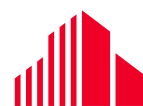
The background of the cover features a collage of modern office interiors. The top left shows a bright office with large windows overlooking a city skyline, with several desks and chairs. The top right shows a minimalist office with a white brick wall and a few chairs. The bottom right shows a long, curved reception desk with a marble top, with people working behind the counter. In the foreground, there are two yellow armchairs and a small table.

# ASIA PACIFIC OFFICE FIT-OUT COST GUIDE

**2020 - 2021**



**CUSHMAN &  
WAKEFIELD**



# INTRODUCTION

During this time of increased uncertainty, there has never been closer scrutiny on costs across all levels of corporate structures. Cushman & Wakefield's Asia Pacific Office Fit-out Cost Guide is an essential tool to assist in corporate real estate decision-making regarding both fitting out and reinstating office space.

This year, we have added three cities to our guide, increasing our coverage to 31 key cities across Asia Pacific. 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 (M&E) works, builder works, audio visual/information technology (AV/IT), and other miscellaneous costs.



Cushman & Wakefield, Sydney office

## NUMBERS AT A GLANCE

**HIGHEST**  
**TOKYO**  
**US\$201/SQ FT**

**LOWEST**  
**CHENNAI**  
**US\$60/SQ FT**

**SYDNEY**  
REMAINS  
**MOST EXPENSIVE MARKET**  
IN **AUNZ REGION**  
**US\$160/SQ FT**

**BEIJING AND SHANGHAI**  
**ARE JOINTLY**  
**MOST EXPENSIVE MARKETS**  
**ON MAINLAND CHINA**  
**US\$115/SQ FT**

**SINGAPORE** OFFICES HAVE  
**HIGHEST FIT-OUT COSTS**  
**IN SOUTHEAST ASIA**  
**US\$112/SQ FT**

**MANILA** OFFICES ARE  
**MOST EXPENSIVE**  
**TO REINSTATE IN SOUTHEAST ASIA**  
**US\$39/SQ FT**

**TOP 3**  
**MARKETS**  
**FOR OFFICE FIT-OUT**  
**COSTS IN APAC ARE**

**JAPANESE**



**OSAKA** **TOKYO** **NAGOYA**

**REINSTATEMENT**  
**COSTS**

**ARE ON**  
**AVERAGE**

**14%**

**OF FIT-OUT COSTS**



## 2020 OVERVIEW AND 2021 OUTLOOK

While it is a much-used expression, 2020 really has been an unprecedented year. At the start of the year, the broad view was that occupiers across Asia Pacific could expect a brief respite from the widespread landlord-friendly conditions that had been in place across much of the region over the past few years. Softening demand and robust levels of new supply would underpin rising vacancy and modest rental decline. Then the global COVID-19 pandemic hit. While these trends of rising vacancy and softening rental growth have been accelerated as a result, occupiers are now faced with a raft of additional issues to tackle in a climate of economic volatility and multi-speed recovery.

Firstly, it is important to note that in economic terms, we are past the low point. For most countries around the world, Q2 2020 was the nadir characterised by a dramatic collapse in output as many parts of the global economy were forced to temporarily close in a bid to contain the situation. As restrictions gradually relaxed, growth began its rebound. While the recovery will not be linear, 2021 is forecast to be stronger than 2020, with all economies in the region returning to pre-COVID levels by early 2022<sup>1</sup>.

Nevertheless, the impacts have been significant. As businesses assess the strength of their revenue streams, non-business-critical decision making has been put on hold, effectively placing a freeze on capital expenditure projects that were not already well-advanced.

For those projects that were already underway, there is positive news. Overall there has been comparatively little impact on live projects. Government requirements on matters such as social distancing, increased use of personal protection equipment (PPE) and greater health and safety oversight have all been enabled with little disruption to timelines or increased costs.

Inevitably, supply chains have been disrupted, which has primarily affected goods being imported from overseas. However, the movement of goods is improving and back-orders are being fulfilled. Domestically, goods have continued to be transported within national borders with minimal delays. In contrast, labour supply has faced much more disruption in some countries – especially those with a heavy reliance on domestic or international migrant workers. The highly infectious nature of the virus has forced governments to place much closer controls on the movement of people than goods.

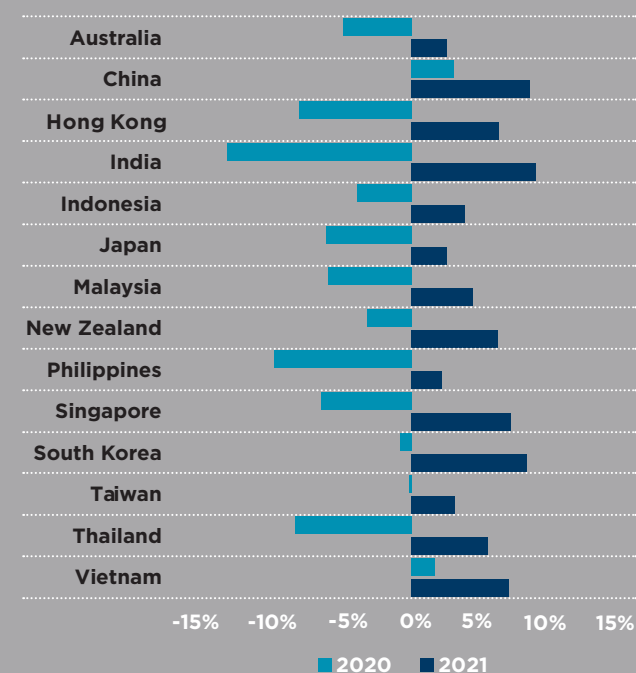
Looking forward, there is reason for optimism. Asia Pacific is forecast to emerge from the downturn earlier than other regions across the globe, and is well-positioned to return to strong economic growth. In short, the region's long-term fundamentals remain intact.

