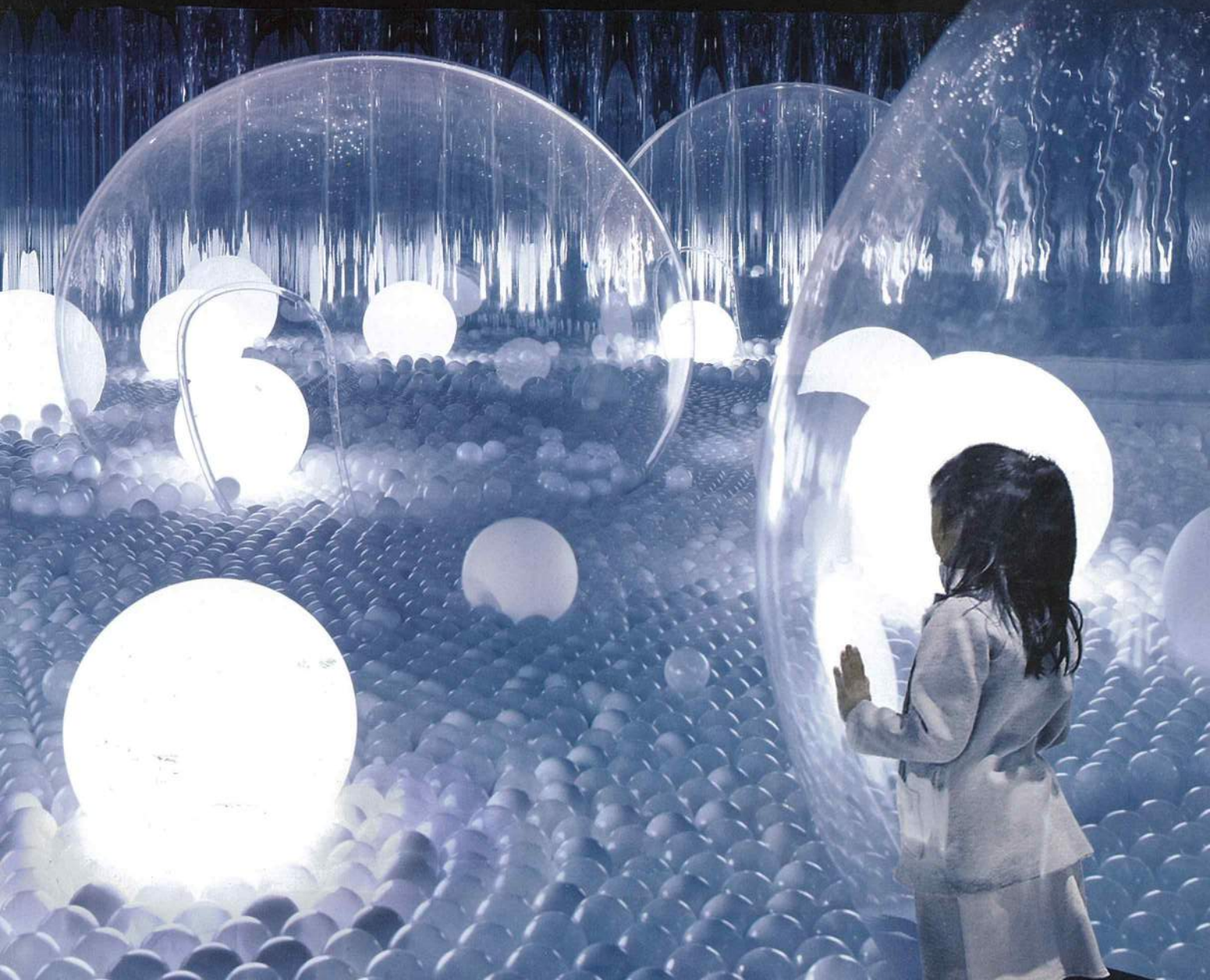


INTERIOR DESIGN®

JULY
2018

out of this world





The One Legacy West office tower in Plano, Texas, is by Lauckgroup [36] ▶

best foot forward

Everyone loves a personal best. Records are made to be broken and all that. But we think you'll find our annual business trends survey of *Interior Design's* Rising Giants to be, possibly, the *best* ever. Let's bury the lede: Business is good!

Let's start with the big number. Total fees came in at \$527 million, the highest number recorded for this group. That's a leap of more than \$50 million from last year's total. If this trend continues, next year's forecast of nearly \$600 million doesn't seem so farfetched.

