

HRISTOPHER BARRETT

Precisely when does something go from a nice trend to a serious run to a golden age? The latter may be overstating the case a bit but maybe not by much, judging by the numbers in *Interior Design*'s annual survey of the top 100 Giants firms. The big numbers first. Total fees rose a healthy 6 percent, to \$3.5 billion. That's just about spot-on from the forecast around this time last year. Robust business is expected to continue with fees anticipated to top \$3.7 billion.

That's not the whole story, however. Flash back five years, when fees stood at \$2.2 billion. Since then, business on a pure dollar basis has expanded 59 percent—a heck of a run in any industry. Another interesting stat: Firms are getting more out of their designers than ever before, as fees per employee topped \$300,000 for the first time, up 15 percent. (Staffers report that 80 percent of their time was billed to clients.) Sweet numbers, indeed.

Office design work continues to be the prime driver, with those fees rising 14 percent to \$1.34 billion, 38 percent of the total take. Hospitality (16 percent) and health care (12 percent) were the other sizable money-

100 giants

"Optimism remains high across the board"



The headquarters of Flexera Software in Itasca, Illinois, is by CannonDesign (#15).

makers. But look more closely, and you see interesting developments in smaller areas. Government project volume rose more than 50 percent, adding over \$200 million to the coffers. Transportation and cultural project volume rose more than 50 percent as well. While they account for less than 3 percent each of total fees, the growth meant more than \$80 million to the bottom line. Those totals account for a good chunk of the overall fee growth the Giants saw.

Square footage came in at 884 million, up slightly from the previous 861 million and the biggest number since we started keeping track though less than the 902 million expected. The current forecast, 997 million, creeps ever closer to the elusive 1 billion mark. But one step at a time. Three consecutive forecasts above 900 million haven't gotten there yet.

A number that has more than doubled in the past five years is

total projects. They hit a new high at more than 55,000. And that's expected to remain the case.

Furniture and fixtures, plus construction products, installed totaled \$80 billion, a nice 8 percent jump but short of the \$83 billion forecast. The split between F&F and construction products has remained consistent for the last several years at 30/70. That's \$23 billion for F&F alone.

The U.S. is where the action is for most firms, with 57 earning 90 percent or more of their fees from domestic work. However, 22 percent of projects were elsewhere, same as last time. And the number of firms working exclusively domestic is down, from 27 to 18.

There were 13 firms that earned half or more of fees outside the U.S. A few years ago, 85 percent of firms doing overseas work did it in Asia and the Pacific Rim. That number has been dropping, and today it's 73 percent. China's economy is a big concern here. The percentage of firms expecting that country to provide growth is at an all-time low of 30 after being in the mid-40 range for years. Keep an eye on Mexico, however. Two surveys ago, only 19 percent of firms did work there. Today? It's 33 percent.

