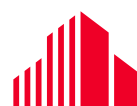


ASIA PACIFIC OFFICE FIT-OUT COST GUIDE

2019 - 2020



CUSHMAN &
WAKEFIELD

CONTENT

- INTRODUCTION
- NUMBERS AT A GLANCE
- 2019 OVERVIEW AND 2020 OUTLOOK
- KEY STATISTICS
- OUR SERVICES

INTRODUCTION

Cushman & Wakefield’s Asia Pacific Office Fit-out Cost Guide provides an indication of the fit-out construction costs across 28 key gateway cities in the region. Whether it’s a low, medium or high-quality specification fit-out requirement, this guide serves to assist occupiers in defining their capital planning and relocation budgets.

The guide includes a comprehensive fit-out cost section covering furniture, mechanical & electrical works, builder works, audio visual/IT and other miscellaneous costs and takes into consideration the reinstatement cost in Asia Pacific.

NUMBERS AT A GLANCE



\$202

Tokyo is the most expensive office fit-out market with average cost of USD202 psf.



\$55

The reinstatement cost of Tokyo is also the highest among other Asia Pacific cities with average cost of USD55 psf.

CITIES IN ASIA PACIFIC



\$115

With average fit-out cost of USD115 psf, Singapore is the most expensive city for office fit-out in Southeast Asia.



\$70

With average cost of USD70 psf, Taipei is the most economical city for office fit-out in Asia Pacific.



\$154

The average office fit-out cost of Sydney is USD154 psf, making it as the most expensive cities for new office fit-out in Australia.



\$90

Mumbai is the most expensive city in India for new office fit-out with average cost of USD90 psf.

2019 OVERVIEW AND 2020 OUTLOOK

DR. DOMINIC BROWN
HEAD OF INSIGHT & ANALYSIS, ASIA PACIFIC

In 2019, robust economic growth across Asia Pacific has driven corporate expansion, which has led to healthy levels of demand for office space. With limited space availability across many cities in the region, competition for space has intensified, driving rental growth. Simultaneously construction costs continue to rise, especially in Japan where preparation for the 2020 Olympics has exerted greater pressure on available resources.

Looking ahead, corporate occupiers will continue to scrutinise costs closely, with the cost of office fit-outs being a high priority concern in an office relocation project. Office fit-out costs average around USD110 per square foot, although the cost range is wide from as little as USD45 per square foot in Taipei to as much as USD275 per square foot in Tokyo. There is also great variability in costs between different levels of finish, with up to a threefold difference between below average and above average finishes. With such price ranges across Asia Pacific, it is not surprising that corporate occupiers are increasingly seeking insight and guidance from project management experts.