That's just for starters. The Rising Giants also booked 15,500 jobs across 277 million square feet, both numbers the most of all time. That's an average of \$108 per square foot, a new high, and up from \$89 last year. These Giants forecast 16,400 jobs covering nearly 300 million square feet for next year. For context, imagine renovating about half of Manhattan.

What other records were shattered this year? Furniture-fixtures and construction products. The Rising Giants installed \$14.3 billion worth, a new high, up from \$12.6 billion last year. They forecast another big

jump next year to \$16.8 billion. For that money you could buy the Yankees four times over.

The type of work the Rising Giants do, however, hasn't changed much. There's just been more of it, and for better money. Corporate (\$169 million) and hospitality (\$150 million) continue to be the cash cows, and next year the Rising Giants expect to add \$15–20 million each to those totals. The highest percentage growth is expected in retail, government, and educational sectors, which should bring in another \$13 million all together. One area that hasn't seen any change, however, is new construction versus renovation. That ratio has hovered around 60/40 since 2010.

Another notable stat: All this money is being made primarily in the U.S. Only 8 percent of all projects are located overseas, and the 97 domestic firms have just 19 foreign offices. Of all the Rising Giants's staff, 94 percent work in the U.S., compared to about 80 percent of our top 100 Giants.

For those who did work globally, half did it in Canada, up from 37 percent last year. In fact, this year more firms worked in Canada than in Asia, another first. We won't know until next

dollar amounts have continued to grow. This year they raked in \$133 million from sustainable work. The 92 million green square feet is the second highest number ever, with 45 percent of the total square footage completed.

And the percentage of furniture-fixtures and construction products that were green is also up from 45 to 52 percent, with the \$5.7 billion they booked beating last year by \$400 million (and yes, this is the largest total ever). Sustainability is clearly on firms' minds, as 86 out of 100 polled agree that it's important to design decisions.

Another *highest ever*: The Rising Giants pulled in \$253,000 in fees per employee, up from \$221,000. That came from 2,800 design staffers, which is also very near the highest ever total. But here's the problem: Interior design staff has been hovering around 2,800 since 2014. But firms expect to hire another 400 staffers this year.

Firms have been making more money from each staffer as well, but in general a lot of folks received raises. Average design staff salary rose from \$63,500 to \$70,000 (second highest recorded); project managers bumped from \$92,000 to \$100,000; principals/partners dipped a few thousand to \$148,000.

No wonder then that with all the work and planned hiring, 83 percent of firms agree that recruiting qualified staff is a major business issue. For those keeping score, here's another record number: 40 percent said retaining qualified staff also is a problem. Two years ago, only 27 percent agreed.

There's another sign of booming times. Generally, when we poll our Rising Giants about client business, the main complaint is earning appropriate fees and the client's willingness to pay what the work is worth. This year, amid record fees, both of those stats (71 and 64 percent, respectively) declined from what had been steady numbers over the past three years and haven't been this low since 2010. Clients are paying, it seems.

So, with all of this news, it goes without saying that optimism is high among the Rising Giants—but we're going to say it anyway because good news is fun to report. Growth is robust: 52 of 100 firms saw an average growth of 30 percent—that's \$1 million per firm. Once again, 27 firms reported a loss—the same number for the past three years—but this year the average loss was 4 percent better than last year.

And now, with all of these *highest ever*s, we'd like to leave you with one stat that came in, by far, the lowest ever. A mere 26 percent of the Rising Giants mentioned an "uncertain economy" as a concern for next year. Go back six years and that number was routinely in the 70's. The Rising Giants have indeed risen.

—Mike Zimmerman



Tsoi/Kobus & Associates [78] redeveloped Brown University's portion of the South Street Landing in Providence, Rhode Island. ➤

year if this is a trend or a blip, but Asia has been trending downward with the Rising Giants since 2013. Other countries and regions seeing visible gains include Mexico, Europe, and the Middle East. Not very surprising, then, that 99 out of 100 firms think the U.S. and Canada will supply the most growth next year, with the hottest prospects in the domestic South and West.

