



let the good times roll

HOSPITALITY **GIANTS**



GIANTS HOSPITALITY

To spread news worth celebrating, one might consider throwing a party. And chances are good that the restaurant or hotel event space booked for that party is looking better than ever, following significant renovation. Or perhaps the space isn't available at all, because the renovation is in progress. That's what we've learned from the top 75 *Interior Design Giants* firms specializing in hospitality: Business is good, and we have hotel and restaurant clients to thank for it.

Fees for hospitality projects hit \$615 million, a 12 percent rise from the previous year and a sweet 52 percent jump from three years ago. These Giants forecast another 12 percent gain in the coming year. (Compare this to the forecast gain of only 7 percent in revenue for all sectors, taken together.) Two years ago, 40 percent of the firms' revenue came from hospitality. This year, it's 46 percent. While 21 firms work exclusively in hospitality, 39 derive more than half their revenue from the sector. The top 10 fastest-growing firms averaged a growth rate of a cool 103 percent.

Firms reported nearly 900 projects more than the year before—the total is now 3,720 projects or 202 million square feet. As mentioned, the biggest number of new commissions came from hotels and restaurants. Compare the number of luxury hotel projects this time (816) versus last time (704). For boutique hotels, it's 247 versus 166. For mid-level or economy, it's 627 versus 460. Next year, 58 percent of all hospitality revenue, or \$402 million, is expected to come from hotels. Restaurant numbers were even more impressive, rising 59 percent to 979 projects. More than 1,000 restaurant projects are predicted for next time around.

Renovations continue to dominate. On average, the breakdown is 57 percent renovation and 43 percent new construction. But half the Giants, taken individually, were over the 60 percent mark for renovations, and six firms did nothing but renovations. The total dollar value brought in from furniture, fixtures, and construction product grew 12 percent, to \$18 billion. That trumps the predictions by \$1.1 billion.

The question is, as always: Where will future clients come from? Though the amount of work done outside the U.S. has now leveled off, for three years straight, at about a third, 24 of these Giants do more than half their work overseas. China is still the projected growth champ, as 28 of the Giants agreed. ➤

From top: Wilson Associates designed Dorado Beach, a Ritz-Carlton Reserve, in Puerto Rico. Oceanaire Resort Hotel in Virginia Beach is by Cleo Design.



