

Commercial Real Estate

Daroff Design Inc. merges with another Philadelphia architectural firm



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RECOMMENDED

Karen Daroff has merged her firm into Nelson Worldwide.

DAROFF DESIGN



By Natalie Kostelni – Reporter, Philadelphia Business Journal
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Architecture & Engineering

Topic

Daroff Design Inc. + DDI Architects, PC

Company

Karen Daroff

Person

Before the pandemic, [Karen Daroff](#) was prompted by her colleagues to begin thinking about the long-term future of the Center City architectural and interior design firm she formed nearly five decades ago.

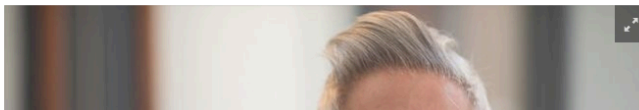
They told her she couldn't work forever and they wanted to get a sense of what their careers at Daroff Design Inc. and DDI Architects might look like years from now, but none wanted the responsibility of taking over the existing business.

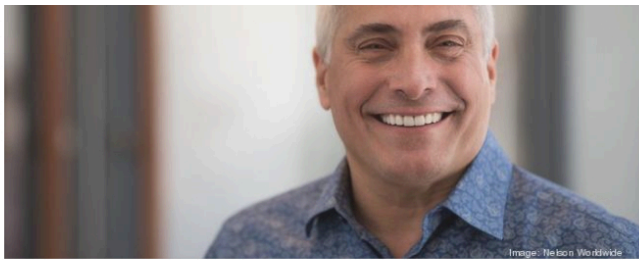
In an acknowledgement of that reality, Daroff decided to explore merging with a like-minded firm that would fold the practices into their existing business. Calls and introductions were made to see if there was one that could be the right fit.

"We started to poke around and weren't falling in love," Daroff said. "We wanted to have a national platform. We have national accounts but not national offices. That was the goal and objective."

Daroff finally ended up finding what she was looking for in another Philadelphia architectural firm, Nelson Worldwide, which has now merged with Daroff Design and DDI Architects. Though Nelson was the right fit, Daroff didn't solidify the deal until she saw Nelson's offices at One South Independence Mall.

"As designers, we are affected by our environment," she said. "I walked into the door and looked around. It was everything we would have designed. I said to [John "Ozzie" Nelson Jr., CEO and chairman of Nelson Worldwide], 'Oh my God! Your offices are nicer than ours.' It was the icing on the cake."





Ozzie Nelson, CEO of Nelson Worldwide
NELSON WORLDWIDE

Daroff's 25 employees will move into Nelson's Philadelphia offices, where it currently has 80 employees, and Daroff will take on a senior leadership role. In total, Nelson has roughly 800 people in 22 offices throughout the country.

The merging of Daroff into Nelson follows a trend of consolidation within the architecture industry spurred in part by clients wanting firms with multiple offices to maintain the continuity of that business relationship in cities where they are doing business.

Architectural firms were also stung by the Great Recession, which punished those that were singularly focused on a particular discipline. Firms want to have several areas of expertise such as health care, industrial, institutional, hospitality and office in hopes that diversity will not only bring in more clients but enable them to better weather economic cycles.

"It's about de-risking an industry that can have great risk," Nelson said.

Nelson Worldwide has been an active player in the mergers and acquisitions scene and continues to look for other opportunities. Among the Philadelphia-based firms it has acquired are H2L2, Space Design, Cope Linder and Brinjac Engineering.

As for folding Daroff into Nelson Worldwide, Nelson said the two firms shared similar values. "Culture trumps everything," he said. That said, Daroff presented a "unique opportunity," Nelson said. "The whole reason for M&A was a vision where we wanted to end up as a diversified firm. If you want to move at that speed, it's hard to do organically."

Daroff brings to Nelson its long history in the hospitality industry as well as multifamily and public sector clients. It recently completed an 800-key hotel in Beijing, a new commissary for NBC at 30 Rockefeller Plaza in New York, is part of a team rethinking the interior of Amtrak's 30th Street Station, and is working with Durst Organization on its first apartment project along Philadelphia's Delaware River. Other clients include Comcast Corp., Vanguard Group, Disney and Ritz-Carlton.

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