The higher fees-per-square-foot numbers also impacted our annual sustainability data from the Rising Giants. For example, 26 percent of fees came from green work this year and the

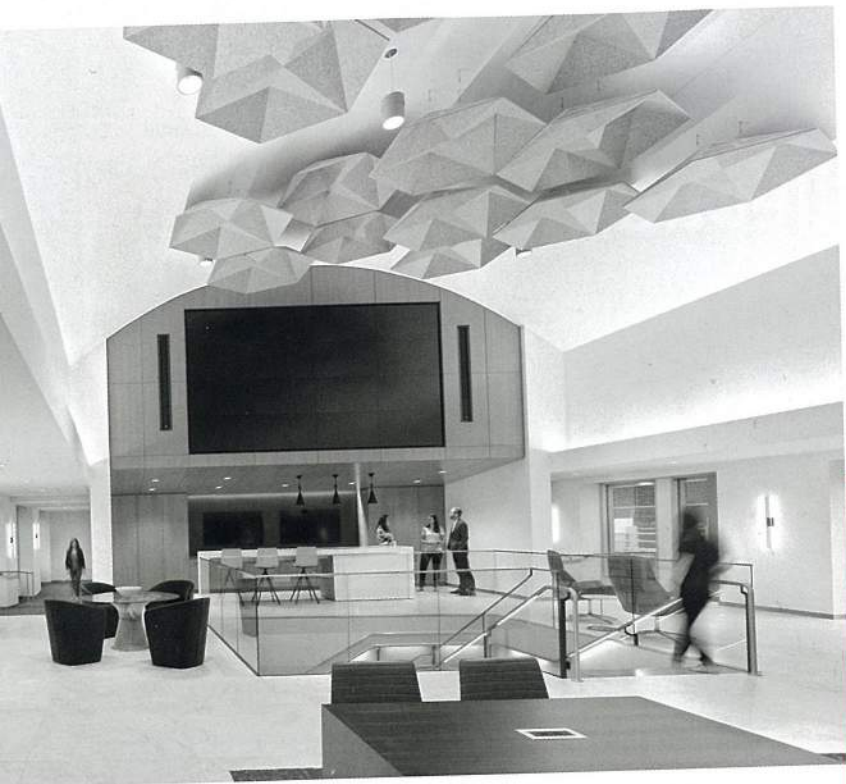
RANK 2018	FIRM headquarters, web site	WORK INSTALLED				RANK 2017
		DESIGN FEES (millions)	VALUE \$ (millions)	SQ. FT. (millions)	ID STAFF	
1	DESIGN REPUBLIC PARTNERS ARCHITECTS New York, designrepublic.us.com	\$8.856	258.00	1.10	49	--
2	ARIA GROUP ARCHITECTS Oak Park, IL, ariainc.com	\$8.750	125.00	1.20	96	--
3	KASIAN ARCHITECTURE INTERIOR DESIGN AND PLANNING Vancouver, BC, kasian.com	\$8.600	NR	NR	61	--
4	CHAMBERS Baltimore, chambersusa.com	\$8.510	118.00	NR	36	8
5	ROSSETTI Detroit, rossetti.com	\$8.500	125.00	2.50	7	5
6	ALLIANCE ARCHITECTURE Durham, NC, alliancearchitecture.com	\$8.300	130.00	2.10	44	9
7	MARGULIES PERRUZZI ARCHITECTS Boston, mp-architects.com	\$8.250	54.00	1.00	36	--
8	KZF DESIGN Cincinnati, kzf.com	\$8.205	734.00	5.62	25	12
9	STUDIOSIX5 Austin, TX, studiosix5.com	\$8.000	800.00	6.00	50	35
10	CID DESIGN GROUP Naples, FL, cid-designgroup.com	\$8.000	84.20	6.50	26	83
11	INTEC GROUP Fairfax, VA, intecgroup.net	\$8.000	3.50	NR	35	37
12	KARN CHARUHAS CHAPMAN & TWOHEY Washington, kcct.com	\$7.950	25.00	3.60	17	10
13	WB INTERIORS Alpharetta, GA, wbinteriorsinc.com	\$7.930	5.50	0.77	47	30
14	HFS CONCEPTS 4 Long Beach, CA, hfsc4.com	\$7.900	125.00	NR	38	16
15	BRERETON ARCHITECTS San Francisco, brereton.com	\$7.798	271.22	2.46	38	21
16	DYER BROWN ARCHITECTS Boston, dyerbrown.com	\$7.695	320.00	4.50	44	14
17	ICRAVE New York, icrave.com	\$7.600	NR	0.75	33	18
18	HENDRICK Atlanta, hendrickinc.com	\$7.500	260.00	5.30	35	36
19	SYMMES MAINI & MCKEE ASSOCIATES Cambridge, MA, smma.com	\$7.390	7.20	2.00	19	13
20	NK ARCHITECTS Morristown, NJ, nkarchitects.com	\$7.280	74.11	3.79	5	--
21	EDG DESIGN Novato, CA, edgdesign.com	\$7.200	146.00	0.50	69	--
22	ZIEGLER COOPER Houston, zieglercooper.com	\$7.192	205.00	3.60	37	11
23	WHITNEY ARCHITECTS Oak Brook, IL, whitney-architects.com	\$7.000	210.00	1.80	34	22