Increasing significance of project manager

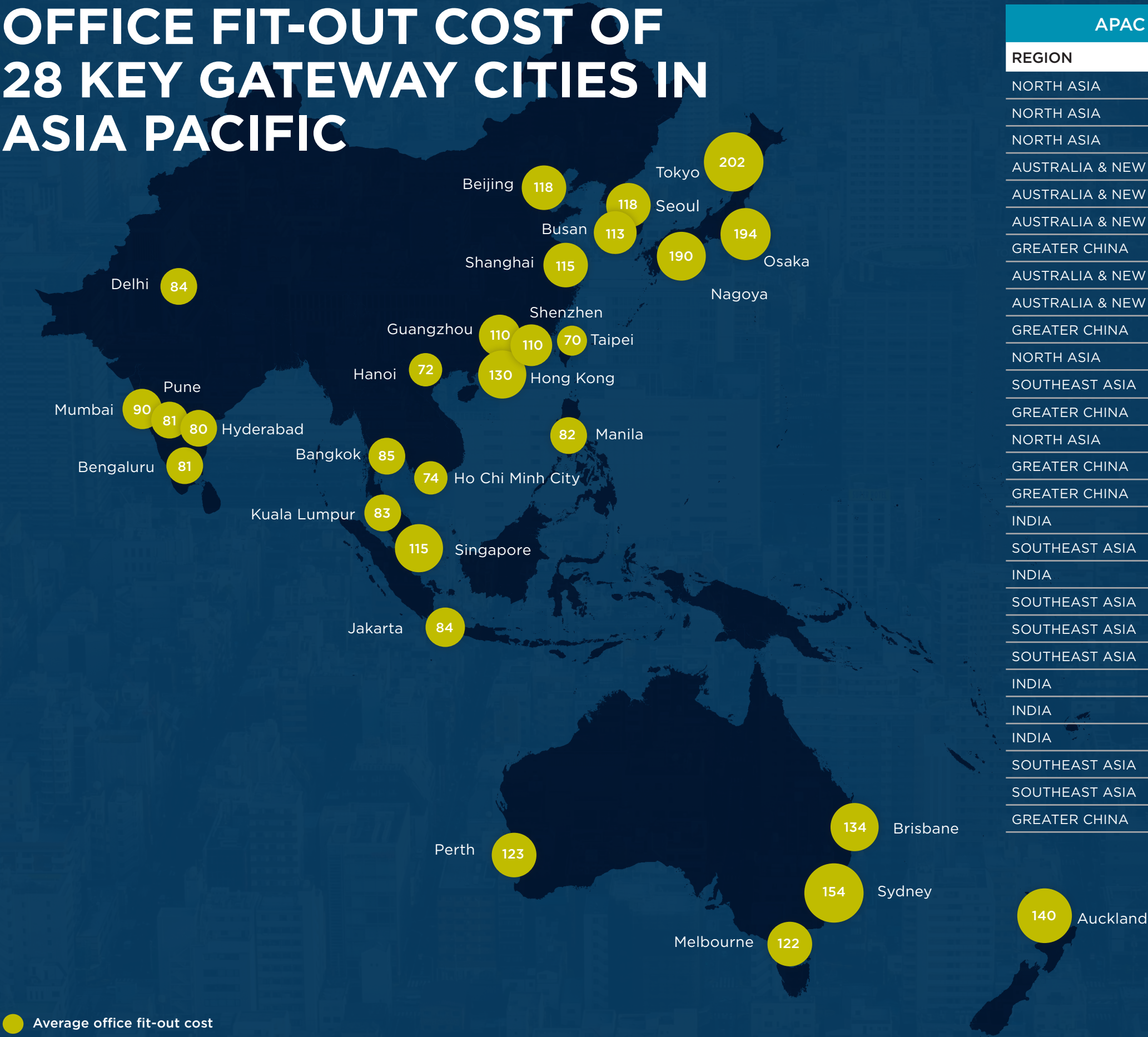
By engaging a project manager, companies can achieve several positive outcomes. Firstly, it allows company employees to maintain their focus on their core area of business. Secondly, project managers are aware of the whole process in fitting out an office and therefore can avoid common pitfalls. Lastly, they can negotiate with vendors on a fair and equitable level to achieve best value and timing outcomes. As a result, corporate occupiers are increasingly looking for turn-key solutions in delivering their project space on time and on budget, which can often only be guaranteed by engaging project management support.

As workplace strategy continues to evolve, so does workplace design. The move to greater adoption of co-working, flexible workplaces and providing a variety of agile workplace solutions has seen workplace design become more multifaceted.

Today's workspace needs to support a variety of work styles, from focused work to group collaboration and engagement. Furthermore, this work operates on a variety of scales ranging from an individual to group activities and even townhalls. Project managers play a pivotal role here by exposing clients to the latest workplace design strategies and linking with leading professionals in associated disciplines to provide an end-to-end solution.

As you look to improve your capital expenditure budgeting, Cushman & Wakefield's office fit-out cost guide for Asia Pacific is your first-stop reference guide to estimate office fit-out costs, and cost breakdown, for 28 key markets across the region.

OFFICE FIT-OUT COST OF 28 KEY GATEWAY CITIES IN ASIA PACIFIC



APAC OFFICE FIT-OUT COST 2019-2020 (USD PER SF)		
REGION	CITY	AVERAGE
NORTH ASIA	TOKYO	202
NORTH ASIA	OSAKA	194
NORTH ASIA	NAGOYA	190
AUSTRALIA & NEW ZEALAND	SYDNEY	154
AUSTRALIA & NEW ZEALAND	AUCKLAND	140
AUSTRALIA & NEW ZEALAND	BRISBANE	134
GREATER CHINA	HONG KONG	130
AUSTRALIA & NEW ZEALAND	PERTH	123
AUSTRALIA & NEW ZEALAND	MELBOURNE	122
GREATER CHINA	BEIJING	118
NORTH ASIA	SEOUL	118
SOUTHEAST ASIA	SINGAPORE	115
GREATER CHINA	SHANGHAI	115
NORTH ASIA	BUSAN	113
GREATER CHINA	GUANGZHOU	110
GREATER CHINA	SHENZHEN	110
INDIA	MUMBAI	90
SOUTHEAST ASIA	BANGKOK	85
INDIA	DELHI	84
SOUTHEAST ASIA	JAKARTA	84
SOUTHEAST ASIA	KUALA LUMPUR	83
SOUTHEAST ASIA	MANILA	82
INDIA	PUNE	81
INDIA	BENGALURU	81
INDIA	HYDERABAD	80
SOUTHEAST ASIA	HO CHI MINH CITY	72
SOUTHEAST ASIA	HANOI	74
GREATER CHINA	TAIPEI	70

Source: Cushman & Wakefield

KEY STATISTICS

HOW DO WE CLASSIFY LOW / AVERAGE / HIGH QUALITY SPECIFICATION FIT OUTS?

