	-
12	KZF DESIGN Cincinnati, kzf.com	\$7.651	\$727.000	5.15	28	23
13	SMMA SYMMES MAINI & MCKEE ASSOCIATES Cambridge, MA, smma.com	\$7.280	\$6.916	2.50	18	17
14	DYER BROWN ARCHITECTS Boston, dyerbrown.com	\$7.268	\$300.000	4.30	41	12
15	LOONEY & ASSOCIATES Dallas, looney-associates.com	\$7.200	\$110.000	5.20	48	16
16	HFS CONCEPTS 4 Long Beach, CA, hfsc4.com	\$7.200	\$95.000	NR	49	6
17	SMALLWOOD, REYNOLDS, STEWART, STEWART & ASSOCIATES Atlanta, srssa.com	\$7.140	NR	NR	34	26
19	JGA Southfield, MI, jga.com	\$7.100	\$72.000	0.75	30	19
18	ICRAVE New York, icrave.com	\$7.100	NR	NR	37	20
20	SKB ARCHITECTURE AND DESIGN Washington, skbarch.com	\$7.062	\$105.000	0.88	23	10
21	BRERETON ARCHITECTS San Francisco, brereton.com	\$7.047	\$246.086	2.24	36	-
22	WHITNEY ARCHITECTS Oak Brook, IL, whitney-architects.com	\$7.000	\$210.000	1.40	37	18
23	ANDERSON MIKOS ARCHITECTS Oakbrook Terrace, IL, andersonmikos.com	\$6.840	\$124.000	0.69	39	7
24	LOFFREDO BROOKS ARCHITECTS New York, lbarch.com	\$6.840	\$4.000	2.50	27	25
25	LAUCKGROUP Dallas, lauckgroup.com	\$6.660	\$300.000	3.00	47	21
26	AAI San Jose, aaidesign.com	\$6.600	\$650.000	5.00	32	33
27	SIMEONE DEARY DESIGN GROUP Chicago, simeonedearry.com	\$6.300	NR	NR	40	9
28	NICHOLSBOOTH ARCHITECTS San Francisco, nicholsbooth.com	\$6.200	\$180.000	0.40	27	45
29	J BANKS DESIGN GROUP Hilton Head Island, SC, jbanksdesign.com	\$6.168	\$10.696	3.30	28	55
30	WB INTERIORS Alpharetta, GA, wbinteriorsinc.com	\$6.120	\$2.950	0.69	45	-
31	KAMUS + KELLER INTERIORS ARCHITECTURE Long Beach, CA, kkaia.com	\$5.760	NR	2.00	36	36
32	DIALOG Toronto, dialogdesign.ca	\$5.744	NR	NR	42	27
33	TSOI/KOBUS & ASSOCIATES Cambridge, MA, tka-architects.com	\$5.530	\$95.210	1.16	8	35
34	R.D. JONES & ASSOCIATES Baltimore, rdjones.com	\$5.520	NR	NR	32	39
35	STUDIOSIX5 Austin, TX, studiosix5.com	\$5.500	\$650.000	2.50	62	-
36	HENDRICK Atlanta, hendrickinc.com	\$5.500	\$200.000	5.25	36	28
37	INTEC GROUP Fairfax, VA, intecgroup.net	\$5.500	\$2.000	NR	35	40
38	BRAYTONHUGHES DESIGN STUDIOS San Francisco, bhdstudios.com	\$5.362	NR	NR	27	46
39	S/L/A/M COLLABORATIVE Glastonbury, CT, slamcoll.com	\$5.254	NR	2.50	16	34
40	DAVIS, CARTER, SCOTT Tysons, VA, dcsdesign.com	\$5.065	NR	3.55	19	30
41	FAULKNER DESIGN GROUP Dallas, faulknerdesign.com	\$5.018	\$13.530	2.00	33	68
42	NICOLEHOLLIS San Francisco, nicolehollis.com	\$5.000	\$9.500	0.56	32	-
43	CUNINGHAM GROUP ARCHITECTURE Minneapolis, cuningham.com	\$4.900	\$294.912	2.39	72	-
44	RATCLIFF Emeryville, CA, ratcliffarch.com	\$4.848	NR	1.38	12	41
45	H. HENDY ASSOCIATES Newport Beach, CA, hhendy.com	\$4.700	\$150.000	6.30	28	43
46	ARRIS, A DESIGN STUDIO Baltimore, arrisdesign.com	\$4.700	NR	4.34	29	-
47	TAL STUDIO Las Vegas, tal-studio.com	\$4.500	\$650.000	0.48	22	50
48	ROWLAND+BROUGHTON Aspen, CO, rowlandbroughton.com	\$4.437	\$31.223	0.94	32	51
49	QUADRANGLE ARCHITECTS LIMITED Toronto, quadrangle.ca	\$4.400	\$9.000	NR	88	-
50	SMITH-FIRESTONE ASSOCIATES Los Angeles, sfadesign.com	\$4.300	\$1.600	0.50	25	37