100 giants

WORK INST	ALLED
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RANK 2016	FIRM headquarters, web site	ESIGN FEES (in millions)	VALUE (in millions)	SQ. FT. (in millions)	DESIGN STAFF	RANK 2015
1	GENSLER San Francisco, gensler.com	\$526.668	\$18,057.18	120.38	1,997	1
2	HOK St. Louis, hok.com	\$151.000	\$4,930.00	55.00	337	2
3	PERKINS+WILL Chicago, perkinswill.com	\$148.920	\$5,800.00	35.00	348	4
4	JACOBS Pasadena, CA, jacobs.com	\$144.871	\$2,607.68	28.97	566	5
5	HBA/HIRSCH BEDNER ASSOCIATES Los Angeles, HBA.com	\$132.028	\$8,001.72	76.21	1,500	3
6	IA INTERIOR ARCHITECTS San Francisco, interiorarchitects.com	\$95.036	\$3,950.00	33.51	373	7
7	STANTEC Edmonton, Alberta, stantec.com	\$92.803	\$1,160.04	13.65	677	6
8	CALLISONRTKL Dallas, callisonrtkl.com	\$83.038	NR	NR	200	8
9	NELSON Philadelphia, nelsononline.com	\$78.897	NR	32.18	374	9
10	HKS Dallas, hksinc.com	\$77.000	NR	NR	413	12
11	DB&B Singapore, dbb.com	\$71.905	\$126.38	2.68	139	13
12	SKIDMORE, OWINGS & MERRILL New York, som.com	\$64.060	NR	NR	146	11
13	PERKINS EASTMAN New York, perkinseastman.com	\$61.250	\$1,193.50	6.46	214	16
14	LEO A DALY Omaha, leoadaly.com	\$60.093	NR	NR	142	10
15	CANNONDESIGN Chicago, cannonDesign.com	\$56.730	NR	NR	180	14
16	NBBJ Seattle, nbbj.com	\$50.100	NR	NR	207	15
17	WILSON ASSOCIATES Dallas, wilsonassociates.com	\$46.000	NR	NR	365	19
18	M MOSER ASSOCIATES Hong Kong, mmoser.com	\$45.307	\$615.00	10.60	451	20
19	DLR GROUP Overland Park, KS, dlrgroup.com	\$44.363	NR	NR	43	24
20	HAMMEL, GREEN AND ABRAHAMSON Minneapolis, hga.com	\$43.365	NR	NR	63	28
21	AREEN London, areen.com	\$43.189	\$750.00	18.46	149	22
22	CORGAN ASSOCIATES Dallas, corgan.com	\$39.000	\$111.43	10.00	105	31
23	ROCKWELL GROUP New York, rockwellgroup.com	\$38.732	NR	NR	190	32
24	PAGE Washington, pagethink.com	\$38.500	NR	NR	75	23
25	WOODS BAGOT Adelaide, Australia, woodsbagot.com	\$38.000	NR	NR	NR	_
26	STUDIOS ARCHITECTURE Washington, studios.com	\$36.905	\$195.00	12.50	237	34
27	TED MOUDIS ASSOCIATES New York, tedmoudis.com	\$35.500	\$325.00	7.25	96	27
28	VOA ASSOCIATES Chicago, voa.com	\$32.074	\$120.49	70.98	125	26
29	ZGF ARCHITECTS Portland, OR, zgf.com	\$31.000	\$503.00	4.79	84	30
30	STEVE LEUNG DESIGNERS Hong Kong, steveleung.com	\$30.800	NR	NR	301	-
31	HLW INTERNATIONAL New York, hlw.com	\$30.400	\$790.00	NR	70	35
32	TPG ARCHITECTURE New York, tpgarchitecture.com	\$28.942	NR	NR	189	29
33	FRCH DESIGN WORLDWIDE Cincinnati, frch.com	\$27.450	NR	NR	75	38
34	HDR Omaha, hdrinc.com	\$27.400	NR	NR	154	25
35	LITTLE Charlotte, NC, littleonline.com	\$27.400	\$318.00	8.75	219	41
36	FLAD ARCHITECTS Madison, WI, flad.com		\$1,445.22	10.32	163	33
		\$25.301				
37	SPACE MATRIX DESIGN CONSULTANTS Singapore, spacematrix.com	\$25.200	\$269.00 NR	8.00	382	36
38	YABU PUSHELBERG Toronto, yabupushelberg.com	\$25.000		NR	102	42
39	CDC DESIGNS Costa Mesa, CA, cdcdesigns.com	\$24.650	\$14.78	NR	58	43
40	BILKEY LLINAS DESIGN ASSOCIATES Palm Beach Gardens, FL, bilkeyllinas.com	\$23.720	NR	NR	113	39
41	VOCON Cleveland, vocon.com	\$23.500	\$412.50	3.93	117	37
42	WARE MALCOMB Irvine, CA, waremalcomb.com	\$22.000	\$770.00	11.00	89	57
43	DALTON, STEELMAN, ARIAS AND ANDERSON (DSAA) Las Vegas, dsaainteriors.com	\$22.000	\$750.00	1.80	88	48
44	FKP ARCHITECTS Houston, fkp.com	\$20.000	\$600.00	2.50	21	73
45	CHECKLAND KINDLEYSIDES Leicester, UK, checklandkindleysides.com	\$19.144	NR	NR	86	44
46	MARC-MICHAELS INTERIOR DESIGN Winter Park, FL, marc-michaels.com	\$18.399	\$22.30	NR	40	45
47	CBT ARCHITECTS Boston, cbtarchitects.com	\$18.250	NR	NR	68	50
48	SHEPLEY BULFINCH Boston, shepleybulfinch.com	\$17.987	\$179.87	8.10	13	56
49	FENTRESS ARCHITECTS Denver, fentressarchitects.com	\$17.850	NR	NR	24	46
50	SHLEMMER+AGLAZE+ASSOCIATES INTERIORS & ARCHITECTURE Culver City, CA, saaia.co	n \$17.500	\$180.00	14.31	120	53