However, there are lessons to be learnt, and experiences from the short but sharp recession will continue to echo and shape corporate decision making into the future. Effectively, trends that may have taken many years to come to full fruition are being fast-tracked.

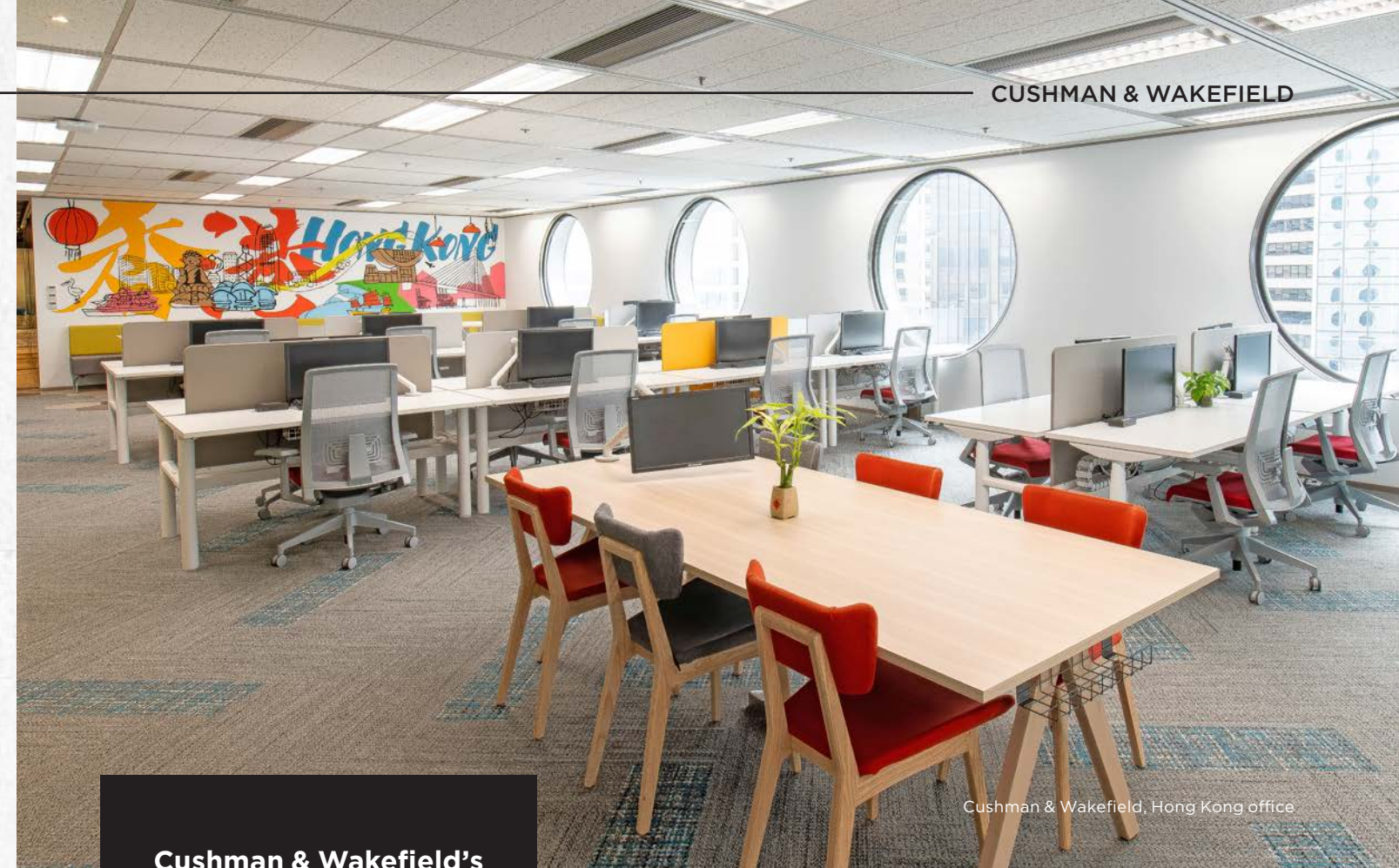
The focus on health and safety will not abate. In fact, it is likely to intensify, bringing forward greater adoption of touchless technology, improved HVAC and smarter cleaning practices. Prolonged, enforced working from home has highlighted productivity can be maintained, but at the cost of personal connection to colleagues and company culture<sup>2,3</sup>. Ultimately, this raises questions around the optimal size and composition of the corporate footprint, while simultaneously highlighting the need for ongoing investment into IT and AV technology for collaborative team working. All this with an ever-closer scrutiny on costs.

