

Good Habits: Interior Design Hospitality Giants 1-75

The annual report on the largest firms in hospitality interior design

BY JUDITH DAVIDSEN -- INTERIOR DESIGN, 10/1/2008



This business of huge increases is getting to be a welcome habit with *Interior Design's* 75 Hospitality Giants. In fiscal 2008, total earnings were \$588,809,269, up 24.6 percent, following a 24.4 percent increase the previous year. At six firms, hospitality earnings more than doubled—in two cases coming close to tripling—and catapulted those firms 15 to 25 places higher than their previous rankings. Hospitality is the sole source of income at 22 firms. With these kinds of numbers, it's no surprise that the First 100 and Second 100 Giants have increased the presence of hospitality in their repertoire from 16 percent in 2000 to 25 percent this year.

The total value of furnishings, fixtures, and construction rose 11 percent to \$18,052,293,455, while the aggregate size of Hospitality Giant projects rose 10 percent to 176,683,279 square feet. Hotels were responsible for a full 56 percent of earnings, up from 49 percent in last year's report. As usual, luxury hotels led boutique and moderate/economy venues by almost 20 points.

The contribution restaurant design makes to earnings slid from 20 percent to 7 percent over the past five years. The largest number of restaurants was in hotels, followed by independent sites, resorts, casinos, retail venues, corporations, and clubs, the last three in a tie. Casinos and retail, however, accounted for more dining square footage than resorts, and corporations had almost twice as much dining space as clubs. The vast majority of Giant-designed restaurant space was in the U.S., followed at a great distance by Asia (with the Middle East accounting for almost two-thirds of that) and Europe, followed at another great distance by the Caribbean, Canada, Mexico, Australia/New Zealand, Africa, South America, and Central America.

Gaming held steady at 10 percent of earnings over the last two years, but is up 255 percent from five years ago. About a quarter of the Giants report using hospitality principles on health-care projects. Surprisingly, only a very slight majority of these projects are assisted-living and senior residences; the rest are hospitals, clinics, emergency rooms, and test laboratories.

The Hospitality Giants believe the best prospects are, in this order, the Middle East (with the United Arab Emirates accounting for almost two-thirds), China, the U.S. South and West, the Caribbean, and India. About 47 percent of this year's employees possess hospitality design expertise, and 45 percent of the firms claim all their employees do.

Median salaries across the board are up slightly over last year—not quite 1 percent for principals and partners, 5.8 percent for project managers, and 4 percent for designers. Strangely enough, the bosses received not only the smallest percentage raise, but also the smallest dollar amount raise: \$1,250 compared with the project managers' \$5,000 and the designers' \$2,500. Is this democracy in action or what? Median fees produced per employee rose 43 percent over the past five years. This year, hourly rates charged by principals and partners increased 8 percent (\$18); rates earned by project managers and designers both rose 3 percent (\$5 and \$3, respectively).

More than half the time, the Hospitality Giants and their clients have been equally interested in sustainability, and at least 26.6 percent of their projects were green during fiscal 2007-8. Four Hospitality Giants report that all their projects were green, six report that none were, and eight declined to answer the question. During the past year, 30 Hospitality Giants found client decisions to be most influenced by impressive green products that enhanced projects. What's needed now are the numbers: cost-benefit analyses, green/nongreen cost comparisons, maintenance and up-front costs, case histories, and proof that, given a choice, the public will spend its greenbacks on green venues. In other words, bring on the success stories.

See the [2007 Hospitality Giants](#).

See the full [Interior Design Giants](#) rankings.

Rank 2008	Firm (Headquarters Website)	Hospitality fees (millions)	Value (millions)	Sq. ft. (millions)	Design staff	Rank 2007
01	HBA/Hirsch Bedner Associates (Los Angeles hbadesign.com)	\$61.01	\$3,599.826	34.284	440	1
02	Wilson Associates (Dallas wilsonassoc.com)	\$53.06	\$1,000.000	NR	334	2
03	Gensler (San Francisco gensler.com)	\$46.93	\$540.000	7.500	1,091	3
04	Rockwell Group (New York rockwellgroup.com)	\$22.61	\$211.597	1.058	38	9
05	HOK (St. Louis hok.com)	\$21.28	\$2,320.000	16.000	416	5
06	BBG-BBGM (New York bbg-bbgm.com)	\$20.63	NR	NR	80	4
07	Daroff Design + DDI Architects (Philadelphia daroffdesign.com)	\$16.60	\$170.000	3.000	43	8
08	FRCH Design Worldwide (Cincinnati frch.com)	\$16.07	\$173.000	1.442	94	12
09	Bilkey Llinas Design (Palm Beach Gardens, Florida bilkeyllinas.com)	\$15.20	NR	NR	117	15
10	Skidmore, Owings & Merrill (New York som.com)	\$14.45	NR	NR	130	11
11	HFS Concepts 4 (Los Angeles hfsc4.com)	\$14.07	\$330.000	NR	89	6
12	Leo A Daly (Omaha leodaly.com)	\$13.20	NR	NR	212	7
13	DiLeonardo International (Warwick, Rhode Island dileonardo.com)	\$12.90	NR	NR	89	10
14	Gettys (Chicago gettys.com)	\$11.39	\$200.000	NR	83	16
15	Duncan & Miller Design (Dallas duncanmillerdesign.com)	\$9.97	\$600.000	8.500	97	14



