Interior Design
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Lecture - 3
Interior Design Projects: Overview on Costing and Career

Namaste. Hello everyone. Welcome again to my NPTEL course on interior design. Today, we will be talking about interior design projects, and we'll try to understand how costing works and what the career avenues are for interior designers in terms of how they get paid and how they compute the costing. So, just having a look at the keywords, costing and career are two important keywords here.

Then, we explore this universe of interior design, and we'll see the different methods of how costing is done. For today's content, I'll be focusing on the scope of work for an interior designer. What methods do they employ to compute costing? There could be other considerations and reasons for costing sometimes. What could they be?

And how does one communicate with the clientele? How do they prepare the client questionnaire and some references? To understand the scope of work that an interior design project or an interior designer has to deliver and be a part of the process, we can first try to understand how an interior designer works. What are the subtle nuances of an interior design project versus other projects like core architectural projects? When we talk about an interior design project, there is a lot of emphasis on interior spaces and minute details, such as fabric selection, lighting, furniture, and, of course, the structural part as well.

And, every small detail, you know, comes into the picture. And therefore, interior design projects are very extensive in terms of how detailing is done in a project. You know, all sorts of drawings, different details, and the selection of certain materials, fabrics, color palettes, etc.

So, it becomes very comprehensive in that sense. And there are micro-level details that are required in an interior design project. So, one has to really start by understanding the site, visiting it, and documenting it. And then, you know, your discussions with the client, interactions, then preparing a design brief based on those interactions.

And then, you know, your 2D expressions, 3D conceptualization, and visualization. So that, you know, these discussions with your clientele and with your team, and expressing your idea becomes very professional and also comprehensible. And then there are proper working drawings that are required. Just like any other core architecture project, you know, what are the working drawings and how each little detail will be done—those kinds of details. And then, you know, the entire execution on-site. If there are some revisions or modifications, those have to be understood. There is this entire delivery, and then, you know, the final handover and everything. So, this all comes within the scope of the interior design project. And of course, there are intermediary spaces and intermediary steps in between, also based on what the involvement of a designer is and how much responsibility a certain client has assigned to the designer, and in what capacity they are involving them at every stage or step.

So, it's very, very important. And Yeah, so interior designer could limit themselves and just give the overall concept or, you know, some drawings and the execution is done by someone else. But they could also do the overall execution and implementation of the project and give it like, you know, complete solution to the client from conceptualization to the drawings to the execution on site and just like ready to walk in, you know, apartment or interior design project of other kind of typology.

All that is possible depending on what the discussions are and how the scope of work has been laid and in what capacity a designer, interior designer is employed. So, I mean, the clients, they want a very hassle-free experience. For them, it is always You know, more catchy and it's more interesting that the entire supervision on site to the procurement of materials, furniture, all sorts of installation and your final decor, everything is done by the designer and they are just given the entire project, you know, from scratch to the end. That is very, very important.

Because many clienteles, like they are, you know, we are all leading a very busy life and everyone is busy and sometimes it may not be possible for them to see everything and pick up furniture and upholstery and different kinds of, you know, other kinds of products, also decor objects. So, they just give this responsibility to the designer and the designer takes care of everything. Of course, in consultations with the client, that is how it happens. So, when we talk about all this hassle-free experience, all this scope, all the tasks the designer has to undergo, we also have to understand, you know, how much does an interior designer charge? And it varies based on the tasks

and the services that we were talking about and, you know, what all comes under his scope.

So, there are different methods to compute interior design project costs, which, as we discussed in the previous slides, could include the scope of work and what falls under this costing scheme. These different ways include a designer computing the cost by employing an hourly rate or a percentage-based cost. There is a per-square-foot cost, something called a markup on product cost. And there is also a lump-sum fee. So these are some broad methods to compute the cost.

