

The Conventional Approach—Project Initiation

In this scenario the project is typically in an existing space already under the control of the client, or the space has been negotiated for prior to the appointment of the interior design firm. Predesign services in this scenario usually involve no more than initial meetings with the client team to establish the project reporting and administration structure and to set the work plan and schedule for the future phases. This is typically undertaken by either the principal-in-charge of the project or the project manager of the design firm. In addition, from the client side, attendance should include the client or client representative, a client information technology representative or consultant, and from the consultant side the mechanical, electrical, or plumbing (MEP) engineer where applicable.

From the interior designers perspective, a typical project initiation meeting should cover the following topics:

- *Project and team organization structure*
- *Reporting and approval procedures*
- *Budget and cost-control procedures*
- *Identification of project or building constraints*
- *Client corporate guidelines, space standards, and business plan documentation*
- *Headcount, organization structure, adjacency requirements*
- *Summary of existing client programming data*
- *Identification of programming methodologies and components*
- *Distribution of “as built” drawings, computer disks*
- *Identification of field survey requirements*
- *Development of the work plan and schedule*
- *Review of fee invoicing and payment procedures*

A word of caution, however: when the interior designer has come late to the table there have been many instances of clients underestimating their space requirements, particularly as headcount growth is so difficult for many organ-

izations to predict. I remember a case in point where a client and his broker had been searching and negotiating for a 75,000-ft² space requirement for four months. Three buildings had been short-listed prior to the appointment of the interior design firm, which subsequently discovered that the real space requirement was 110,000 ft². A sobering thought economically and potentially disastrous in a tight property market.

These initial meetings are then followed by the detailed programming phase and the project proceeds in a traditional phased way. Fees for the project initiation phase usually form part of the overall interior design fee for the project, which is most commonly stated as dollars per square foot.

The Prelease Team Approach

The recession of the early 1990s resulted in clients taking a very cautious approach to acquiring real estate and looking for better value for money in the buildings they occupied. As a result, both end-user clients and the brokerage community are now retaining the services of interior design firms earlier in the project process than in the past. This type of predesign service is more common to larger commissions involving corporate relocations and consolidations. However, recently the dot.coms and new media firms are also using interior designers in prelease building evaluation and negotiations, as they are having to move quickly in a tight real estate market. A standard prelease team consists of the client representative, the real estate advisor or broker, legal representation, the architect/designer, and engineers (as necessary).

Many large occupiers are finding that the large blocks of space they require are not readily available for lease in most locations, and given the tight restrictions being placed on obtaining finances by lending institutions, more developers are replacing speculative office developments with design-to-suit projects or pre-let projects. Developers are seeking large corporate users to come into their projects as the major tenant and quite often to take an equity position in the project. Several developers since the recession have become development managers for large corporate clients who own land and want to develop buildings to suit their requirements. This is a return to the strong commercial markets in many of our city centers during the 1960s and 1970s, which were responsible for the formation of city business districts in the United States. This has also been the case in Europe more recently, e.g., La Defense in Paris, Frankfurt, and Canary Wharf in London, to name a few.