

# INTERIOR DESIGN<sup>®</sup>

APRIL  
2024

*giants of design*

**HOSPITALITY**

# giants

traveling forward

2023 marked a year of very strong recovery for the Giants in general, with almost all metrics surpassing the 2019 levels: salaries, staffing, billing rates, fees. But when it comes to the sector-by-sector temperature-check, the landscape is more uneven. Hospitality joins corporate in the recovery-pending zone. Giants working in this vertical are still struggling to surpass pre-pandemic fees: They're down 44 percent compared to 2019. In fact, hospitality is faring the worst of all sectors. Chalk it up to the expected revenge travel surge that never came to pass, and that business travel remains sluggish.

But looking more closely at individual data points, hospitality fee income *did* increase 12 percent year-over-year, and Giants are predicting another small 5 percent bump-up for 2024. So, the needle is moving in the right direction. Moreover, these are quite high fees: \$645.6 million in 2023 (versus \$576.2 in 2022)! To put things in better perspective, the verticals experiencing double-digit growth—including government/civic and transportation—make up a much, much smaller piece of the Giants pie in comparison. It stands to follow that hospitality has a comparatively bigger dollar-amount gap to recover.

Typical for this sector, the greatest growth is happening in luxury hotels, comprising almost a quarter of fees, with restaurants in second, resorts in third, and boutique hotels in fourth—together driving some serious dollars. Many other segments, including cruise ships, remain flat, however. Segment predictions for 2024 are dead-even with 2023 actuals, with a majority expecting the most growth in luxury hotels.

Project totals are also way up, to the tune of 40 percent year-over-year and 63 percent higher than 2019. The hard numbers are fantastic: almost 8,000 projects, a figure that doubled over the last decade. And Giants are expecting another 11 percent project growth for 2024, which would bring the amount very close to 9k.

You may be scratching your head thinking something doesn't track: How can hospitality projects balloon so much over the last five years—but fees overall remain *down* from 2019? A likely explanation is that Giants are working on smaller projects for less dollars, and/or more renovation projects versus new construction. This would be in line with anecdotal reporting. Interestingly, FF&C value also increased robustly between 2022 and 2023: from \$14.7 to \$22.4 billion. That's 53 percent year-over-year and surpassing the 2019 numbers by 15 percent. Again, these big digits to some extent reflect the inflating cost of products and construction. But Giants expect a strong 22 percent growth curve for 2024, which implies an upward trend that's independent of hard costs. (The FF/C ratio has been consistent over the last decade but is currently trending higher towards furniture and fixtures.)

In terms of locations, Hospitality Giants tend to have the highest percentage of overseas projects in comparison to other verticals. While most sectors hover around a 90/10 split between domestic and international, hospitality has traditionally held steady around 80/20, and this year is no different, albeit skewing toward domestic. Once again, the biggest growth markets are Asia, Canada, and Europe overseas and, in the U.S., the southernmost regions.

**Right:** JoJo's Shake Bar in Scottsdale, Arizona, by Bar Napkin Productions [45].

## GIANTS SNAPSHOT

2023 fees

**\$645,572,091**

Hotels comprise

**40%**

of category fees

**\$22.4B**

FF&C fees

**47/53**

FF vs C

7,938 total

**projects**

up 40% year-over-year

All research is conducted by ThinkLab, the research division of SANDOW Design Group.