RANK 2013	FIRM (HEADQUARTERS WEB SITE)	WORK INSTALLED			DESIGN STAFF	RANK 2012
		HOSPITALITY FEES (MILLIONS)	VALUE (MILLIONS)	SQ. FT. (MILLIONS)		
1	HBA (LOS ANGELES hba.com)	\$100.108	\$6,006.45	57.20	1,150	1
2	Gensler (SAN FRANCISCO gensler.com)	\$50.045	NR	NR	1,400	2
3	CCD/Cheng Chung Design (HONG KONG ccd.com.hk)	\$46.479	\$230.00	3.65	184	4
4	Wilson Associates (DALLAS wilsonassoc.com)	\$46.075	\$3,100.00	NR	360	3
5	Bilkey Llinas Design (PALM BEACH GARDENS, FL bilkeyllinas.com)	\$23.760	NR	NR	116	5
6	Rockwell Group (NEW YORK rockwellgroup.com)	\$17.120	NR	NR	111	6
7	HOK (ST. LOUIS hok.com)	\$15.236	\$1,750.00	7.51	282	11
8	VOA Associates (CHICAGO voa.com)	\$13.589	\$56.64	9.30	101	35
9	Daroff Design + DDI Architects (PHILADELPHIA daroffdesign.com)	\$13.224	\$400.00	3.00	46	7
10	Leo A Daly (OMAHA leodaly.com)	\$12.739	NR	NR	199	8
11	Pierre-Yves Rochon (CHICAGO pyr-design.com)	\$12.628	\$350.00	16.15	70	9
12	DiLeonardo (WARWICK, RI DiLeonardo.com)	\$10.830	NR	NR	85	12
13	FRCH Design Worldwide (CINCINNATI frch.com)	\$10.500	NR	1.10	124	10
14	Callison (SEATTLE callison.com)	\$10.449	\$10.40	8.37	146	14
15	Wimberly Interiors (NEW YORK wimberlyinteriors.com)	\$10.000	\$100.00	5.00	58	21
16	Stonehill & Taylor Architects (NEW YORK stonehilltaylor.com)	\$9.933	\$3.39	2.38	60	15
17	Baskervill (RICHMOND, VA baskervill.com)	\$9.491	\$240.50	7.50	25	13
18	Gettys (CHICAGO gettys.com)	\$8.712	\$125.00	NR	74	16
19	Steelman Partners (LAS VEGAS steelmanpartners.com)	\$8.550	\$450.00	1.43	66	19
20	EDG Interior Architecture + Design (SAN RAFAEL, CA edgdesign.com)	\$7.500	\$80.00	0.39	55	28
21	KNA Design (LOS ANGELES knadesign.com)	\$7.480	\$7.20	NR	35	17
22	Rottet Studio (HOUSTON rottetstudio.com)	\$7.406	NR	NR	50	45
23	HFS Concepts 4 (LONG BEACH, CA hfsc4.com)	\$7.000	\$80.00	NR	40	18
24	AvroKO (NEW YORK avroko.com)	\$6.491	NR	NR	74	--
25	Duncan Miller Ullmann Design (DALLAS designDMU.com)	\$5.661	\$38.00	4.20	73	22
26	Aria Group Architects (OAK PARK, IL ariainc.com)	\$5.600	\$79.00	0.62	51	--
27	Jeffrey Beers International (NEW YORK jeffreibeers.com)	\$5.600	NR	NR	29	33
28	Forrest Perkins (DALLAS forrestperkins.com)	\$5.455	NR	NR	39	23
29	Looney & Associates (DALLAS looney-associates.com)	\$5.390	\$11.00	0.80	38	29
30	H. Chambers Company (BALTIMORE chambersusa.com)	\$5.021	\$59.00	1.97	14	27
31	BBG-BBGM (NEW YORK bbg-bbgm.com)	\$4.886	NR	NR	36	20
32	Skidmore, Owings & Merrill (NEW YORK som.com)	\$4.381	NR	NR	128	31
33	JOI-Design (HAMBURG, GERMANY joi-design.com)	\$4.370	\$60.00	NR	34	30
34	Resort Interiors (MYRTLE BEACH, SC resortinteriors.net)	\$3.900	NR	NR	7	32
35	CBT (BOSTON cbtarchitects.com)	\$3.780	NR	NR	49	47
36	Perkins Eastman (NEW YORK perkinseastman.com)	\$3.712	\$22.27	0.87	204	37
37	BraytonHughes Design Studio (SAN FRANCISCO bhdstudios.com)	\$3.614	NR	NR	21	25
38	Blink Design Group (BANGKOK blinkdkg.com)	\$3.564	\$700.00	NR	67	36
39	TALStudio (LAS VEGAS abalv.com)	\$3.525	\$150.00	0.58	22	44
40	Design Development Company (AGOURA HILLS, CA designdevelopment-group.com)	\$3.300	\$30.00	0.50	12	40
41	Rowland+Broughton Architecture & Urban Design (ASPEN, CO rowlandbroughton.com)	\$3.218	\$65.00	0.32	21	34
42	RTKL Associates (BALTIMORE rtkl.com)	\$3.142	\$500.00	8.00	81	39
43	RDH Interests (FRISCO, TX rdhinterests.net)	\$3.089	NR	NR	9	72
44	J/Brice Design International (BOSTON jbricedesign.com)	\$3.078	\$375.00	0.96	15	56
45	Simeone Deary Design Group (CHICAGO simeonedeary.com)	\$2.960	NR	NR	30	43
46	DLR Group (OVERLAND PARK, KS dlrgroup.com)	\$2.900	NR	NR	27	41
47	Smallwood, Reynolds, Stewart, Stewart & Associates (ATLANTA srssa.com)	\$2.759	NR	NR	33	26
48	Hatch Design Group (COSTA MESA, CA hatchdesign.com)	\$2.729	\$102.00	0.32	28	54
49	Parker-Torres Design (SUDBURY, MA parkertorres.com)	\$2.587	NR	NR	19	59
50	Heitz Parsons Sadek (WEST PALM BEACH, FL heitz-parsons-sadek.com)	\$2.586	\$25.00	0.40	17	62
51	K2M Design (CLEVELAND k2mdesign.com)	\$2.550	\$65.00	1.30	12	--
52	Montgomery Roth Architecture & Interior Design (HOUSTON montgomeryroth.com)	\$2.498	NR	NR	12	51
53	RPW Design (LONDON rpwdesign.co.uk)	\$2.401	NR	6.30	15	--
54	Dawson Design Associates (SEATTLE dawsondesignassociates.com)	\$2.400	\$80.00	NR	21	46
55	Kay Lang + Associates (LOS ANGELES kaylangassoc.com)	\$2.400	NR	NR	20	50



