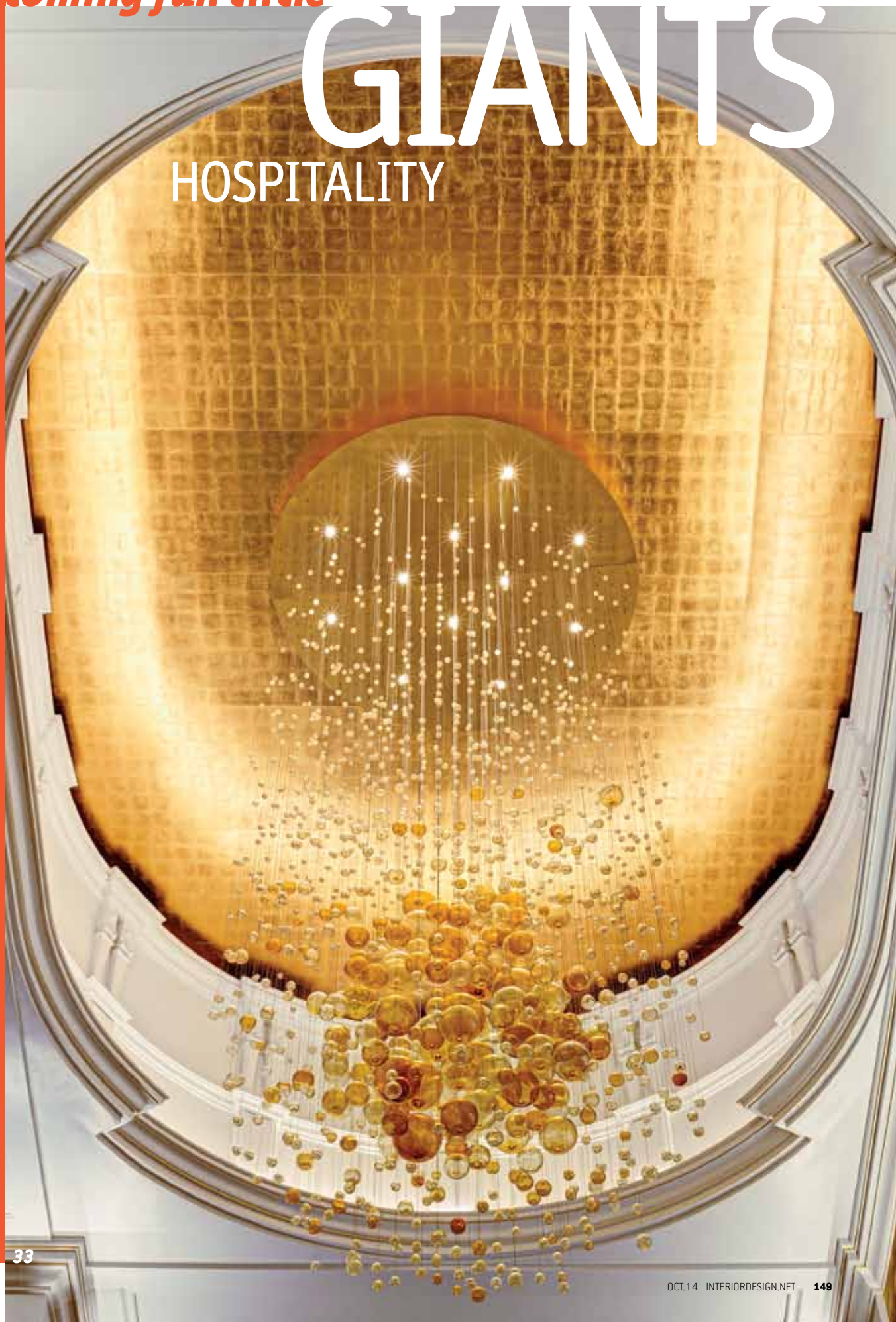


coming full circle

GIANTS

HOSPITALITY



Champalimaud
designed the
lobby of the
New York Palace
hotel. ➤

BRUCE BUCK



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HOSPITALITY

GIANTS

It's now safe to say, cliché or no, that the 75 firms that make up the *Interior Design* Giants in the hospitality sector have finally returned, after the Great Recession, to "business as usual." Firms have found both stability and growth—by all accounts consistent and sustainable. And almost all have a pleasant view of the future. Let's go to the numbers. As total design revenue hit \$1.6 billion, up a sweet 18 percent from last time, hospitality fees specifically reached \$701 million, a 14 percent rise and a continuation of the trend from the survey before. These Giants forecast another 10 percent jump in hospitality.

Hospitality work remains the design profession's biggest growth driver. Three surveys ago, 40 percent of revenue came from hospitality. Now, it's 44 percent, just a slight drop from 46 percent a year ago.

For perspective, the next-in-line category was corporate, at 23 percent of revenue.

With work steady and cash flowing, firms have been bulking up to meet demand. Total interior design staff at these Giants cruised to 8,200, a more than 1,600-employee jump from last time and the highest number in five years. The firms forecast hiring another 550 designers. The average fees per staffer consequently dipped to \$128,724, as new hires diluted the numbers.

All those hires had plenty to do. The hospitality Giants continue to see explosive increases in the number of jobs: reaching 4,626, almost 1,000 more this time than last and nearly an identical jump from the time before. These Giants expect another big jump in jobs, up to 5,300. Job size was smaller, however, as square footage went down from 202 to 192 million. A rebound to 223 million is predicted.

What kind of hospitality jobs are firms doing? Like last time, a third of design revenue came from luxury hotels, which explains why 82 percent of the hospitality Giants do this kind of work. Mid/economy and boutique hotels, which provided 15 and 11 percent, respectively, also remain steady. These firms expect year-to-year earnings on hotels to increase 10 percent, to \$460 million. The hottest segments? Luxury and boutique hotels again. Six in 10 hospitality Giants tell us to watch restaurants and resorts as well.

Renovations continue to dominate the type of work firms take on. The current breakdown is 55 percent renovation versus 45 percent new construction. Half of the ➔

From top: Hotel MdR in Marina del Rey, California, is by Indidesign. Hotel Sorella Country Club Plaza in Kansas City, Missouri, is by Dawson Design Associates.