The solution is to place a greater emphasis on strategic collaboration between corporate finance, human resources, corporate real estate, and workplace strategy. Companies are having to manage multiple levels of uncertainty and as a result, have a greater thirst for information. The role of the project manager remains pivotal to this solution by bringing meaningful data insights to clients, exposing them to best practices in the “new normal” and assisting in making well-rounded decisions.

### FORECAST GDP GROWTH 2020-21



Source: Moody's; Cushman & Wakefield



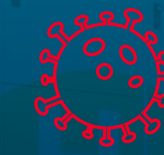
Cushman & Wakefield, Hong Kong office

**Cushman & Wakefield's Office Fit-out Cost Guide aims to be a vital tool that will help companies in their capital expenditure budgeting and decision making as the world inches towards recovery, and eventually, growth.**

### KEY HIGHLIGHTS



Rising fit-out costs have now stalled as corporates closely assess capital expenditure budgets.



COVID-19 has disrupted international supply chains resulting in delays for some materials.



Restrictions on people movement have resulted in labour shortages in markets that rely on migrant labour.



Greater integration of workplace strategy expertise is being increasingly adopted earlier in the design and fit-out process.



Heightened focus on innovative technology solutions to facilitate both in-person and remote collaboration.

<sup>1</sup>Cushman & Wakefield "Global Office Impact Study & Recovery Timing", September 2020  
<https://www.cushmanwakefield.com/en/insights/covid-19/global-office-impact-study-and-recovery-timing-report>

<sup>2</sup>Cushman & Wakefield "The Future of Workplace"  
<https://www.cushmanwakefield.com/en/insights/covid-19/the-future-of-workplace>

<sup>3</sup>Cushman & Wakefield "Purpose of Place: History and Future of the Office"  
<https://www.cushmanwakefield.com/en/insights/covid-19/the-future-of-the-office-space>



# OFFICE FIT-OUT COST IN 31 CITIES ACROSS ASIA PACIFIC



*“As a result of the global pandemic, the increases in fit-out costs seen in recent years have been reversed in most markets across the region. As corporate occupiers continue to assess their capital expenditure budgets and corporate footprint requirements, this situation is likely to persist.”*

*Given the complex situation that is unfolding, we are seeing corporates shift their thinking to greater strategic integration of their space requirements, workplace strategies and HR policies to assist in meeting corporate financial goals.”*

## TOM GIBSON

HEAD OF PROJECT & DEVELOPMENT SERVICES,  
ASIA PACIFIC

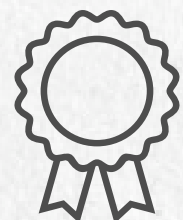
● Average office fit-out cost (USD per sq ft)

RANK	REGION	CITY	AVERAGE COST (USD PER SQ FT)	RANKING CHANGE
1	NORTH ASIA	TOKYO	201	← →
2	NORTH ASIA	OSAKA	193	← →
3	NORTH ASIA	NAGOYA	188	← →
4	AUSTRALIA & NEW ZEALAND	SYDNEY	160	← →
5	AUSTRALIA & NEW ZEALAND	MELBOURNE	155	↑ 4
6	AUSTRALIA & NEW ZEALAND	AUCKLAND	140	↓ 1
7	AUSTRALIA & NEW ZEALAND	BRISBANE	137	↓ 1
8	AUSTRALIA & NEW ZEALAND	ADELAIDE	131	NEW
9=	GREATER CHINA	HONG KONG	130	↓ 2
9=	NORTH ASIA	SEOUL	130	↑ 1
11	AUSTRALIA & NEW ZEALAND	PERTH	123	↓ 3
12	NORTH ASIA	BUSAN	118	↑ 2
13=	GREATER CHINA	BEIJING	115	↓ 3
13=	GREATER CHINA	SHANGHAI	115	↓ 1
15	SOUTHEAST ASIA	SINGAPORE	112	↓ 3
16=	GREATER CHINA	GUANGZHOU	110	↓ 1
16=	GREATER CHINA	SHENZHEN	110	↓ 1
18	SOUTHEAST ASIA	MANILA	87	↑ 4
19	SOUTHEAST ASIA	BANGKOK	85	↓ 1
20	SOUTHEAST ASIA	KUALA LUMPUR	83	↑ 1
21	GREATER CHINA	TAIPEI	80	↑ 7
22	INDIA	MUMBAI	69	↓ 5
23	INDIA	DELHI	65	↓ 4
24=	SOUTHEAST ASIA	JAKARTA	63	↓ 5
24=	INDIA	HYDERABAD	63	↑ 1
26	INDIA	BENGALURU	62	↓ 3
27=	INDIA	PUNE	61	↓ 4
27=	INDIA	KOLKATA	61	NEW
29=	SOUTHEAST ASIA	HANOI	60	↓ 3
29=	SOUTHEAST ASIA	HO CHI MINH CITY	60	↓ 2
29=	INDIA	CHENNAI	60	NEW



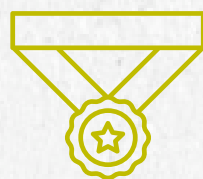
# BASIS OF ASSESSMENT

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



### 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

## SUPER FIT-OUTS

The three ranges included within this guide provide the costs for the typical fit-out projects that Cushman & Wakefield delivers on a regular basis. There are however projects that are above the upper end of this scale – **super fit-outs**.