100 giants

WORK INSTALLED

			V	ORK INSTALL	ED	
RANK 2016	FIRM headquarters, web site	DESIGN FEES (in millions)	VALUE (in millions)	SQ. FT. (in millions)	DESIGN STAFF	RANK 2015
51	ASD Atlanta, asdsky.com	\$17.000	NR	NR	121	52
52	EWINGCOLE Philadelphia, ewingcole.com	\$16.975	\$320.00	1.50	55	40
53	REBEL DESIGN Marina Del Rey, CA, rebeldesign.com	\$16.394	\$405.41	1.57	56	69
54	RAPT STUDIO San Francisco, raptstudio.com	\$15.744	\$400.00	2.80	65	77
55	LS3P ASSOCIATES Charleston, SC, Is3p.com	\$14.979	\$438.59	9.50	58	68
56	ENVIRONETICS Los Angeles, environetics.com	\$14.750	\$250.00	4.00	69	67
57	GETTYS GROUP Chicago, gettys.com	\$14.750	NR	NR	79	62
58	WIMBERLY INTERIORS New York, wimberlyinteriors.com	\$14.600	\$1,200.00	NR	86	63
59	HMC ARCHITECTS Ontario, CA, hmcarchitects.com	\$14.370	NR	NR	40	65
60	TRICARICO ARCHITECTURE AND DESIGN Wayne, NJ, tricarico.com	\$14.250	\$418.00	1.78	104	58
61	DAROFF DESIGN + DDI ARCHITECTS Philadelphia, daroffdesign.com	\$14.160	\$400.00	3.00	39	60
62	LAWRENCE GROUP St. Louis, thelawrencegroup.com	\$14.104	\$530.00	4.70	69	88
63	ELKUS MANFREDI ARCHITECTS Boston, elkus-manfredi.com	\$14.027	NR	3.89	62	61
64	ROGER FERRIS + PARTNERS Westport, CT, ferrisarch.com	\$14.000	\$220.00	0.90	32	81
65	KNA DESIGN Los Angeles, knadesign.com	\$14.000	NR	NR	42	92
66	GRESHAM, SMITH AND PARTNERS Nashville, greshamsmith.com	\$13.720	\$330.23	3.60	47	55
67	OTJ ARCHITECTS Washington, otj.com	\$13.630	NR	2.90	66	89
68	THE SWITZER GROUP New York, theswitzergroup.com	\$13.503	\$540.14	3.60	54	86
69	SARGENTI ARCHITECTS Paramus, NJ, sargarch.com	\$13.287	\$450.00	9.00	107	87
70	DES ARCHITECTS + ENGINEERS Redwood City, CA, des-ae.com	\$13.200	NR	3.62	26	72
71	POPULOUS Kansas City, populous.com	\$13.100	NR	3.00	39	66
72	PDR Houston, pdrcorp.com	\$13.000	\$481.00	3.00	75	49
73	HUNTSMAN ARCHITECTURAL GROUP San Francisco, huntsmanag.com	\$12.772	\$300.00	2.00	74	80
74	HARLEY ELLIS DEVEREAUX Southfield, MI, harleyellisdevereaux.com	\$12.712	\$158.00	2.10	111	97
75	CLARK NEXSEN Virginia Beach, clarknexsen.com	\$12.611	NR	NR	11	74
76	ROTTET STUDIO Houston, rottetstudio.com	\$12.540	NR	NR	40	76
77	RSP ARCHITECTS Minneapolis, rsparch.com	\$12.193	NR	NR	50	51
78	STAFFELBACH Dallas, staffelbach.com	\$11.700	\$180.00	0.92	54	82
79	MILO KLEINBERG DESIGN ASSOCIATES (MKDA) New York, mkda.com	\$11.500	\$250.00	1.80	44	75
80	MANCINI DUFFY New York, manciniduffy.com	\$11.300	\$135.00	3.40	60	84
81	ZIEGLER COOPER ARCHITECTS Houston, zieglercooper.com	\$11.171	\$395.00	3.95	26	79
82	DILEONARDO Warwick, RI, dileonardo.com	\$10.900	NR	NR	75	83
83	FRANCIS CAUFFMAN New York, franciscauffman.com	\$10.529	\$369.00	8.90	51	95
84	STONEHILL & TAYLOR ARCHITECTS New York, stonehilltaylor.com	\$10.384	\$380.00	2.00	82	93
85	WOLCOTT Culver City, CA, wolcottai.com	\$10.290	\$137.50	2.10	56	98
86	AP+I DESIGN Mountain View, CA, apidesign.com	\$10.200	\$267.00	3.00	48	96
87	CHUTE GERDEMAN Columbus, OH, chutegerdeman.com	\$10.200	NR	NR	51	78
88	COOPER CARRY Atlanta, coopercarry.com	\$10.172	\$110.97	2.80	36	94
89	TVSDESIGN Atlanta, tvsdesign.com	\$10.000	NR	NR	44	-
90	JPC ARCHITECTS Bellevue, WA, jpcarchitects.com	\$9.975	\$35.00	5.00	55	91
91	PARTNERS BY DESIGN Chicago, pbdinc.com	\$9.900	NR	NR	55	-
92	FOX ARCHITECTS McLean, VA, fox-architects.com	\$9.660	\$240.00	3.49	53	-
93	AVROKO New York, avroko.com	\$9.487	NR	NR	100	85
94	RNL DESIGN Denver, rnldesign.com	\$9.214	\$282.86	3.54	20	-
95	FXFOWLE ARCHITECTS New York, fxfowle.com	\$9.200	\$180.00	3.00	15	71
96	SPECTOR GROUP New York, spectorgroup.com	\$9.000	\$640.00	3.75	43	100
97	ROBERT A.M. STERN ARCHITECTS New York, ramsa.com	\$8.880	\$53.80	NR	18	-
98	BASKERVILL Richmond, VA, baskervill.com	\$8.720	\$719.00	10.90	25	_
99	RMW ARCHITECTURE & INTERIORS San Francisco, rmw.com	\$8.616	\$215.50	1.23	58	_
100	B+H Toronto, bharchitects.com	\$8.568	\$300.00	2.00	49	90

