

# Specialized design services, 2021

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## Specialized design services recover from effects of pandemic in 2021

Following a year of disruptions to business operations caused by the COVID-19 pandemic in 2020, the specialized design services industry group experienced a full rebound in 2021, bolstered by strong demand for residential interior design services. Operating revenue for the industry group rose 14.0% to reach \$3.8 billion, surpassing all pre-pandemic levels.

Specialized design services include interior, industrial, graphic and other specialized design services. The largest of these industries, interior design services, saw its share of total sales of goods and services increase to 45.7%. Meanwhile, graphic design services accounted for 28.8% of total sales of goods and services, followed by other specialized design services (6.9%) and industrial design services (5.3%). Other related design services made up the remaining 13.3% of total sales of goods and services.

Total operating expenses increased 14.3% to \$2.9 billion in 2021, resulting in the profit margin falling slightly to 24.2%. The largest expense item remained labour costs, as salaries, wages, commissions and benefits represented 30.5% of total operating expenses. With inflationary price pressures affecting building materials such as lumber and other wood products, the cost of goods sold accounted for a growing share of operating expenses, rising from 26.2% in 2020 to 27.9% in 2021.

The share of sales to businesses continued to dwindle in 2021. Businesses made up 47.2% of sales, compared with 53.7% before the pandemic. By contrast, the share of sales to individuals and households continued to grow, increasing by 4.8 percentage points to 37.0% in 2021. The remaining client share was split between sales outside Canada (9.6%) and sales to governments, not-for-profit organizations and public institutions (6.2%).

E-commerce sales accounted for 5.9% of total sales of goods and services in 2021. E-commerce sales increased after the onset of the pandemic, as 7% of survey respondents indicated that they had invested in some sort of e-commerce platform over the previous two years.

## Trends in 2022

While the Canadian economy and corporate profits continued to grow at a steady pace in 2022, higher interest rates and inflationary pressures may point to slower growth for specialized design services. Residential interior design services would be most affected. Housing investment slowed down in 2022, with housing resale activities and new home construction falling faster than investment in home renovations. Detailed financial statistics for the industry group in 2022 will be provided following survey data collection in 2023.



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### **Note to readers**

Data for 2018, 2019 and 2020 have been revised.

Information on home construction costs comes from [Prices through the supply chain: Softwood lumber](#).

Information on higher interest rates comes from [Financial market statistics, last Wednesday unless otherwise stated, Bank of Canada](#).

Information on inflation comes from table [18-10-0256-01](#).

Information on housing construction comes from table [34-10-0135-01](#).

Information on third-quarter gross domestic product comes from [Gross domestic product, income and expenditure, third quarter 2022](#).

Information on residential investment comes from table [36-10-0108-01](#).

Information on corporate profits comes from table [36-10-0117-01](#).

These and other data related to business and consumer services can be found at the [Business and consumer services and culture statistics portal](#).

**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; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).