24	NICOLEHOLLIS San Francisco, nicolehollis.com	\$7.000	5.60	NR	38	42
25	RMW ARCHITECTURE & INTERIORS San Francisco, rmw.com	\$6.942	148.00	0.85	72	--
26	CHUTE GERDEMAN Columbus, OH, chutegerdeman.com	\$6.800	NR	1.15	48	--
27	ANDERSON MIKOS ARCHITECTS Oakbrook Terrace, IL, andersonmikos.com	\$6.750	109.00	0.51	37	23
28	ARCHITECTURE INCORPORATED Reston, VA, archinc.com	\$6.730	90.66	1.07	11	--
29	SIMEONE DEARY DESIGN GROUP Chicago, simeonedeary.com	\$6.720	NR	NR	46	27
30	REVEL ARCHITECTURE & DESIGN San Francisco, revelers.com	\$6.700	251.25	1.68	35	28
31	SMALLWOOD, REYNOLDS, STEWART, STEWART & ASSOCIATES Atlanta, srssa.com	\$6.490	NR	NR	38	17
32	DBI ARCHITECTS Reston, VA, dbia.com	\$6.387	150.00	2.00	33	--
33	KAMUS + KELLER INTERIORS ARCHITECTURE Long Beach, CA, kkaia.com	\$6.160	NR	2.50	30	31
34	QUADRANGLE Toronto, quadrangle.ca	\$6.100	60.00	2.50	77	49
35	LOFFREDO BROOKS ARCHITECTS New York, lbarch.com	\$6.000	420.00	2.20	22	24
36	LAUCKGROUP** Dallas, lauckgroup.com	\$5.932	200.00	2.00	41	25
37	CUNINGHAM GROUP ARCHITECTURE Minneapolis, cuningham.com	\$5.900	NR	1.45	31	43
38	STEINBERG HART San Jose, CA, steinberghart.com	\$5.842	287.48	2.61	7	65
39	HICKOK COLE ARCHITECTS Washington, hickokcole.com	\$5.760	96.00	1.20	24	59
40	DIALOG Toronto, dialogdesign.ca	\$5.561	NR	NR	45	32
41	FAULKNER DESIGN GROUP Dallas, faulknerdesign.com	\$5.500	13.75	3.00	38	41
42	DAVIS, CARTER, SCOTT Tysons, VA, dcsdesign.com	\$5.484	201.11	3.66	21	40
43	CLIVE WILKINSON ARCHITECTS Culver City, CA, clivewilkinson.com	\$5.451	59.60	0.45	23	--
44	SKB ARCHITECTURE AND DESIGN Washington, skbarch.com	\$5.425	75.60	0.94	18	20
45	RD JONES & ASSOCIATES Baltimore, rdjones.com	\$5.400	NR	NR	34	34
46	H. HENDY ASSOCIATES Newport Beach, CA, hhendy.com	\$5.300	200.00	7.00	33	45
47	SHEA Minneapolis, sheadesign.com	\$5.280	9.20	0.30	24	--
48	J BANKS DESIGN GROUP Hilton Head Island, SC, jbanksdesign.com	\$5.278	8.23	3.50	25	29
49	ARRIS, A DESIGN STUDIO Baltimore, arrisdesign.com	\$5.250	NR	5.23	30	46
50	TVSDSIGN Atlanta, tvsdesign.com	\$5.227	NR	NR	33	--

