



If you have any questions about this report reach out to us at
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A large, abstract black and white photograph of a complex steel truss or lattice structure, possibly a bridge or a modern building's exterior. The structure radiates from a central circular opening, creating a sense of depth and geometric complexity.

DESIGN 2022

THE REGION'S LATEST A&D INDUSTRY RESEARCH PAPER

This report analyses the regional design industry to understand what businesses need to do to ready themselves for the future.



The Status Quo of Regional
Interior Design



The Evolving Role of the
Interior Designer



The Road Ahead

“
THE BEST WAY
TO PREDICT
THE FUTURE IS
TO CREATE IT

- PETER DRUCKER

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Introduction

Exploring the subtle conversations of an industry

07

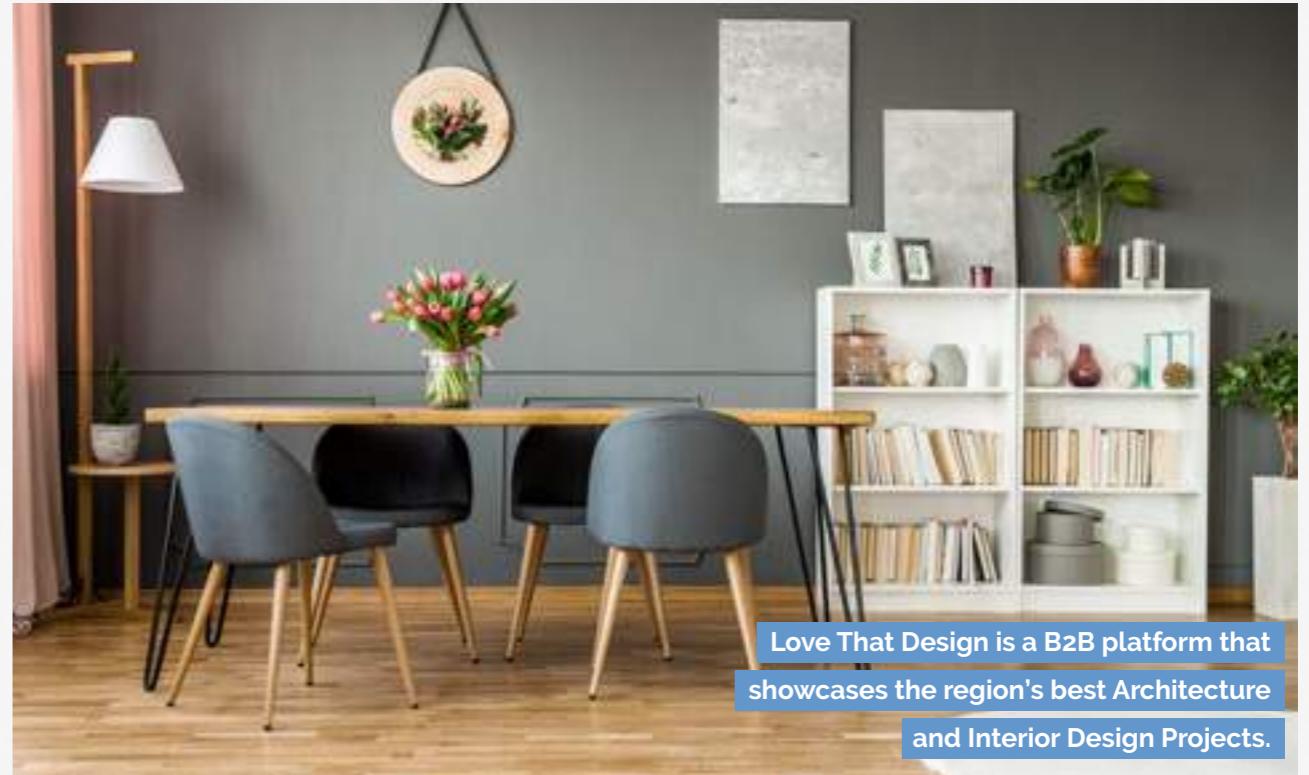
Our framework

08

36BN

**Projected value of
the design market
in the Middle East**

- DUBAI DESIGN & FASHION COUNCIL



Love That Design is a B2B platform that
showcases the region's best Architecture
and Interior Design Projects.

Exploring the Subtle Conversations of an Industry

Industries and businesses are often viewed as inorganic and abstract entities. We treat them as such, often taking a purely quantitative approach to our analysis. But truly comprehending the state of an industry goes beyond numbers; it involves a holistic understanding of its underlying context. Simply put, we tend to focus on the numbers but forget the people behind them. Which is why at Love That Design, we set out to do things a little differently.

Love That Design began five years ago with a simple mission. We wanted to create a digital platform to showcase the best of what the region's interior design industry had to offer. But that was never the end goal. We intended lovethatdesign.com to be more than a collective online portfolio of projects. In addition to showcasing stunning design talent, we've carefully nurtured it to evolve into a platform for knowledge, opinion, and thought leadership for the people who shape the industry. Our commitment to the quality of our visual content is matched only by our relentless pursuit of the latest knowledge and research the industry has to offer. In the process of building this foundation, we built a visible network that connects key stakeholders of the industry.

An interesting aspect of this network is the information that flows through it. Among the many forms this data can take, perhaps the most understated among them are the conversations that reflect the true sentiment of the industry. The content on lovethatdesign.com represents only a small portion of the insights from these conversations. Our first effort to identify and present all the key data we've collected over the years resulted in Design 2021.