If we talk about hourly costs, they are usually for smaller projects, such as a single room or a kid's nursery, which are on a very small scale. The designer is paid based on the actual amount of time they have contributed. Sometimes, there may be a very limited scope of work, and the payment is adjusted based on the time spent and the defined scope. In India, it could vary from 10 rupees to 100 rupees per square foot, depending on the level of detailing and the scope the designer brings to the project. Then there is a percentage-based cost, usually for larger projects where the scope of work is more elaborate.

Essentially, the total project cost determines the interior designer's fee as a certain percentage. It is usually 10 to 15 percent but can go up to 20 percent for highly customized designs requiring extensive experience and expertise. For example, in Dehradun, the capital of Uttarakhand, if a designer works on a project costing 35 lakhs, the fee is calculated based on the scope of work. And if the designer is working with market-ready standard designs, the fee could be as low as 10%.

And if the designer is really bringing some customized designs, keeping in mind the context of Uttarakhand, bringing some customization, employing the local materials, you know, like ringal, which is a species of a bamboo. Or doing something which is very, very innate to the identity of the place and bringing some local makers into the ecosystem. So, based on that customization, identity creation and the comprehensive details that, you know, the designer wishes to bring into the project, the fee could be as high as 15% or even 20%. So, a little bit negotiation is also sometimes it plays a role in, you know, getting the total fees. Then there is a per square feet, you know, which is a simple sort of formula-based method that you have a certain square foot, you know, area of the project and there is sort of fixed amount.

So, it usually ranges, you know, 40 rupees per square feet to 100 rupees per square feet. This is usually for only design and not execution. And this range also showcases,

again, the level of detailing and the scope of work. And again, what is the experience and expertise? And if there is something very, very unique that, you know, comes into play while designing and executing the project.

So, this entire range varies. And, you know, however, inclusive of products, carpentry, something like a modular kitchen and, you know, wardrobes, flooring and ceiling. So if we have all of these included, it can also shoot up even 2000 to 5000 and sometimes even more per square feet. Because if we are bringing more carpentry skills, and if there is the design of a modular kitchen which is required and customized flooring, ceiling.

So, all of these detailed scopes of work would, you know, lead to the rise in the fee of the designer as well. And this is generally followed in commercial spaces where there are like very fixed prices per square feet so that there is smooth functioning of the project and there is no conflict or confusion and where the scope of work is very extensively defined in written like on a contract. So, this is a hassle-free method. Then there is a cost plus or markup on products method and basically what happens that the designer charges a premium on every product that is incorporated within the design and where he is giving his or her services in procuring those products or you know designs or furniture pieces.

So let's say if there is a sofa and its cost prices say 20,000 and there are more products and furniture pieces like this which the designer you know tries to procure for the client and sort of creates this kind of curated experience the designer would charge some price as a markup so for 20,000 it could be like 22,000 so there is this 2,000 markup so it varies from project to project how many products are being procured where all the services are hired And what is the entire scope? So, it is somewhat traditional method and many people still use it. And basically, the design purchases that happen for that project are all the responsibility of the designer.

So, that's why they ask for this markup on products fee. And like furnishings and accessories and light fixtures, some of these kinds of, you know, interesting details in interior design project. These could demand certain attention from the designer and the clientele would need their support and their experience in procuring and curating these products. So, there is a role of designer and therefore the designer gets paid accordingly. But having said that, there is of course the possibility of customizing and designing those products and furniture items and decor objects

You know, on your own as a designer, that customization, and then designing your own range of furniture, accessories, and light fixtures. That would, of course, be another game altogether, because that's not just assembling or curating products that already exist, but designing from scratch, depending on your site, the client's taste, the kind of space, and the typology of the project, etc. For example, let's take a scenario. If there is a consultation with a designer on a bedroom design project, there will basically be an agreement where the terms and conditions are laid down, like what products are to be procured for designing the bedroom, the kinds of furniture pieces, the bedroom design, and the bed design. All of these products are procured and curated.