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But take a closer look. Last year, it was 39 firms. Meanwhile, 15 firms see promise in the United Arab Emirates, versus 10 previously, and nine point to Eastern Europe, almost twice as many as before. In the U.S., the West Coast will be the hotbed next year, 29 of the Giants say, and 28 point to the South. Only 19 say the Midwest, but it's notable that a mere 14 said so before.

So, firms have more work, and they're staffing up to meet this demand. Total employees for these Giants just hit 6,580, the most in five years, and the average fees earned by each staffer rose 11 percent, to \$130,000. But one global refrain is undeniable: The dichotomy between flourishing businesses and stagnant employee salaries is widening. Since *Interior Design* started tracking this data for hospitality work specifically, pay for design staff has remained largely unchanged. Five years ago, the average was about \$63,230 per year for designers, \$92,625 for project managers, and \$150,000 for partners. This year's numbers are \$63,750, \$92,500, and \$147,000, respectively. Hourly billing rates have also continued to hover at an average of \$125 an hour.

It's hard to say if we'll see salary growth anytime soon, but the design business is undeniably thriving. That's reason enough to pause to toast even better times ahead—at the newly renovated hotel bar of your choice, of course. —Mike Zimmerman

HOK designed Delta Ottawa City Centre in Ontario. ➤

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RANK 2013	FIRM (HEADQUARTERS WEB SITE)	HOSPITALITY FEES (MILLIONS)	WORK INSTALLED		DESIGN STAFF	RANK 2012
			VALUE (MILLIONS)	SQ. FT. (MILLIONS)		
56	DAS Architects (PHILADELPHIA dasarchitects.com)	\$2.368	\$70.00	0.30	16	57
57	Design Directions International (MARIETTA, GA ddi.cc)	\$2.355	\$18.00	1.55	8	48
58	Indidesign (LOS ANGELES indidesign.com)	\$2.300	NR	NR	16	55
59	3north (RICHMOND, VA 3north.com)	\$2.099	\$8.00	0.36	26	--
60	C2 Limited Design Associates (FAIRFIELD, CT c2limited.com)	\$2.082	\$63.98	NR	11	75
61	SOSH Architects (ATLANTIC CITY sosharch.com)	\$2.000	\$40.00	0.33	22	--
62	Bar Napkin Productions (PHOENIX bnp-llc.com)	\$1.995	\$45.00	0.60	16	--
63	Studios Architecture (WASHINGTON studiosarch.com)	\$1.880	\$114.00	1.10	93	61
64	Shea (MINNEAPOLIS shealink.com)	\$1.850	\$27.05	0.21	18	67
65	SFA Design (SANTA BARBARA, CA sfadesign.com)	\$1.831	\$9.27	0.60	18	--
66	Thomas Hamilton & Associates (RICHMOND, VA thomashamiltonassociates.com)	\$1.828	\$44.31	0.26	8	53
67	Lawrence Group (ST. LOUIS thelawrencegroup.com)	\$1.711	\$190.00	1.95	50	66
68	Areen Hospitality Design (LONDON areenhospitality.com)	\$1.710	\$34.00	2.81	12	--
69	S.K.I.N. Design Studio (SAN DIEGO skindesignstudio.com)	\$1.671	NR	NR	11	42
70	Cleo Design (LAS VEGAS cleo-design.com)	\$1.640	NR	NR	13	58
71	Hopping Kovach Grinnell Design Consultants (VANCOUVER, CANADA hkgdesign.com)	\$1.551	\$41.00	1.20	65	64
72	RD Jones & Associates (BALTIMORE rdjones.com)	\$1.440	NR	NR	24	70
73	Puccini Group (SAN FRANCISCO puccinigroup.com)	\$1.400	NR	NR	20	5
74	Gary Lee Partners (CHICAGO garyleepartners.com)	\$1.388	NR	NR	24	
75	Judd Brown Designs (PAWTUCKET, RI jbd.cc)	\$1.320	\$24.50	0.35	16	