16	Wimberly Allison Tong & Goo (Honolulu watg.com)	\$9.13	NR	NR	58	19
17	Stonehill & Taylor (New York stonehilltaylor.com)	\$8.91	\$200.000	3.000	43	35
18	Pierre-Yves Rochon (Chicago pyr-design.com)	\$8.72	\$1,215.000	1.350	36	33
19	Baskervill (Richmond, Virginia baskervill.com)	\$7.76	\$126.424	5.353	20	30
20	RTKL Associates (Baltimore rtkl.com)	\$7.71	\$330.000	8.200	137	13
21	Callison (Seattle callison.com)	\$7.50	\$8.000	1.000	115	20
22	Forrest Perkins (Washington, D.C. forrestperkins.com)	\$7.48	\$200.000	NR	80	17
23	BraytonHughes Design Studios (San Francisco bhdstudios.com)	\$7.37	NR	NR	49	23
24	Resort Interiors (Myrtle Beach, South Carolina resortinteriors.net)	\$7.10	\$25.629	NR	7	-
25	Looney & Associates (Dallas looney-associates.com)	\$6.80	NR	3.200	40	22
26	SFA Design (Santa Barbara, California sfadesign.com)	\$6.59	\$120.000	0.850	22	50
27	Westar Architects (Las Vegas wagnarchitects.com)	\$6.18	\$11.200	0.750	20	34
28	Chambers (Baltimore chambersusa.com)	\$6.10	\$70.000	1.835	13	21
29	VOA Associates (Chicago voa.com)	\$5.89	\$237.017	4.474	83	18
30	BAMO (San Francisco bamo.com)	\$5.58	NR	NR	53	26
31	Zeff Design (New York zeffdesign.com)	\$5.39	\$110.000	1.000	30	52
32	Cagley & Tanner (Las Vegas cagleyandtanner.com)	\$5.21	\$73.707	1.277	26	-
33	Avery Brooks & Associates (Las Vegas abalv.com)	\$4.95	\$725.000	NR	20	39
34	Smallwood, Reynolds, Stewart, Stewart & Associates (Atlanta srssa.com)	\$4.86	NR	3.591	49	27
35	CMMI (Atlanta cmmi-redlines.com)	\$4.59	NR	MR	29	24
36	J/Brice Design International (Boston jbricedesign.com)	\$4.27	\$200.000	4.000	20	-
37	JOI-Design Interior Architects (Hamburg, Germany joi-design.com)	\$4.20	\$60.000	NR	36	47
38	Yates-Silverman (Las Vegas yates-silverman.com)	\$4.20	NR	NR	27	28
39	Perkins Eastman (New York perkinseastman.com)	\$4.16	\$216.700	2.167	180	36
40	TVS Interiors (Atlanta tvsinteriors.com)	\$4.16	\$55.000	0.912	69	65
41	KNA Interior Design (Los Angeles knadesign.com)	\$3.99	\$268.300	2.355	20	-
42	Puccini Group (San Francisco puccinigroup.com)	\$3.99	\$58.000	-	31	42
43	Design Development (Agoura Hills, California designdevelopment-group.com)	\$3.75	\$50.000	0.600	16	40
44	Heitz Parsons Sadek (West Palm Beach, Florida heitz-parsons-sadek.com)	\$3.57	\$61.000	1.430	29	37
45	Barry Design Associates (Los Angeles barrydesign.com)	\$3.56	NR	4.000	15	-
46	Design Directions International (Marietta, Georgia ddi.cc)	\$3.41	\$158.850	3.350	16	46
47	Graham Downes Architecture (San Diego grahamdownes.com)	\$3.38	\$48.000	1.200	24	45
48	Oz Architecture (Boulder, Colorado ozarch.com)	\$3.32	NR	NR	32	48
49	Cheryl Rowley Design (Los Angeles cherylrowleydesign.com)	\$3.16	NR	2.000	34	29
50	EDG (San Rafael, California edgdesign.com)	\$3.16	\$67.000	0.450	32	41
51	R.D. Jones & Associates (Baltimore rdjones.com)	\$3.10	NR	NR	22	72
52	Cleo Design (Las Vegas cleo-design.com)	\$2.60	NR	0.437	18	56
53	DAS Architects (Philadelphia dasarchitects.com)	\$2.57	\$43.350	0.163	18	-
54	Adache Group Architects (Fort Lauderdale, Florida adache.com)	\$2.47	\$11.000	0.950	16	49
55	RDH & Associates (Addison, Texas rdhassociates.net)	\$2.42	NR	NR	15	38
56	Carl Ross Design (Los Angeles carlrossdesign.com)	\$2.35	NR	NR	19	57
57	Morrison Seifert Murphy (Dallas msmgroup.com)	\$2.29	NR	NR	23	55
58	Cunningham Group (Minneapolis cunningham.com)	\$2.10	NR	1.105	145	-
59	Montgomery Roth Architecture & Interior Design (Houston montgomeryroth.com)	\$2.07	NR	NR	14	58
60	Shea (Minneapolis shealink.com)	\$1.97	\$28.000	0.298	17	69
61	OPX (Washington, D.C. opxglobal.com)	\$1.86	NR	NR	46	74
62	Thomas Hamilton & Associates (Richmond, Virginia thomashamiltonassociates.com)	\$1.83	\$48.000	0.760	7	-
63	Cole Martinez Curtis and Associates (Marina del Rey, California cmcadesign.com)	\$1.81	\$150.000	1.000	11	66
64	Stephen B. Jacobs Group (New York sbjgroup.com)	\$1.80	\$500.000	0.300	15	60
65	Tag Studio (Lewisburg, West Virginia tagstudio.com)	\$1.78	\$20.000	0.250	9	67
66	Gwathmey Siegel & Associates Architects (New York gwathmey-siegel.com)	\$1.76	NR	0.800	51	63
67	Core (Washington, D.C. coredc.com)	\$1.76	\$26.000	0.180	20	-
68	Indesign (Los Angeles indesignla.com)	\$1.70	\$100.000	0.500	16	75
69	Ricca Newmark Design (Greenwood Village, Colorado riccanewmark.com)	\$1.66	\$55.623	1.011	17	59