# RANKING HOSPITALITYgiants

2024 RANK	FIRM headquarters / website	DESIGN FEES (in millions)	FF&C VALUE OF WORK INSTALLED (in millions)	DESIGN STAFF	2023 RANK
1	HBA INTERNATIONAL Santa Monica, CA / hba.com	\$100.4	\$6,026.8	1,181	1
2	GENSLER San Francisco / gensler.com	\$42.4	-	3,176	3
3	ROCKWELL GROUP New York / rockwellgroup.com	\$34.5	-	295	2
4	HKS Dallas / hksinc.com	\$33.5	-	174	12
5	WIMBERLY INTERIORS New York / watg.com/wimberly	\$22.6	-	79	4
6	FORRESTPERKINS/PERKINS EASTMAN New York / perkinseastman.com	\$20.3	-	305	5
7	AVROKO New York / avroko.com	\$20.2	\$2.4	120	7
8	DLR GROUP Minneapolis / dlrgroup.com	\$17.3	\$4.0	870	10
9	BASKERVILL Richmond, VA / baskervill.com	\$16.6	\$158.9	79	14
10	ICRAVE, A JOURNEY STUDIO New York / icrave.com	\$15.5	\$395.1	60	17
11	ZEBRA PROJECTS London / zbr.global	\$14.4	-	218	13
12	JACOBS Dallas / jacobs.com	\$14.2	\$1,200.0	1,290	41
13	JCJ ARCHITECTURE Hartford, CT / jcj.com	\$13.6	-	84	8
14	CHAMPALIMAUD DESIGN New York / champalimaud.design	\$12.0	-	50	25
15	THE GETTYS GROUP COMPANIES Chicago / gettys.com	\$11.2	\$160.0	61	11
16	CHAMBERS Baltimore / chambersusa.com	\$10.4	\$107.0	38	19
17	CHIPMAN DESIGN ARCHITECTURE Des Plaines, IL / chipman-design.com	\$10.3	\$48.0	130	18
18	PIERRE-YVES ROCHON Chicago / pyr-design.com	\$10.0	-	57	new
19	ARIA GROUP Oak Park, IL / ariainc.com	\$9.3	\$220.0	117	23
20	MEYER DAVIS STUDIO New York / meyerdavis.com	\$8.6	\$0.3	65	24
21	PGAL Houston / pgal.com	\$8.4	-	192	26
22	SARGENTI ARCHITECTS Paramus, NJ / sargarch.com	\$8.0	\$744.0	91	46
23	KTGY SIMEONE DEARY DESIGN GROUP Irvine, CA / ktgy.com	\$7.7	-	186	31
24	LOONEY AND ASSOCIATES Dallas / looney-associates.com	\$7.6	\$1,100.0	44	34
25	LEO A DALY Omaha, NE / leoadaly.com	\$7.6	-	74	30
26	STONEHILL TAYLOR New York / stonehilltaylor.com	\$7.4	\$35.0	48	15
27	EDG INTERIOR ARCHITECTURE + DESIGN Novato, CA / edgdesign.com	\$7.0	\$160.0	41	21
28	DESIGNAGENCY Toronto / thedesignagency.ca	\$7.0	-	106	43
29	DILEONARDO Warwick, RI / dileonardo.com	\$6.9	-	62	27
30	//3877 Washington / 3877.design	\$6.3	\$17.0	36	57
31	EOA GROUP Coral Gables, FL / eoagroup.com	\$6.3	\$1,500.0	23	33
32	CHIL INTERIOR DESIGN Vancouver, CA / childesign.com	\$6.0	\$42.0	35	29
33	HBG DESIGN Memphis / hbg.design	\$5.6	-	41	36
34	ELKUS MANFREDI ARCHITECTS Boston / elkus-manfredi.com	\$5.6	-	165	82
35	PREMIER Dallas / premierpm.com	\$5.3	\$75.7	50	28
36	HORD COPLAN MACHT Baltimore / hcm2.com	\$5.2	\$27.1	29	59
37	INTERIOR IMAGE GROUP Crown Point, IN / iigdesign.com	\$5.1	\$3,500.0	34	56
38	PARKER-TORRES DESIGN Sudbury, MA / parkertorres.com	\$5.1	-	22	49
39	ASD SKY Atlanta / asdsky.com	\$5.1	-	200	37
40	ROTTET STUDIO Houston / rottetstudio.com	\$5.0	\$5.0	55	16
41	SHEA Minneapolis / sheadesign.com	\$5.0	\$93.1	24	32
42	INC ARCHITECTURE & DESIGN New York / inc.nyc	\$4.1	\$585.1	35	44
43	HATCH DESIGN GROUP Costa Mesa, CA / hatchdesign.com	\$4.0	\$166.3	28	51
44	ODA New York / oda-architecture.com	\$3.9	\$700.0	73	new
45	BAR NAPKIN PRODUCTIONS Phoenix / bnp-llc.com	\$3.5	\$5.0	10	38
46	MKDA New York / mkda.com	\$3.5	\$471.9	71	new
47	HART HOWERTON San Francisco / harthowerton.com	\$3.4	\$0.5	229	61
48	J.BANKS DESIGN Hilton Head Island, SC / jbanksdesign.com	\$3.0	\$5.0	37	54
49	WALDROP+NICHOLS STUDIO Dallas / waldropnichols.com	\$3.0	\$142.1	16	62
50	FLICK MARS Dallas / flickmars.com	\$2.8	\$75.0	19	39

