Global Office Fit-Out Cost Guide 2025

JLL SEE A BRIGHTER WAY

Research

Global

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Introduction

The outlook for office fit-outs is broadly positive in 2025, as JLL Research shows optimism in corporate occupier sentiment for business growth, with associated increases in headcount, portfolio footprint and utilization. Many global corporates are shifting to workplace policies favoring higher in-office attendance, placing more importance on the role of the office once again.

Corporates are seeking high-quality, sustainable spaces to enhance employee wellbeing and productivity, and are investing in office fit-outs that support corporate goals. JLL's Future of Work survey found 59% of organizations plan to boost investment in office fit-outs in the next five years. This sentiment is echoed across the majority of surveyed countries and even higher in some regions including Australia, India and the Middle East.

However, despite this optimism, early 2025 has brought economic and political uncertainty. As we progress through the coming year, the global construction industry faces a complex landscape of challenges and opportunities. Continuing developments in U.S. trade policy, particularly extensive tariff proposals and retaliatory measures from key trading partners, may significantly impact material costs and supply chains at a global scale.

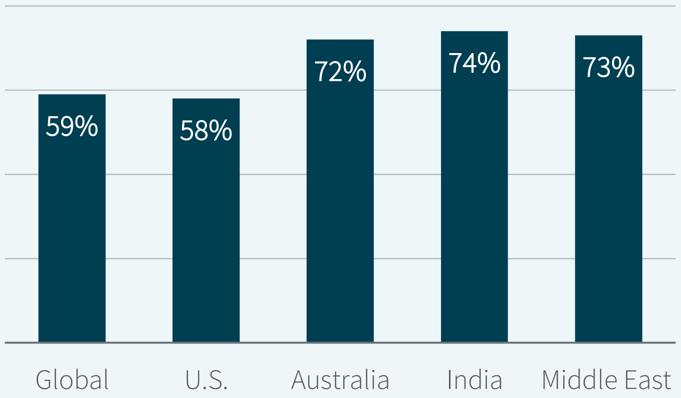
While the current economic environment may prompt cautious decision-making, corporates focused on growth and expansion will continue to target investment in office fit-outs to support strategic goals, with long-term benefits from decisiveness over the next twelve months.

Our Global Office Fit-Out Cost Guide 2025 provides insights on market trends and cost drivers to inform capital planning and office fit-out strategies.

59%

of organizations globally plan to **increase investment in space design and fit-outs** in the next five years.

Proportion of organizations in country planning to increase investment



Source: JLL Research, Future of Work 2024

Key findings

01

Targeted investment in office fit-outs across global portfolios

Corporate Real Estate (CRE) leaders are looking to global benchmarks to understand cost drivers across geographies and develop capital plans that prioritize investment for maximum ROI across portfolio locations.

The average fit-out cost globally for an office is $1,950/sqm and ranging from $770/sqm to $3,790/sqm across geographies and typologies.

02

Increasing costs constraining decision-making

Rising costs and economic uncertainty are contributing to hesitancy in CRE investment decisions with potential long-term impacts on portfolio and workplace strategy realization.

Fit-out costs have increased across all regions in the last 12 months, with three-quarters of markets reporting increases in raw material prices and half of markets reporting that labor shortages are increasing construction costs. A strengthening of the U.S. dollar in past year has also impacted on costs of importing materials and products in some regions.

03

'Flight to quality' influencing project cost profiles

Increased focus on in-office attendance, employee experience and sustainability performance is leading focus on investing in high quality workspaces, with increased spend on materials and finishes and shifting cost profiles on many projects.

In locations with short supply of Grade A office buildings, tenants and building owners are investing in refurbishments and fit-out of existing office space, often with higher costs associated with upgrading Mechanical & Electrical (M&E) services.

04

Increasing demand for sustainable fit-outs

Demand for sustainable office fit-outs is on the rise, with 60% of markets assessed reporting increases in the number of fit-out projects with high sustainable criteria in the past twelve months.

Corporates are seeking to demonstrate long term ROI through investment in sustainable offices, with greater focus on operational and embodied carbon savings throughout the life cycle of an office, from M&E Services upgrades to reinstatement requirements.