Our latest report builds off the findings of our previous work, with the latter serving as a foundation for our ever growing body of knowledge. With Design 2022, we began exploring the depth of conversations happening within the design industry. What began to surface were subtle yet interesting differences in opinions about the industry, mostly due to varying viewpoints and subjective biases.

Our goal was to understand the context behind the various perspectives and connect the dots between them. This report presents insights from that exercise, and the conclusions drawn from them.

Our Framework

The approach for Design 2022 is an expansion of the previous framework, diving deeper into the cross-functional elements at play in the industry.

Keeping Design 2021 as our benchmark, we've contrasted our current findings with that of previous years to identify any major shifts and trends.

Over 100 professionals have been interviewed, each belonging to various groups in the design ecosystem - clients, contractors, design firms, manufacturers and educators.

Outside of the usual areas of inquiry, we've scoped out areas not commonly assessed in the past. Factors beyond the economy and technology, such as education, geopolitical, and of course, the impact of the Covid-19 were assessed. In addition, we included insights from interviews, reviews, and Design Collective 2020 as well.

The methodology involves both a quantitative and qualitative analysis of our data, with the latter providing the context needed to make the right inferences. By cross-referencing all stakeholders, we've presented our research in a holistic manner, doing our best to make sure we've covered all the angles possible.

In mature markets, the creative and design industry is capable of making significant contributions to the economy.

- Dubai Design and Fashion Council



**Rethinking & Re-evaluating
the Design Process will have
a Significant Impact on the
Design Industry**



The Status Quo

Present views of the region	12
Corporate interiors lead the way, but not for long	14
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The Middle East scores

6.9

Out of 10, as the average client rating for inspirational design

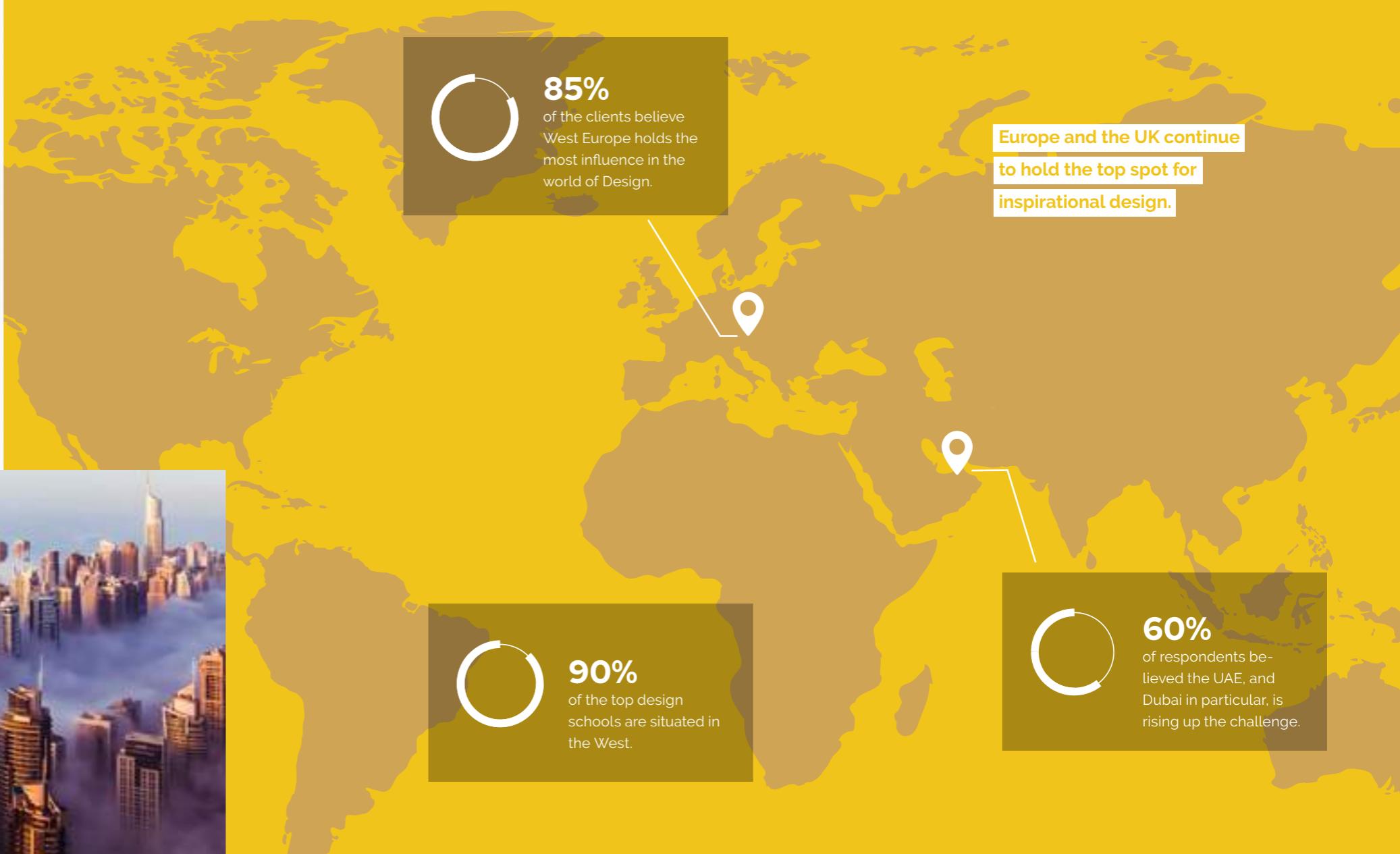


MENA sets a high benchmark for global design.