**Lauckgroup merged with Perkins+Will in March 2018

*NR - not reported

RANK 2018	FIRM headquarters, web site	WORK INSTALLED				RANK 2017
		DESIGN FEES (millions)	VALUE \$ (millions)	SQ. FT. (millions)	ID STAFF	
51	MEYER DESIGN Ardmore, PA, meyerdesigninc.com	\$5.225	100.00	1.00	58	55
52	WRIGHT HEEREMA ARCHITECTS Chicago, wharchs.com	\$5.200	75.00	1.51	32	--
53	SOSH ARCHITECTS Atlantic City, sosharch.com	\$5.120	53.13	0.58	15	57
54	TAL STUDIO Las Vegas, tal-studio.com	\$5.000	700.00	1.50	19	47
55	KNA DESIGN Los Angeles, knadesign.com	\$5.000	NR	NR	17	6
56	HORD COPLAN MACHT Baltimore, hcm2.com	\$5.000	NR	NR	15	--
57	HBG DESIGN Memphis, hbginc.com	\$4.800	NR	NR	21	77
58	BRAYTONHUGHES DESIGN STUDIOS San Francisco, bhdstudios.com	\$4.604	NR	NR	22	38
59	OZ ARCHITECTURE Denver, ozarch.com	\$4.414	NR	2.30	25	--
60	STUDIO 11 DESIGN Dallas, studio11design.com	\$4.362	15.00	NR	34	90
61	DAWSON DESIGN ASSOCIATES Seattle, dawsondesignassociates.com	\$4.300	235.00	NR	20	53
62	LEGAT ARCHITECTS Chicago, legat.com	\$4.258	391.72	9.23	5	61
63	BAR NAPKIN PRODUCTIONS Phoenix, bnp-LLC.com	\$4.123	135.00	5.00	23	79
64	CARRIER JOHNSON San Diego, carrierjohnson.com	\$4.110	203.87	1.77	14	--
65	ROWLAND+BROUGHTON Aspen, CO, rowlandbroughton.com	\$4.105	296.87	0.50	33	48
66	ABEL DESIGN GROUP Houston, abeldesigngroup.com	\$4.100	NR	NR	33	60
67	PHILLIPS ARCHITECTURE Raleigh, NC, phillipsarch.com	\$4.076	60.00	1.70	22	--
68	BALLINGER Philadelphia, ballinger.com	\$3.960	105.00	2.10	19	71
69	MOJO STUMER ASSOCIATES Greenvale, NY, mojostumer.com	\$3.800	25.00	0.15	23	56
70	DAS ARCHITECTS Philadelphia, dasarchitects.com	\$3.800	NR	0.75	21	69
71	COLE MARTINEZ CURTIS AND ASSOCIATES Culver City, CA, cmcadesign.com	\$3.750	300.00	2.20	8	64
72	MSA ARCHITECTURE + DESIGN Oakland, CA, msasf.com	\$3.720	77.66	0.74	33	--
73	JRS ARCHITECT Mineola, NY, jrsarchitect.com	\$3.675	61.00	1.00	15	62
74	ORSINI DESIGN ASSOCIATES New York, orsinidesignassociates.com	\$3.660	40.00	NR	6	88
75	RODRIGO VARGAS DESIGN Los Angeles, rodrigovargasdesign.com	\$3.400	360.00	NR	12	100
76	PARKER-TORRES DESIGN Sudbury, MA, parkertorres.com	\$3.400	NR	NR	26	70
77	SPACESMITH New York, spacesmith.com	\$3.375	18.75	0.13	17	--
78	TSOI/KOBUS & ASSOCIATES Boston, tka-architects.com	\$3.300	67.70	0.60	3	33
79	DESIGN DEVELOPMENT COMPANY Agoura Hills, CA, designdevelopment-group.com	\$3.300	15.00	NR	10	54
80	C2 LIMITED DESIGN ASSOCIATES Fairfield, CT, c2limited.com	\$3.295	6.39	NR	9	81
81	KLAWITER AND ASSOCIATES Los Angeles, klawiter.com	\$3.275	40.00	1.00	14	73
82	GROUP ONE PARTNERS Boston, grouponeinc.com	\$3.257	65.00	NR	10	92
83	API(+) Tampa, FL, apiplus.com	\$3.250	NR	NR	23	51
84	SLIFER DESIGNS Edwards, CO, sliferdesigns.com	\$3.227	5.26	NR	11	76
85	KAY LANG + ASSOCIATES Los Angeles, kaylangassocs.com	\$3.200	115.00	1.32	24	68
86	JOI-DESIGN Hamburg, Germany JOI-Design.com	\$3.200	45.00	NR	31	75
87	HYL ARCHITECTURE Washington, hylarchitecture.com	\$3.159	161.00	1.06	14	--
88	PHILPOTTS INTERIORS Honolulu, philpotts.net	\$3.150	1.43	NR	22	94
89	DESIGNAGENCY Toronto, thedesignagency.ca	\$3.138	150.00	NR	33	58
90	CETRARUDDY ARCHITECTURE New York, cetraruddy.com	\$3.000	93.00	0.75	21	66
91	HAPSTAKDEMETRIOU+ Washington, hd-ad.com	\$2.975	10.80	0.30	31	--
92	GRAY DESIGN GROUP St. Louis, graydesigngroup.com	\$2.961	403.48	3.79	33	63
93	HATCH DESIGN GROUP Costa Mesa, CA, hatchdesign.com	\$2.859	78.72	0.22	23	78
94	K2M DESIGN Cleveland, k2mdesign.com	\$2.800	55.00	6.00	15	85
95	GH2 ARCHITECTS Tulsa, OK, gh2.com	\$2.755	NR	NR	50	--
96	THW DESIGN Atlanta, thw.com	\$2.750	230.00	1.00	17	82
97	IEI GROUP Philadelphia, iegroup.com	\$2.741	60.00	2.00	16	98
98	CLEO DESIGN Las Vegas, cleo-design.com	\$2.725	NR	NR	16	80
99	SFA DESIGN Los Angeles, sfadesign.com	\$2.600	7.50	0.50	15	50
100	DESIGN DIRECTIONS INTERNATIONAL Marietta, GA, designdirectionsinc.com	\$2.515	121.50	4.80	9	95