70	Vivian/Nichols Associates (Dallas vivian-nichols.com)	\$1.64	\$66,080	1.100	15	-
71	Paradigm Design Group (Cypress, Texas paradigm-design.com)	\$1.63	NR	NR	9	68
72	Creative Design Concepts (Simi Valley, California cdcsv.com)	\$1.59	\$7,649	0.286	8	-
73	Group One Partners (Boston grouponeinc.com)	\$1.57	\$230,000	NR	10	62
74	HVScompass Interior Design (Rockville, Maryland hvscompass.com)	\$1.56	\$48,100	1.942	17	-
75	J Banks Design Group (Hilton Head Island, South Carolina jbanksdesign.com)	\$1.48	\$4,241	2.029	23	64

HOSPITALITY FEES & PERCENTAGE OF WORK BY CATEGORY (ACTUAL, 7/07-6/08)

PROJECT TYPES	% OF TOTAL HOSPITALITY FEE INCOME	HOSPITALITY FEE INCOME
HOTELS (IN TOTAL)	56%	\$327,629,054
HOTELS (LUXURY)	37%	\$220,324,295
HOTELS (BOUTIQUE)	9%	\$52,115,143
HOTELS (MID/ECONOMY)	9%	\$55,189,617
RESORTS	13%	\$78,862,866
GAMING	10%	\$56,280,759
RESTAURANTS	7%	\$40,808,426
CONDO-HOTELS/TIME-SHARES	6%	\$35,506,556
SPAS	3%	\$17,631,310
COUNTRY CLUBS	2%	\$10,054,939
BARS/LOUNGES/NIGHTCLUBS	2%	\$10,408,595
CRUISE SHIPS	1%	\$4,847,341
OTHER	1%	\$6,779,422
TOTAL	100%	\$588,809,269

HOSPITALITY FEES & PERCENTAGE OF WORK BY CATEGORY (FORECAST, 7/08-6/09)

PROJECT TYPES	% OF TOTAL HOSPITALITY FEE INCOME	HOSPITALITY FEE INCOME
HOTELS (IN TOTAL)	57%	\$362,915,592
HOTELS (LUXURY)	39%	\$245,648,305
HOTELS (BOUTIQUE)	10%	\$66,375,171
HOTELS (MID/ECONOMY)	8%	\$50,892,116
RESORTS	14%	\$91,878,205
GAMING	8%	\$53,079,778
RESTAURANTS	7%	\$42,433,705
CONDO-HOTELS/TIME-SHARES	6%	\$36,859,531
SPAS	3%	\$20,059,071
COUNTRY CLUBS	2%	\$10,991,598
BARS/LOUNGES/NIGHTCLUBS	2%	\$10,355,849
CRUISE SHIPS	1%	\$4,427,504
OTHER	0.1%	\$776,627
TOTAL	100%	\$633,777,460