Present Views On The Region

We surveyed clients, designers, contractors, and educators to gather data pertaining to the current perception of the region. Our inquiries were focused on understanding where the market stands in comparison to global markets, and what real or perceived gaps have to be crossed. Our findings from this year's data point to an interesting development in market perception

Experts and outsiders confidently attest to the high quality of design projects in the region. The UAE in particular has an established A+D market, with several noteworthy projects across all sectors serving as proof. Comparing the maturity levels of the regional market vs the more seasoned markets in the west, MEA sets a high benchmark for global design.



Europe and the UK continue to hold the top spot for inspirational design. Close to 85% believe West Europe holds the most influence in the world of Design. However, the UAE isn't far behind. At least 60% of respondents believed the UAE, and Dubai in particular, is rising up the challenge. While the exact reason isn't available, one possible reason for the improved outlook could be Expo 2020. Since being announced as the winning bid back in 2013, there's been an influx of foreign investment and a rise in tourism projects to prepare for the influx of commercial and business tourists. With that has come an increase in incoming design talent into the region as well.

In an effort to quantify the insights mentioned above, we summarized them into a single score on a 10 point scale. The region scored a **6.9** for inspirational design - representing an objective and significantly above average quality rating of design projects. Additionally, it is a clear improvement from the previous 6.1 rating, reflecting the improvement in outlook.

Perceptions about a market are arguably subjective, af-

fected by several factors such as country, professional disposition, or simply experience. However, a qualitative analysis tells us 2 major reasons affecting this rating.

The first is awareness among stakeholders in the project - a lack of understanding of the processes involved creates serious operational and financial risks down the road in any project. Rushed timelines and pressure to deliver, ends in design trade-offs leading to poor quality results. The project concludes with all stakeholders leaving with a negative experience. Additionally, several designers we spoke with stated they do not feel empowered, and are not given the liberty to exercise their creativity as well as they should.

The second reason, voiced loudly by the design community, is the use of unique and bolder design. Several cases of such design do exist, but they exist as outliers compared to the total number of projects being designed for every year. Designers and manufacturers voiced a need to push past cultural barriers and embrace new and innovative concepts. However, if the projects on lovetthatdesign.com are any indication, we're confident this will change as well.

Corporate Interiors Lead The Way, But Not For Long

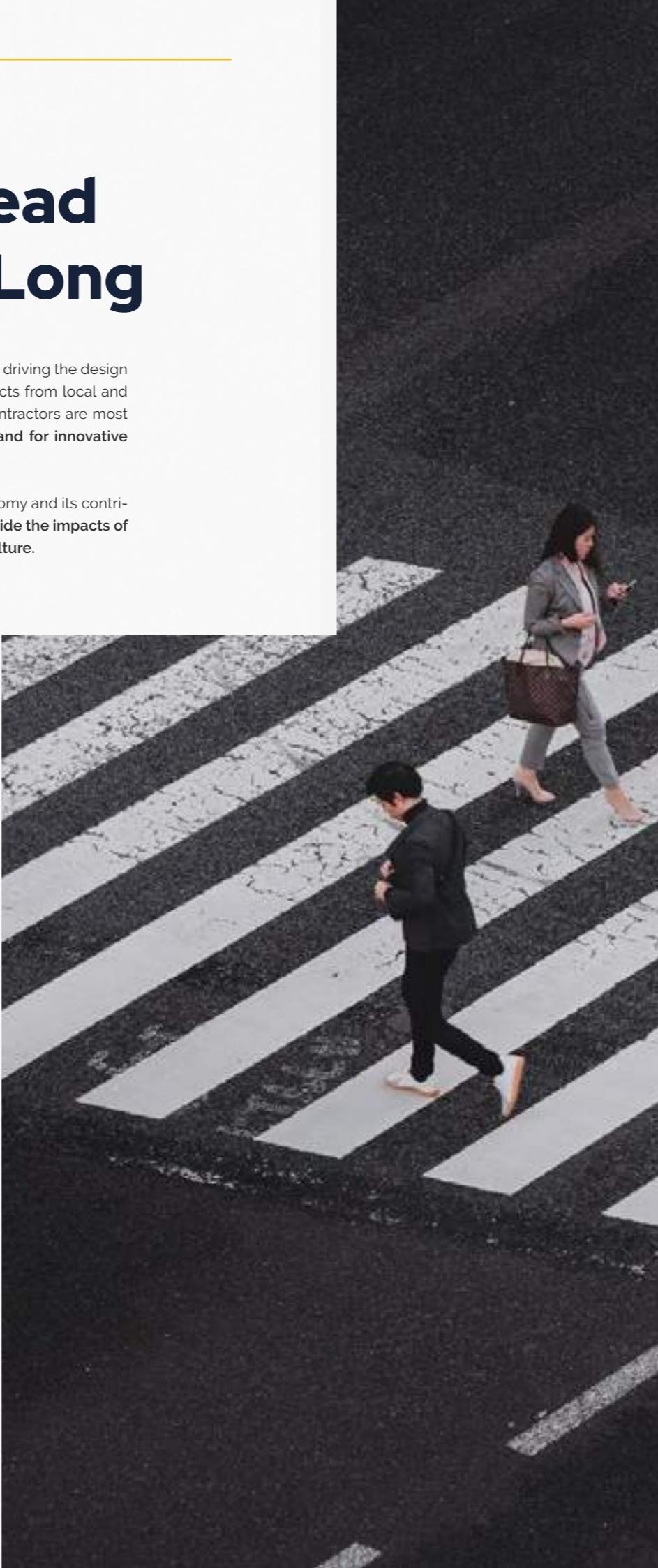
In an almost incumbent like manner, the corporate sector continues to take the dominant lead in driving the design industry's growth. Survey results point to a strong 48% of total respondents who believe projects from local and multinational companies will fuel much of the growth and creativity in the industry. At 70%, contractors are most bullish about corporate sector projects. A shared belief among them is the continued demand for innovative workspaces, regardless of the economic situation caused by the pandemic.