*NR - not reported



new to the rising giants

	firm	rank
	NK Architects	20
	Architecture Incorporated	28
	Clive Wilkinson Architects	43
	Wright Heerema Architects	52
	Hord Coplan Macht	56
	HYL Architecture	87
	HapstakDemetriou+	91



most admired firms (voted by the 2017 rising giants)

*These same three firms have been voted most admired for five straight years

Gensler

Rockwell Group

Yabu Pushelberg

designers on staff (combined total)

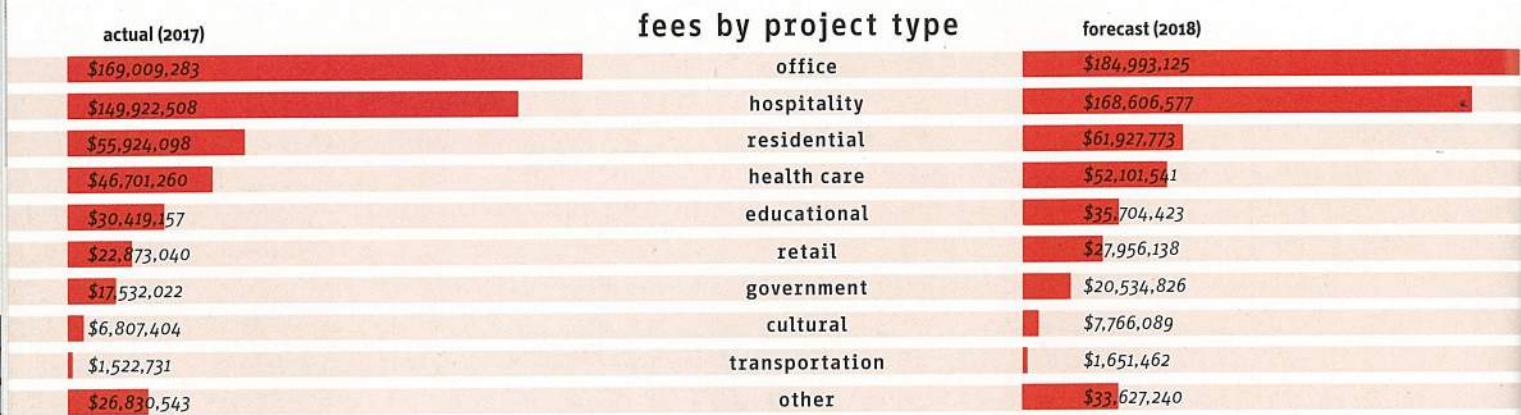
2018 (forecast)	3,214
2017	2,833
2016	2,837
2015	2,742
2014	2,811

From left: Cushman & Wakefield in Chicago is by Whitney Architects [23]. RMW Architecture & Interiors [25] designed Cisco Systems's Building 5 in San Jose, California. ➔



From top: Quadrangle [34] completed the Travel Centre in Toronto. Informatica in Austin, Texas, is by Revel Architecture & Design [30]. ➔