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FROM TOP: TAGGART SORESENSEN; ALISTAIR TUTTIN

HOSPITALITY GIANTS

RANK 2014	FIRM (HEADQUARTERS WEB SITE)	HOSPITALITY FEES (MILLIONS)	WORK INSTALLED		DESIGN STAFF	RANK 2013
			VALUE (MILLIONS)	SQ. FT. (MILLIONS)		
1	HBA/Hirsch Bedner Associates (LOS ANGELES hba.com)	\$119.879	\$7,193.00	68.50	1,422	1
2	Gensler (SAN FRANCISCO gensler.com)	\$58.966	NR	NR	2,300	2
3	Wilson Associates (DALLAS wilsonassociates.com)	\$51.300	\$3,000.00	NR	360	4
4	CCD/Cheng Chung Design (HONG KONG ccd.com.hk)	\$50.820	\$361.00	4.78	391	3
5	Bilkey Llinas Design (PALM BEACH GARDENS, FL bilkeyllinas.com)	\$23.850	NR	NR	109	5
6	Leo A Daly (OMAHA leoadaly.com)	\$21.548	\$21.68	NR	144	10
7	HOK (ST. LOUIS hok.com)	\$19.676	\$2,220.00	8.56	294	7
8	Rockwell Group (NEW YORK rockwellgroup.com)	\$17.057	NR	NR	119	6
9	VOA Associates (CHICAGO voa.com)	\$16.935	\$81.61	12.00	123	8
10	Callison (SEATTLE callison.com)	\$16.100	\$14.60	NR	136	14
11	Pierre-Yves Rochon (CHICAGO pyr-design.com)	\$12.818	\$450.00	1.75	72	11
12	Steelman Partners (LAS VEGAS steelmanpartners.com)	\$11.400	\$90.00	0.18	66	19
13	Wimberly Interiors (NEW YORK wimberlyinteriors.com)	\$11.200	\$1,100.00	5.50	71	15
14	FRCH Design Worldwide (CINCINNATI frch.com)	\$11.041	\$20.20	1.50	123	13
15	DiLeonardo International (WARWICK, RI dileonardo.com)	\$10.830	NR	NR	84	12
16	AvroKO (NEW YORK avroko.com)	\$10.583	NR	NR	85	24
17	Gettys (CHICAGO gettys.com)	\$10.100	NR	NR	79	18
18	Daroff Design + DDI Architects (PHILADELPHIA daroffdesign.com)	\$9.928	\$400.00	3.00	45	9
19	Baskervill (RICHMOND, VA baskervill.com)	\$9.594	\$250.00	NR	25	17
20	Stonehill & Taylor Architects (NEW YORK stonehilltaylor.com)	\$9.068	\$125.00	2.50	64	16
21	KNA Design (LOS ANGELES knadesign.com)	\$8.330	NR	NR	37	21
22	Rebel Design+Group (MARINA DEL REY, CA rebeldesign.com)	\$8.151	\$255.57	2.74	47	--
23	Skidmore, Owings & Merrill (NEW YORK som.com)	\$8.044	NR	NR	130	32
24	Rottet Studio (HOUSTON rottetstudio.com)	\$7.592	NR	NR	39	22