100 qiants

All Giants expect the best growth from the U.S. and Canada. The Northeast, South, and West should be strongest. In addition, a nice bump is expected below the Mason-Dixon Line.

Green continues to bring in the green, though the numbers haven't increased. Has growth topped out? Time will tell. Roughly half of all fees come from sustainable design—\$1.7 billion—and 42 firms get more than half their fees from green work. A quarter of design employees are LEED accredited, and about half of all projects followed LEED guidelines. Of the products installed, 58 percent were sustainable. Green square footage has remained consistent for three years at 56 percent.

With business so strong, staffing remains a significant concern, especially recruiting talent and training everyone. The total staff number is around 15,000, and firms predict hiring nearly 1,200 more. The average salary for designers dropped from \$71,000 to \$65,000—let's hope that's a statistical anomaly. Project managers (\$99,000 to \$107,000) and principals/ partners (\$150,000 to \$200,000) got nice raises.

Hard data tells us a lot, of course, but anecdotal evidence reveals some trends that result from the numbers. One theme seems to be diversifica-

> tion—of client base, the type of work firms want to do, and geographic locations. This makes sense, as prosperity allows for expansion. Says one employee from Perkins Eastman, "We see the future as a combination of the best sourcing expertise and the utilization of a regional workforce to implement great design solutions. Keeping the money flowing within the local economy only improves conditions for all." An HDR employee tells a similar story: "Our understanding of architecture on both global and local scales gives us an unusual ability to cross-pollinate not only public and private sectors but also disciplines. Bringing together multidisciplinary design experts gives us the firepower to implement best practices from around the world."

The Giants should have plenty of opportunities to implement their strategies, as optimism remains high across the board. A total of 72 of the 100 firms grew this past survey period, 92 percent of firms expect the economy to continue to be good for business, and only nine firms suspect earnings might drop. Upcoming months will tell the tale, but the story has been getting better and better along the way.

-Mike Zimmerman

FXFowle Architects (#95) designed the management office for Stuyvesant Town-Peter Cooper Village in New York.



most admired firms

Gensler (1) Yabu Pushelberg (2) Perkins+Will (3) Studio O+A (3)





new to 2016 list

firm rank

Woods Bagot 25

Steve Leung Designers 30

TVSDesign 89

Partners by Design 91

Fox Architects 92

RNL Design

Robert A.M. Stern Architects 97

Baskervill 9

RMW Architecture & Interiors 99

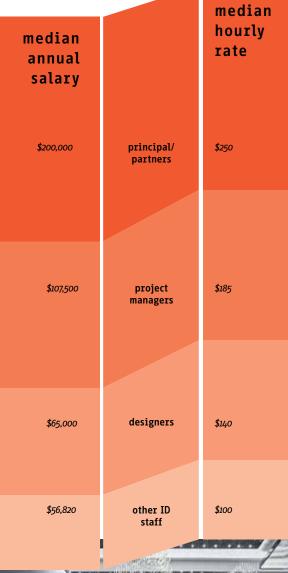
100 giants

From left: Leo A Daly (#14) converted a powe plant into office space for Owatonna Public Utilities in Minnesota. The Fullscreen headquarters in Los Angeles is by Rapt Studio (#54).