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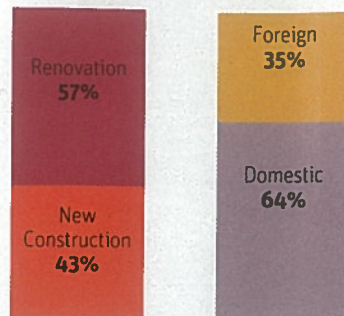
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Four Seasons Hotel Guangzhou in
China is by HBA. ➔



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HOSPITALITY PROJECT TYPES COMPLETED IN THE LAST YEAR



From top: Grand Hyatt Kuala Lumpur in Malaysia is by Indidesign. Suning Clubhouse in Beijing is by Duncan Miller Ullman Design. Blink Design Group designed the Regent Phuket Cape Panwa in Thailand. ➤



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NEW TO THE HOSPITALITY GIANTS

FEES	FIRM
\$6,491,105	AvroKO (24)
\$5,600,000	Aria Group Architects (26)
\$2,500,000	K2M Design (51)
\$2,401,000	RPW Design (53)
\$2,099,136	3north (59)
\$2,000,000	SOSH Architects (61)
\$1,995,000	Bar Napkin Productions (62)
\$1,831,200	SFA Design (65)
\$1,710,000	Areen Hospitality Design (68)
\$1,388,400	Gary Lee Partners (74)
\$1,320,000	Judd Brown Designs (75)



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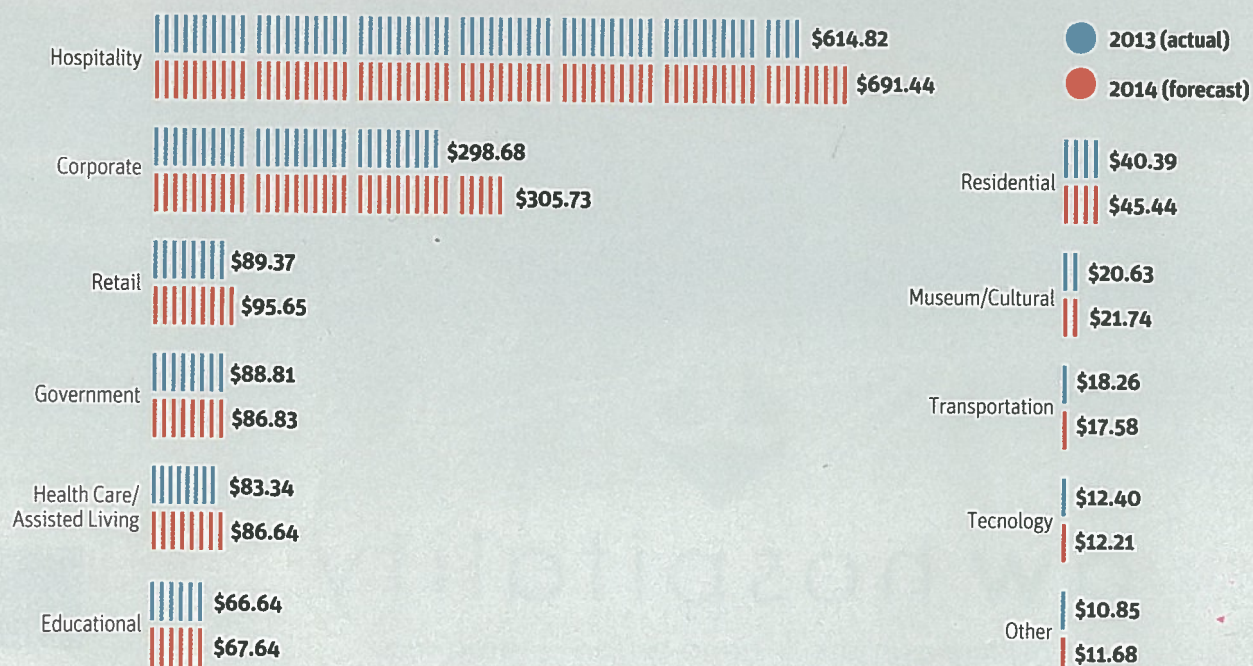