25	Aria Group Architects (OAK PARK, IL ariainc.com)	\$6.318	\$80.00	0.60	78	26
26	AB Concept (HONG KONG abconcept.net)	\$6.135	\$179.57	0.66	71	--
27	CBT Architects (BOSTON cbtarchitects.com)	\$6.075	NR	NR	49	35
28	EDG Interior Architecture + Design (NOVATO, CA edgdesign.com)	\$5.967	\$1.60	0.45	59	20
29	Looney & Associates (DALLAS looney-associates.com)	\$5.684	\$750.00	2.10	44	29
30	Jeffrey Beers International (NEW YORK jeffreybeers.com)	\$5.600	NR	NR	30	27
31	Duncan Miller Ullmann Design (DALLAS designdmu.com)	\$5.512	\$45.00	5.20	79	25
32	Chambers (BALTIMORE chambersusa.com)	\$5.223	\$68.00	NR	17	30
33	Champalimaud (NEW YORK champalimauddesign.com)	\$4.907	NR	NR	38	--
34	Simeone Deary Design Group (CHICAGO simeonedeary.com)	\$4.752	NR	NR	40	45
35	BraytonHughes Design Studios (SAN FRANCISCO bhdstudios.com)	\$4.675	NR	NR	33	37
36	TAL Studio (LAS VEGAS tal-studio.com)	\$4.650	\$58.00	0.18	22	39
37	JOI-Design (HAMBURG joi-design.com)	\$4.317	\$60.00	NR	35	33
38	ICrave (NEW YORK icrave.com)	\$4.281	NR	0.25	26	--
39	ForrestPerkins (DALLAS forrestperkins.com)	\$4.072	NR	NR	36	28
40	RTKL Associates (BALTIMORE rtkl.com)	\$3.956	NR	NR	96	42
41	HKS (DALLAS hksinc.com)	\$3.916	NR	1.97	153	--
42	DLR Group (OVERLAND PARK, KS dlrgroup.com)	\$3.850	NR	NR	27	46
43	Perkins Eastman (NEW YORK perkinseastman.com)	\$3.798	\$22.79	0.84	213	36
44	Elkus Manfredi Architects (BOSTON elkus-manfredi.com)	\$3.556	NR	NR	62	--
45	Parker-Torres Design (SUDBURY, MA parkertorres.com)	\$3.100	NR	NR	20	49
46	Design Development Company (AGOURA HILLS, CA designdevelopment-group.com)	\$2.920	\$25.00	0.25	14	40
47	Dawson Design Associates (SEATTLE dawsondesignassociates.com)	\$2.850	\$120.00	NR	27	54
48	R.D. Jones & Associates (BALTIMORE rdjones.com)	\$2.800	NR	NR	29	72
49	C2 Limited Design Associates (FAIRFIELD, CT c2limited.com)	\$2.786	\$57.60	NR	12	60
50	Hatch Design Group (COSTA MESA, CA hatchdesign.com)	\$2.658	\$107.34	0.34	24	48
51	Shea (MINNEAPOLIS sheadesign.com)	\$2.633	\$42.75	0.22	19	64

