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HOME ACCENTS

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STATE OF THE INDUSTRY

BY SUSAN DICKENSON

Steady growth means more business, new challenges for interior designers

The U.S. interior design industry grew by 7% in 2013, its first year of significant growth since 2007. Last year, the industry continued its steady recovery, powered by more strength in the residential segment. By the start of 2014's fourth quarter, inquiries for interior design projects had reached their highest level in three years, according to the American Society of Interior Designers' Interior Design Billings Index.

Going forward, the ASID projects a growth rate of 13% through 2022, a forecast that bodes well for home furnishings. Laura Horsley, ASID's vice president of marketing and communications, told Home Accents Today that interior designers "definitely have a strong impact on the home accents industry," with firms specifying an estimated \$46.3 billion in products each year. ASID's 2014 Industry Outlook put average product sales at 60% of a design firm's total revenue.

Interior Design magazine reported that in 2013 the top 100 interior design firms specified \$69 billion of furnishings, fixtures and construction products, with \$20 billion of that going to interiors. Total design fees hit \$3 billion in 2013, half of that generated by green projects.

"In the area of sustainability, clients and governments are demanding that buildings achieve higher levels of performance in conserving energy and water and in meeting or exceeding LEED standards for sustainable design and construction," Horsley said, adding that health and wellness is also a growing concern. "A recent study by ASID and McGraw Hill showed that building owners, architects, designers and contractors expect the impact of a building on the health of its occupants to have a high impact on design and construction decisions in the next two years."

Other trends impacting design, said Horsley, include the blending of workplace and residential spaces, consideration for the well-being of occupants in design decisions, the blurring of interior and outdoor spaces, the impact of globalization on design, and multigenerational housing — all of which translate to a new set of challenges for interior designers.

"The increasing demand for more sustainable and healthy environments has placed greater emphasis on knowing where and how products are manufactured, as well as on their components,"



Patricia McLean, Patricia McLean Interiors, Atlanta

she said. "And when it comes to technology, designers need to expand their knowledge beyond 'smart' technologies — to digital panel walls and interactive devices that are becoming standard in retail, hospitality, healthcare, museums, libraries and other environments — and understand how to work with technical experts to implement these new technologies."

For a closer look at the industry, Home Accents Today spoke with Jeff Andrews, Jeff Andrews Design, Los Angeles; Sandra Espinet, Los Angeles and San Jose del Cabo, B.C.S., Mexico; Yvonne Jacobs, Slifer Designs, Edwards/Vail Valley, Colo.; Patricia McLean, Patricia McLean Interiors, Atlanta; Wendy Raizin, Raizin Design Group, Broward County/South Florida; Brad Ramsey, Brad Ramsey Interiors, Nashville, Tenn.; and Denise Wenacur, DW Design & Décor, Croton-on-Hudson/Westchester County, N.Y.

Q: How has your interior design business fared over the past year?

Jeff Andrews: This year has been fairly consistent with recent years. For us, there has been an increase in projects outside of Los Angeles and even outside the U.S.

Sandra Espinet: Our business is steady and has been doing great for the past 10 years.

Yvonne Jacobs: We have definitely seen an uptick this past year. We are finding that those who held off on making major decisions about their homes were ready to make the leap. We also found that the real estate market started back with high-end homes and most were purchased at a great price but came with dated finishes and furniture. A lot of our business continues to be remodels with a few new construction jobs thrown in. We have also increased our reach and have about 30% of our business out of state.

