

Fee Guidelines

Interior Design

PN 006 (Issue A)
Design - Interior



Design
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Contents

1	Services Provided	2
1.1	Brief Establishment	2
1.2	Schematic Design	2
1.3	Design Development	2
1.4	Contract Documentation	2
1.5	Contract Administration	2
2	Fees	3
2.1	Hourly Rates	3
2.2	Percentage Rates	3
3	Retail Projects - Chain Stores	4
4	Hotels	4
5	Reimbursements	4
6	Travel	5
7	Collaboration with Other Disciplines	5
8	Payment	5
	Attachment	6
	Fees/Hourly Rate - Summary	6
	Fees	6
	Copyright and Disclaimer	7

1 Services Provided

Design projects can generally be divided into the following phases. An outline description and suggested fee apportionment accompanies each phase.

1.1 Brief Establishment

Designers shall first discuss the details of the project with their client, to enable the designer to prepare a comprehensive written brief which describes the extent of the commission for approval by the client.

The brief may require the preparation of preliminary or full measured surveys of a property or location; or detailed feasibility studies may be required before preparation of the sketch design stage and following phases of the project.

5% of total final fee, or hourly basis in addition to the percentage fee agreement.

1.2 Schematic Design

Preparation of block, stack and sketch plan proposals as necessary; illustrated sketches if appropriate; indicative budget estimates and client's response.

15% of total final fee

1.3 Design Development

Preparation of developed design including two and/or three dimensional concept presentation, colours, finishes, furniture and fittings proposal; liaison with and co-ordination of other services and specialist consultants. Provision of developed program and indicative cost estimates.

15-25% of total final fee.

1.4 Contract Documentation

Preparation of documents as necessary including co-ordination and integration of other relevant consultant documentation as necessary to call tenders. Updated indicative cost estimate.

35-40% of total final fee.

1.5 Contract Administration

a. Calling of Tenders

Calling of tenders in conjunction with and on behalf of the client; answering tenderers' queries; analysis and advice on tenders received; negotiation and preparation of documents for execution of contract.

b. Administration of Contract

Administration of the contract and inspection of the works including, as appropriate, supplying information, checking claims and issuing certificates, negotiating variations and cost adjustment and dealing with claims for extensions of time and other matters included in the building contract.

25% of total final fee

2 Fees

All fees are to be inclusive of the Goods and Services Tax

2.1 Hourly Rates

See the attachment Fees/Hourly Rate - Summary at the end of this document for average fees obtained in a DIA survey.

The hourly rates are averages only and would vary dependent on the size of the practice and overhead constraints.

Specialist consultancy advice would attract a loading on top of the above rates.

2.2 Percentage Rates

The following represent the range of fees applicable for projects within the office fitouts, retail fitouts and residential fitouts categories.

Project Value - \$	Office Fitout	Retail
50,000	Hourly	Hourly
100,000	Hourly	13- 20%
200,000	10 - 14%	10 - 16%
500,000	8 - 12.5%	10 - 14.5%
1,000,000	6 - 11%	10 - 12.5%
2,000,000	5 - 9.5%	10 - 11%
5,000,000	5 - 8.75%	9.5 - 10%
10,000,000	4 - 8%	7.5 - 9.5%
20,000,000	3 - 6.5%	6.0 - 7.5%
Above \$20m	Negotiable	Negotiable

Project Value - \$	Residential
50,000	Hourly
100,000	13 - 18.5%
150,000	12 - 17%
200,000	12 - 17.5%
300,000	11 - 16.5%
400,000	11 - 15.5%
500,000	10 - 15%
Above \$500,000	Negotiable

Please Note:

The above fees presume a full service, with the Interior Designer acting as lead consultant.

If the extent of service is altered, the fee structure should alter accordingly. If the brief is altered during the works, additional fees will be charged at the hourly rates.

3 Retail Projects - Chain Stores

Large retailers may require a design for a number of stores, in which case, it is suggested that a separate fee be negotiated for the development of a concept and design manual where applicable, and that a fee be agreed on an on-going basis for individual stores that conform to the original concept.