HOSPITALITY GIANTS

greymatters ranks 54th in its debut to the global ranking!

RANK 2014	FIRM (HEADQUARTERS WEB SITE)	HOSPITALITY FEES (MILLIONS)	WORK INSTALLED		DESIGN STAFF	RANK 2013
			VALUE (MILLIONS)	SQ. FT. (MILLIONS)		
52	Indidesign (LOS ANGELES indidesign.com)	\$2.600	\$1,000.00	NR	13	58
53	Design Directions International (MINNEAPOLIS, MN ddi.net)	\$2.585	\$17.25	1.62	7	57
54	Greymatters (SINGAPORE grey-matters.com)	\$2.500	\$110.00	0.75	20	--
55	S.K.I.N. Design Studio (SAN DIEGO skindesignstudio.com)	\$2.433	NR	NR	9	63
56	Areen Hospitality (LONDON areenhospitality.com)	\$2.370	\$17.00	0.81	17	68
57	DAS Architects (PHILADELPHIA dasarchitects.com)	\$2.303	NR	0.29	16	56
58	RPW Design (LONDON rpwdesign.co.uk)	\$2.293	NR	NR	20	53
59	Kay Lang + Associates (LOS ANGELES kaylangassoc.com)	\$2.240	NR	NR	23	55
60	RDH Interests (FRISCO, TX rdhinterests.net)	\$2.219	NR	NR	9	43
61	Heitz Parsons Sadek (WEST PALM BEACH, FL heitz-parsons-sadek.com)	\$2.184	\$35.00	0.38	12	50
62	Smith/Firestone Associates (SANTA BARBARA, CA sfadesign.com)	\$2.181	\$4.20	0.75	22	65
63	Smallwood, Reynolds, Stewart, Stewart & Associates (ATLANTA srssa.com)	\$2.156	NR	NR	31	47
64	Thomas Hamilton & Associates (RICHMOND, VA thomashamiltonassociates.com)	\$2.109	\$50.31	0.25	11	66
65	Bar Napkin Productions (PHOENIX bnp-llc.com)	\$2.090	\$50.00	0.75	18	62
66	Lawrence Group (ST. LOUIS thlawrencegroup.com)	\$2.083	\$48.00	0.32	53	67
67	K2M Design (CLEVELAND k2mdesign.com)	\$2.052	\$60.00	0.90	14	51
68	Rowland+Broughton Architecture and Urban Design (ASPEN, CO rowlandbroughton.com)	\$1.888	\$266.33	1.02	18	41
69	Puccini Group (SAN FRANCISCO puccinigroup.com)	\$1.860	\$6.20	0.21	15	73
70	Montgomery Roth Architecture & Interior Design (HOUSTON montgomeryroth.com)	\$1.833	NR	NR	18	52
71	Cleo Design (LAS VEGAS cleo-design.com)	\$1.649	NR	NR	13	70
72	Studios Architecture (WASHINGTON studios.com)	\$1.586	\$117.00	1.10	95	63
73	HVS Design (ROCKVILLE, MD hvsdesignservices.com)	\$1.360	\$27.50	0.92	14	--
74	Design Group Carl Ross (EL SEGUNDO, CA designgroupcarlross.com)	\$1.285	NR	NR	10	--
75	CMMI (ATLANTA cmmi-redlines.com)	\$1.220	\$14.47	1.50	16	--