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Hilton Columbus Downtown in Ohio is by Simeone Deary Design Group. ➤

FEES BY PROJECT TYPE (*IN MILLIONS)



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Gary Lee Partners designed the Landmark Club in the Ritz-Carlton Residences in Chicago. ➤



FEES BY HOSPITALITY PROJECT TYPE (*IN MILLIONS)

	2013/ACTUAL	2014/FORECAST
luxury hotel	\$204.66	\$234.14
mid-level/economy hotel	\$89.78	\$101.54
restaurant	\$88.43	\$105.80
boutique hotel	\$57.61	\$66.11
resort	\$52.39	\$61.19
gaming	\$27.46	\$25.57
country club	\$24.76	\$25.19
bar/lounge/nightclub	\$17.94	\$20.46
timeshare	\$15.83	\$14.87
spa	\$13.22	\$14.94
cruise ship	\$12.30	\$10.42
other	\$10.44	\$11.18

From left: RTKL Associates designed Loews Annapolis Hotel in Maryland.
Renaissance Shanghai Putuo Hotel is by VOA Associates. ➔



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GLOBAL GROWTH POTENTIAL FOR HOSPITALITY PROJECTS OVER THE NEXT TWO YEARS

Total U.S.	65%
West Coast	39%
Southern	38%
Northeast	32%
Midwest	26%
South America	18%
Caribbean	14%
Mexico	8%
Canada	7%
Total Asia	54%
China	38%
India	18%
Other Asia	26%
Total Middle East	36%
United Arab Emirates	20%
Other Middle East	28%
Total Europe	22%
Western Europe	12%
Eastern Europe	12%
Africa	9%



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TOP U.S. FIRMS WITH MOST FOREIGN HOSPITALITY PROJECTS

Heitz Parsons Sadek (50) **100%**

DiLeonardo (12) **98%**

HBA (1) **97%**

HOK (7) **96%**

Bilkey Llinas Design (5) **95%**

Pierre-Yves Rochon (11) **95%**

Parker-Torres Design (49) **95%**

Steelman Partners (19) **90%**

Duncan Miller Ullmann Design (25) **80%**

Wilson Associates (4) **75%**

J/Brice Design International (44) **75%**

Clockwise from top: Skidmore, Owings & Merrill designed the Interni Legacy pavilion in Milan. Hotel Jerome in Aspen, Colorado, is by Rowland + Broughton Architecture and Urban Design. Stonehill & Taylor Architects designed the Refinery Hotel in New York. ➤

MOST ADMIRED FIRMS (VOTED BY THE TOP 75 HOSPITALITY GIANTS)