PERCENTAGE OF FEES BY PROJECT TYPES

	ACTUAL (7/07-6/08)		FORECAST (7/08-6/09)	
HOSPITALITY	50%	%588,822,174	51%	\$627,742,618
OFFICE	23%	\$274,230,839	23%	\$286,411,141
RETAIL	10%	\$123,028,145	12%	\$143,243,717
RESIDENTIAL	4%	\$46,509,015	3%	\$43,040,553
HEALTH CARE/ASSISTED LIVING	3%	\$39,259,668	3%	\$39,279,999
GOVERNMENT	3%	\$35,017,140	3%	\$35,816,113
EDUCATIONAL	2%	\$24,181,232	1%	\$16,614,446
MUSEUM/CULTURAL	1%	\$12,708,822	1%	\$11,998,046
TRANSPORTATION	1%	\$12,142,000	1%	\$11,956,372
TECHNOLOGY	0.4%	\$4,844,220	0.4%	\$5,381,896
OTHER	2%	\$18,243,511	2%	\$20,685,264
TOTAL	100%	\$1,178,986,766	100%	\$1,242,170,164

FEE SCALES

FEE SCALES (MEDIAN)	ANNUAL SALARIES	HOURLY RATES
PRINCIPALS/PARTNERS	\$150,000	\$243

PROJECT MANAGERS	\$90,000	\$155
DESIGNERS	\$65,000	\$118
OTHER BILLABLE	\$50,000	\$85

NEW TO THE 2008 HOSPITALITY GIANTS

FIRM	HOSPITALITY FEES	RANK
RESORT INTERIORS	\$7,100,000	24
CAGLEY & TANNER	\$5,214,030	32
J/BRICE DESIGN INTERNATIONAL	\$4,270,000	36
KNA INTERIOR DESIGN	\$3,990,000	41
BARRY DESIGN ASSOCIATES	\$3,560,000	45
DAS ARCHITECTS	\$2,574,500	53
CUNNINGHAM GROUP	\$2,096,972	58
THOMAS HAMILTON & ASSOCIATES	\$1,832,843	62
CORE	\$1,755,000	67
VIVIAN/NICHOLS ASSOCIATES	\$1,637,360	70
CREATIVE DESIGN CONCEPTS	\$1,590,670	72
HVSCOMPASS INTERIOR DESIGN	\$1,560,000	74

FIRMS WITH LARGEST HOSPITALITY FEE INCREASE

FIRM	2008 FEES	2007 FEES	CHANGE IN FEES	RANK
GENSLER	\$46,930,000	\$30,800,000	\$16,130,000	3
HBA/HIRSCH BEDNER ASSOCIATES	\$61,014,000	\$47,594,000	\$13,420,000	1
ROCKWELL GROUP	\$22,614,190	\$13,120,000	\$9,494,190	4
WILSON ASSOCIATES	\$53,064,000	\$43,904,000	\$9,160,000	2
BILKEY LLINAS DESIGN	\$15,200,000	\$8,100,000	\$7,100,000	9
FRCH DESIGN WORLDWIDE	\$16,066,700	\$10,626,532	\$5,440,168	8
STONEHILL & TAYLOR	\$8,910,504	\$3,885,511	\$5,024,993	17
PIERRE-YVES ROCHON	\$8,720,550	\$3,969,000	\$4,751,550	18
SFA DESIGN	\$6,591,464	\$2,511,600	\$4,079,864	26
BASKERVILL	\$7,756,140	\$4,057,680	\$3,698,460	19

FIRMS WITH MOST HOSPITALITY PROJECTS OUTSIDE THE U.S.

FIRM	% ABROAD	RANK
JOI-DESIGN INTERIOR ARCHITECTS	100	37
HEITZ PARSONS SADEK	100	44
BILKEY LLINAS DESIGN	97	9
WILSON ASSOCIATES	85	2
HBA/HIRSCH BEDNER ASSOCIATES	81	1
HOK	80	5
INDESIGN	75	68
DUNCAN & MILLER DESIGN	70	15
PIERRE-YVES ROCHON	60	18
DILEONARDO INTERNATIONAL	60	13

METHODOLOGY

The annual business survey of the Interior Design hospitality Giants ranks the largest design firms by hospitality-design fees for the 12-month period from July 2007 to June 2008. Hospitality design fees include those attributed to:

1. All hospitality interiors work.
2. All aspects of a firm's hospitality design practice, from strategic planning/programming to design/project management.
3. Fees paid to a firm for work performed by employees and independent contractors who are "full-time staff equivalent."

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 were 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.