RISINGgiants



% of firms working on educational projects



other (private/for profit)
8%

k-12
40%

college/university
92%

% of firms working on residential projects

real-estate
development
77%

urban dwelling
43%

weekend/
vacation
34%

suburban
31%

other
11%

RISING giants

From top: Dialog [40] designed a global accounting firm's office in Vancouver, British Columbia. The Kalihiwai Ranch Pavilion in Kauai, Hawaii, is by Philpotts Interiors [88]. ➔

% of firms working on government projects

medical
24%

courthouse/
correctional
24%

military
21%

other
21%

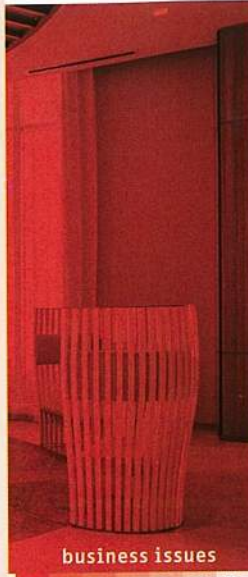
office
74%

educational
45%

lab/training
40%

library
24%





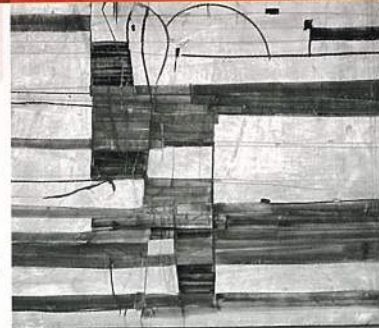
firms with most fee growth

(millions)

firm	2017 design fees	2016 design fees
CID Design Group	\$8.00	\$2.81
TVSDesign	\$5.23	\$1.96
OZ Architecture	\$4.41	\$1.78
StudioSix5	\$8.00	\$5.50
Intec Group	\$8.00	\$5.50
Steinberg Hart	\$5.84	\$3.48
Hickok Cole Architects	\$5.76	\$3.65
Hendrick	\$7.50	\$5.50
NicoleHollis	\$7.00	\$5.00
Studio 11 Design	\$4.36	\$2.50

business issues

managing growing need for sustainable design 6%
managing vendors 8%
cutting-edge design solutions 19%
interference from client consultants 21%
uncertain economy 26%
client demands 65%
earning appropriate fees 71%
recruiting qualified staff 83%



principal/
partner \$235

designer
\$125

other design
staff
\$100

project
manager/
job captain
\$175

median hourly rate

principal/
partner
\$148,000

designer
\$70,000

other
design
staff
\$52,000

project manager/
job captain
\$100,000

median annual salary

RISING giants

client issues

client's willingness to "pay what it's worth" 64%
understanding design value 53%
willingness to take design risks 42%
finding new clients 36%
managing client expectation 35%
handling micromanaging clients 23%
retaining current clients 10%

practice issues

tracking profits and expenses 6%
staff pay and benefits 18%
marketing capabilities 25%
training staff 39%
retaining qualified staff 40%
new business/diversifying 48%
recruiting qualified staff 83%

From top: Group One Partners [82] designed the AC Hotel Miami in Aventura, Florida. White & Case in New York is by HYL Architecture [87].

international project locations

canada 53%

asia/pacific rim 47%

europa 37%

middle east 33%

mexico 23%

caribbean 23%

central/
south
america
14%

africa
9%

project categories

new construction 41%

renovation 59%

domestic 92%

international

Clive Wilkinson Architects [43] designed the Marine Way building on Intuit's campus in Mountain View, California.

methodology

The second installment of the two-part annual business survey of *Interior Design Giants* comprises the second 100 largest firms ranked by interior design fees for the 12-month period ending December 31, 2017. The first 100 Giants firm ranking was published in January. Interior design fees include those attributed to:

1. All types of interiors work, including commercial and residential.
 2. All aspects of a firm's interior design practice, from strategic planning and programming to design and project management.
 3. Fees paid to a firm for work performed by employees and independent contractors who are "full-time staff equivalent."
- Interior design fees do not include revenues paid to a firm and remitted to subcontractors who 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. Ties are broken by the dollar value of products installed. Where applicable, all percentages are based on responding Giants, not their total number. The data was compiled and analyzed by the *Interior Design* market research staff in New York, led by Wing Leung, research director.



interiordesign.net/risinggiants18
for more projects by these firms