Unsurprisingly, hospitality takes second place in the race. The region's flourishing tourism economy and its contribution to the GDP lend itself well as a key driver behind the design industry's growth. Leaving aside the impacts of Covid-19, the tourism sector has plenty to offer, including but not limited to the staycation culture.



Things get interesting when asked to look five years into the future. Experts are divided on the topic of sustained corporate sector growth, with about 44% believing a paradigm shift is around the corner. Design firms and contracting companies both point to a redirection of focus. The corporate sector's outlook has been drastically impacted by covid-19, and experts on the ground indicate an increase in flexible working spaces will be the trend. Another trend is the growing number of innovative experience based spaces, a trend we'll surely be seeing more of in the coming years.

On the other hand, experts who disagree with a change in traction, are bullish about the region's economic growth in the coming years. Expo 2020 (not postponed), visa reforms, and increased foreign investment are bound to fuel the need for office spaces, and subsequently, design.



Threats, Challenges, and Concerns

The trifecta of forces - economy, technology, and geopolitics - are a constant threat to any industry. The design industry is no exception, and each stakeholder is impacted differently. Some adapt and transform, while others leverage these forces to scale and expand. Close to 36% believe current economic conditions made worse by covid-19 will have lingering effects, and will remain the biggest threat in 2025. Another 17% conveyed concerns about global political uncertainty posing a threat to market stability.

Saturated Market and a Low Barrier To Entry

The ease of setting up a business in the region creates an inviting environment for newcomers to enter the market. While competition is generally considered good for innovation, a low barrier to entry creates all sorts of negative externalities. In the case of interior design, you have the market getting increasingly saturated with firms focused solely on cost as a competitive edge over quality. This has led to low quality projects and unrealistic expectations from existing players.

Design & Build Firms

One breed of business that has seen its numbers grow in the past decade is the Design & Build firm. These companies are an interesting threat market; they're players in the market as well as threats to the status quo. Their core value proposition is a reduction in cost through consolidation of expertise by one company, without having to trade off design quality. While clients may believe this is valuable, industry insiders feel otherwise. Many believe it creates an unsustainable business model moving forward. Specifically, the risk involved in the design-build process - the nature of procurement results in costs, schedule, and other key decisions being made too early with and with too many unknowns.

Intellectual Property

There's a consensus among the design community that design IP is taken far too casually in the MEA market. Many have witnessed outright copyright infringement and design theft in the region. Seasoned design professionals cite the local culture and client awareness as key reasons, with the latter often having an unclear idea of what would constitute plagiarism. Important to note though is that the copyright laws in MEA are the same as in the US or Europe. This indicates perhaps an issue with the culture and absence of a clear structure to take action in the event of such events.



An interesting point to note is the difference in opinion between designer and client when it comes to conceptualizing a space. While major concerns remain the same, the majority of 23% of designers we surveyed believed cultural considerations should be the top priority during the conception stage. But clients feel differently - a little over 33% want to focus on technology. Clients intend to use technology as a differentiator in the market, while designers look to create a workspace that's mindful of the local workforce. The difference in priority is one that must be noted and addressed to enable honest collaboration and feedback.

What does a Winning Formula look like?

Our last report described win criteria and market strategies from the individual perspectives of design firms, contractors, and manufacturers. While those remain largely unchanged, our current report consolidates findings from all three groups. Presented below are the top factors that compose the winning formula for design and contracting firms. For comparison, the top three criteria compose roughly 50% of all responses. Individual criteria outside of the top three barely made the 10% score.



Creative Offerings & Innovative Practices

'Customer relationships' have lost the top spot for winning criteria, now replaced with a focus on "creative output" and innovation. Among the many criteria in our survey, roughly 20% of all respondents replied with a creative offering being the top criteria. As implied in the previous report, a general understanding is starting to prevail, that creativity is not correlated with the quality of relationships, and the latter cannot guarantee a unique design.

Industry Experience

Depth of experience in a specific sector is a close second factor to winning projects. Here as well, around 17% of respondents believed industry experience goes a long way towards winning projects. For design firms, it involves building a portfolio of sector-specific projects and doubling down on subject matter expertise within that sector. Manufacturers on the other hand focus their product development efforts within specific industries.

Customer Relationships & Strategic Alliances

Relationships may have lost top spot, but they're still incredibly important. Close to 13% of all respondents feel customer relationships and strategic alliances are key components to success. Having the right relationships provides a clear advantage, and opens up communication channels to decision makers not available to competitors. Strategic alliances are especially helpful in the region, as they provide access to market opportunities guarded with high barriers to entry.