**THESE PROJECTS ARE HIGHLY SPECIFIED AND PROVIDE HIGH QUALITY OFFICE ACCOMMODATION. THEIR SCOPE AND SPECIFICATION CAN INCLUDE:**

- > High quality, bespoke, finishes, joinery and furniture
- > Accommodation staircases
- > Technology enabled “smart” building systems (intelligent buildings)
- > Pre-engineered service zones for future flexibility
- > Highly agile working environments
- > Super high quality reception and client spaces
- > Restaurants, fitness and wellness centres, auditorium and other specialist functions
- > External terraces

**Projects of this nature can be in the range of US\$400 to US\$500+ per sq ft for the fit-out element alone.**

Cushman & Wakefield, Gurgaon office



# GREATER CHINA

*“Construction labour in China is highly mobile, moving from city to city. Restrictions on the movement of people has been a serious issue in China, which has caused some significant delays to construction schedules.”*

**DAVID SHI**  
MAINLAND CHINA

*“There has been a significant slowdown in Hong Kong’s office market as occupiers consider their space options. As a result, we have seen an increased requirement for reinstatements, but lesser demand for new fit-outs and relocations.”*

**BRYANT CHEUNG**  
HONG KONG

*“As the government has been effective at containing the virus and more importantly keeping it under control, we have seen limited disruption to live projects. There have also been no significant delays in sourcing materials.”*

**GARY CHAN**  
TAIWAN

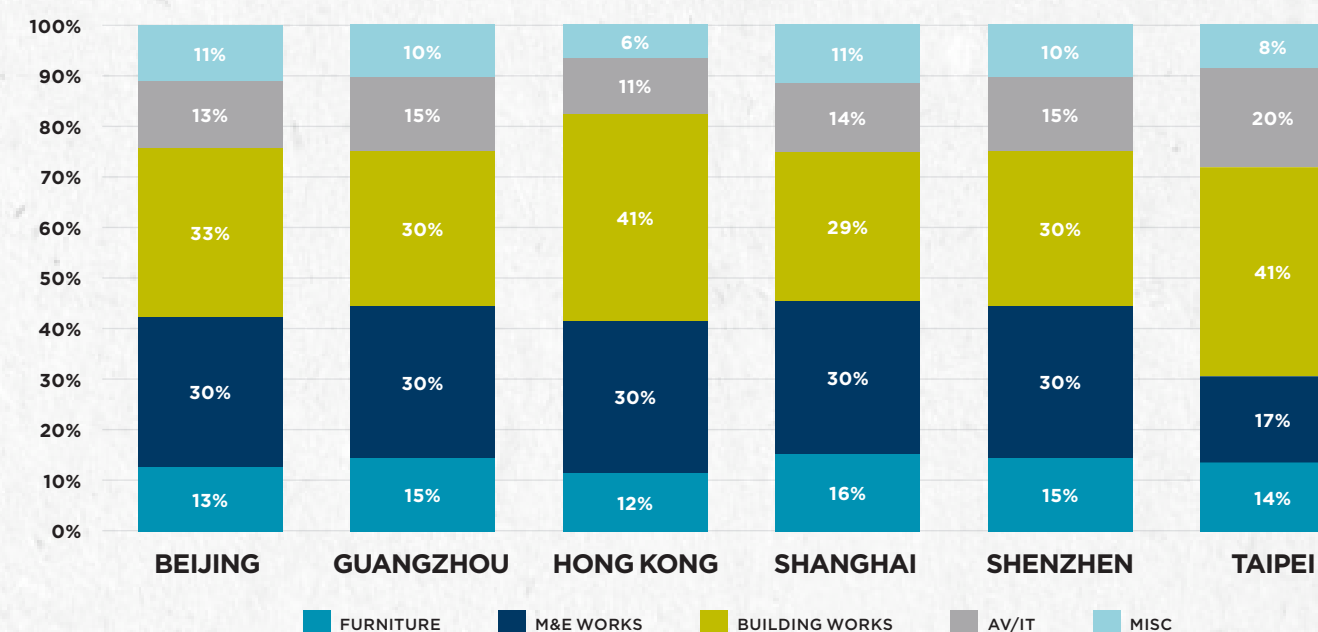
## FIT-OUT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
BEIJING	82	115	185
GUANGZHOU	65	110	160
HONG KONG	85	130	250
SHANGHAI	79	115	181
SHENZHEN	65	110	165
TAIPEI	60	80	110

## REINSTATEMENT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
BEIJING	7	12	15
GUANGZHOU	4	7	13
HONG KONG	15	30	58
SHANGHAI	6	9	14
SHENZHEN	4	7	13
TAIPEI	8	10	13