Basis of Assessment:



LOW

- Limited meeting facilities, less than 10% of space
- Paint to all walls
- Low specification finishes and carpet throughout
- Vinyl flooring to cafeterias
- Minimal alterations to air conditioning and ventilation
- Data points to equal desk positions
- Locally procured furniture workstations



MEDIUM

- Meeting facilities around 10%-25% of space, with part single glazed partitions
- Alterations to less than 25% of ceiling
- Plasterboard ceiling to meeting rooms
- Feature wall finishes to reception and cafeterias
- Medium specification carpet and finishes
- Hard flooring to reception
- Alterations to air conditioning & ventilation to suit cellurisation
- Multiple data points to each desk position



HIGH

- Meeting facilities to over 25% of space, with double glazed partitions
- Alterations to over 25% of ceiling
- Features & plasterboard ceiling to reception and offices
- Feature finishes to meeting rooms/offices
- High specification carpet
- Bespoke joinery to meeting rooms and offices
- Hard flooring to cafeterias and finishes
- Modification to air conditioning/ventilation along with new air conditioning units
- Additional feature lighting
- Wired data provision (future flexibility)
- High end and/or imported furniture

NORTH ASIA



“ With competition for resources from the 2020 Summer Olympics, 2019 Rugby World Cup and some major developments, construction costs will likely be higher. The traditional project management model is popular but clients are seeing benefits of the principal contracting model which reduces administrative work.

Todd Hanrahan
PDS, Japan

“ Multinational corporations are getting more interested in workplace strategy and project management service to enhance space efficiency and reduce the fit-out cost. Design & Build solution is the most popular delivery model of office fit-out project in South Korea.

Jaehong Lee
PDS, Korea

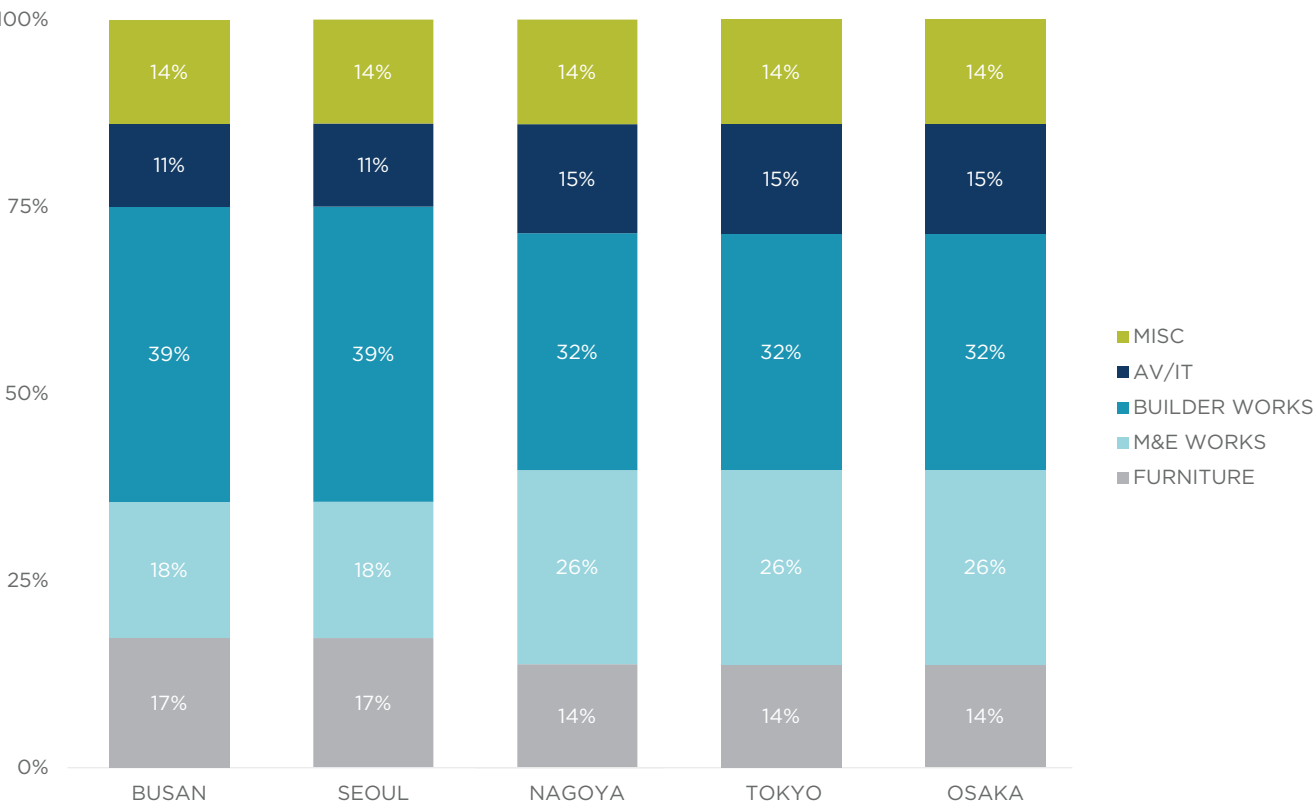
FIT-OUT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
BUSAN	72	113	194
SEOUL	75	118	201
NAGOYA	168	190	252
TOKYO	175	202	274
OSAKA	170	194	258