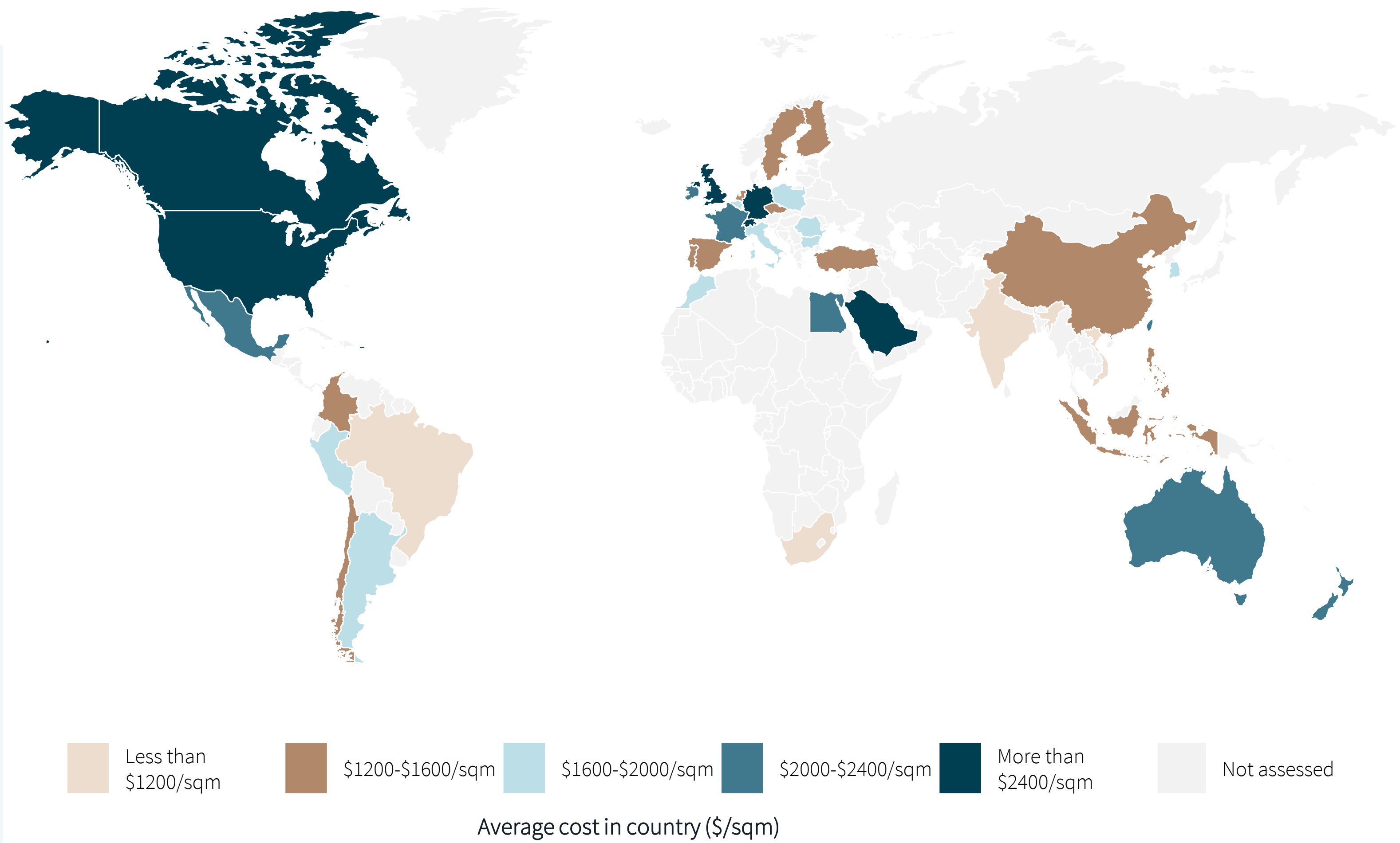
Global to local

As organizations look to develop capital plans and portfolio strategies, benchmarking costs across countries and typologies can inform efficient and innovative projects focused on long-term value. Our Global Office Fit-Out Cost Guide 2025 provides insights into the average costs for fitting out offices in 68 cities and 40 countries globally.

Our teams priced a standardized project with specifications benchmarked. The project is a contemporary office building in a Central Business District (CBD), with a moderately open and flexible layout and medium-quality finishes as per JLL design standards.

Average costs of fitting out an office vary across geographies, with costs in each region influenced by material and labor costs, market practices and construction regulations. As in previous years, fit-out costs are highest in U.S., Canada, UK, Switzerland, Saudi Arabia and UAE, Singapore and Japan.