## “ALL-IN” FIT-OUT COSTS





# NORTH ASIA

*“Live projects have experienced less disruption than anticipated. While there have been minor delays, we have worked with vendors and clients to keep delay costs to a minimum. Communication has been key in making sure that schedules are realigned, and resources are available.”*

**TODD HANRAHAN**  
JAPAN

*“The rise of COVID has meant that HSSE managers are required on most projects to oversee contractor health and safety, which has contributed to a small increase in costs. However, this has not significantly affected project timelines.”*

**JAEHONG LEE**  
SOUTH KOREA

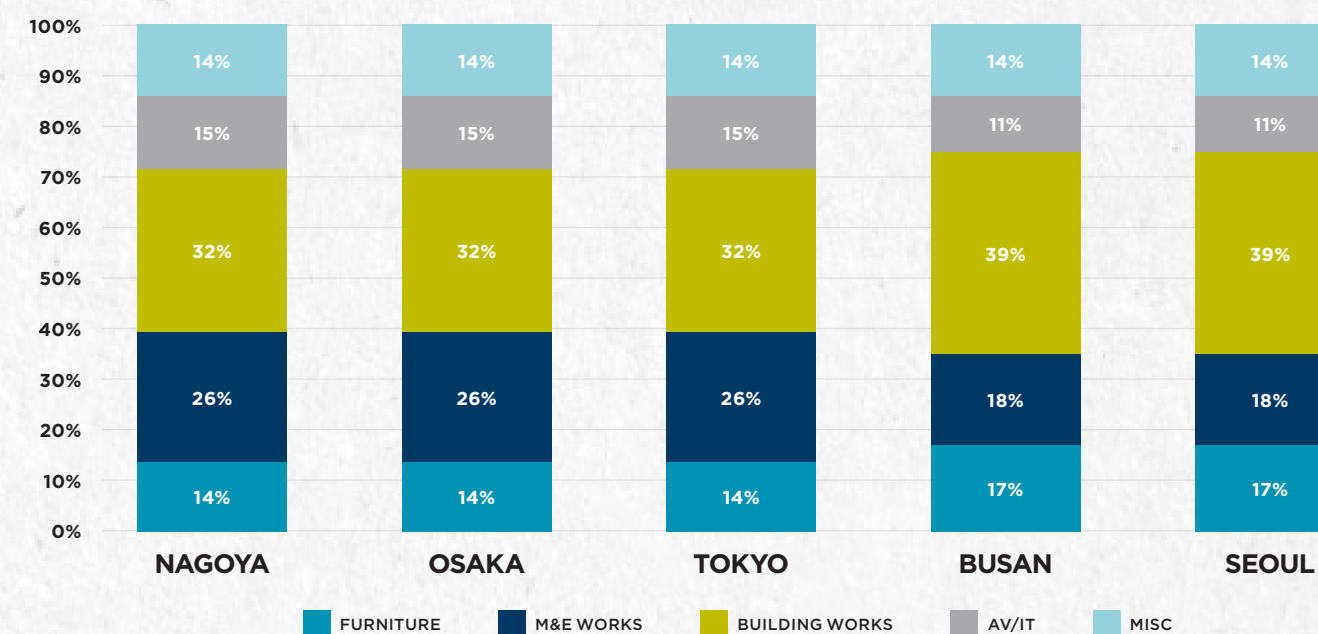
## FIT-OUT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
NAGOYA	165	188	247
OSAKA	171	193	261
TOKYO	176	201	272
BUSAN	75	118	201
SEOUL	82	130	201

## REINSTATEMENT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
NAGOYA	39	51	70
OSAKA	42	52	73
TOKYO	47	56	79
BUSAN	12	16	28
SEOUL	14	18	28

## “ALL-IN” FIT-OUT COSTS





## SOUTHEAST ASIA

*“Social distancing laws have limited the number of labourers allowed on-site at any one time. Coupled with disrupted supply chains, this has seen some increase in costs due to longer construction times.”*

**DWITJE WANGSADIPUTRA**  
INDONESIA

*“The shift to working from home has shown clients that project managers are able to run multiple projects remotely. This will have longer run benefits as these practices become the norm, leading to greater project efficiencies.”*

**RIAZ KHAN**  
MALAYSIA AND THAILAND

*“The greater focus on health and safety has had widespread benefits on the construction industry in the Philippines. Safety is now a high priority on every project, resulting in decreased incidences of accidents as well as containing the spread of the virus.”*

**HAIDEE LIM**  
PHILIPPINES

*“Construction firms who have had their labour housed in dormitories where confirmed cases have been identified have been completely shut down, resulting in labour shortages for main contractors and their supply chains.”*

**GRANT CARTER**  
SINGAPORE

*“Restrictions on people movement in China slowed their manufacturing output and led to delays in sourcing some materials. We successfully navigated this by sourcing products from alternative Asian markets to minimise project delays.”*