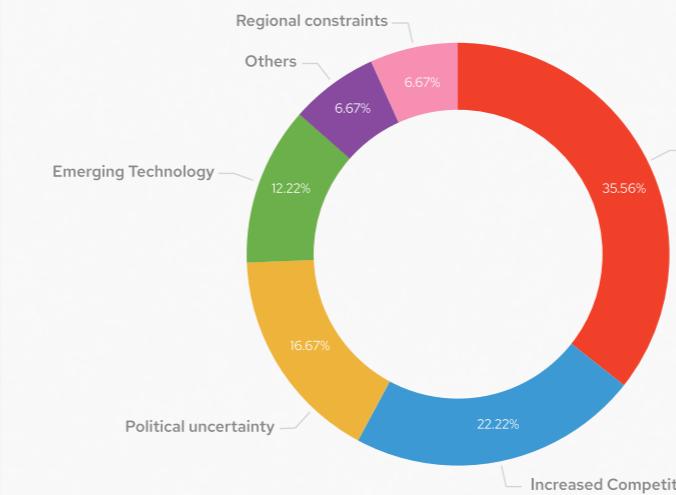


Chart 01: Perceived challenges to interior design by 2025

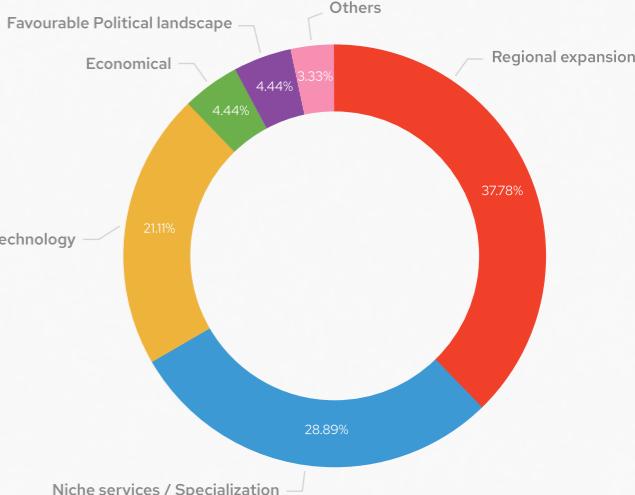


Chart 02: Perceived opportunity to interior design by 2025

An important aspect to note here is the gap in designer, contractor, and client perspective. While clients shared the same opinion about the importance of creative offerings, there was an equally strong emphasis from them on project management, which directly contradicts what design firms and contractors see as a winning formula. Over 24% of clients we surveyed expressed a strong desire for project management expertise as a criterion for evaluating tenders.

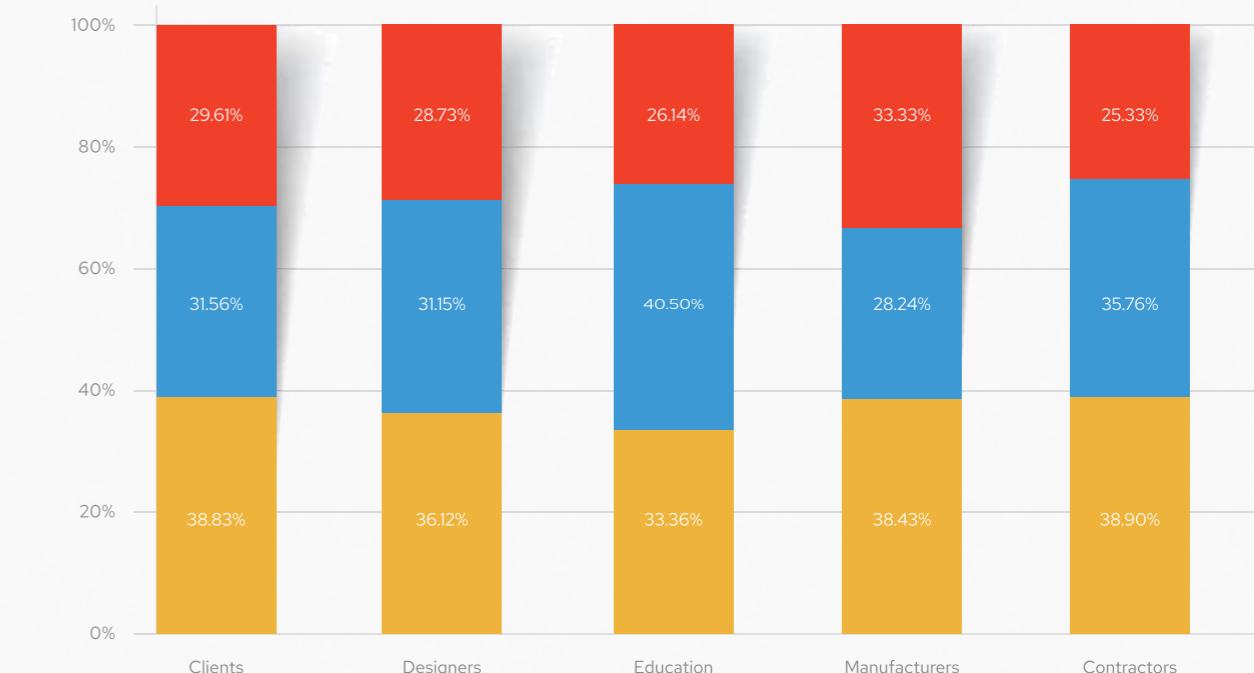


Chart 03: Qualities needed to be successful in the industry, ranked in order of importance

- **Business Skills** (Negotiation, Cost Management, Project Management)
- **Creativity** (Design Skills - Colour / Space / Tactility)
- **Soft Skills** (Character Skills - Empathy / Listening / Grit / Patience)

A large, stylized number '3' is positioned on the left side of the page. It is composed of three overlapping circles of increasing size from left to right. The colors transition from a light green on the left to a dark grey on the right. The '3' is oriented vertically, with the top curve pointing upwards and the bottom curve pointing downwards.