Range of average fit-out costs globally

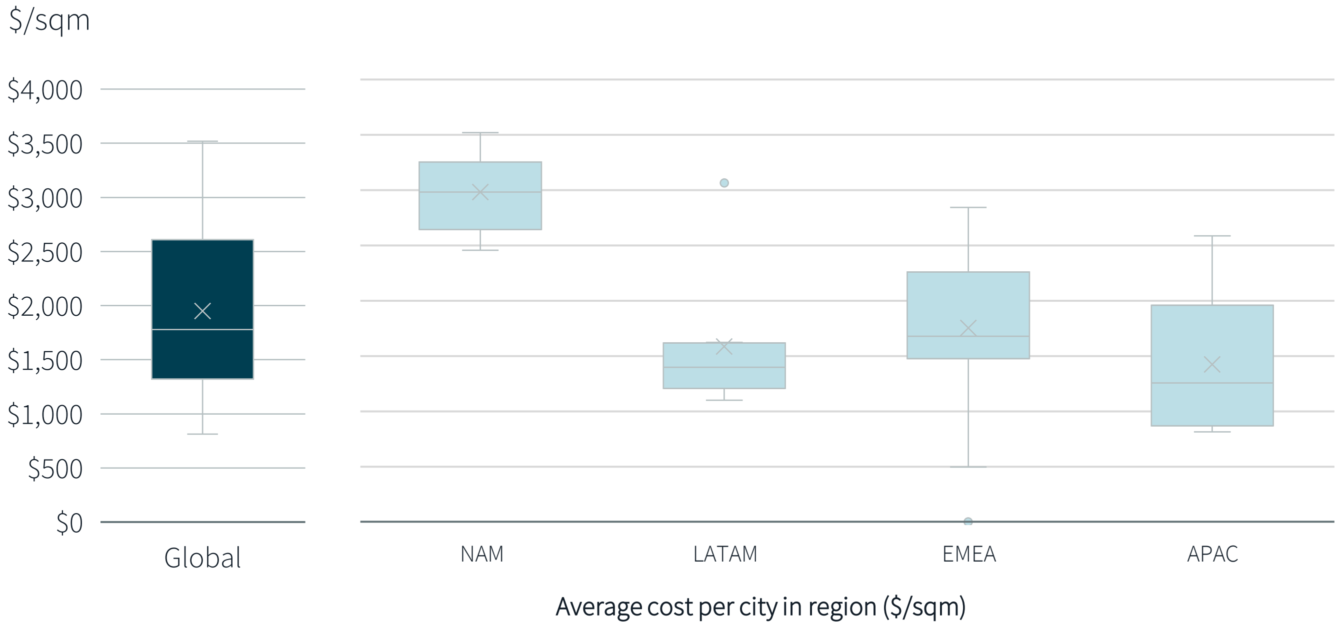


Source: JLL Research
Note: All costs shown in USD. Total fit-out cost $/sqm.

Global and regional average fit-out costs for offices

Global	North America (14 cities)	Latin America (8 cities)	Europe, Middle East, Africa (25 cities)	Asia Pacific (21 cities)
$1,830	$3,070	$1,790	$1,970	$1,460

Range of costs in region (Moderate, Medium quality)



Source: JLL Research
Note: All costs shown in USD. Total fit-out cost $/sqm.