REINSTATEMENT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
BUSAN	11	15	27
SEOUL	12	16	28
NAGOYA	43	52	69
TOKYO	45	55	75
OSAKA	44	53	71

“ALL-IN” FIT OUT COSTS



GREATER CHINA



“ Builders’ works is still the most expensive component in new office fit-out projects, however, the AV/IT cost soars considerably given the rise of remote working, virtual conferencing and co-working places.

David Shi
PDS, China

“ More clients are opting to relocate to co-working space and business centres to minimize Capex cost. Generally occupiers are preferring Design-Build delivery for small offices, while the traditional Design-Bid-Build approach is more favoured for larger spaces.

Bryant Cheung
PDS, Hong Kong

“ Turnkey solution is the most popular delivery mode that clients are currently looking at. In view of this trend, clients are more eager to partner with professional project managers with Design & Build experience to support their upcoming projects.

Gary Chan
PDS, Taiwan

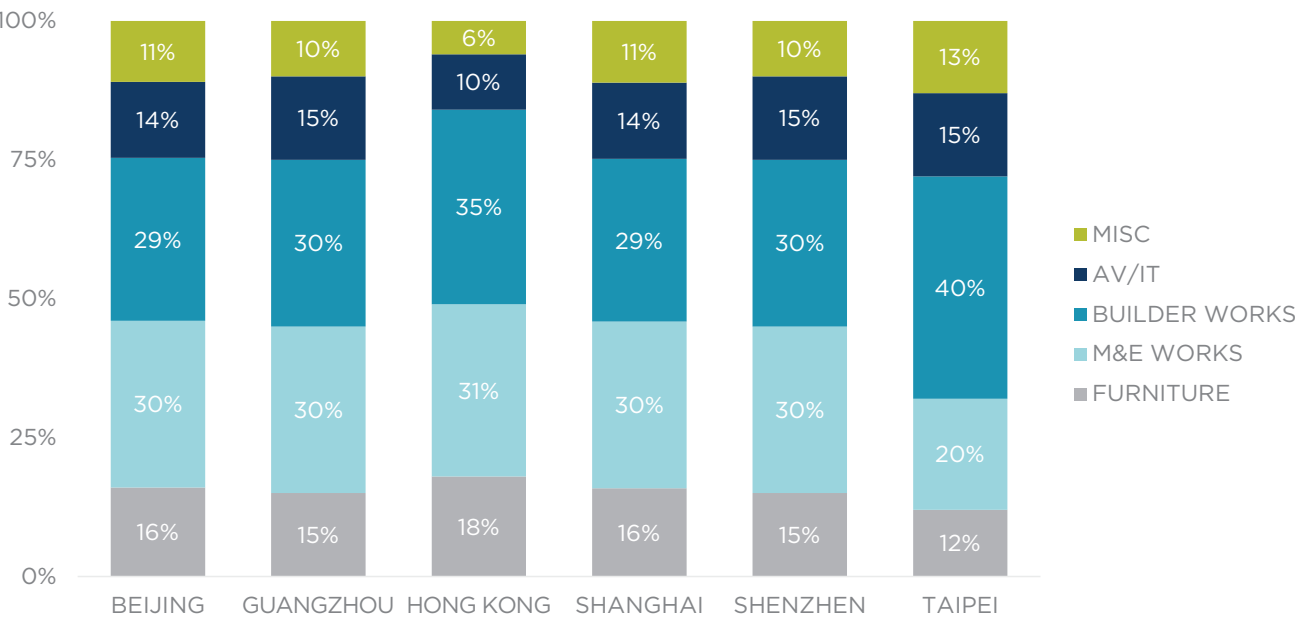
FIT-OUT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
BEIJING	82	118	186
GUANGZHOU	65	110	160
HONG KONG	85	130	250
SHANGHAI	79	115	181
SHENZHEN	65	110	165
TAIPEI	45	70	110

REINSTATEMENT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
BEIJING	7	12	15
GUANGZHOU	4	7	13
HONG KONG	12	23	58
SHANGHAI	6	9	14
SHEHZHEN	4	7	13
TAIPEI	8	10	13

“ALL-IN” FIT OUT COSTS



SOUTHEAST ASIA



“ The traditional project management contract is still the most popular contracting model in Singapore as experienced project managers help ensure transparency and have local knowledge of processes. Due to the increasing demand for flexible workplaces, we see the rise in the cost of installing AV/IT/Security devices.