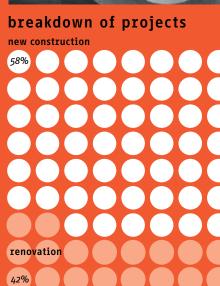
ROM LEFT: WILLTAM BAXLEY: ERIC LATO

100 giants

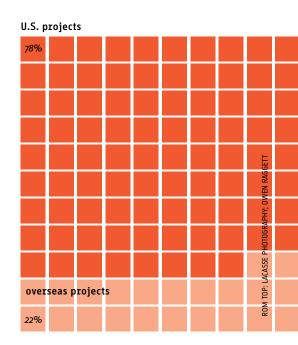
From top: DLR Group (#19) designed the NRG Energy office in Scottsdale, Arizona. DiLeonardo (#82) designed the Sunrise Kempinski Hotel in Beijing. 👟









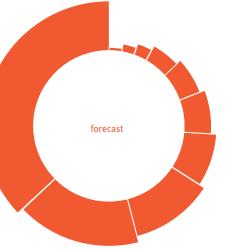




design fees* by project type *in millions

actual

corporate offices	\$1,338.28	38%
hospitality	\$546.33	16%
health care/assisted living	\$413.22	12%
retail	\$281.46	8%
educational	\$242.20	7%
government	\$222.48	6%
residential	\$179.71	5%
transportation	\$92.69	3%
cultural	\$85.97	2%
other	\$105.04	3%



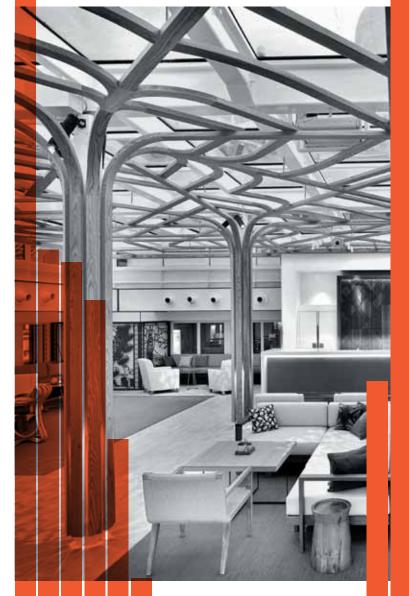
actual

forecast		
corporate offices	\$1,381.40	37%
hospitality	\$616.00	17%
health care/assisted living	\$446.09	12%
retail	\$297.96	8%
educational	\$251.01	7%
government	\$217.56	6%
residential	\$196.10	5%
transportation	\$108.73	3%
cultural	\$94.24	3%
other	\$113.19	3%

100 giants From top: RMW Architecture & Interiors (#99) designed a software firm's office in San Francisco. University Medical Center in New Orleans is by NBBJ (#16). ➤



types of educational projects worked on types of government projects worked on





100 giants

Rottet Studio (#76) designed a Viking Star cruise ship. 🤝

types of residential

projects worked on

residential development

second/vacation homes

suburban residences

urban dwellings 44%

colleges/universities

hospitals/medical offices

labs/training facilities

courthouses/corrections/public satety

military-related facilities

libraries 29%

INTERIOR DESIGN JAN.16

100 giants top 10 2014 2015 \$11.90 FKP Architects (44) \$20.00 68% fastest **\$9.66 56%** \$6.20 Fox Architects (92) growing \$14.50 Ware Malcomb (42) \$22.00 52% firms by percent \$10.00 KNA Design (65) \$14.00 40% change \$26.52 Studios Architecture (26) \$36.91 39% in design \$7.20 TVSDesign (89) \$10.00 39% fees* \$10.16 Lawrence Group (62) \$14.10 39% \$11.37 Rapt Studio (54) \$15.74 39% The Digital Manufacturing and Design \$9.20 Harley Ellis Devereaux (74) \$12.71 38% \$28.60 Corgan Associates (22) \$39.00 36% is by Skidmore, Owings & Merrill (#12). 🍮 *in millions TOP CHRISTOPHER BARRETT