**BRAM RUTGERS**  
VIETNAM

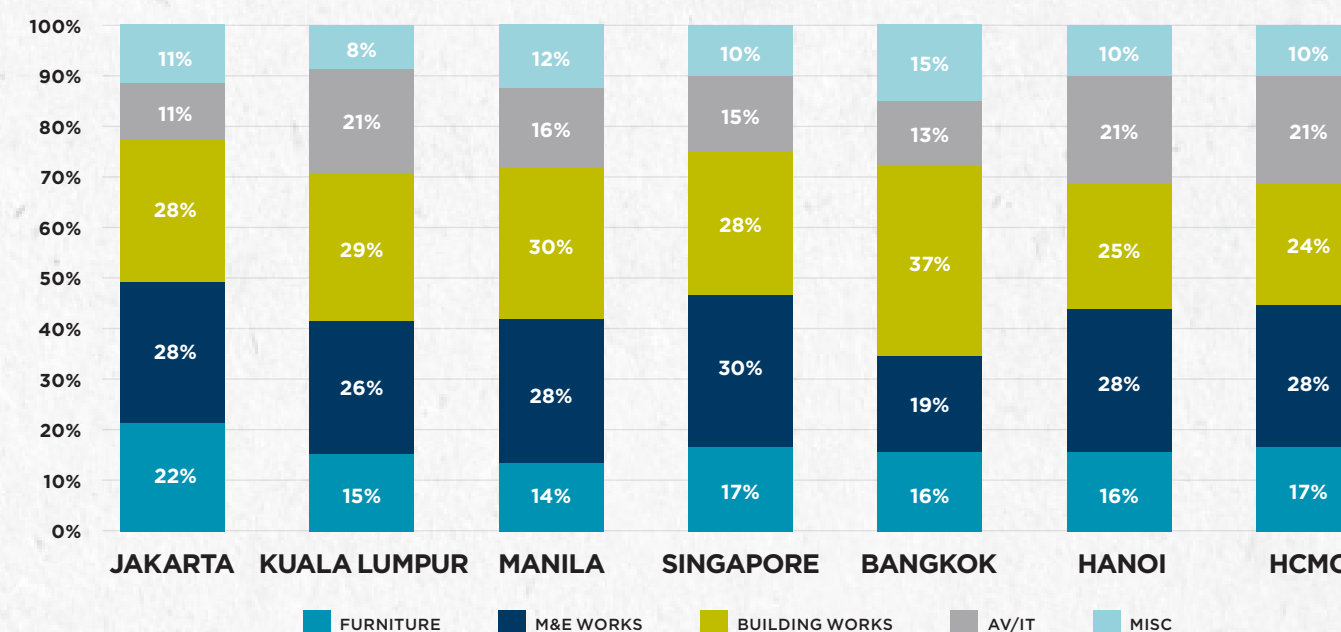
## FIT-OUT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
JAKARTA	44	63	113
KUALA LUMPUR	63	83	132
MANILA	60	87	133
SINGAPORE	82	112	140
BANGKOK	53	85	151
HANOI	35	60	113
HO CHI MINH CITY	35	60	102

## REINSTATEMENT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
JAKARTA	8	11	13
KUALA LUMPUR	8	12	14
MANILA	24	39	54
SINGAPORE	13	17	23
BANGKOK	7	10	12
HANOI	4	4	6
HO CHI MINH CITY	4	5	6

## “ALL-IN” FIT-OUT COSTS





*“Decentralisation has been occurring in India for a number of years, as occupiers move to less congested and cheaper areas with better access to transport infrastructure. The successful transition to working from home by many companies is likely see a greater focus on suburban and peripheral business districts into the future.”*

**SHASHI BUSHAN**  
INDIA (OCCUPIERS)

*“Most technology solutions investigated so far have centred around touchless technology. Institutional developers are investigating temperature screening as well as contactless ingress/egress and app-based elevator movement. The aim is swift movement of people with minimal touch-points.”*