respondents were over the 60 percent mark, and 12 firms said 90 percent or more of work was renovations, same as last time. Revenue from furniture, fixtures, and construction products grew 16 percent to \$20.9 billion, trumping the forecast by \$1.5 billion, and the total is expected to bloom 70 percent to \$35 billion. (Time will tell on that optimism!) Another interesting tidbit: Furniture and fixtures have taken a bigger chunk of the pie here—category revenue was up 33 percent to \$8.4 billion. It was a mere \$6.3 billion previously.

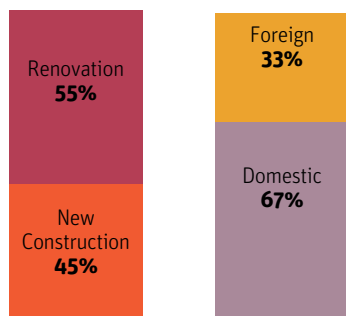
Globalism is still a factor, though the amount of overseas work, which grew steadily for years, has leveled off in the low-to-mid 30 percent range, specifically 33 percent now. Among the hospitality Giants, 23 do more than half their work overseas, while six of the top 10 firms aren't based in the U.S. to begin with. This nevertheless means that two thirds of the work is in the U.S., and 80 percent of firms expect this country to have the biggest growth potential. The question, as always, is where will future work come from? Last time, the predictions said the West Coast and South would be hot, and they've grown hotter. Only 27 percent say the Midwest will grow, but it's notable to point out that two years ago only 20 percent did.

So "business as usual," as defined by these numbers, is pretty darn good. And while it's true that everyone loves a "business is booming" period, that may yet be to come. The 75 hospitality Giants see even better days ahead, with 64 expecting growth. Which brings to mind one final cliché: "Numbers don't lie." —Mike Zimmerman

HKS designed Hotel El Ganzo in San José del Cabo, Mexico. ➔

GIANTS HOSPITALITY

HOSPITALITY PROJECT TYPES COMPLETED
IN THE LAST YEAR



From top: AvroKO designed Bourbon Steak in Glendale, California. The dining facilities at Toronto Pearson International Airport are by ICrave. Wilson Associates designed the Hyatt Regency Chongqing in China. ➔



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3

NEW TO THE
HOSPITALITY GIANTS (* IN MILLIONS)

FEES	FIRM
\$8.15	Rebel Design+Group (22)
\$6.13	AB Concept (26)
\$4.91	Champalimaud Design (33)
\$4.28	ICrave (38)
\$3.92	HKS (41)
\$3.56	Elkus Manfredi Architects (44)
\$2.50	Greymatters (54)
\$1.36	HVS Design (73)
\$1.29	Design Group Carl Ross (74)
\$1.22	CMMI (75)

