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Interior Design Unveils the 2022 Hospitality Giants

The results for the 2022 *Interior Design* Hospitality Giants, our survey of the top 75 firms working in the sector, are somewhat like taking a construction elevator in an unfinished hotel project: It may be uncomfortable, but it will still get you where you want to go. Predictions say we will, and results are better than expected, but there's still post-pandemic corporate pain. Business has been down, but data points to a rebound. Let's have a look.

Hospitality design bounces back

Hospitality Giants Rankings 2022

Search:

Rank 2022	Firm	HQ Location	Hospitality Fees (in millions)	Value (in millions)	Sq. Ft. (in millions)	Design Staff	Rank 2021
1	Cheng Chung Design (http://www.ccd.com.hk)	Shenzhen, CN	\$109.60				new
2	HBA International (https://www.hba.com)	Santa Monica, CA	\$103.50	\$6,210.70		1,355	1
3	Gold Mantis Construction Decoration Co. (http://www.goldmantis.com/jtl2013/cn/home.asp)	Suzhou, CN	\$56.90				2
4	Rockwell Group (https://www.rockwellgroup.com/index.php)	New York	\$22.90				11
	Forrest Perkins/Perkins						

Rank 2022	Rank 2021	Firm	HQ Location	Hospitality Fees (in millions)	Value (in millions)	Sq. Ft. (in millions)	Design Staff
5	5	Eastman Johnson (https://perkinseastman.com)	New York	\$20.30			295
6	4	Gensler (https://www.gensler.com)	San Francisco	\$19.90			3,073
7	20	Populous (https://populous.com)	Kansas City, MO	\$19.80			
8	13	AvroKO (https://www.avroko.com)	New York	\$13.70	\$0.60	1.2	81
9	9	Gettys Group Companies (https://www.gettys.com)	Chicago	\$13.30	\$200.00		55
10	8	DLR Group (https://www.dlrgroup.com)	Minneapolis	\$12.10	\$49.50		110

Overall fees for the group fell from \$576 million in 2020 to \$423 million in 2021, a 27 percent drop. But the group forecasts a recovery in 2023 to \$491 million. The latest Hot Market Growth Report from ThinkLab, the research division of Sandow Design Group, lists the usual pandemic suspects as reasons for the headwinds: lack of corporate travel, supply-chain issues, rising costs, employment challenges. The good news: Like the pandemic, these issues are predicted to gradually resolve soon.

Most Admired Design Firms

PROJECTS

AvroKO Channels Savannah's Culture of Gracious Hospitality at the Perry Lane Hotel in Georgia

From a distance, it looks like it's been there for a century. But in reality, the Perry Lane Hotel in Savannah, Georgia, is a new ground-up structure—actually,

PROJECTS

George Yabu and Glenn Pushelberg Design a Dramatic Hotel in Leicester Square

2021 Best of Year winner for Boutique Hotel. Plays staged in the West End have been entertaining theatergoers for over 350 years. As the scene rebounds from pandemic closures,

PROJECTS

Rockwell Group Earns a Best of Year Award for the Moynihan Train Hall in New York

2021 Best of Year winner for Transportation – Small. Rockwell Group designed a ticketed waiting area for Amtrak and Long Island Railroad customers that brings

two structures (more on that later). That'...

visitors can enjoy that spectacle while stay...

the glamour back to travel.

Where did the hospitality firms take these hits? Right in the moneymaker: hotels. Always bringing in the lion's share of fees, hotel work fell from 57 percent of fees to 47, coming in at \$208 million. Furthermore, luxury hotel work, source of some of the biggest earnings, has been responsible for nearly a third of hotel fees the past two years; now it's just 25 percent. But nearly every business segment was down in 2021. Hotels are just the most glaring and devastating to the overall bottom line. There are bright spots, however, such as resorts and restaurants now making up more than 22 percent of fees, from 17 percent. Growth is definitely happening.