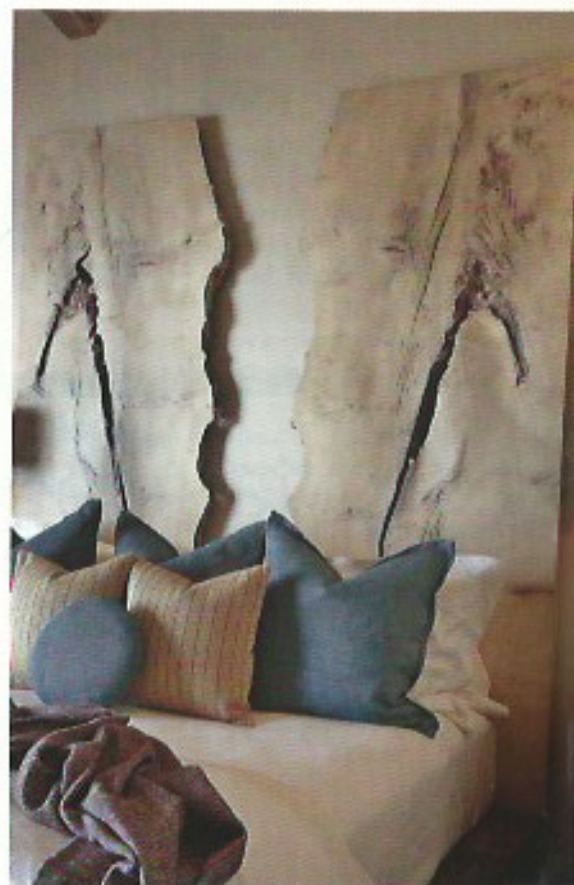
Patricia McLean: There is strong demand. Clients are decisive and want results.



Yvonne Jacobs, Slifer Designs, Colorado



St. Regis Residences, Patricia McLean Interiors, Atlanta



Sandra Espinet, Los Angeles and San Jose del Cabo, Mexico

living room, we walked through several of the trade-only showrooms in New York, where their direction became evident to me. We were able to create a beautiful room to their taste and color palette that they loved!

Q : What is the most unusual or fun project you've completed?

Sandra Espinet: A home in the Bahamas because it was just so beautiful, fresh and natural.

Yvonne Jacobs: A client who bought a very high-end RV to travel to his daughter's horse shows — we redid the interiors and customized the whole thing!

Patricia McLean: The completion of model homes in the St. Regis Residences in Atlanta. We had license to design the architectural layout of the space, special custom millwork (including a paneled study), drapery and soft furnishings, furniture, antiques, rugs, art, lighting, accessories and finishes. Every item in the new 4,000-sq.-ft. condominiums in the sky was specified and placed by us. It was challenging and most rewarding. We won an ASID award.

Wendy Raizin: A director's home that was to be sold to an unknown Hollywood personality. Not knowing exactly who would be enjoying the space made the design process a bit of a guessing game. It all worked out in the end and everyone was happy.

Brad Ramsey: A wine cellar for a client, complete with redwood paneled walls and redwood racks. It turned out beautiful.

Denise Wenacur: A huge room over an attached garage for a family of five. The challenge was that, as a result of the roof line, there were severely angled ceilings in the room that could not be changed. I designed custom built-in cabinetry and bookshelves for those sharp angles and strategically placed the wall and ceiling paint colors, turning a negative into a positive.

Q : How important is social media in your marketing efforts?

Jeff Andrews: We use Instagram, Twitter and Pinterest. I believe in social media as a tool to express yourself personally and professionally and love how visual and interactive it is. We have control over what we share and can expose the right amount of design and style as we see fit. No more, no less.

Sandra Espinet: There is so much social media out there at the moment that it's almost mind-boggling. But it is important and does create brand awareness. Some people are just all fluff and social media and do not do much design work. Others do more design work and social media is secondary. It just depends on what is important to you.

Yvonne Jacobs: We do it all — Facebook, Instagram, Pinterest, Houzz, LinkedIn, Youtube, Dering Hall. Facebook is a good format for us to get the word out and maybe pick up clients that we would not normally have. Houzz and Pinterest are great tools to use as a designer and clients love it, too. We also do a lot of blogging and have a column in our local newspaper. We try to take advantage of all of the platforms and have a dedicated two-person marketing team

so it is easier to do.

Patricia McLean: Social media helps keep my clients and followers informed about events and projects. I have pages on Facebook, Instagram, Pinterest, LinkedIn and Houzz.

Wendy Raizin: I've just started to use social media in my marketing efforts. It is important, but for me the work and relationships built while delivering successful projects are key to retaining new business.

Brad Ramsey: I try to stay current with social media trends and am active on Twitter, Facebook, Instagram, Pinterest, LinkedIn and Houzz.