continued

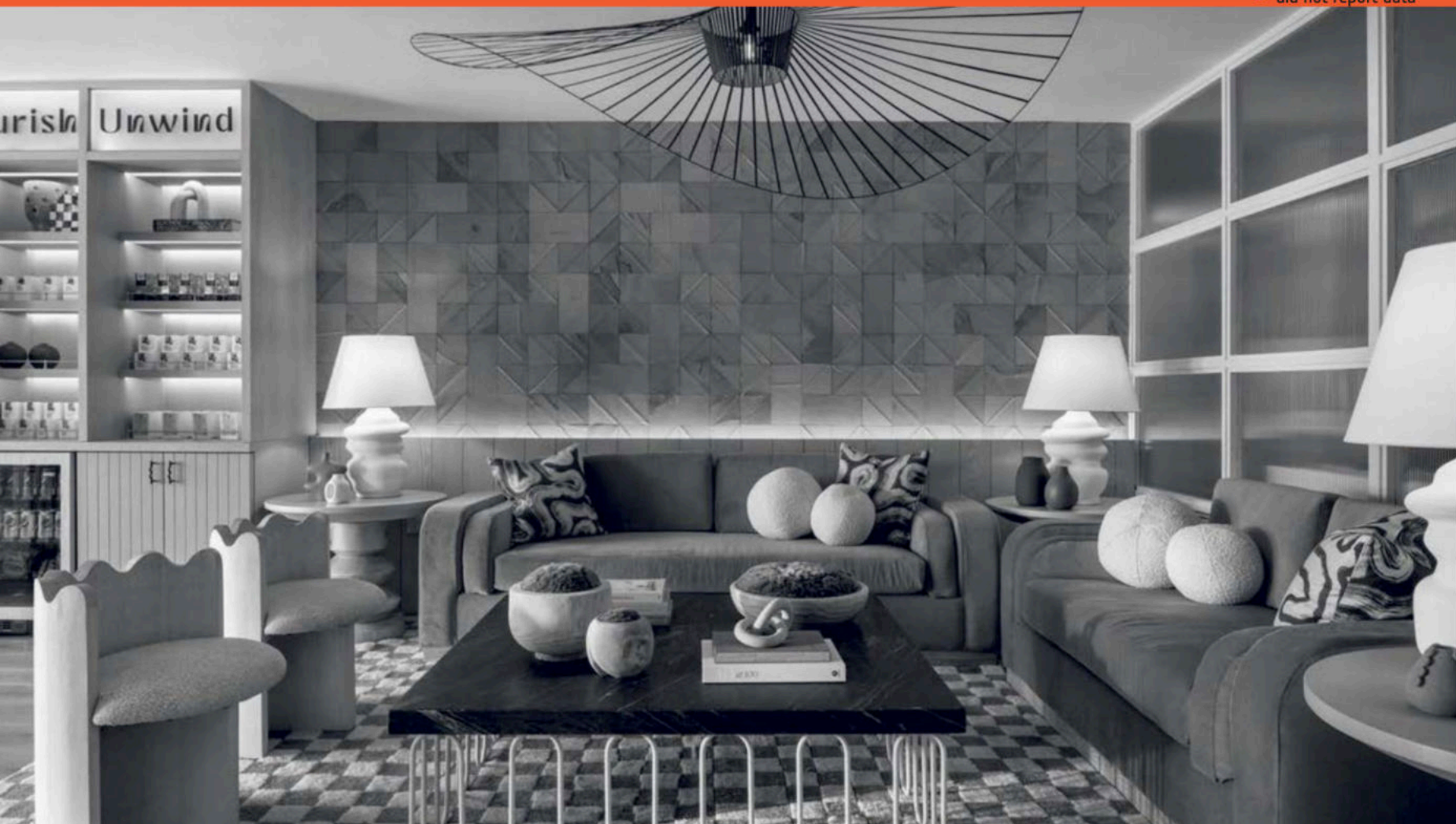
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# RANKING HOSPITALITYgiants