**MANISH GOEL**  
INDIA (INVESTORS)

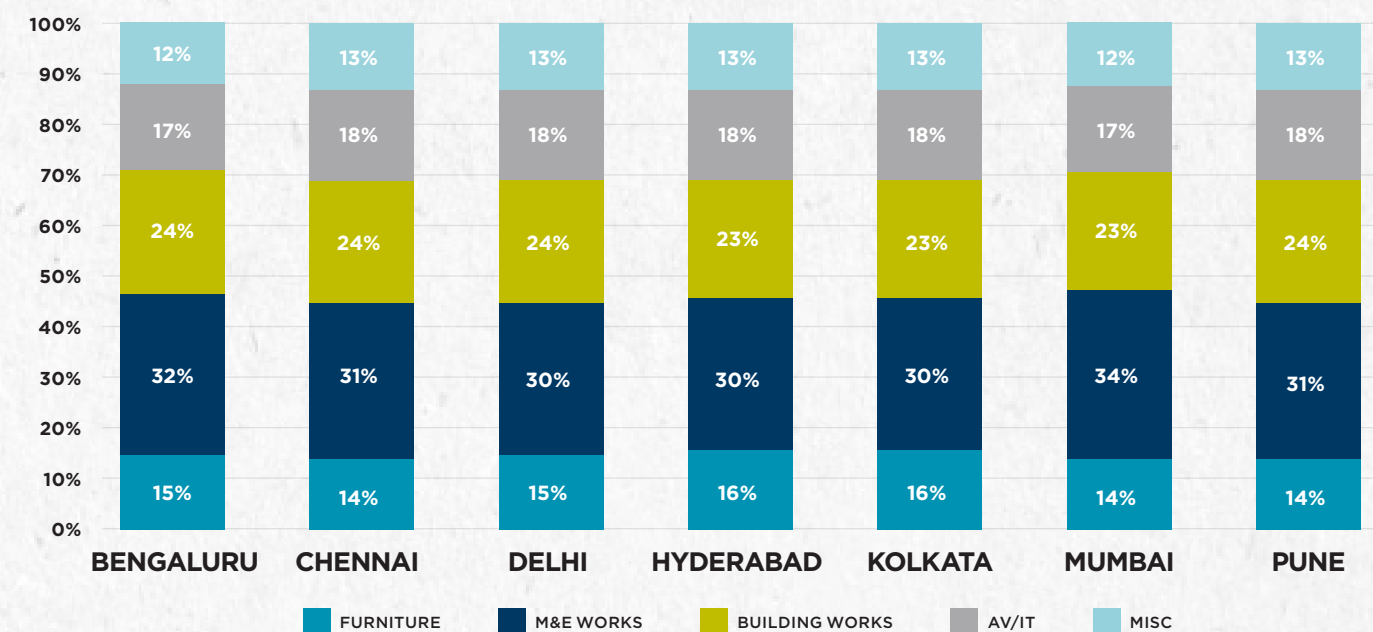
#### FIT-OUT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
BENGALURU	35	62	118
CHENNAI	33	60	114
DELHI	38	65	126
HYDERABAD	36	63	120
KOLKATA	34	61	117
MUMBAI	42	69	133
PUNE	34	61	117

#### REINSTATEMENT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
BENGALURU	5	8	12
CHENNAI	5	8	11
DELHI	6	8	12
HYDERABAD	5	8	12
KOLKATA	5	8	11
MUMBAI	7	9	13
PUNE	5	8	12

#### “ALL-IN” FIT-OUT COSTS





# AUSTRALIA & NEW ZEALAND

*“With the overall conservative approach to CAPEX budgeting and increased focus on employee wellbeing, companies are paying closer attention to how they can integrate workplace strategy into their space utilisation footprint. With most of the workforce now equipped to work from home, companies will need to review their overall workplace strategy as the role of the office changes.”*

**MALCOLM JONES**  
AUSTRALIA

*“Although capital expenditure budgets are being closely scrutinised, a minimum level of expenditure needs to be retained to meet compliance requirements. More widely, building sustainability is likely to be viewed more favourably by occupiers due to improved health and safety and lower operating costs.”*

**ADAM SHAW**  
NEW ZEALAND

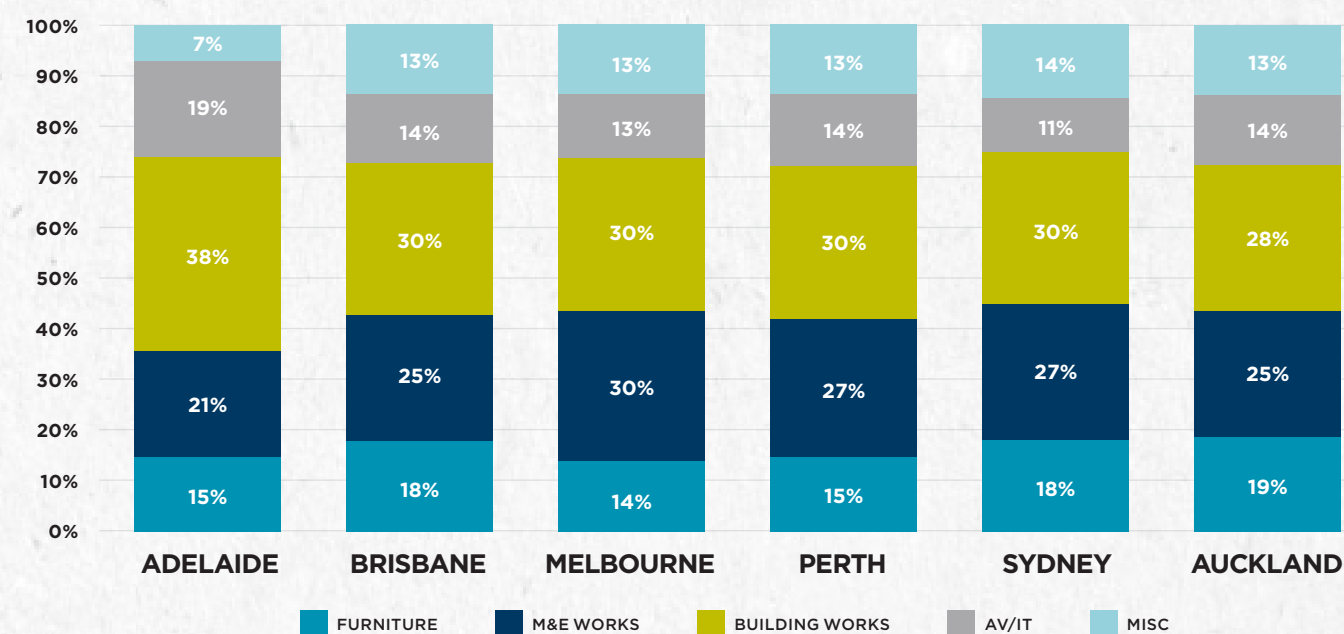
## FIT-OUT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
ADELAIDE	88	131	209
BRISBANE	92	137	212
MELBOURNE	95	155	230
PERTH	79	123	183
SYDNEY	99	160	242
AUCKLAND	79	140	218