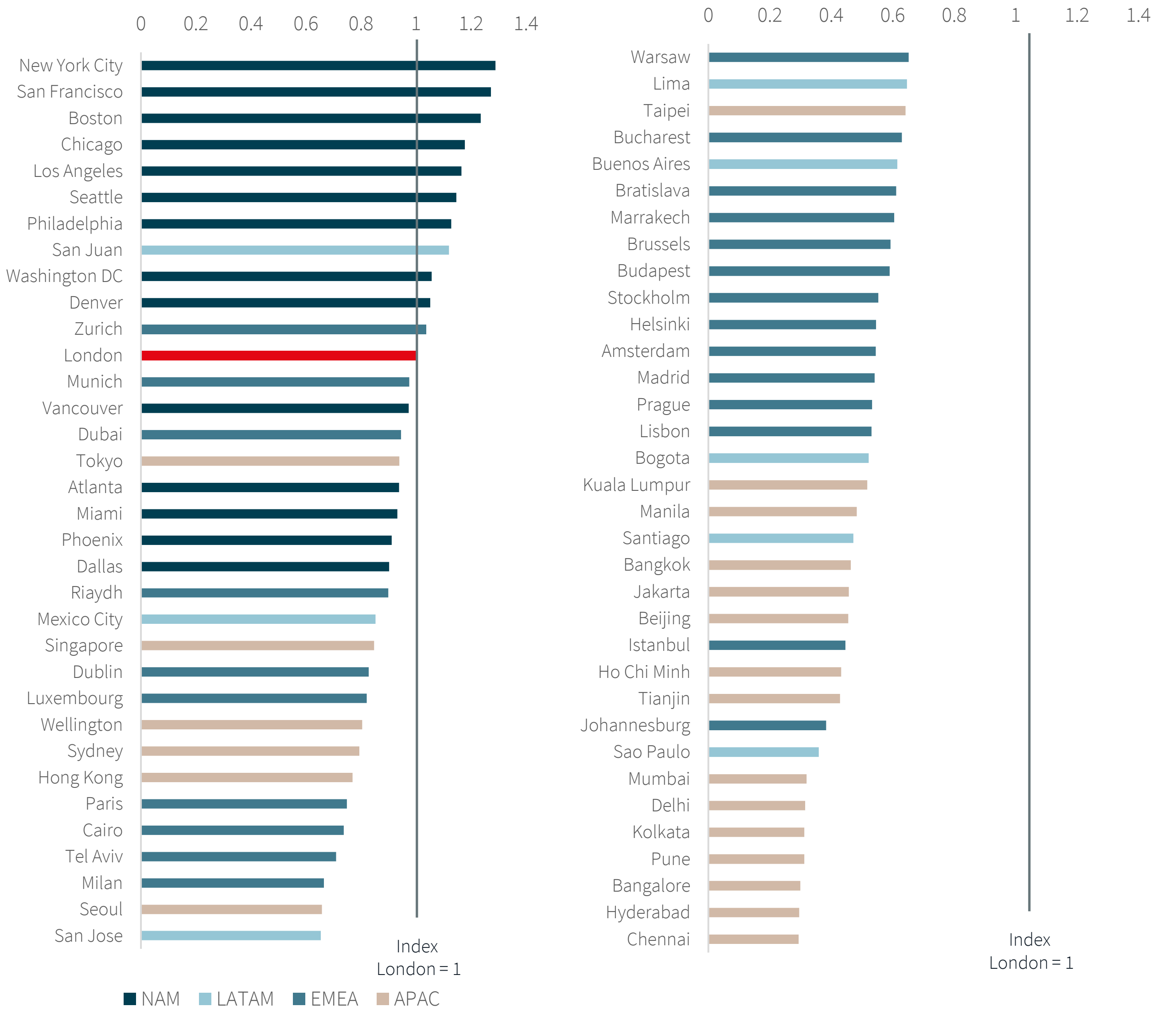
City cost index

Understanding costs in key cities can be critical to global portfolio CAPEX planning and the implementation of corporate design requirements across global locations. To understand the relative difference in costs between cities, comparable costs of office fit-outs in each city are assessed against a baseline to London.

The top 20 cities are dominated by U.S. cities alongside other major global cities including Vancouver, Tokyo, London and Dubai. These cities remain comparable in costs, with continued competition for Grade A space and in highly buoyant local economies.

Cities featuring on the lower end of the index include global cities across India, South Africa, Vietnam and China. Although costs in these locations are relatively lower, in many cases they are also experiencing high levels of construction cost growth and an evolving cost landscape. A strengthening of the U.S. dollar in past year also impacting on costs of importing materials and products in some regions.

City cost index



Macroeconomic context

While cost drivers will vary across geographies and local markets, there are common factors across many regions. Rising costs of material and labor remain key drivers, and although inflation has stabilized across most countries, it continues to be higher than in the years leading up to the pandemic.

Inflation

While most economies are not expected to see the kind of robust rates of GDP growth that would drive inflation higher, other factors threaten higher price growth. European gas prices have doubled over the last year and international shipping prices remain volatile and prone to upward swings.

Labor costs

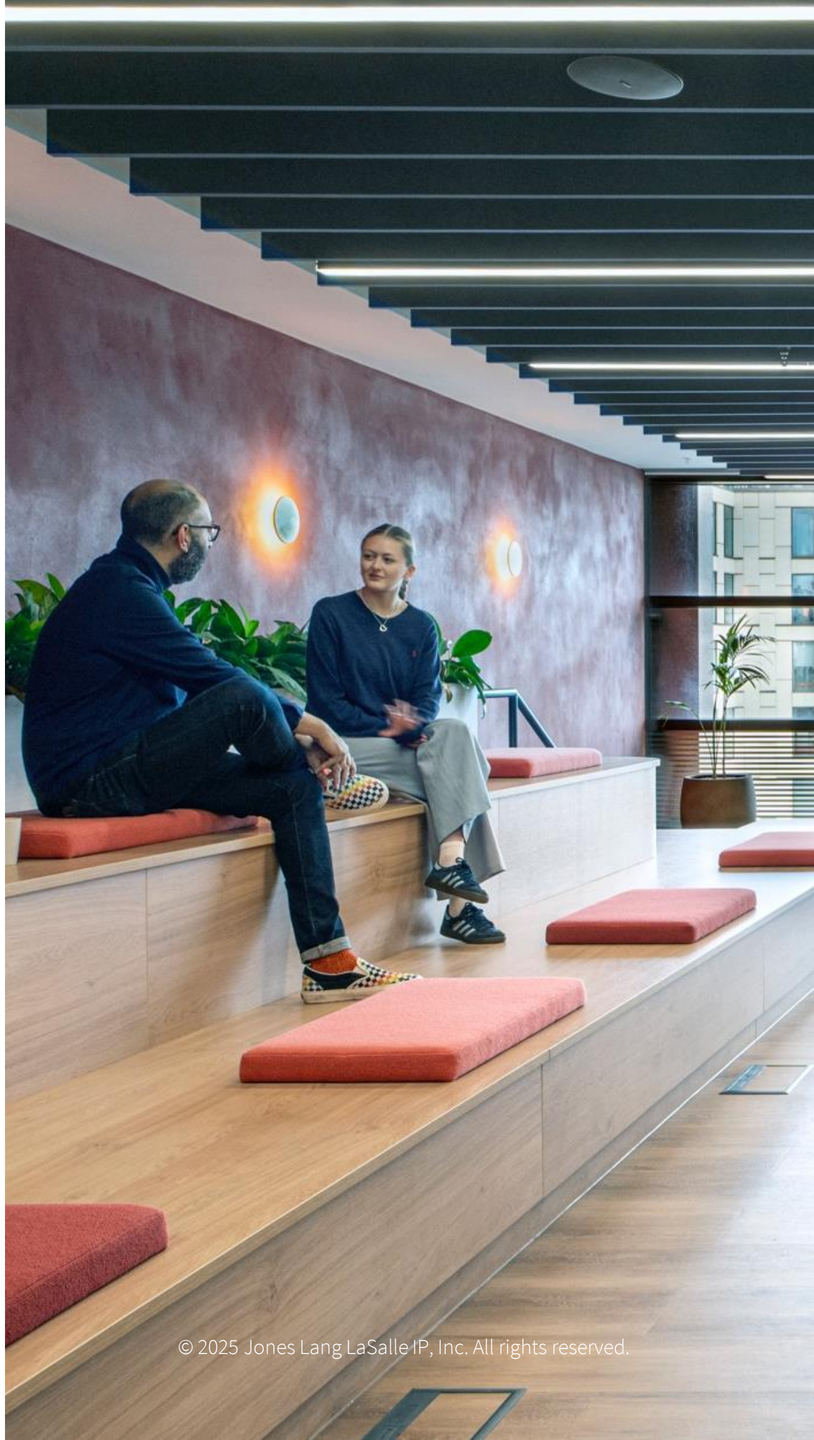
Labor costs are rising and will likely continue to increase at above inflation rates. Sectors seeing worker shortages, such as construction in many countries, will see higher wage growth still.