There will always be this agreement in place, and it could be, you know, like a 20% markup on goods purchased from a wholesale distributor. So, these kinds of costing methods are also employed while working on small projects like a bedroom design project. The budget will include the flat design fee, materials, vendors, and contractors who will be working on-site to execute the project. And then there is this lump sum or fixed or flat fee, where it's purely based on a designer's discretion. Like, you know, what is the sort of percentage or commission per square foot or a combination of two or more categories.

So, the lump sum for this kind of project is based on the designer's time, inputs, and the area. There could be a lump sum cost in terms of, you know, how many lakhs for a small project or a slightly bigger project. And usually, there is no transparency here because it's the designer's discretion and the negotiation that happens with the client. And these are still used sometimes, you know, when there is prior experience, where some kinds of projects like this have happened in the past between the designer and the same client, and they are more or less aware. Of the time taken by the designer, the vocabulary that the designer brings to the project, and the certain scale that is being achieved. So, usually, for a large job where the scale is more, this can be adopted as a method of computing cost because it provides the designer with a streamlined method of billing for the work that has to be done, and it covers all expenses, from design and layout to the final installation process.

Now, again, if we take the scenario, which is like, you know, same the bedroom design project, there would be again, you know, agreement and there would be terms and conditions laid out. There will be costs per service that would be layout. There could also be something like a retainer amount or a retainer fee that because you are

charging flat or lump sum. Before starting the project, there could be some retainer amount that could be given to the designer and the rest after executing the project. And also, there are services which are laid down for the designer to, you know, incorporate while computing the costs like color selection or purchasing products and so on.

So, this budget will include all the services that are being talked about here. There are sometimes few other considerations, you know, that add up and increase the cost and may lead to, you know, certain methods of cost addition or sometimes also reduction. So those considerations have to be kept in mind. Materials are very, very important when we talk about cost of an interior design project. So how are materials procured, from where they are procured.

If a designer has right connections in the industry and they have like good quality materials, but on reasonable prices, it is like a very effective way of managing your project and not really shooting the cost. And also, materials, you know, it's very important to keep a check on the quality of the materials. So, the clientele will usually want themselves to select the materials or rely on designers and do not generally give it you know to the contractors or other people on the site until and unless they have certain degree of trust and they have worked with them before. So, their materials play a very very important role in computing the overall cost of an interior design project.

Also, the Kaarigars who work on the site You know, what are their costs and what is their prior experience? And sometimes you have to pay them like on a daily basis as daily wages. Sometimes it could be at, you know, certain stages in a project, stage-wise payment. But many of these karigars also expect daily wages because, you know, they need these daily wages to really take care of their daily expenses.

So, there are some examples that, you know, one could follow, whether in India or also, you know, abroad. There is this range of price that we could see for a single room or for, you know, the second room in the same property. If you design, it could be slightly lesser because you have worked for the same client on another room. So, all these negotiations and all this sort of, you know, the trust related discounts and all those things are possible. So, if you have already a trust and you have worked on a single property, single room, and you're working on the same property on the second room, then there would be a possibility that your charges would be less than the first time.

And there are some considerations from, you know, the point of view of clientele. So, you know, making changes or you are delaying the project or you're deciding to abruptly expand the scope without involving the client. So, the designer has to be very, very sensitive and do things responsibly because delays and expansion of scope could increase the price of the project. So, one has to be very careful about it. And the smartest way is to meet few designers, you know, see their portfolios, discuss your project, see their design briefs.

And then, after hearing their thoughts, you just request a bid and then wait until there are three candidates from which you can choose. So, it is a smart and very effective method of choosing a designer and computing the cost of the project. So, I was talking about a retainer fee, just giving you a subtle introduction to that. Many professionals require their clients to pay a retainer fee, which is a percentage of the total estimated budget, and it's taken at the start of the project. It is advisable to put a contract in place, as it protects both parties, and all terms and conditions are laid out very clearly.

