

Specialized design services industry sees modest growth in 2019

Released at 8:30 a.m. Eastern time in *The Daily*, Monday, December 7, 2020

The specialized design services industry reported a 3.2% increase in operating revenue in 2019 compared with the year before, to \$3.2 billion, as an expanding housing market for multi-unit buildings encouraged industry growth. Specialized design services comprise interior, industrial, graphic and other specialized design services. Total operating expenses rose at the same pace to \$2.5 billion, keeping the operating profit margin steady at 21.6%.

Although Ontario generated over half of the country's operating revenue (51.0%), the biggest year-over-year gains in operating revenue in 2019 came from British Columbia with an increase of 7.0% or \$36.0 million, followed by Quebec, with an increase of 4.5% or \$27.3 million in operating revenue.

Salaries, wages, commissions and benefits remained the largest expense item, accounting for 32.6% of operating expenses in 2019. The second-largest expense item was the cost of goods sold, at 25.7%.

Bolstered by the construction of apartment and condo residential units, which reached a historic high in 2019, interior design services made up a growing share (45.4%) of total industry sales that year. By contrast, graphic design services saw their share of sales drop for the fifth year in a row, to 29.2%. The remaining industry sales were split among related services and products (11.2%), industrial design services (7.7%) and other specialized design services (6.5%).

Sales to businesses represented 55.0% of total sales in 2019. The remaining client base was split among individuals and households (26.0%); clients outside Canada (11.4%); and governments, not-for-profit organizations and public institutions (7.6%).

E-commerce represented 1.4% of sales in 2019, a slight increase over the 1.0% observed in 2018.

In 2020, despite an increase in residential housing starts, the specialized design services industry was affected by the COVID-19 pandemic. As a result of measures to contain the spread of COVID-19, output in the specialized design services industry contracted by more than 20% in March and April. By August, production had still not fully recovered to pre-pandemic levels. With a resurgence of COVID-19 and a return to operating restrictions and shutdowns in several areas of the country, challenges remain. Despite many businesses adapting their operating methods and finding new ways to reach clients, many professional service providers still rely on in-person contacts to operate.

Note to readers

Data for 2017 and 2018 have been revised.

The data for reference year 2019 were collected during spring and summer of 2020. This collection period includes the events and business disruptions around COVID-19 and, in general, response rates have been lower. As a result, there may be larger-than-normal revisions to the data in future releases. For more information on data quality and revisions please refer to [4719— Annual Survey of Service Industries: Specialized Design](#).

Information on construction of apartment and condo residential units was taken from [34-10-0126-01](#).

Information on housing starts was taken from [34-10-0158-01](#).

Information on industry output in the specialized design services industry was taken from [36-10-0434-01](#).



Available tables: [21-10-0157-01](#), [21-10-0158-01](#), [21-10-0160-01](#), [21-10-0199-01](#) and [21-10-0229-01](#).

Definitions, data sources and methods: survey number [4719](#).

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).