

INTERIOR STYLE HUNTER

Interior Design Pricing  
Survey Results

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## Overview

As a marketing and business strategy consulting firm to the interior design sector, we are asked, almost on a daily basis, about pricing strategies. In particular, “What is everybody else doing?” I don't really like to answer this question as it's usually followed by the designer trying to implement what others are doing, but that's not always the right thing to do for your business.

I know that this is a very hot topic and I strongly believe that industry bodies should be tackling this problem head-on, but their approach is slower, and for good reasons too. They need to work within their guidelines and think about this issue in a much broader perspective than we do, taking into account the macro and micro environments that we trade in.

My focus and yours is squarely focused on your business and how to grow it or run it more profitably. Data is key for anyone who wants to make informed decisions in their business, I'm hoping that this general survey is just the start.

## What Is the Effect On Your Business?

I don't want to champion a specific formula. What is more important than a formula is the effect that it has on your business. Different strategies will have different results for your business, and it's your role as a business owner to understand the effects of these strategies and ensure that you build your pricing strategy to suit your business objectives.

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## Results

This is by no means a scientific study, it was anonymous, and the questions are simply designed to give us a broad overview of trends and preferences with the ability to add comments on certain questions. We did, get 100 responses which prove just how important this topic has become.

The answers and comments clearly indicate that there are major issues in design firms with regards to pricing, with 58% of respondents saying that they are not confident in their pricing strategy.

The question about Design Fees raises an immediate issue. 66% of designers base their fees on the amount of time needed to complete a project, and we both know that you are spending a lot more time on a project than you've quoted for.

Trade commission seems to be all over the place, with most respondents charging between 20 and 25% on the trade price. What should you be charging raises many issues and there is no clarity among the results.

Lastly, the open question raised some very important issues which need to be dealt with as an industry for design firms to be able to create profitable business models.

## Workshop

To further discuss these results and to help designers clarify their pricing strategies, I'm going to hold a workshop on the 12 June. I've partnered with Nicola Pearson, a Chartered Accountant and Partner at Haines Watts London, one of the top UK accounting firms. In this workshop, you will learn the common strategies that interior designers use to price their services and the effect that each of these strategies has on your business.

[Book your tickets now.](#)

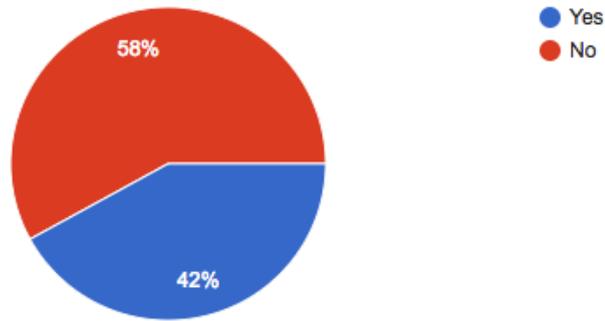
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## Survey Results

Are you confident in your pricing strategies?



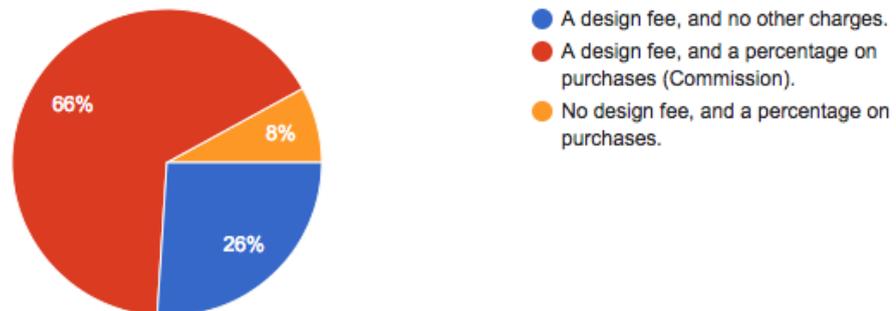
100 responses



There are 3 typical pricing approaches that I've seen. Which one of these do you use the most?



100 responses

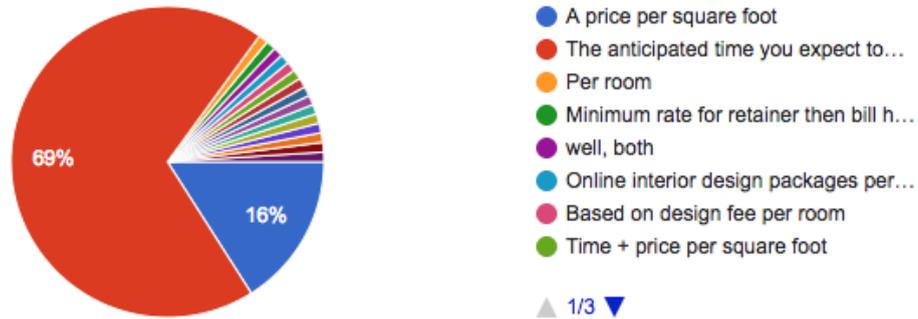


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With regards to your Design Fee, do you base this on:



100 responses



- 68% - The anticipated time you expect to work on this project
- 16.5% - A price per square foot