The Evolving Nature of Interior Design

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Capabilities with Technology

Embracing Technology

There's an overwhelming agreement in the industry on the topic of technology. Over 36% of respondents across the board expressed this view, believing that software of some kind is the key to solving problems and enhancing design capabilities. This was before the onset of the pandemic, and we're confident this is even more important today.

Quicker, Better, Smarter Designs

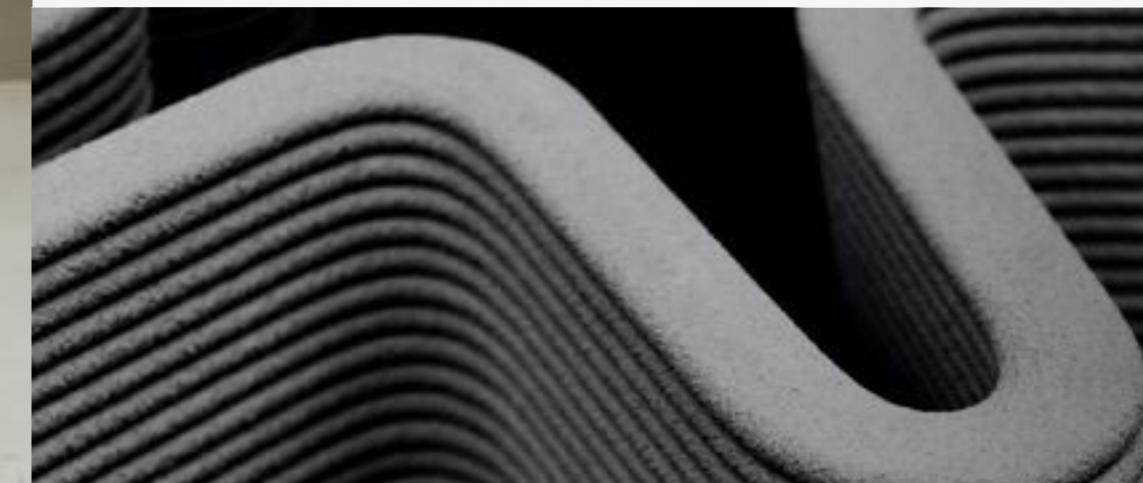
Designers are well placed to reap the most benefit from the latest technology. Designs can be created faster, with higher fidelity, and with real-time collaboration. The result is increased productivity and decreased time spent on projects. Technologies like VR and AR are helping designers create immersive concepts faster, in turn helping them stay competitive and innovative.

The Design Industry Is Becoming Agile

Our survey also indicates clients getting more on board with using remote collaboration tools to work with other stakeholders. Cloud-based platforms help collaborate and relay accurate and timely feedback thus ensuring a smooth design process. These platforms have freed stakeholders from needing to install expensive software to view and collaborate asynchronously, and have drastically improved the quality and speed of communication. Several iterations can be created with lesser effort, allowing more time for improvement.

Data-Driven Design

On the operational front, adopting cloud native collaborative tools designed specifically for A+D use cases have been proven to significantly save costs. These new approaches make resource planning and project management significantly easier. In addition to BIM (Building Information Modelling) systems, contractors can effectively reduce any inefficiencies in a project through data-driven strategies.



Manufacturers are leveraging IoT and 3D printing to improve product development. Sensor networks in workspaces provide new dimensions in data that in turn help manufacturers build better products. Using 3D printing has proven to be extremely effective in prototyping efforts, although the technology has a long way to go.

Emerging Opportunities For Change Through Education

We previously reported in Design 2021 that only 1 in 10 global clients are championing a certification like LEED or WELL. That ratio gets lower when we take a look at regional companies. The most effective solution suggested towards ensuring adoption was for the community to be more aware, driven with the right incentives.

An undeniably effective answer to this problem is to tackle it at the grassroots level. Fortunately, our survey indicates this is being done through local design schools. Close to 57% of respondents in the education space confirmed LEED

and Estidama certification are being included in curriculums today. Even more promising insight comes from our client data, where 75% of current projects have an environmental or WELL certification being considered.

Students are already taking what they've learned and applied it in the real world. Half of our respondents mentioned projects involving collaboration with design firms and clients, while the other half are working on big problems like healthcare or the impact of Covid-19. Change is happening, one project at a time.



Developing New Competitive Edges

Quality in design used to be judged largely by the aesthetic value it delivers to space. Today's research suggests differently. Around 55% of manufacturers we surveyed confirmed that more time is spent in the research stages of product development. Manufacturers are focusing more time on identifying the right problems to solve as opposed to solution first approaches. Examples can be seen in product lines delivering equal or more value beyond aesthetics and functionality - ease of assembly, sustainability, and end-of-life being a few examples.



Custodians of Change

The role of the interior designer has changed. Until at least a decade ago, interior design expertise was mostly needed for decisions related to design, branding, comfort, or functionality. Recent years have seen this dynamically change. Leaders are starting to understand the impact of design on culture and organizational behaviour. This understanding has brought welcome shifts; more and more interior designers are presenting value propositions that go beyond aesthetics and into sustainability and wellness.