Denise Wenacur: Social media is hugely important to my business! We have close to 200 photos on Houzz in our business profile with almost 20 reviews. We enjoy seeing what photos end up in people's idea books. Our business Facebook page has hundreds of likes and is frequently updated with photos and our Youtube videos of ongoing renovations. We share images from furniture and accessories shows, while we are attending them, with our clients. I am on LinkedIn, and I tweet, upload to Instagram and pin to Pinterest. Everyone has their favorites and we try to be in their line of view to let them know we are there to help as needed. Also, I have a new website launching in early 2015; it is so important to have our company information and portfolio easy for prospective clients to find during an online search. Our existing clients love to share before and after photos of their completed spaces with friends and family.

Wendy Raizin: Total revenue for 2014 was 69% greater than 2013. However, 2013 was 40% lower than 2012. Gross profit followed the same trend; 2013 was 20% less than 2012, but 2014 was 38% greater than 2013. Such significant changes in revenue from year to year are mainly due to the fact that the larger projects take a longer time to complete and the bulk of the revenue (and profit) is realized towards the end of the project.

Brad Ramsey: 2014 has been a very busy year for me. My business has grown about 25%.

Denise Wenacur: My design business has steadily grown at least 20% year over year.

Q: Describe your average project in 2014.

Jeff Andrews: Our average project is roughly 10,000 square feet, residential, new construction.

Sandra Espinet: We specialize in luxury residential. We do projects mainly between \$500,000 and \$3 million in furniture.

Yvonne Jacobs: Average is residential, split between whole houses and rooms, probably slightly more houses; some small boutique hospitality work, upgrades to hotel lobbies or freshening up the bedding package. Home sizes range from 5,000 to 10,000 square feet. We are in a resort area so about 90% of our clientele are second homeowners.

Patricia McLean: Whole houses, refreshing existing clients' projects, commercial projects — the second St. Regis Residences Model Home I designed just sold. The Cashiers, N.C., Show House I designed in August will be used for Ian Sanderson fabrics marketing in the UK and U.S.

Wendy Raizin: Entire house/large-scale renovations. I don't typically take on a one-room project. Also commercial spaces such as a restaurant, office buildings and a hip salon located in a former bank.

Brad Ramsey: I work jobs of every scale, from ground-up builds to single room remodels. I do less commercial work, but this year I was the designer on a lobby remodel for a Nashville condo.

Denise Wenacur: The projects have been varied in size and scope throughout 2014. The largest was a house needing major renovations: full kitchen, three baths, enclosed sunroom, new stair rails, then furniture, rugs and accessories. Another interesting project was in a temple where we turned a library into a meeting lounge. We also designed some beautiful family rooms, and brightened up the lobby of a professional office building.

Q: Describe your clients.

Jeff Andrews: We have families, bachelors, young couples and celebrities. We love them all.

Sandra Espinet: Some are single, some young, some older. It's fun because we get to design for

various age groups and lifestyles.

Yvonne Jacobs: Most are in their mid-50s to 70s, and from the East or West Coast. We get a lot of visitors from Mexico and they are very good clients as well.

Patricia McLean: Mostly established professionals with families.

Wendy Raizin: My clients tend to be under 50, sophisticated and hip, as varied as the projects I work on. Some live in urban areas, but have homes in the country or suburbs that I will design as well. They range from business owners and CEOs to movie personalities and sports figures.

Brad Ramsey: My clients on average are in their 30s and 40s and live in the Green Hills and Brentwood areas of town.

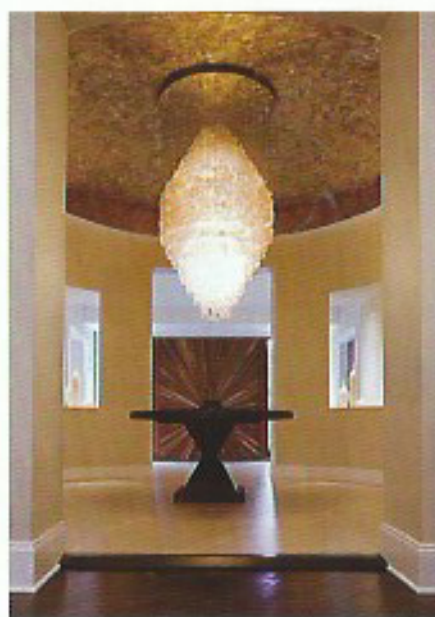
Denise Wenacur: My clients vary. What they all have in common are design challenges that need to be properly addressed.