## REINSTATEMENT COST (USD PER SQ FT)

CITY	LOW	AVERAGE	HIGH
ADELAIDE	7	12	21
BRISBANE	9	12	23
MELBOURNE	5	13	24
PERTH	7	12	21
SYDNEY	8	13	25
AUCKLAND	9	15	24

## “ALL-IN” FIT-OUT COSTS







Cushman &amp; Wakefield, Jakarta office

## PROJECT & DEVELOPMENT SERVICES (PDS)

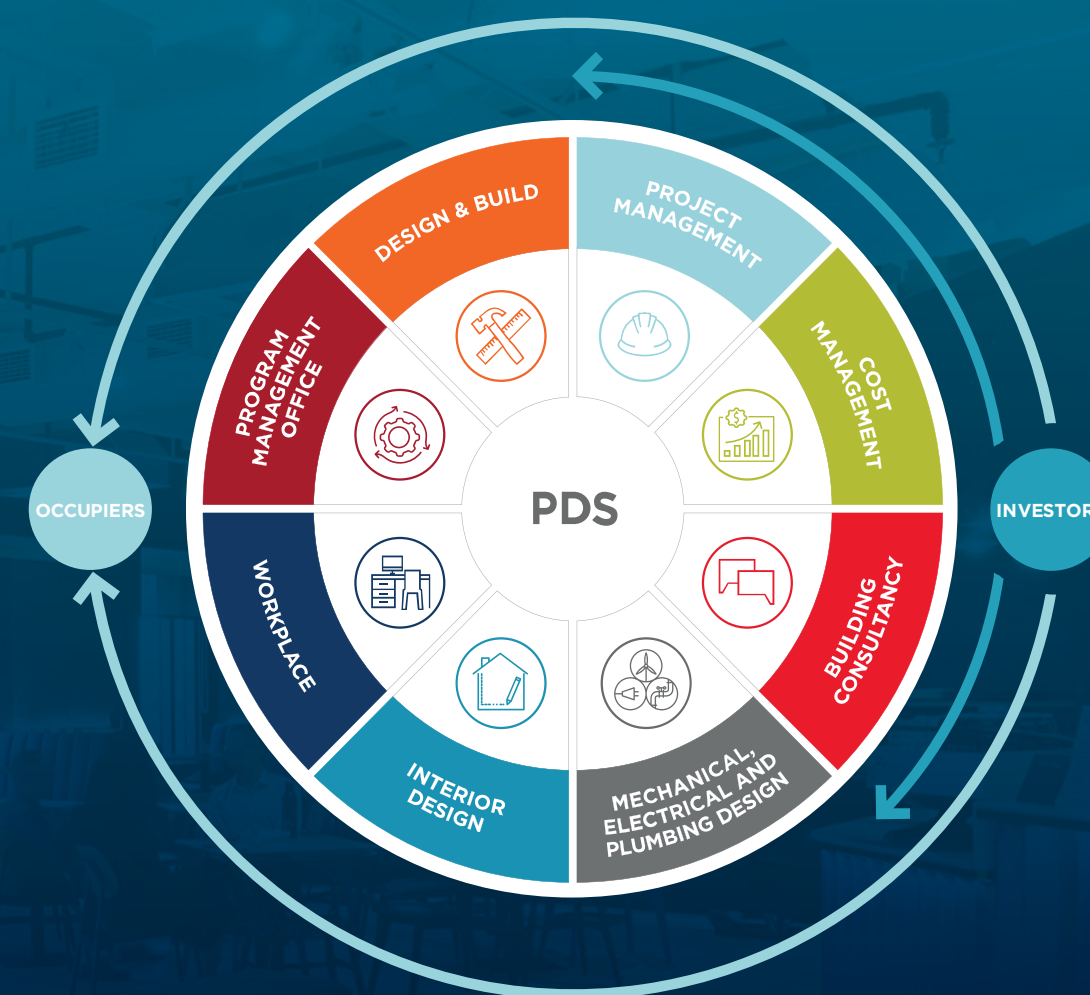
### CUSTODIANS OF CAPITAL EXPENDITURE

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 optimise 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 maximising return on investment.

### HOW WE HELP OCCUPIERS AND INVESTORS



### 2020 STATISTICS



**950+**  
PROFESSIONALS



**90M+**  
SQ FT UNDER MANAGEMENT



**650+**  
PROJECTS ON-GOING



**53** CITIES  
ACROSS  
**14** MARKETS IN  
ASIA PACIFIC



**US\$3B+**  
CAPEX UNDER MANAGEMENT





**CUSHMAN &  
WAKEFIELD**

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## 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 53,000 employees in 400 offices and 60 countries. In 2019, the firm had revenue of \$8.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow @CushWake on Twitter.