Grant Carter
PDS, Singapore

“ Market sentiment in Jakarta is good, especially in this tenant-favourable market. More companies are looking to either relocate or renovate to drive cost efficiencies by reducing office space, which results in more demand for fit-out works.

Dwitje Wangsadiputra
PDS, Indonesia

“ With the completion of many new buildings in the Philippines and the popularity of high-end facilities and advanced technology, many companies are looking for new spaces to relocate their offices.

Haidee Lim
PDS, Philippines

“ There will be an increase in office fit-out demand in the second half of 2019 as several office buildings in Ho Chi Minh City and Hanoi will be completed. Traditional project and construction management delivery is still the most frequent contract model in Vietnam, with a slight tendency to shift to the principle model.

Bram Rutgers
PDS, Vietnam

“ We have been seeing an increasing trend in the co-working space with large take ups happening in commercial space. A skilled workforce makes Thailand an attractive industrial and manufacturing hub and we continue to see development in this sector. As always, tourism is the top economic driver with many new hotel development and refurbishment projects ongoing.

Riaz Khan
PDS, Thailand

“ Malaysia continues to be a very cost-effective market for international companies to set up shared service centres. We have seen a significant increase in activity in the last 12 months since the general election.

Riaz Khan
PDS, Malaysia



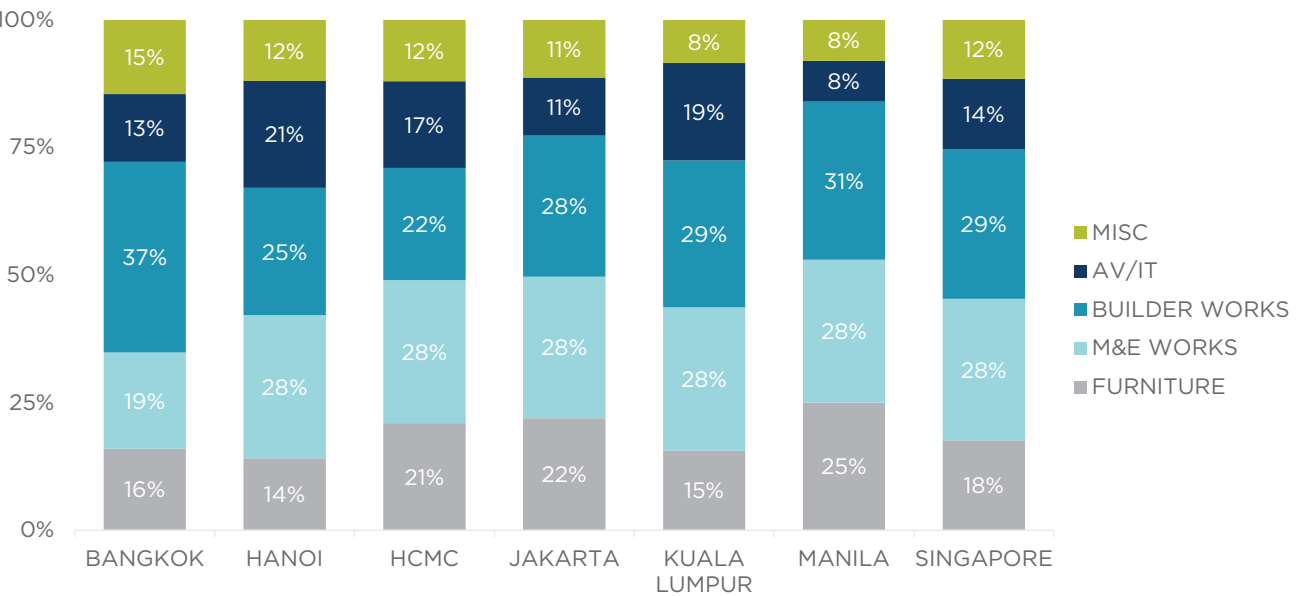
FIT-OUT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
JAKARTA	52	84	116
KUALA LUMPUR	63	83	132
MANILA	54	82	131
SINGAPORE	77	115	154
BANGKOK	53	85	151
HANOI	45	72	99
HO CHI MINH CITY	46	74	102

REINSTATEMENT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
JAKARTA	8	11	13
KUALA LUMPUR	8	12	14
MANILA	24	39	54
SINGAPORE	13	17	21
BANGKOK	7	10	12
HANOI	3	4	5
HO CHI MINH CITY	3	4	5

“ALL-IN” FIT OUT COSTS



INDIA



“ With the surge in commercial real estate demand, the interior turnkey solution model has witnessed a progressive trend in the fit-out market. Companies are paying extra attention to their workspace design to create a comfortable working environment, in order to increase employee satisfaction and boost productivity.