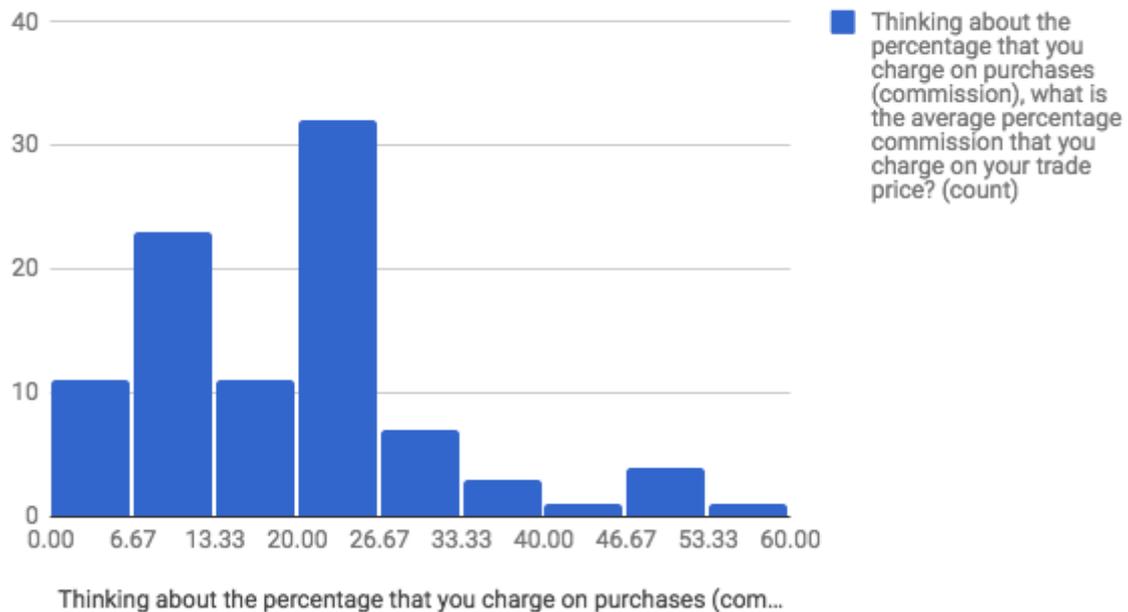
Other:

- Based on an hourly rate
- Based on design fee per room
- developers give you a fixed budget
- Fixed % on Total project cost
- flat fee per room
- Hourly
- Mine is a small fee just to cover my time out to assess the project and understand the client's requirements.
- Minimum rate for retainer then bill hourly after reaching retainer
- Online interior design packages per room
- Per room
- Price per square metre
- The scope of the project
- Time + price per square foot
- well, both

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Thinking about the percentage that you charge on purchases (commission), what is the average percentage commission that you charge on your trade price?

## Percentage Commission Charged on Trade Price



Is there anything else that you would like to ask/share with us?

- Would love to know how others price
- Hourly price of other designers
- What is the general hourly rate people charge?
- Project coordination is missing - liaison with trades people during installation (not your joiner or curtain maker, but the decorator, builder, plumber etc).
- We should be able to charge consultants fees for site meeting etc but clients seem not to want this time to be charged
- We've been having a lot of conversations about this recently Grant and I think transparency is the way it's going. Appreciate a lot of people's business models are based on high trade commissions however waiving that and increasing the design fee means I can source from the best supplier for the project and not the project profit.
- Pricing is one of my biggest challenges however charging daily initially seems to work best for when I started my business.
- I'd love to know typical hourly rates for UK designers in different regions. I know what a lot of N. American designers charge and it doesn't seem comparable to what I could charge, when translated to sterling.

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- Some clients prefer to have a fixed fee for a job and not hourly charges. If this is the case make sure there is a time limit on the job. If it runs over the time then you have to renegotiate the fee.
- how do you stop private clients getting trade prices (which they do get) How do clients know the difference between interior decorator, interior designer & interior architect.
- Isn't it illegal in the showhouse market to expect to work for free? I typical 2 bed apartment would take 3 working days including outsources to quote for everything from carpet, wallpaper, curtain treatments, bedding, furniture, accessories, joinery & designers time for power points & montage material. travelling to take a brief and presenting face to face will a full scheme (not concepts). normally there will be a minimum of 3 interior design practices tendering per job.
- How to Charge if project runs over or spec changes - extra costs/hours, if client constantly changes their mind.
- You have to price your work according to your needs; your overhead, your staff & salaries, your profit, but you can also factor in what you think you're worth. There is also an argument for calculating based on what you think the project / client will tolerate.
- Difficulty with percentage commission is that so many products are now available online at essentially trade prices so margins are squeezed.
- Can the industry standardise a pricing strategy, also can BIID change the way the referral system works. For example, can we pitch for the projects in a form of a presentation rather than just a description of words.
- It would be great for some structure of guidance from the BIID about pricing
- We use our design fees not only to cover the time taken when producing a scheme, because why would you expect to pay a plumber or electrician for his time but not an interior designer?! But also to ensure the client is committing to us. Before charging a fee we had many people taking our designs to B&Q or other places and DIYing their home using our plans and drawings which meant we lost out time and time again. We have a fee and a contract to create an expectation that the client will stick with us from beginning to end, and it works.
- After 10 years I still don't have my pricing right! It's not covered at Design colleges so only way to learn is by trial and (very expensive) error!
- Would love general fees back of your results.
- I don't charge commission on most of the design. Normally kitchens which take a lot of time in designing
- how much time to spend on a design per room and if charging based on that is a common practice?
- It's hard to work out the fee in advance. Especially a one off design fee and no other charges
- How would you price when the architect done a lot already and the client like to buy items himself?
- How do you handle charges for deliveries/ extras? do you take a contingency up front to cover these costs? How do you you calculate this amount?
- To make good margins, products need to be Bespoke & sources from suppliers clients cannot easily find. Suppliers need to support their trade clients & never supply direct if approached to do so. We would always rather work with suppliers who are to the trade only. This usually means they are top notch enough not to scratch around various different markets.
- Hourly rates would be interesting