continuation

2024 RANK	FIRM headquarters / website	DESIGN FEES (in millions)	FF&C VALUE OF WORK INSTALLED (in millions)	DESIGN STAFF	2023 RANK
51	NICOLEHOLLIS San Francisco / nicolehollis.com	\$2.5	\$0.7	72	45
52	BG STUDIO INTERNATIONAL New York / bgstudio.com	\$2.5	\$2.0	8	new
53	DAWSON DESIGN ASSOCIATES Seattle / dawsondesignassociates.com	\$2.4	\$80.0	14	58
54	HVS DESIGN Rockville, MD / hvsdesign.com	\$2.4	\$61.3	17	60
55	LAWRENCE GROUP St. Louis / thelawrencegroup.com	\$2.3	-	73	52
56	BRAYTONHUGHES DESIGN STUDIOS San Francisco / bhdstudios.com	\$2.3	-	16	63
57	AECOM Dallas / aecom.com	\$2.3	\$125.0	499	55
58	2PIRDESIGN Toronto / 2pirdesign.com	\$2.2	\$60.0	30	90
59	C+TC DESIGN STUDIO Atlanta / ctcdesignstudio.com	\$2.0	-	12	65
60	KAY LANG + ASSOCIATES Los Angeles / kaylangassoc.com	\$2.0	\$242.0	12	70
61	HOSPITALITY DESIGN GUILD Dallas / hdesignguild.com	\$1.8	\$4.0	7	new
62	DESIGN DIRECTIONS INTERNATIONAL Marietta, GA / ddi.cc	\$1.7	\$31.0	6	83
63	LS3P ASSOCIATES Charleston, SC / ls3p.com	\$1.7	\$383.2	164	new
64	WORKSHOP/APD New York / workshopapd.com	\$1.7	\$99.0	50	84
65	API(+) Tampa, FL / apiplus.com	\$1.6	-	13	71
66	LUMINAUT Cincinnati / luminaut.com	\$1.5	\$295.0	39	new
67	DAS ARCHITECTS Philadelphia / dasarchitects.com	\$1.4	\$300.0	11	66
68	THOMAS HAMILTON & ASSOCIATES Richmond, VA / thomashiltonassociates.com	\$1.4	\$246.0	11	68
69	GRAY DESIGN GROUP St. Louis / graydesigngroup.com	\$1.3	\$43.7	37	69
70	TVS Atlanta / tvsdesign.com	\$1.3	-	30	new
71	MURPHY CRAMER DESIGN Dallas / mcdesign.com	\$1.3	\$139.0	9	74
72	THE SOCIETY Seattle / welcometothesociety.com	\$1.2	\$390.0	10	88
73	BHDM DESIGN New York / bhdmdesign.com	\$1.2	\$75.0	13	77
74	DESIGNMEX Mérida, Mexico / designmex.com.mx	\$1.2	-	13	new
75	UNSCRIPTED INTERIOR DESIGN Santa Ana, CA / unscriptedinteriors.com	\$1.0	\$0.7	26	new

"-" did not report data



Hotel Avante, a JDV by Hyatt Hotel in Mountain View, California, is by BHDM Design [73].

ADAM KANE MACHTA

## What are some current practice issues in hospitality?

"We're maneuvering through an era of economic uncertainty. Client fees persistently remain stagnant or have even decreased. Simultaneously, we grapple with tight deadlines for design deliverables, often conflicting with our clients' financial projections. Despite leveraging technological tools for furniture, fixtures, and equipment management, the human element continues to introduce a significant margin of error into our data."

—Mrinal Suri,  
HBA International

"Longer lead times and rising costs on all products, plus fluctuations in the economy leading to currency conversion changes."