Shashi Busan
PDS (Occupiers), India

“ We have witnessed a significant increase in investment, consolidation and construction activities by not only developers but also real estate funds. The limited availability of Grade A office spaces has also brought in more demand. The general contracting model is becoming more popular as timely delivery is a key consideration factor for investors and developers.

Manish Goel
PDS (Investors), India

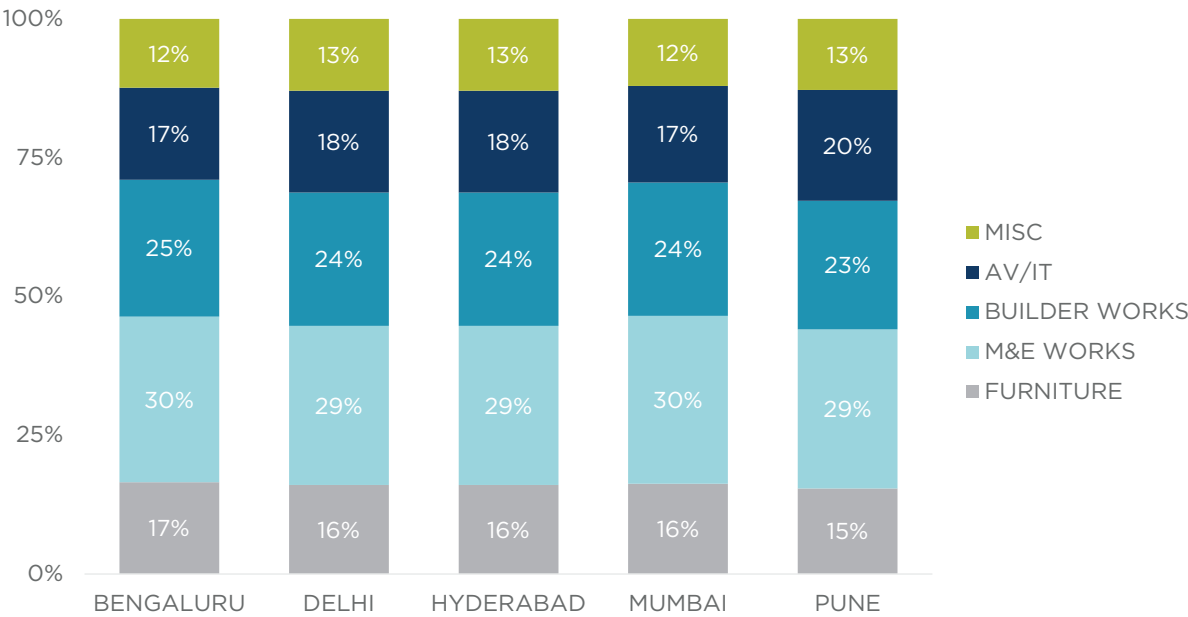
FIT-OUT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
BENGALURU	54	81	128
DELHI	56	84	133
HYDERABAD	55	80	126
MUMBAI	59	90	135
PUNE	56	81	129

REINSTATEMENT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
BENGALURU	8	11	13
DELHI	8	11	13
HYDERABAD	8	10	12
MUMBAI	9	12	14
PUNE	8	11	13

“ALL-IN” FIT OUT COSTS



AUSTRALIA & NEW ZEALAND



“ In Australia, the fit-out market demand has been consistent over the past few years. We see the prevailing trend towards agile and flexible workplace environment as occupiers want to maximize the use of space with the increasing requests for a seamless experience like end-to-trip facilities, plug-and-play IT and sit-stand desks.

Malcolm Jones
PDS, Australia

“ New Zealand has witnessed a commercial building boom in the past four years, especially in the Auckland CBD. Although we see a rather large increase in shared office spaces, we still foresee a healthy growth in office fit-out market. With the completion of Commercial Bay, we expect an increase in office fit-out demand in coming months.

