



How do Interior Designers Charge?

The way I am compensated for my services is one the most important topics with my clients in our initial meeting. This is important, as many of my clients have never worked with a designer before and methods of compensation vary from designer to designer.

There are many ways to charge for design services, these include but are not limited to:

- Charging by the hour
- Charging by the square foot
- Charging an hourly rate plus a mark up on any products sold
- Charging by a Fixed Fee.
- Charging a percentage of the overall budget

I am open to using any of these methods depending on the project scope and the clients comfort.

However a 2009 study by the American Society of Interior Designers (ASID) revealed that almost 70% of clients prefer designers to charge a fixed or flat fee, while only 5.6% of designers actually charged for their work that way. The majority of designers charged an hourly fee or some variation of it.

Having used hourly billing and I still do for clients who ask for consultation time only, I completely understand why designers do this. Some clients can tend to be indecisive, dragging out the design process. Designers are often used as referees in other personal matters. If this happens, at least the designer's time is covered. However, I found that the process had more cons than pros for the following reasons:

- My clients never knew upfront what there expenditure for my services would be, and I couldn't tell them ahead of time how many hours their project would take.
- Receiving a complex itemized list of every single thing I'd done almost always resulted in frustration and questions from my clients' perspective. Understandably, nobody likes to see that they have to pay for all of the phone calls, or emails during the design process. It feels no different than being billed by your attorney to lick a stamp on your behalf... am I right?

- Clients have no idea how long the creative process can take. For instance, if they saw I'd spent say five hours generating a floor plan layout of their living space, they tended to question me, because in their minds it "should've only taken an hour".

Hence I made the decision to move towards a flat-fee of Value-based pay structure, and have been doing so successfully since 2010. This method is challenging and is truly only successful if you've had several of years experience to your credit. I have found it to be so much more beneficial for my clients.

First I get to know you and understand the scope of your project. Then using an in-depth spreadsheet I calculate a typical flat fee for the scope of work. I then usually proposed a three tier value-based fee representing various service options. An agreement is presented to my clients to review and sign before I do any work. It is important to understand (and I explain this clearly each time) that my flat fee is not the equivalent of an, "all you can eat buffet" situation. This is after all a "for-profit- endeavor". There are a fixed number of hours, services and expenses built into the fee and if we bump up against that number before the process is through, then we discuss putting a change order in place to cover the difference. This very rarely happens and in instances where it has become necessary, it's usually because the scope of work grew beyond what was initially agreed upon.

So are you looking for an interior designer? Be sure to ask about their fee structure so that you can make apples-to-apples comparisons and avoid unwanted surprises.

Peter E.