—Paul Morissette, CHIL Interior Design

HOSPITALITYgiants  
shoptalk

"Domestic production of materials and products is still a struggle in some areas, which is disrupting leads times and project timelines. Financing in general is a big struggle right now."

—Barbara Best-Santos, Hart Howerton



"We're hoping A.I. can help in streamlining design elements that have duplication or repetitiveness, such as hotel or residential units."

—Nicole Smith, TVS

"One of the biggest practice issues in hospitality is evolving and enhancing culture. The pandemic changed how we work, where we work, how frequently we travel, and many of the expectations from the company, our clients, and our team. As we refine what that is, we're reconsidering every aspect of what it's like to work with us (as a client and as a team member) through every phase of a project."

—Ron Swidler, The Gettys Group Companies

## project categories

new construction 47%

renovation/retrofit 47%

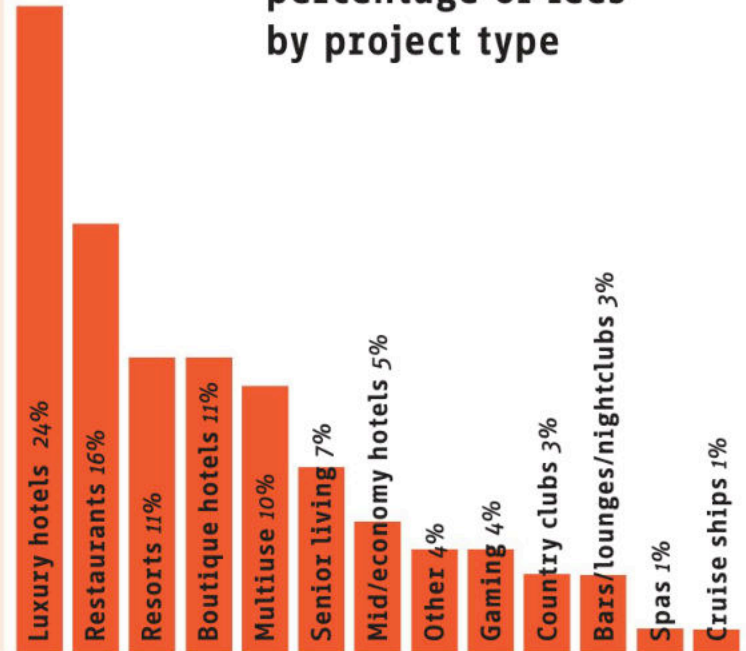
cosmetic refresh only 6%

## firms with the most fee growth\*

	2022	2023	increase
HKS	\$14.7	\$33.5	\$18.8
Gensler	\$24.9	\$42.4	\$17.5
Jacobs	\$4.8	\$14.2	\$9.4
ICRAVE, a Journey Company	\$9.9	\$15.5	\$5.6
Elkus Manfredi Architects	\$1.1	\$5.6	\$4.5
Sargenti Architects	\$3.7	\$8.0	\$4.3
Champalimaud Design	\$8.0	\$12.0	\$4.0
//3877	\$2.8	\$6.3	\$3.5
MKDA	\$0.8	\$3.5	\$2.7
Hord Coplan Macht	\$2.6	\$5.2	\$2.6