Adam Shaw
PDS, New Zealand

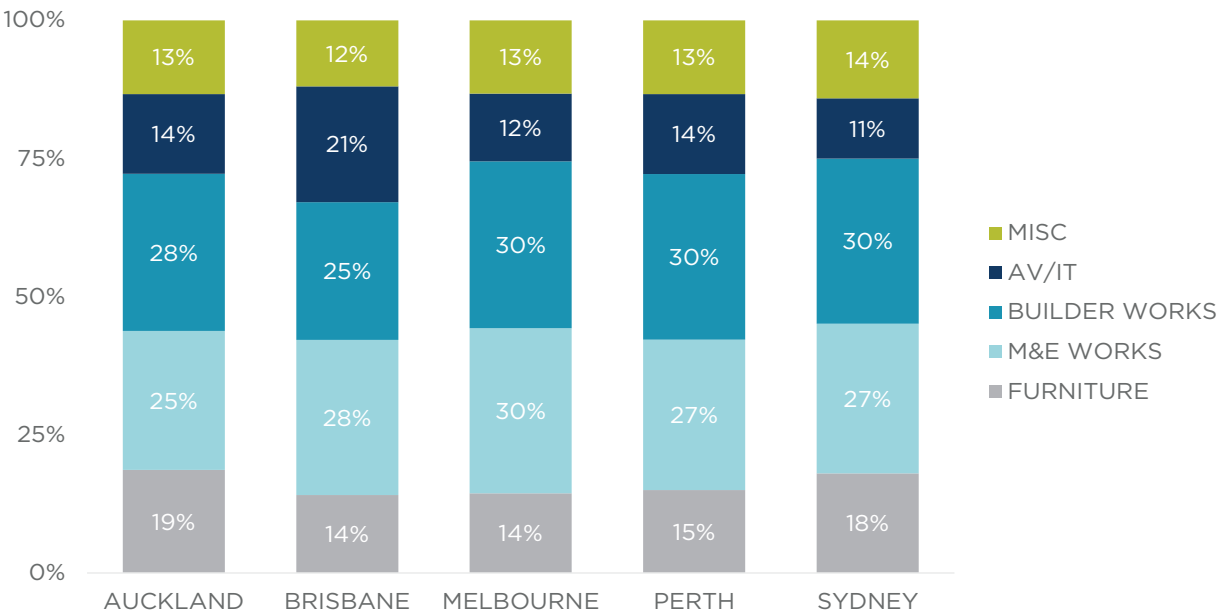
FIT-OUT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
AUCKLAND	79	140	218
BRISBANE	90	134	205
MELBOURNE	83	122	186
PERTH	79	123	183
SYDNEY	109	154	224

REINSTATEMENT COST (USD PER SF)

CITY	LOW	AVERAGE	HIGH
AUCKLAND	9	15	24
BRISBANE	6	12	22
MELBOURNE	6	13	23
PERTH	7	13	23
SYDNEY	7	14	24

“ALL-IN” FIT OUT COSTS





PROJECT & DEVELOPMENT SERVICES (PDS)

CUSTODIANS OF CAPITAL EXPENDITURE

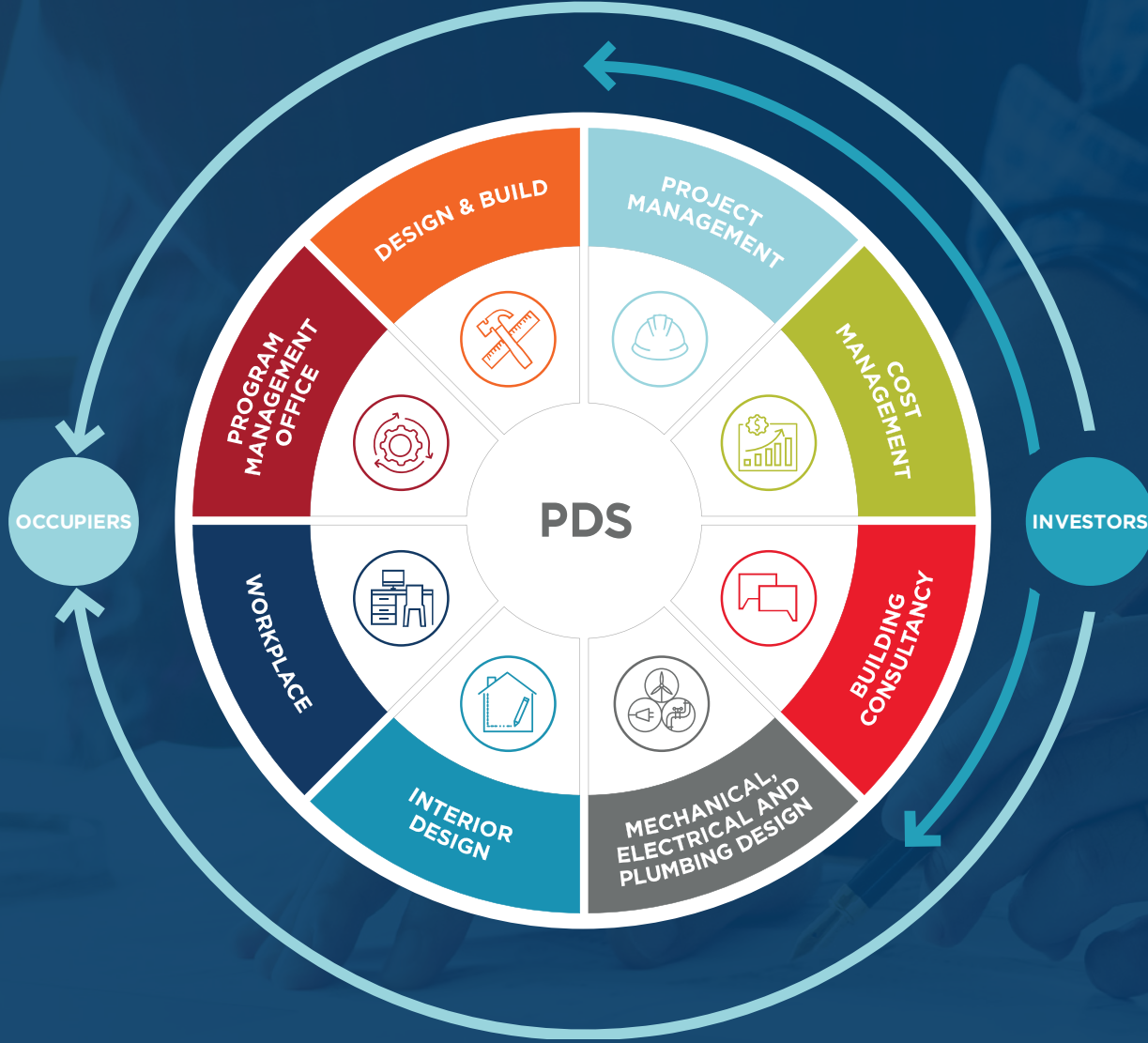
Cushman & Wakefield is a trusted partner for occupiers and investors to manage their capital expenditure and project delivery in Asia Pacific. By seeing things differently, we anticipate market changes and are first to capitalise, ensuring clients and the business can be what's next in their respective sectors.