Raw material costs

Raw material prices rose sharply following the pandemic and have not significantly come down. Metals prices are elevated, with aluminum and copper prices close to multi-year if not multi-decade highs (excluding the pandemic period). In contrast, steel prices are in line with their pre-pandemic levels, though U.S. prices have shot up recently following the elevation of tariff rates on imports.

U.S. tariffs

The construction industry should anticipate potential supply chain disruptions and price volatility, especially for projects heavily reliant on imported materials. Uncertainty around U.S. foreign and domestic policy outcomes has forced the construction industry to engage change reactively, making the need to balance longer-term growth needs and short-term impacts increasingly difficult for CRE stakeholders.

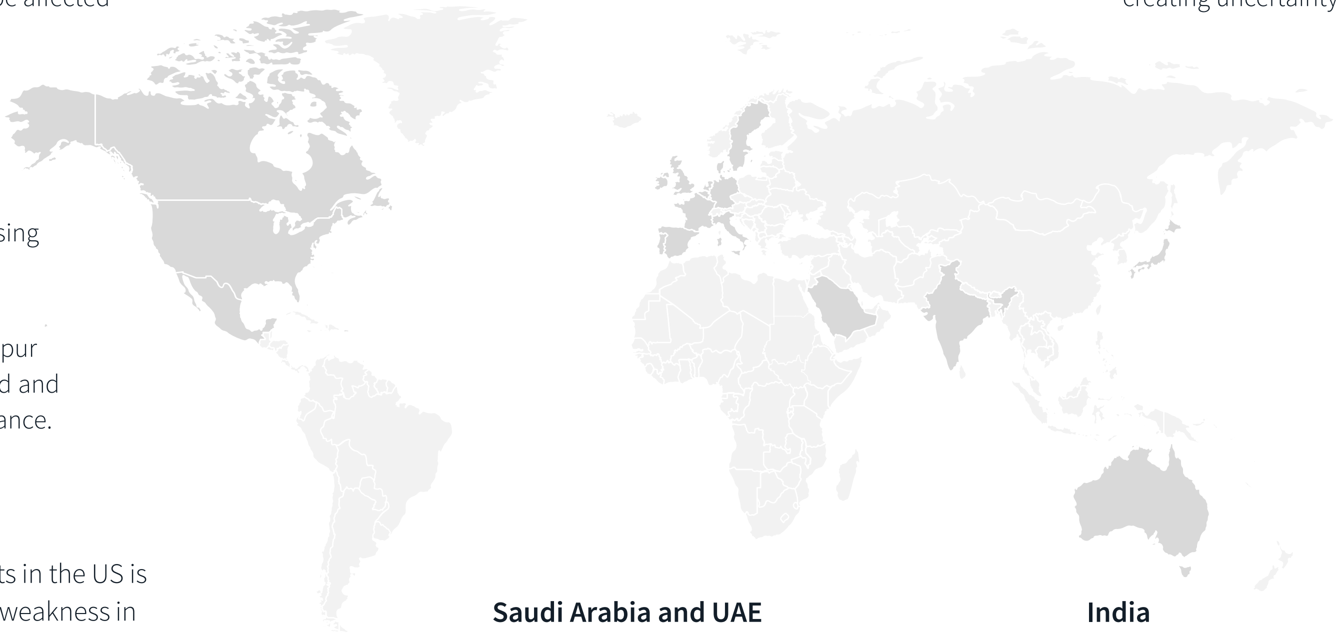


Macroeconomic factors influencing construction costs across geographies

Canada
- Import tariffs with the U.S. anticipated to disproportionately impact Canadian firms and disrupt construction.
- Import reliant inputs may also be affected by weaker Canadian Dollar.

United States
- Policy uncertainty is disrupting private construction and increasing material costs.
- Increased focus on domestic manufacturing in the U.S. may spur short-term construction demand and alter long-term global trade reliance.

Mexico and LATAM
- Potential loss of export markets in the US is driving concerns of economic weakness in Mexico but less impactful in LATAM broadly.
- Regional inflation is expected to cool moderately but only modest growth is anticipated.



UK
- Inflation stabilized from 2023-25.
- Labor shortages increasing, affecting costs.