The first signs of this movement came with a push for sustainability right from the design stage. Designers have been strong forces of change within organizations in the push for sustainable practices. Furthermore, the realization that so much of employee health is dependent on how a space is designed and furnished has placed additional responsibility in the hands of the designer. The popularity of certifications like LEED or WELL in MEA have their roots in the design consultant's efforts to educate clients. Interior designers have taken up the role as partners in helping clients achieve business goals whilst not losing sight of their commitments to the environment and end-users.

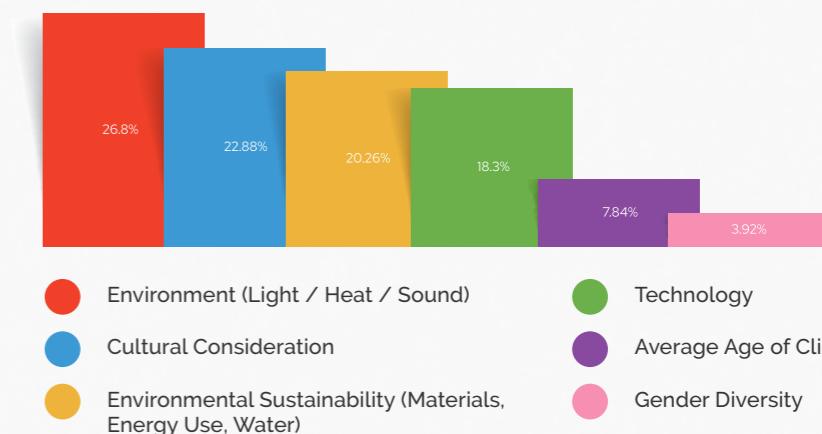


Chart 04: **Top perceived concerns when conceptualizing a space, besides its application**



The Road Ahead

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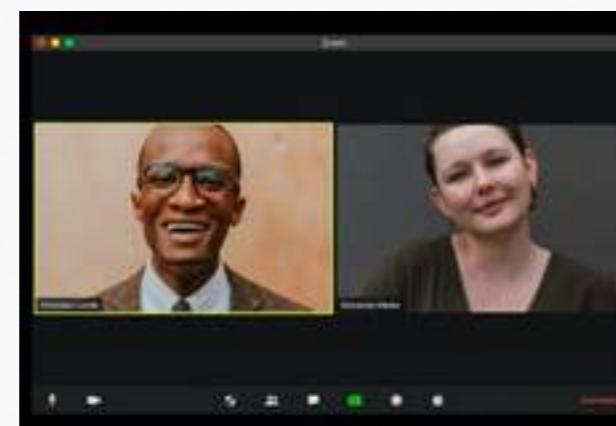


Trends Shaping Regional Design Projects

The MEA design market is potentially the most interesting one today. The region is a rising star, still learning, developing, and breaking through barriers. However, progress isn't immune to market forces and global trends.

We dedicated a part of our research efforts for this report to understand the realities of regional design projects and to try and identify the challenges ahead. **Close to 36% of respondents believe current economic conditions made worse by COVID-19 will have lingering effects and will remain the biggest threat in 2025.** Another 17% conveyed concerns about global political uncertainty posing a threat to market stability.

Economic outlook aside, there's a strong promise on the sustainability front. In 67% of cases across clients, designers, and contractors, over 20% of projects have been certified environmentally sustainable, according to the current latest data. That's 1 in 5 projects being environmentally certified, a huge improvement from the 1 in 10 projects reported around 5 years ago.



Promising Opportunities

Experts believe the UAE and KSA's efforts to develop a strong non-oil based economy will pay off well for the design industry. Opportunities outside of the usual corporate design projects (finance, government, or FMCG) will emerge, drawing more talent into the region. Designs are becoming bolder, more experiential, and grander. A clear example is the exciting new entertainment market in the KSA. With the relaxation of rules and changes in policies, a lot of room for opportunity and growth has opened up.

The numbers speak for themselves. Around 50% of contractors and manufacturers are looking to expand their presence in the region to take advantage of upcoming opportunities. An additional 29% of all respondents have plans to develop niche and specialized services to cater to the new opportunities in their pipelines.

What changes do you see the industry going through by 2022 in relation to accessing / purchasing products for projects?

More direct purchases to remove additional markups

-Michael Bøgsted

Regional Managing Director at Sage carpets MEA & Asia



Digital only dealerships

-Oliver Baxter

Insight Programme Manager at Herman Miller MEA



Serious/real sustainable products being more in demand

-Roberto Garcia

Manager at Andreu World MEA & India



Advice for Future Designers

Our previous report strongly suggested the development of personality traits such as perseverance, boldness, integrity, and flexibility as advice for success. The next best advice involved sharpening critical business skills in order to build strong fundamentals.

We asked the same question and found interesting contrasts from last year's data. As opposed to last year's 17%, double the respondents (34.15%) this year suggested continuous learning and development as advice for budding designers. In contrast, 40% of clients recommended spending time listening to their needs before heading into design stages.

Interestingly, this top response from designers was matched evenly by another response - craft your identity. This suggestion is perhaps in response to a saturating market described earlier in this report. To avoid the trap of commoditization, design directors and industry veterans have sage advice for young and aspiring designers - discover what makes you special, and build your brand.



**Managing Director - Roar
Kathryn Athreya**

If you want to move up in your career you have to hone your soft skills alongside your design talent.



**Senior Project Manager & Head of D&B - ATS
Mariam Kamel**

Keep learning, keep a mindful eye on everything you see, to understand what works and doesn't. Evolving process, keep an eye on nature as it is a functional design.