Leveraging our global networks and local experience, we prudently optimize capital expenditure and deliver integrated design, project and construction management services for our

clients. We listen closely to our clients, fully understanding their project goals and business needs while driving business results well beyond project delivery “on time and on budget”.

Our interdisciplinary teams use data-driven, predictive analytics to provide strategic and forward-looking advice to guide our clients through the entire real estate decision-making process, unearthing innovative facility solutions critical for productivity and maximizing return on investment.

SERVICES



2019 STATISTICS



1,000+
PROFESSIONALS



38M+
SF DELIVERED



600+
PROJECTS ON-GOING



53 MARKETS
ACROSS
14 CITIES IN
ASIA PACIFIC



USD1 BIL+
CAPEX OF PROJECTS MANAGED



CONTACTS

RESEARCH

Dr. Dominic Brown
Head of Insight & Analysis, Asia Pacific
dominic.brown@cushwake.com

James Shepherd
Head of Research, Asia Pacific
james.shepherd@cushwake.com

REGIONAL PDS

Jun Sochi
Head of PDS,
Asia Pacific
jun.sochi@cushwake.com

Tom Gibson
Managing Director,
PDS, Asia Pacific
tom.gibson@cushwake.com

Andrew Carmichael
Director, Client Services,
Asia Pacific
andrew.carmichael@cushwake.com

COUNTRY PDS

Malcolm Jones
PDS, Australia
malcolm.jones@cushwake.com

David Shi
PDS, China
david.dw.shi@cushwake.com

Bryant Cheung
PDS, Hong Kong
bryant.cheung@cushwake.com

Manish Goel
PDS, India (Investors)
manish.goel@cushwake.com

Shashi Bushan
PDS, India (Occupiers)
shashi.bushan@cushwake.com

Dwitje Wangsadiputra
PDS, Indonesia
dwitje.wangsadiputra@cushwake.com

Todd Hanrahan
PDS, Japan
todd.hanrahan@cushwake.com

Jaehong Lee
PDS, Korea
jaehong.lee@cushwake.com

Riaz Khan
PDS, Malaysia & Thailand
riaz.khan1@cushwake.com

Adam Shaw
PDS, New Zealand
adam.shaw@cushwake.com

Haidee Lim
PDS, Philippines
haidee.lim@cushwake.com

Grant Carter
PDS, Singapore
grant.carter@cushwake.com

Gary Chan
PDS, Taiwan
gary.chan@cushwake.com

Bram Rutgers
PDS, Vietnam
bram.rutgers@cushwake.com



About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 51,000 employees in 400 offices and 70 countries. In 2018, the firm had revenue of \$8.2 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services.

Copyright © 2019 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources considered to be reliable. The information may contain errors or omissions and is presented without any warranty or representations to its accuracy.