EU
- Inflation reducing in most countries, but still higher than pre-pandemic levels.
- Conflict in region and looming trade tariffs creating uncertainty in markets.

Japan
- Labor shortages are biggest risk to cost increases and project delays
- Previous deflation challenge. Easing and robust price growth, with CPI hitting 4% in January 2025.

Australia
- Inflation has stabilized in last 12 months.
- Worker shortages and wage growth in competitive markets are increasing labor costs in construction in the country.

Saudi Arabia and UAE
- Imported material costs increases in 2024.
- Continued risk exposure to supply chain disruption, as shipping through Suez Canal down by more than half.

India
- Strong construction market and economic growth overall.
- Imported material costs increasing, with FX rates U.S. dollar a factor.

Source: JLL Research

Evolving office typologies

The global office fit-out landscape exhibits significant variability, influenced by diverse factors including layout preferences, finish quality and local market dynamics.

Recent JLL research shows that space provision trends have seen continued increases and shifts towards open plan and shared desks in 2024, alongside increases in open and small enclosed meeting spaces.

However, more recent shifts to increased in-office attendance requirements or even five day a week in office, is raising the need for more focused working. Adaptable and flexible workplace layouts are increasingly important for supporting varied collaboration activities and increases in the number of small meeting rooms in many projects are being designed to flex in function as meeting spaces and individual offices for periods of time.

As organizations focus on high-quality spaces for employee performance, experience and talent attraction, our clients are seeking to understand the costs for office design typologies and space types.

To address this complexity, a nine-point pricing matrix has been developed, adapting standardized layouts to various quality levels and office configurations. This approach enables more precise budgeting across different project goals.

While no single typology can provide the perfect solution, matching your workforce needs to space requirements is critical to inform strategic capital investment that supports corporate ambitions and workforce needs.

Global average costs

Space quality and complexity	Office layout typology		
	Open & flexible (Progressive)	**High spatial variety (Moderate)**	**Structured (Traditional)**
	Open floor plan with no enclosed offices. Prioritization of open collaboration spaces and agile work zones distributed across floor plan.	Open floor plan with no enclosed offices. High mix of open and enclosed collaboration spaces, agile work zones and focus areas.	Focus on dedicated desks single, private offices and enclosed meeting rooms. Collaboration and social spaces clustered in one area.
Baseline Simple aesthetic with finishes focused on function.	$ 1,700	$ 1,830	$ 1,900
Medium Standard project complexity with a few unique design features and average-quality materials finishes.	$ 1,830	$ 1,970	$ 2,050
High Emphasizes top-quality finishes, with increased effort spent on aesthetics and detail design	$ 2,090	$ 2,250	$ 2,360

Regional average costs

Space quality and complexity	Open & flexible	High spatial variety	Traditional focus
Asia Pacific (APAC)	$ 1,350	$ 1,460	$ 1,590
Europe, Middle East & Africa (EMEA)	$ 1,840	$ 1,970	$ 2,070
Latin America (LATAM)	$ 1,680	$ 1,790	$ 1,860
North America (NAM)	$ 2,840	$ 3,070	$ 3,190

Source: JLL Research
Note: All costs shown in USD. Total fit-out cost $/sqm.

Cost drivers

The global construction and fit-out industry is grappling with a complex array of cost pressures in 2025. With increased focus on the office and investment in workspaces, many organizations are seeking to understand the relative cost factors and potential associated outcomes can inform the design and delivery of office fit-outs.

While cost profiles vary regionally, Builders' Works (from partitions and flooring, to finishes and joinery) accounts for the largest component of fit-out costs in all regions except LATAM.

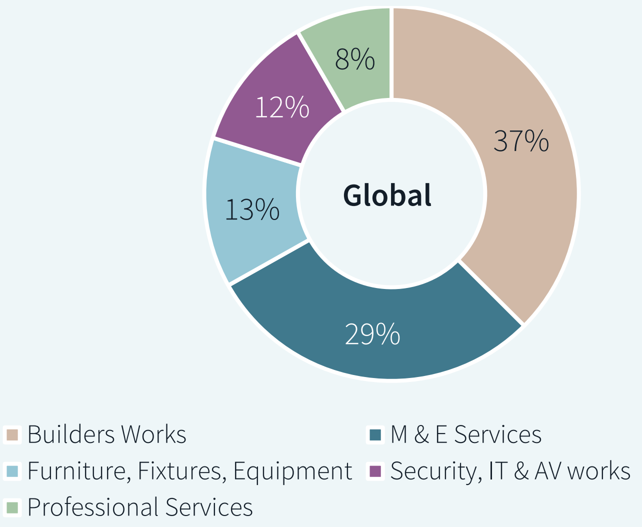
With increased focus on the office, many organizations are seeking to invest in high-quality offices to boost office attendance and enhance talent attraction. Specifications of materials and finishes can have a significant impact on the quality of workplaces but can also be large variation in costs. The proportion of cost spent on Builders' Works was found to range between 20% to 45% of costs within regions.