4 Hotels

In general the interior design component of a Hotel fitout should normally be negotiated between 5-10% of the F.F.&E. (Fixtures, Fittings and Equipment).

Because hotel briefs vary significantly, designers should take into account the 'repeat' factor of bedroom designs, calculating the likely number of different bedroom designs, suites and apartments, where applicable, as well as calculating on an individual basis the number of restaurants, coffee lounges, guest lounges and shops involved in the hotel.

Generally Hotel Interior Design has two main segments in the development of the project design:-

- 1 Typical Hotel Guestroom and Corridors
- 2 Public Areas (which include reception, restaurant, coffee shop, ballroom and function areas etc.)

Typical hotel guest rooms and corridors usually contain highly repetitive design elements and economies of scale, which allow a lower percentage design fee to be applied, say in the order of 4-6%, depending on the number of room types.

Public areas, whilst all part of the same building structure, are more likely to be treated on an individual design and fee percentage approach, at normal percentage fees based on contract values. These might vary between 10-15%. The more areas involved, the lesser the fee.

It is then possible to determine an overall percentage fee basis by assessing the complete work value to be carried out and based on the estimated contract values determined for the project.

The interior designer's role with a Hotel project should always be developed around a scope of works in conjunction with the architect, where applicable, in order that the responsibilities for design and planning of all interior spaces, finishes, fixtures and fittings is accurately defined.

5 Reimbursements

The client will reimburse the designer for all the following expenses, related to the project:

- 5.1 All fees paid to any statutory authority.
- 5.2 Advertisements.
- 5.3 Any drawings requested by the client, contractors, other consultants or authorities.
- 5.4 The provision of all contract forms.
- 5.5 Special services such as perspective drawings, models, prototypes, maintenance manuals, and 'work as executed' drawings.
- 5.6 Client authorised photographic record.
- 5.7 All ISD and STD telephone calls, email, facsimile services, telex or other specialised communication costs.
- 5.8 All air freight and courier costs.
- 5.9 All rental of specialised equipment where directed by the client.
- 5.10 All postage, other than standard articles by ordinary post.
- 5.11 All photocopying, and other reproduction processes.

6 Travel

The client will reimburse the designer for all costs of travel related to the project when any travel related to carrying out the project exceeds 30km in each direction; travel should be authorised by the client.

Fares, for the mode of transport chosen by the designer, and/or car allowance as agreed, and/or time allowance, in accordance with the relevant hourly rates, or as agreed.

Living allowance, covering the cost of overnight accommodation and meals.

Non productive time, such as time spent in travelling, is reimbursed at an hourly rate for either: 8am-6pm, 6pm-8am, weekdays and weekends as agreed.

7 Collaboration with Other Disciplines

The designer will direct and integrate the services where specialist consultants are required to assist the designer. All consultants are required to be paid directly by the client and they shall be responsible to the client, and the designer's responsibility to the client with respect the consultants will be limited to directing them and integrating their services, with the provision of a fee for the designer for this co-ordination - e.g. 1.5% of the total contract.

8 Payment

All payment shall be made within 30 days of date of invoice or interest will be charged at the current Trading Bank benchmark for overdrafts plus 3%.

Attachment

Fees/Hourly Rate - Summary

In July 2000 the DIA undertook a survey of fees being paid at different levels of responsibility in the interior design disciplines. Broadly speaking the average rates produced by the survey were within the upper and lower estimates that had been used in the past.

The rates should be used with care as rates will change in different circumstances and locations and by experience.

Fees

All figures are \$ per hour and do not include GST. All figures are calculated averages and have not been rounded.

Skill Level/Responsibility Level Fees \$/hr

Director	121.51
Associate	110.45
Senior Designer	89.36
Designer	76.78
Assistant Designer*	63.83
CAD Operator	64.47
Model maker	63.13
Administrative/secretarial	43.40

*The term Assistant Designer includes draftspersons, junior designers and technical staff.

Copyright and Disclaimer

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