Yabu Pushelberg⁽¹⁾

HBA⁽²⁾

Rockwell Group⁽³⁾



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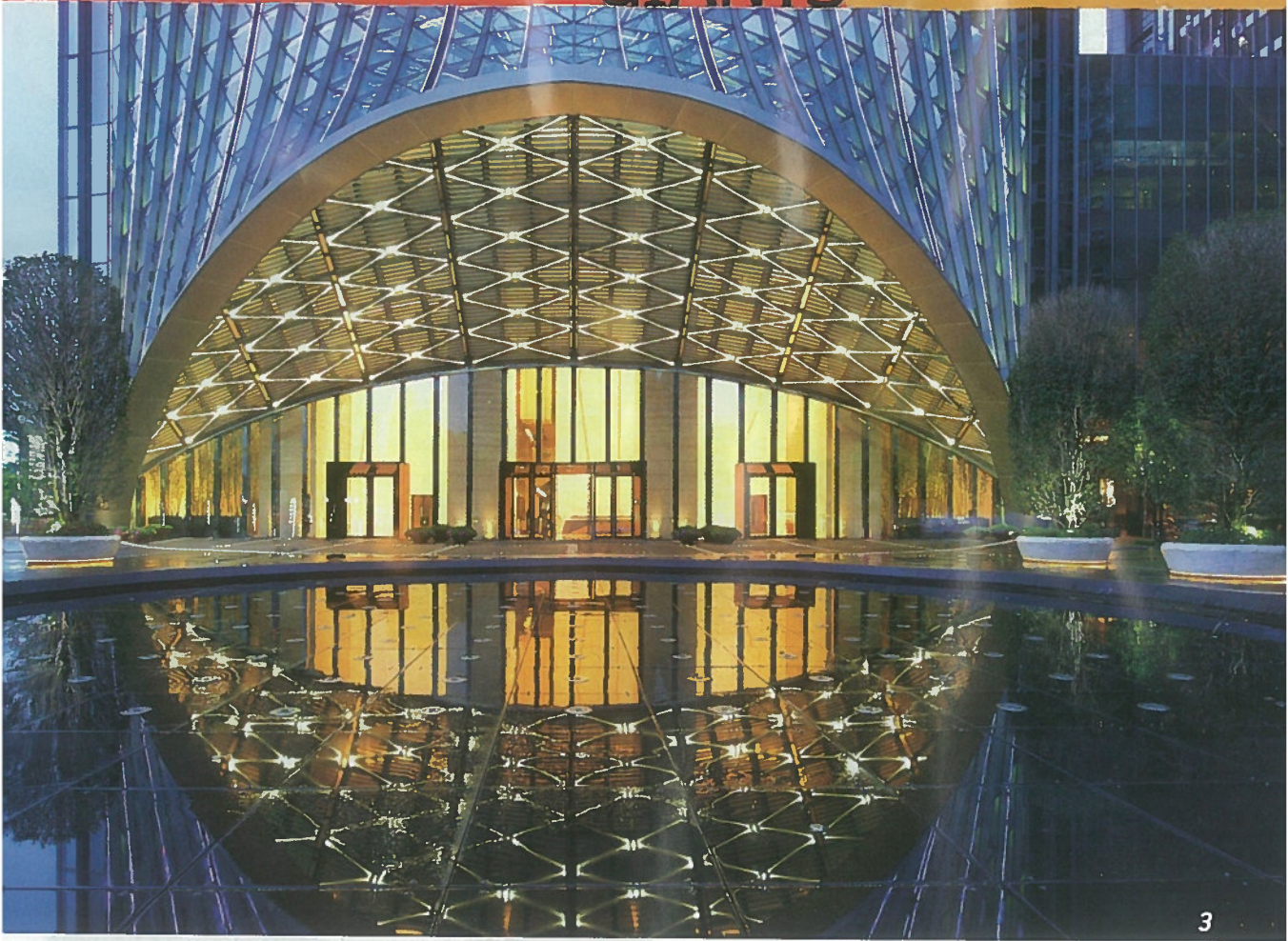
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FIRMS WITH LARGEST INCREASE IN HOSPITALITY FEES

	2013	2012	INCREASE
HBA (1)	\$100,107,539	\$88,360,000	\$11,747,539
CCD/Cheng Chung Design (3)	\$46,479,004	\$35,221,750	\$11,257,254
VOA Associates (8)	\$13,588,931	\$3,691,078	\$9,897,854
Rottet Studio (22)	\$7,405,868	\$2,460,098	\$4,945,769
Wimberly Interiors (15)	\$10,000,000	\$6,000,000	\$4,000,000
HOK (7)	\$15,235,800	\$11,540,216	\$3,695,584
EDG Interior Architecture + Design (20)	\$7,499,602	\$4,668,000	\$2,831,602
Steelman Partners (19)	\$8,550,000	\$6,650,000	\$1,900,000
RDH Interests (43)	\$3,089,088	\$1,264,900	\$1,824,188
Jeffrey Beers International (27)	\$5,600,000	\$3,800,000	\$1,800,000

From top: Raffles Makkah Palace in Saudi Arabia is by Areen Hospitality Design. Rottet Studio designed the Viking Star cruise ship. ➔



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t. Regis Shenzhen in China is by CCD/Cheng Chung Design. Hotel Palomar Phoenix is by KNA Design. ➤



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