Also, there are stages, as I mentioned, within an interior design project. It is very important to keep track of those stages. Because, if you achieve certain stages in a timely manner, your budgetary concerns can be addressed, rather than having an overall cost increase and disrupting the timeline. All these are important aspects when working on an interior design project and computing the overall cost. If there are subcontractors or junior designers working with a designer, it is also important to note in the contracts their roles, schedules, prices, and scope, keeping everything in writing to clarify their contributions at each stage.

And also, like many other household contractors, any interior decorator should be willing to provide customers with references. So, once you have a good experience and contacts, it is always nice to provide references, and it is good to work as a team. Then, because there are many perennial interior design projects where all these teammates and stakeholders are required for smooth project execution. If we talk about the career and salary of an interior designer, there are some examples and cases that can be referred to.

So, there are some popular companies if we look at the interior design market. There is Interior Design Group, there is IKEA, and there is Interior Concepts. And there is Gensler. So, these different companies, depending on what kinds of manufacturing processes they employ and what kinds of products they create, whether it is

customized or mass-produced, whether it is just do-it-yourself assembly or the complete sort of turnkey solution. Depending on that, there is this high range that we see in salaries, and these are annual salaries, which you can see on the screen.

So, there is this wide range. So, we were talking about a few companies and we were seeing these different ranges—how they offer salaries. It also depends on in which city the project is being executed and where the designer is working, whether it's Mumbai or Delhi versus Chennai. So, all of these also have a great impact in deciding what the salaries are for interior designers.

And we are talking about the annual salaries here, what is listed. So, we also see, as per the experience level of the designer, whether it is an entry-level less than one year of experience or it is like an early-career designer, one to four years of experience. And then, based on that experience and exposure, of course, there will be a difference in the level of salaries paid to these designers. And that's how the market operates and decides the salaries. There is a mid-career interior designer, five to nine years of experience.

And then their average annual salary would be, of course, more than what we saw on the previous slide. And then there is this experienced interior designer who has more than 10 years of experience. And that somehow gives this kind of a decent salary. So, it is a very professional, cutthroat, difficult, and challenging field. But with the level of exposure and experience, as you go higher in terms of experience, you get more technical in your work, and you are able to deliver better. You become more professional, and the salary also increases.

So, this is a sort of inventory or chart, and this would also help understand the employees with interior designers in their job title in Hyderabad versus Andhra Pradesh and so on. So, it's basically based on the location also. What is the pay difference? There is a greater pay difference by location if we talk about metro cities like New Delhi, Bangalore, etc. versus Chennai, Tamil Nadu, and so on.

And you know, there are lots of career paths for interior designers. You could be the main designer, you could be the facilitator, you could be somebody who is just managing the site or just doing the supervision. So, there are lots of roles, and there are lots of stakeholders who come into this value chain. And it's possible to work in varied capacities and in varied roles. So also, there is this old matrix where we see the designer communicating with the client, and the value chain is sort of smaller, and the

stakeholders are fewer compared to the new dynamics and new matrix, where there are lots of crisscross connections and this.

Elaborate value chain, and before directly going to the client, there are lots of other steps that happen. So, it depends on the clientele and the designers, which kind of matrix they want to employ and what is their experience and trust level. So that flexibility exists. It's also sometimes important to create a client questionnaire, and this is a case of a residential project that you see over here. So, you know, very simple questions. What is the Vastu compliance? What is their overall budget, their personality traits, personal information? What kinds of spaces do they like?

What are the themes that they like, the kind of music, and whether it is like, you know, an open floor plan or with partitions, etc. And with these kinds of questions, the designer gets to know the client, and then the design can be done. So, I would just like to summarize with this quote, you know, which is given by Scott Adams. Creativity is allowing yourself to make mistakes.

Design is knowing which ones to keep. I find it very, very interesting. So, we will next talk about some case studies and examples. These are some references that will come in handy. Thank you.