**Chair & Associate Professor - AUD
Kristin Lee**

You need to love it, and/or find your niche, because it is demanding. Yet design is so powerful, it can make lives better.



**Associate Director - AAID
Julie Thom**

Push the boundaries and know that your voice matters irrespective of experience. Push for site experience and learn all aspects of design not only the "fluffy" stuff.



**Design Director - Gensler
Diane Thorsen**

Choose to work with passion and focus on creating what you love... the rest will fall into place.



**CEO - Al Tayer Stocks
Ian Milford**

Make it practical - what looks great on paper needs to be built.



**Senior Interior Designer - SAY Studio
Vijay Nambiar**

The industry can be quite tough and unforgiving but try to stick to your standards and you will create a space for yourself amongst the competition.



**Design Director - H-Hospitality
Karma Zahran**

Challenge yourself to approach spaces you create as a consumer not a designer. Aesthetics can only go so far. Functionality and usability at the end of the day will out way the look of design.

Andreu World
www.andreuworld.com

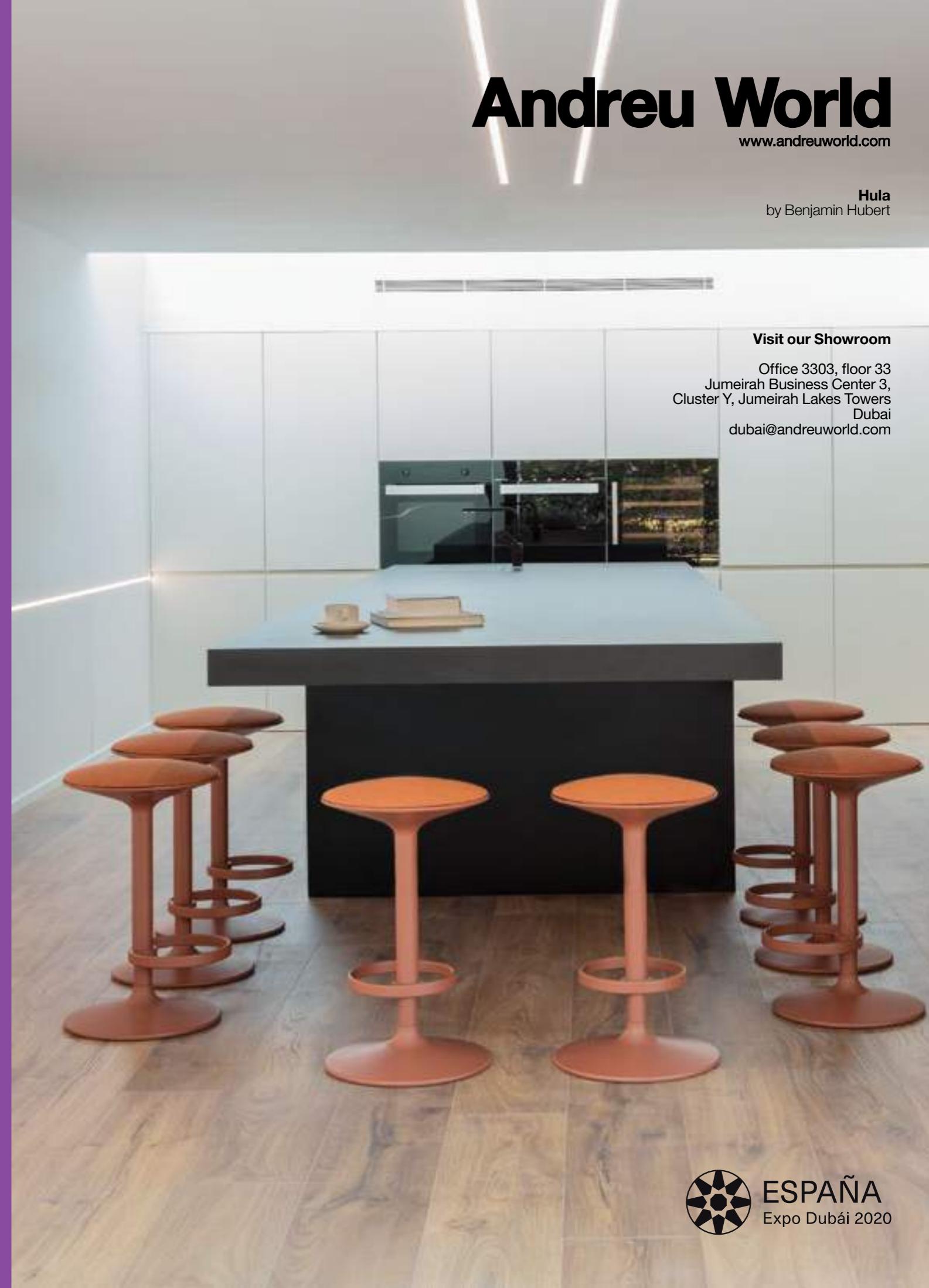
by Benjamin Hubert

Hula

by Benjamin Hubert

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 **ESPAÑA**
Expo Dubái 2020

About Love That Design

Love That Design is a B2B platform that showcases the region's best Architecture and Interior Design Projects.

We are a community of one in our relentless pursuit for achieving the highest standards in design; With our vast network of industry professionals, we aim to drive industry further by creating and curating quality content, celebrating achievements of the region and beyond.



If you have any questions about this report reach out to us at
insights@lovethatdesign.com