Q: When you start on a new project where does your inspiration come from?

Jeff Andrews: My inspiration always begins with the client's needs, wants and aspirations for their home. Each project has a unique energy and flow and the rooms are created in connection with the overall design plan. As far as inspirational design elements, it varies from room to room, project to project. A fabric, color, rug, piece of art or light fixture — you never know what the initial inspiration will be. That's what keeps it fun and creative.

Sandra Espinet: There's no black-and-white answer since inspiration comes from everywhere. Sometimes the client brings inspiration to the table. Sometimes the home or city it's in creates its own inspiration. But we try to create homes that are all different and have different styles from unique inspiration sources.

Yvonne Jacobs: There are so many great resources now with Pinterest, Houzz, Dering Hall — sometimes a client will have already started a visual board for us. We will be inspired by that and we also do a pretty thorough job at assessing the client's lifestyle, figuring out what style they want to come out of their new home. Sometimes we are working with a few pieces from a client's home and will take cues from the rugs and existing art



Denise Wenacur, DW Design & Décor, New York



Wendy Raizin, Raizin Design Group, South Florida



Yvonne Jacobs, Slifer Designs, Colorado



Brad Ramsey, Brad Ramsey Interiors, Nashville

and furniture, but mostly we start with creating a look that we feel fits the client's look and needs and works cohesively with the architecture.

Patricia McLean: The selection of rugs is often my first stage of a project. The color palette and style can then spring to life. I always begin by asking clients if there are any colors they do not like.

Wendy Raizin: I start with the client — their lifestyle, personality and the architecture of their home. For a project to be a success, it has to enhance people's experience while spending time there.

Brad Ramsey: I attempt to really learn my client, their likes and dislikes, and build the design around their life. In the end, they are going to live in the space so I want it to be a unique reflection of them. I always take the opportunity to infuse the design with balance and layering that stay true to my design aesthetic.

Denise Wenacur: Inspiration varies, depending on the client and the scope of the project. Many times a residential client will show me items they like in their home, desiring to keep the same style in the additional furnishings. Sometimes, if the room is a full redo, a rug or a piece of artwork is our starting point. In the case of a recent kitchen renovation, the clients found photos on Houzz they liked; I immediately saw the common elements that caught their eye, and we included those in the design scheme. Another time, when a couple had absolutely no idea of what they wanted for their

Q : What voids do you see in the marketplace right now?

Jeff Andrews: I feel there is a lack of quality original accessories for the home.

Sandra Espinet: I do so much work and purchasing that I am always running out of new and unseen "everything." Specifically, though, upholstered pieces — they all start to look alike after a while.

Patricia McLean: Bath lighting — sconces and overhead. I would love to see the designs I have in mind produced.

Wendy Raizin: There is a market just below super-high: Clients that recognize luxury and demand it, but still pay attention to the price tag. They have a large budget, but not necessarily an endless supply of funds.

Brad Ramsey: Modern upholstery pieces at a good price point available in COM or different fabric options other than the traditional three leather colors and wool/tweed fabrics.

Q : If you could suggest one or two things to your vendors that would make your life easier, what would it be?

Jeff Andrews: More in-stock items.

Sandra Espinet: Pricing availability. I was recently in a showroom with six rugs hanging on the wall. I asked for a price and the sales girl had no clue and it took her two days to get the quote to me. By then I had already selected another rug.

Yvonne Jacobs: Having a good rep makes all the difference. The personal connection is key — knowing you can trust that person to deliver for you makes life easier. With some of the high-end vendors it takes up to six months to get something in. Clients are just not willing to wait any more. Also, have an easy-to-use and beautiful website. Catalogs are becoming obsolete.

Patricia McLean: Reps who form personal relationships.

Wendy Raizin: I would like high-end accessories that clients would not find in a typical store.

Brad Ramsey: Better photography and simple styling on websites. We don't need to see accessories in a room setting or furniture with lots of colors and patterns. Clients cannot see past the styling sometimes.

Denise Wenacur: Clients often want to sit in the upholstery that I have specified for them. It would be helpful to have some type of representation or samples from more manufacturers in the NYC showrooms so I can offer a visit to my clients if requested. And I still like printed catalogs — easy to take off the shelf and review with a client in a meeting.