greymatters ranks
top 7 Giant of new
to the list

38



FROM TOP: NOAH WEBB; JOHN BARTELSTONE; COURTESY OF HYATT



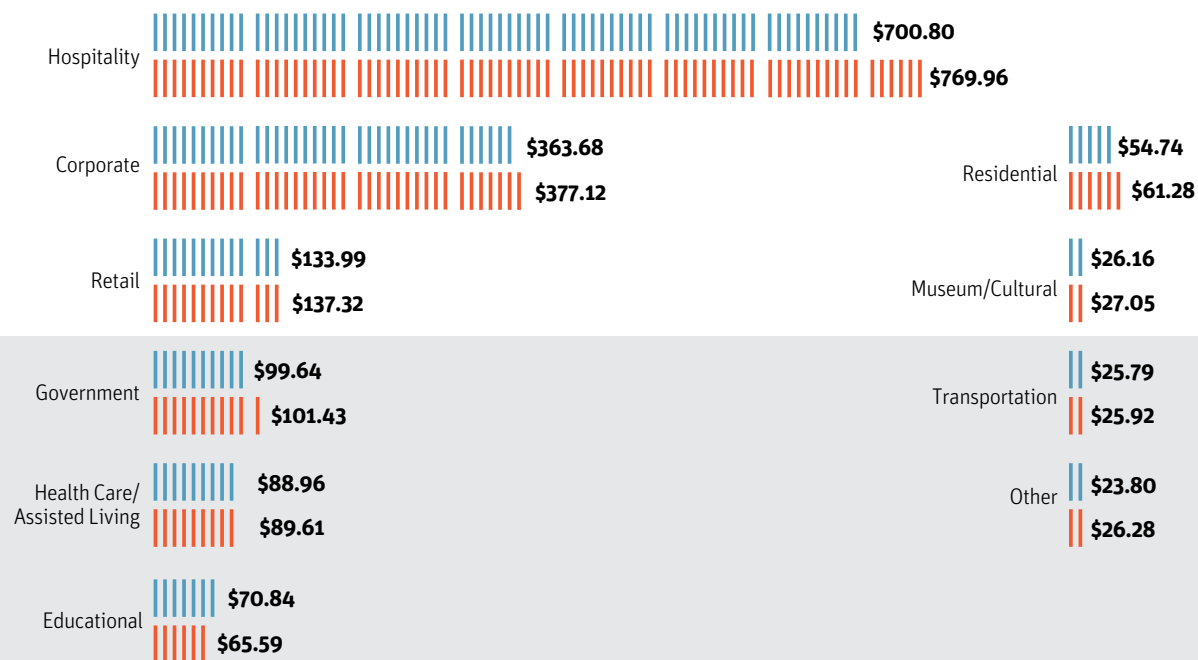
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GIANTS HOSPITALITY

Villard Michel Richard in the New York Palace is by Jeffrey Beers International. ➤

FEES BY PROJECT TYPE (*IN MILLIONS)

● 2014 (actual) ● 2015 (forecast)



GIANTS HOSPITALITY

FEES BY HOSPITALITY PROJECT TYPE (*IN MILLIONS)

	2014/ACTUAL	2015/FORECAST
luxury hotel	\$231.65	\$258.52
mid-level/economy hotel	\$104.54	\$112.86
restaurant	\$100.13	\$109.59
boutique hotel	\$80.26	\$88.49
resort	\$57.31	\$67.19
gaming	\$28.22	\$30.06
country club	\$20.26	\$19.83
time-share	\$19.78	\$24.36
bar/lounge/nightclub	\$22.66	\$21.62
spa	\$12.86	\$13.40
cruise ship	\$12.38	\$13.29
other	\$10.75	\$10.76

From left: The Celebrity Reflection cruise ship is by RTKL Associates. DAS Architects designed the Granary apartment building in Philadelphia. ➤



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GLOBAL GROWTH POTENTIAL FOR HOSPITALITY PROJECTS OVER THE NEXT TWO YEARS

Total U.S.	79%
West Coast	50%
Southern	43%
Northeast	41%
Midwest	27%
South America	21%
Mexico	10%
Caribbean	9%
Canada	6%
Total Asia	50%
China	36%
India	13%
Other Asia	23%
Total Middle East	43%
United Arab Emirates	29%
Other Middle East	24%
Total Europe	19%
Western Europe	14%
Eastern Europe	10%
Africa	10%



FROM LEFT: MIKE BUTLER; HAL KIN MASON PHOTOGRAPHY

GIANTS HOSPITALITY

TOP U.S. FIRMS WITH MOST FOREIGN HOSPITALITY PROJECTS

Heitz Parsons Sadek (60) **100%**

DiLeonardo (15) **98%**

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

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

HBA/Hirsch Bedner Associates (1) **91%**

Duncan Miller Ullmann Design (31) **90%**

HOK (7) **86%**

Wilson Associates (4) **75%**

VOA Associates (9) **72%**

Perkins Eastman (43) **65%**

Clockwise from top left: Radisson Blu Minneapolis is by Stonehill & Taylor Architects. Gensler designed the Project Los Angeles nightclub. Grand Hyatt Shenyang in China is by HBA/Hirsch Bedner Associates. Greymatters designed Bin 38 restaurant in Singapore. ➔