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Hospitality Firms with Largest Increase in Fees

Firm	2020 Design Fees	2021 Design Fees
Gold Mantis Construction Decoration Co.	\$37,425,000	\$56,940,000
Populous	\$7,666,072	\$19,815,523
Rockwell Group	\$11,960,000	\$22,927,898
JCJ Architecture	\$7,350,000	\$11,600,000
Aria Group Architects	\$5,250,000	\$8,500,000
Icraive	\$7,100,000	\$10,118,000
CHIL Interior Design	\$2,407,672	\$5,271,340
AvroKO	\$11,007,278	\$13,728,837
Studio Dado	\$3,000,000	\$4,398,255
IndiDesign	\$2,090,000	\$3,200,000

International projects are down with only 17 percent of firms doing that work, from 24 percent last year (in 2015, it was about a third of firms). But the Caribbean is clocking in with 60 percent of international firms taking projects—that’s up from 52 percent in 2020. This dovetails with what we’re seeing up and down the U.S. Eastern Seaboard, as approximately 20 percent more Hospitality Giants see the Southeast as a growth hotbed, and nearly half are looking toward the Northeast. But biggest growth region is the Southwest, where 73 percent of respondents see an uptick. ThinkLab’s report breaks regions down even further, highlighting Texas, Arkansas, Florida, and New York as states ready to grow.



Projects in the Middle East are picking up as well as those projects that may have gone on hold over the pandemic. Leisure is hot in Latin America and Mexico. Renovation is still strong. Globally, hospitality is driving city building. A hotel tower is often the anchor experience in a new mixed-use development. This has been driven by the need for new cities to market themselves as open and desirable tourism.”

—Tom Ito, Genster

Global Growth Potential for Next 2 Years

U.S.

Region	Percentage
Southwest	73%
Southeast	71%

Region	Percentage
Northwest	47%
Midsouth	44%
Mid-Atlantic	41%
Midwest	30%
Northwest	22%

International

Region	Percentage
Canada	10%
Mexico	19%
Central/South America	10%
Caribbean	25%
Europe	18%
Middle East	26%
Africa	3%
China	16%
India	7%
Asia/Australia/New Zealand	11%

And yes, let's talk about optimism for a second. Because that's the word here. Here's some sunshine:

—When looking at the U.S regions primed for growth, the Hospitality Giants's overall enthusiasm is much higher this year: Over a quarter are more bullish than a year ago.

—Firms are using their experience and skills to bring hospitality know-how to other segments. Example: "We've made a strong and concerted move into residential, parlaying our hospitality experience into shared spaces and amenities," CHIL Interior Design senior principal Paul Morissette says.

—Hotel work, luxe and boutique in particular, is expected to rebound starting in 2023. Same for multiuse, as well as resorts, spas, and country clubs.

—Meanwhile, a report from Dodge Data & Analytics shows lodging construction to be one of the most robust growth areas not just next year, but through 2026.

In short: A solid business is still there, and it's very possible the worst is over.

Fees by Project Segment

Segment	2020	2021
Hotels (Total)	47%	48%
Hotels (Luxury)	25%	26%
Hotels (Boutique)	13%	13%
Hotels (Mid/Economy)	9%	9%
Hotels (Micro)	0%	1%

Segment	2020	2021
Hotels	11%	12%
Spas	2%	1%
Country Clubs	4%	4%
Gaming	4%	3%
Restaurants	11%	11%

During the next 2 years, do firms expect to see more or fewer projects in these segments?

Segment	More Projects	No Change	Fewer Projects
Hotels (Luxury)	56%	28%	2%
Hotels (Boutique)	63%	21%	5%
Hotels (Mid/Economy)	41%	35%	2%
Micro Hotels	16%	30%	2%
Condo-Hotels/Timeshare	22%	35%	2%
Multiuse (Hospitality/Retail/Residential)	62%	16%	1%
Restaurants/Bars/Lounges/Nightclubs	58%	21%	5%

Segment	More Projects	No Change	Fewer Projects
Resorts/Spas/Country Clubs	62%	21%	4%
Gaming	26%	26%	2%
Cruise Ships	5%	31%	4%

“Our firm is growing exponentially—we just hired 14 new people. Year-over-year, we increased our revenue 30 percent and are looking to do four times the amount of business we engaged in pre-pandemic, which is a great sign for the hospitality and travel industry. As people rush back out into the world for personal and business travel, 2023 is projected to be a record-breaking year for us.”

—Kellie Sirna, Studio 11 Design

Hospitality Project Categories

Categories	Percentage
New Construction	48%
Refresh Previously Completed Projects	8%
Renovation/Retrofit	44%

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 January 1, 2021 through December 31, 2021. 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 hospitality Giants, not their total number. The data was compiled and analyzed by Interior Design and [ThinkLab](#), the research division of Sandow Design Group.

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