Q : Any styles, fabrics, trends you've identified that seem to be popular?

Sandra Espinet: People are shying away from overly formal fabrics such as damask. But I do get a lot of requests for quality indoor/outdoor fabrics that are user-friendly for kids and pets in high traffic rooms like kitchens and breakfast rooms.

Yvonne Jacobs: We get all styles, from modern (but a softer more transitional look) to traditional mountain home. We like to call it New Traditional — it feels fresher and up to date.

Wendy Raizin: I'm not really a trend follower, but I have to say everybody is in love with gray right now, in every shade.

do you plan to shop in 2015?

Sandra Espinet: Maison & Objet Asia in Singapore. Right now I am shopping for fantastic lighting. I've purchased a few antique and vintage chandeliers that I can't wait to receive.

Yvonne Jacobs: High Point, New York... maybe try the new Maison & Objet Americas. And possibly Las Vegas. We are always looking for great side tables, lamps and new and different accessories. We tend to go with a more natural look but also like a little gold and silver thrown in. Leather pieces do well for us, too.

Patricia McLean: Atlanta, High Point, Paris, New York. Accessories for coffee tables, bookcases, etc.

"A FABRIC, COLOR, RUG, PIECE OF ART OR LIGHT FIXTURE - YOU NEVER KNOW WHAT THE INITIAL INSPIRATION WILL BE. THAT'S WHAT KEEPS IT FUN AND CREATIVE." — JEFF ANDREWS, JEFF ANDREWS DESIGN

Brad Ramsey: Mid-Century Modern is very much in style right now. I personally like the pieces that walk the line of Mid-Century without being over-styled. I think that will give them a longer shelf life.

Denise Wenacur: The geometric patterns seen at the fall High Point Market have been of interest to my clients. Monochromatic and neutral color palettes, clean lines, glimmer of shimmer, and an overall sense of comfort. Anything stuffy is out. It is all about comfort, functionality, durability, relaxed elegance.

Q : About what percentage of your annual sales are furniture/area rugs/home accents?

Sandra Espinet: I guess furniture and fabrics would be the lion's share.

Yvonne Jacobs: Furniture, 60%. We do not sell area rugs in our retail store but in the design business it would be about 25%, and accents - 40%.

Wendy Raizin: The cost for most projects is split on an average as follows: 40% furniture, 10% lighting, 10% windows, 5% fabric and 2% area rugs. The rest of the cost is associated with hardware, construction and consulting.

Brad Ramsey: Furniture is easily 50%, with accents probably taking 30% and rugs 20% or under.

Denise Wenacur: I do a high percentage of upholstery, rugs and case goods. Lighting and accessories are next in line. I'm looking to do more wall décor in 2015. We also purchase kitchen cabinetry, wood flooring, lots of tile and custom items.

Q : What will you be shopping for at the winter and spring markets, and which markets

Wendy Raizin: ICFF and Art Basel Miami, to name a few. Fabulous artwork.

Brad Ramsey: Atlanta and High Point. I'm always looking for the right rug ideas and great reproduction artwork.

Denise Wenacur: Maison & Objet Paris and the fall High Point Market

Q : What is the biggest challenge affecting the success of your business?

Jeff Andrews: Time

Sandra Espinet: I think the biggest challenge all design firms have as they grow is employees and managing staff so they all reflect the same vision. It takes time to create a winning team that works well together. I am fortunate to have a great design team and we are not just co-workers but friends as well.

Yvonne Jacobs: Still, the little-to-no new building. Developers are not popping projects up like they used to and people are definitely more careful with their money. The internet has opened up a whole new world to the average person and has made design accessible in so many ways. And that is a good thing, except that it can be challenging to convince a high-end client to pay double (because the quality is better) the price for something similar they see in an RH catalog.

Patricia McLean: Time

Wendy Raizin: Finding the best artisans and craftspeople to achieve the vision my team and I set out to accomplish. Also maintaining the correct amount and type of employees needed in any given year as the economic climate changes.

Brad Ramsey: Time. Between research, design and client meetings, I always feel like I am rushed and behind the eight ball. ■