\* in millions

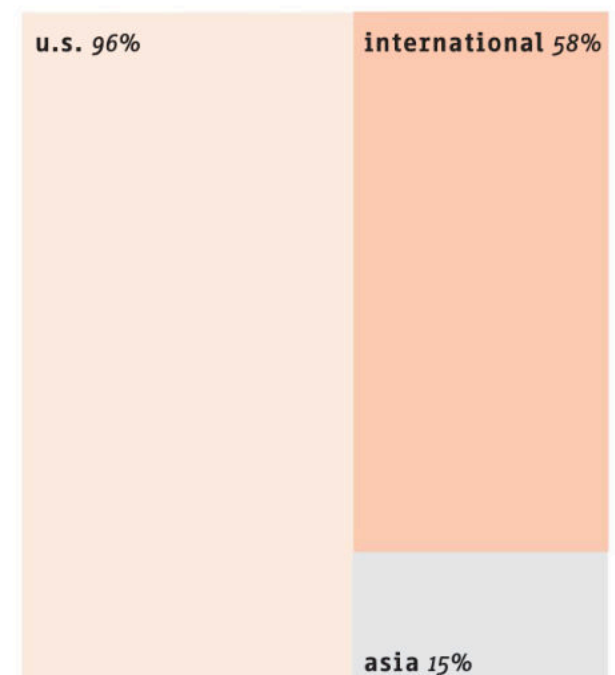
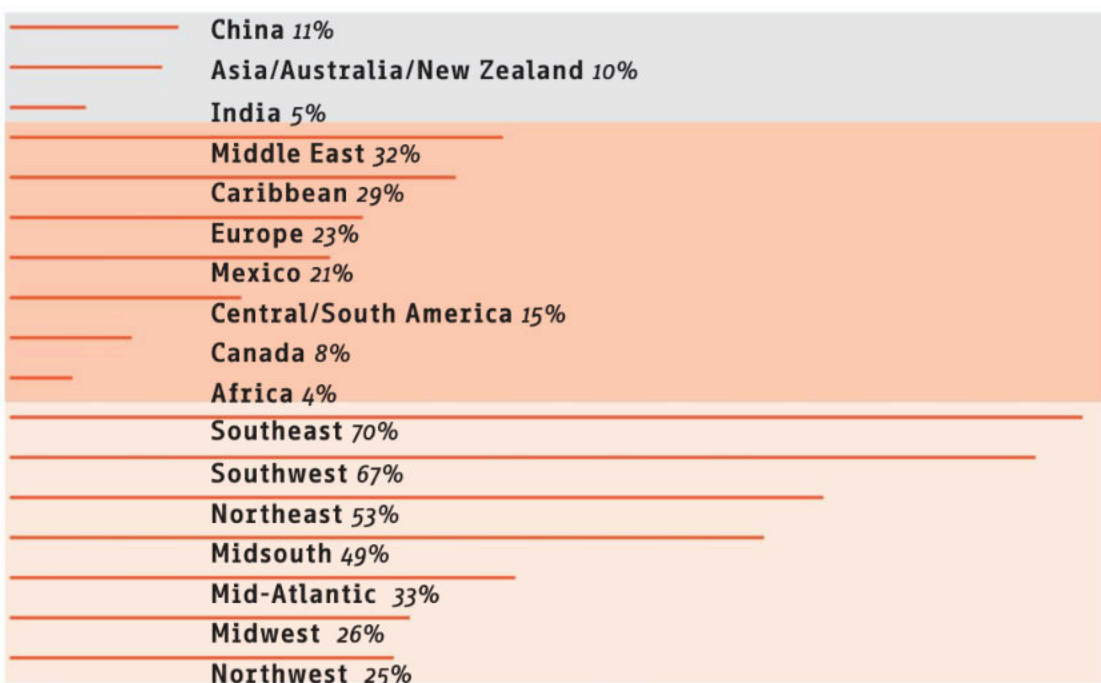
## percentage of fees by project type



## ones to watch...

Of the 75 firms in our rankings, 10 are new, although the number-one spot holds steady: HBA. Studios that experienced major growth—and correspondingly big climbs up our list—include Elkus Manfredi (up 48 spots to 34) and Jacobs (up 29 spots to 12).

## percentage of firms projecting regional growth over the next two years





## percentage of firms predicting category growth over next two years

	more projects	no change	fewer projects
Boutique hotels	57%	20%	3%
Luxury hotels	51%	23%	5%
Restaurants/bars	51%	30%	4%
Resorts/spas/country clubs	49%	24%	5%
Mixed-use	46%	24%	4%
Mid/economy hotels	34%	27%	4%
Senior living	28%	44%	0%
Condo-hotels/timeshares	20%	24%	5%
Gaming	18%	23%	5%
Micro-hotels	11%	31%	5%
Cruise ships	9%	23%	1%



*La Casa Dragones in San Miguel de Allende, Mexico, by Meyer Davis Studio [20].*

## most admired firms

1

Yabu Pushelberg

2

AvroKO

3

Rockwell Group

4

Meyer Davis Studio