<u>usona</u>





government

educational

firm design fees* \$26.33 Gensler (1) DLR Group (19) \$24.40 Jacobs (4) \$17.38 CannonDesign (15) \$17.02 Stantec (7) \$16.70 HOK (2) \$15.10 Perkins+Will (3) \$7.45 Perkins Eastman (13) \$7.35 HMC Architects (59) \$7.19 Shepley Bulfinch (48) \$6.30

100 giants

office

firm design fees* Gensler (1) \$284.40

IA Interior Architects (6) \$82.68

Perkins+Will (3) \$74.46

Nelson (9) \$74.16

HOK (2) \$69.46

DB&B (11) \$56.09

M Moser Associates (18) \$43.50

Jacobs (4) \$43.46

Ted Moudis Associates (27) \$34.79

Skidmore, Owings & Merrill (12) \$25.62

reta<u>il</u>

firm design fees*

CallisonRTKL(8) \$61.45

Gensler (1) \$57.93

FRCH Design Worldwide (33) \$20.86

Checkland Kindleysides (45) \$18.19

Sargenti Architects (69) \$12.76

Tricarico Architecture and \$12.54

Design (60)

Woods Bagot (25) \$12.16

Little (35) \$9.22

TPG Architecture (32) \$7.81

Wilson Associates (17) \$5.98

From top: Apache Corporation's Café 54 in Houston is by Ziegler Cooper Architects (#81). ASD (#51) designed the MailChimp headquarters in Atlanta.



hospitality

firm design fees*

HBA/Hirsch Bedner Associates (5) \$132.03

Gensler (1) \$57.93

Wilson Associates (17) \$34.50

Rockwell Group (23) \$27.11

Bilkey Llinas Design Associates (40) \$23.72

Dalton, Steelman, Arias and \$20.90

Anderson (DSAA) (43)

HKS (10) \$15.40

residential

firm design fees*

Steve Leung Designers (30) \$26.80

CDC Designs (39) \$24.65

Areen (21) \$21.16

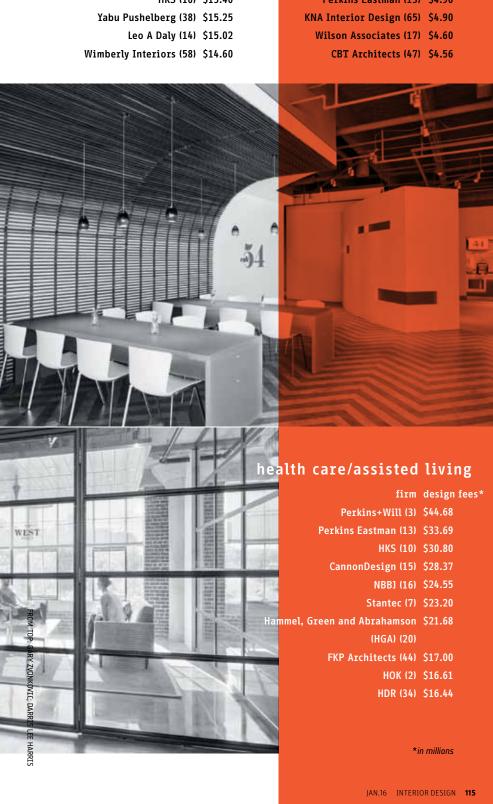
Marc-Michaels Interior \$17.11

Design (46)

Yabu Pushelberg (38) \$6.75

Woods Bagot (25) \$5.32

Perkins Eastman (13) \$4.90





cultural

firm design fees*

Gensler (1) \$31.60

HOK (2) \$16.61

VOA Associates (28) \$6.74

Hammel, Green and Abrahamson (20) \$4.77

Fentress Architects (49) \$3.03

Rockwell Group (23) \$2.71

HKS (10) \$2.31

Stantec (7) \$1.86

EwingCole (52) \$1.70

Perkins+Will (3) \$1.49



transportation

firm design fees*

Gensler (1) \$26.33

Areen (21) \$10.80

Leo A Daly (14) \$9.61

HOK (2) \$9.06

Corgan (22) \$8.97

Jacobs (4) \$8.69

Stantec (7) \$5.57

Fentress Architects (49) \$4.28

Gresham, Smith and Partners (66) \$2.47

HKS (10) \$1.54

*in millions

The first installment of the two-part annual business survey of *Interior Design* Giants comprises the 100 largest firms ranked by interior design fees for the 12-month period ending December 31, 2015. The 100 Rising Giants ranking will be published in July. 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

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