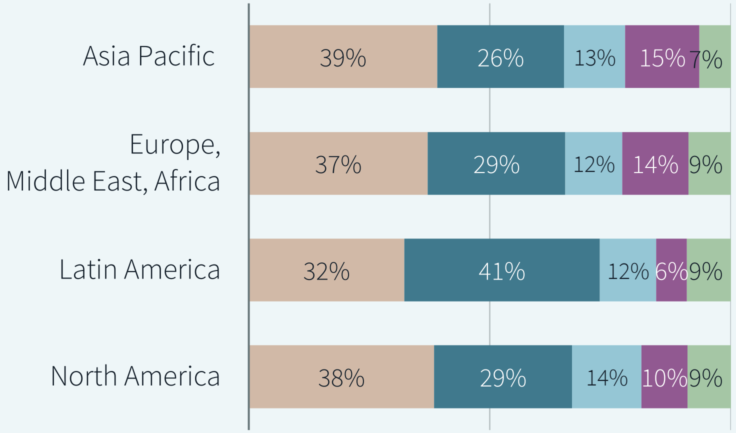
The second largest cost is M&E services, which is also where there is most variation between regions. M&E can account for between 20% to 45% of costs, due to a combination of climatic demands and local tenant obligations within a building, which can vary extensively between countries.

Costs for Furniture, Fixtures, Equipment (FFE) range across regions from 13%-16% of total costs, comparing like-for-like specification from locally available products. Furniture costs can vary significantly depending on the availability of project specification products, with many organizations increasingly seeking to balance global design standards with greater focus on local sourcing and reducing embodied carbon footprints.

AV & Technology forms a larger component in APAC compared to other regions, reflecting the growing emphasis on technology to support greater efficiencies and hybrid working practices in the region.

Typical fit out cost breakdown





Source: JLL Research

Planning for sustainable fit-out

Demand for sustainable fit-outs is on the rise, with 60% of the markets surveyed reporting an increase in client enquiries for more sustainable fit-outs in the last 12 months. Corporate ambitions for sustainability remain strong, highlighted in JLL's Future of Work survey which found 66% of organizations globally plan to increase investment in sustainability performance in the next five years.

Continued demand for Grade A office space, coupled with lack of supply, is also heightening focus on existing office buildings and what the long-term value of investing in fit-outs can deliver for both occupiers and building owners.

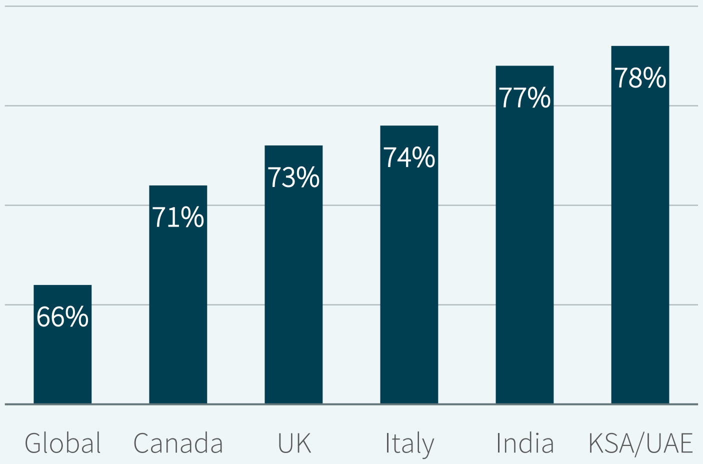
Investing in existing buildings can provide benefits in reducing both operational and embodied carbon and meeting corporate sustainability goals.

While costs for sustainable design specifications often fall within cost driver categories of material specifications, furniture and M&E Services, organizations are increasingly implementing innovative approaches, from AI enhanced building systems to upcycling furniture, to improve sustainability and manage costs.

However, one area that has received less attention, is the opportunity to consider whole-life sustainability and the impact of reinstatement on embodied carbon. Reinstatement approaches vary significantly depending on typical landlord/tenant responsibilities, in-region norms and lease requirements, but increased focus on embodied carbon, led by global city policies, is likely to drive greater collaboration on the impact of reinstatement at lease ends.

66%

of organizations globally plan to **increase investment in sustainability performance** in the next five years.