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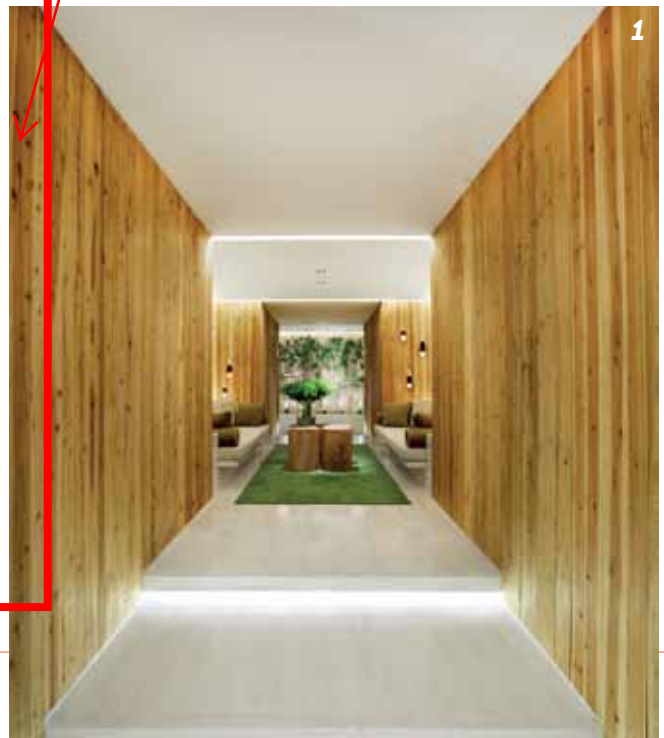


greymatters designed Chef Ryan Clift BIN 38 project in Singapore

2



54



1

CLOCKWISE FROM TOP LEFT: GREGORY GOODE; RYAN GOBUTY/GENSLER; COURTESY OF GRAND HYATT SHENYANG; OWEN RAGGETT

HOSPITALITY
GIANTS

From left: Lawrence Group designed the Broadway hotel in Columbia, Missouri. Hilton Rotterdam in the Netherlands is by RPW Design.



66



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FIRMS WITH LARGEST INCREASE IN HOSPITALITY FEES

	2014	2013	INCREASE
HBA/Hirsch Bedner Associates (1)	\$119.88	\$100.11	\$19.77
Leo A Daly (6)	\$23.85	\$12.74	\$11.11
Gensler (2)	\$58.97	\$50.04	\$8.92
Callison (10)	\$16.10	\$10.45	\$5.65
Wilson Associates (3)	\$51.30	\$46.08	\$5.23
HOK (7)	\$19.68	\$15.24	\$4.44
CCD/Cheng Chung Design (HK) (4)	\$50.82	\$46.48	\$4.34
AvroKO (16)	\$10.58	\$6.49	\$4.09
Skidmore, Owings & Merrill (23)	\$8.04	\$4.38	\$3.66
VOA Associates (9)	\$16.94	\$13.59	\$3.35

JIM ELLAM

Methodology

The annual business survey of *Interior Design* hospitality Giants ranks the largest design firms by hospitality design fees for the 12-month period from July 2013 through June 2014. 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 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.

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. Additionally, 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, led by Wing Leung, research director.

usona



113 South 18th Street Philadelphia, PA 19102 215.496.0440 usonahome.com (shown sofa bed 13012)

Circle 107

Design Competition Winner:
Gale Haprov Residence
Los Alamitos, CA
Architect, Designer & Photos:
Tony Gale, AIA LEED



Be House Proud

...inspired by Spark Modern Fires. Designed and engineered to be noticed.
See our photo gallery at www.sparkfires.com or 866.938.3846



Circle 95