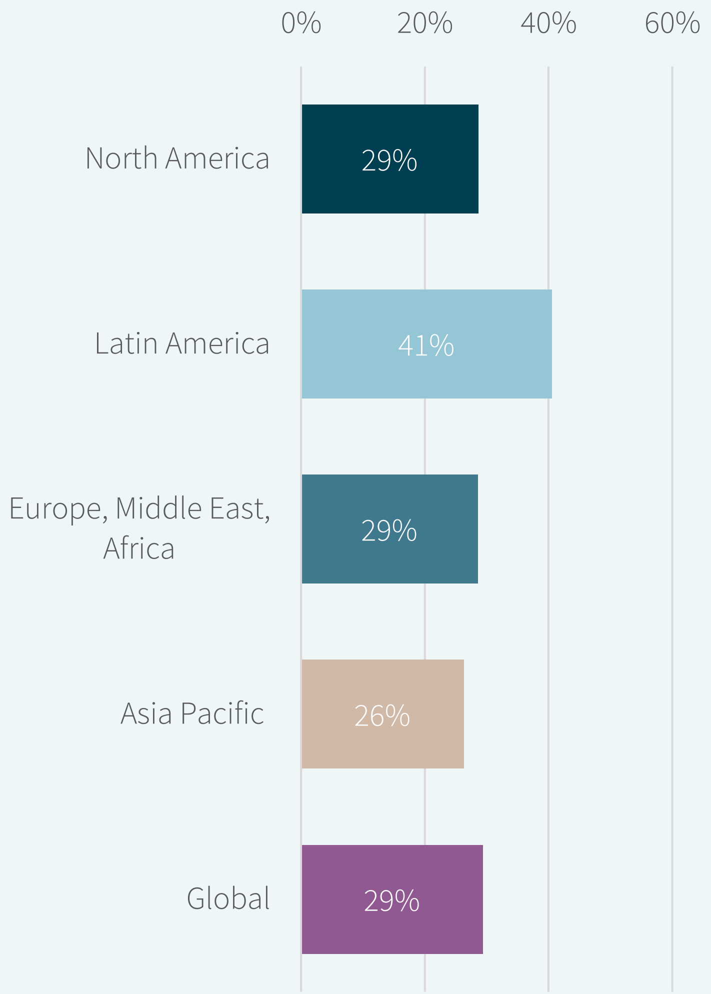
Source: JLL Research, Future of Work 2024

Mechanical & Electrical (M&E) Services is often an area associated with higher costs related to higher environmental standards or green certifications, often comprising a high proportion of upfront costs but with some of the most significant long-term benefits for lowering operational costs. In the context of continued rising energy prices, forward-looking organizations will be focusing on targeted investment in M&E solutions to future-proof.

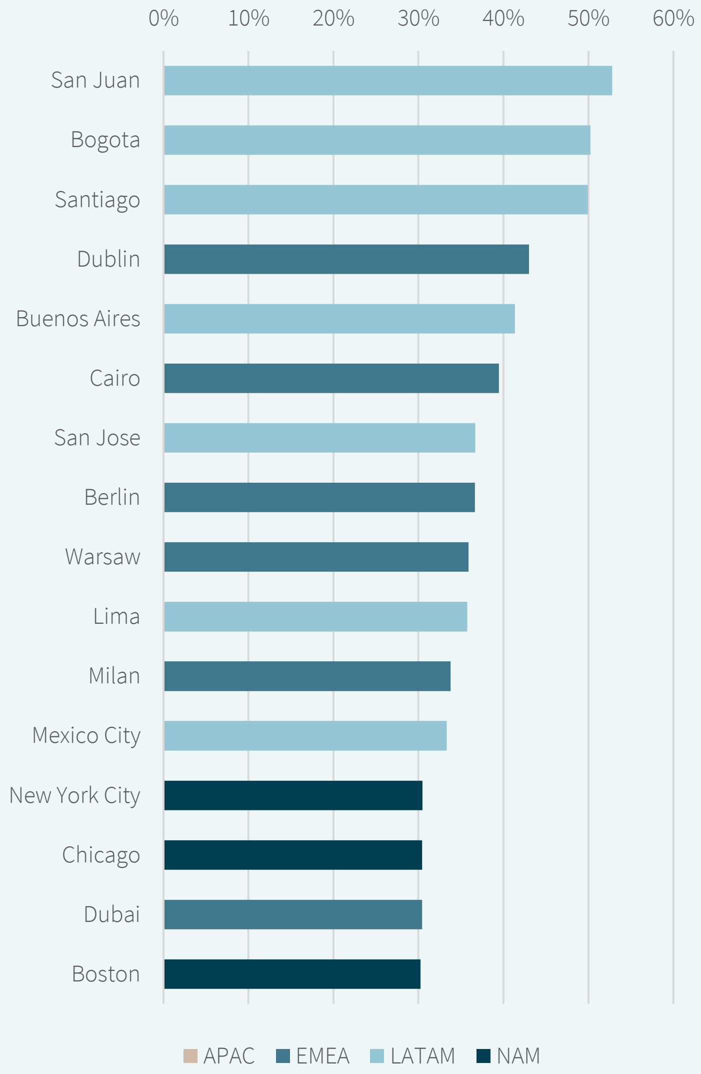
Across all countries, M&E Services costs were found to be on average 29% of total fit-out costs, with some regions even higher reporting 35%-45% of costs. The costs of M&E services can vary significantly due to the costs of importing mechanical systems in some countries, high competition for specialized services in smaller markets, and higher load requirements in response to some climatic needs.

However, these upfront costs are often where the greatest long-term cost efficiencies can be found, as research has also shown that investing in M&E upgrades can save between 10%-40% on operational energy costs depending on the level of investment or upgrade (JLL Research, 2024).

Average proportion of costs for M&E Services by region



Top 15 cities with highest proportion of overall costs allocated to M&E Services



Source: JLL Research
Note: Total fit-out cost $/sqm.

Reinstatement and whole life considerations

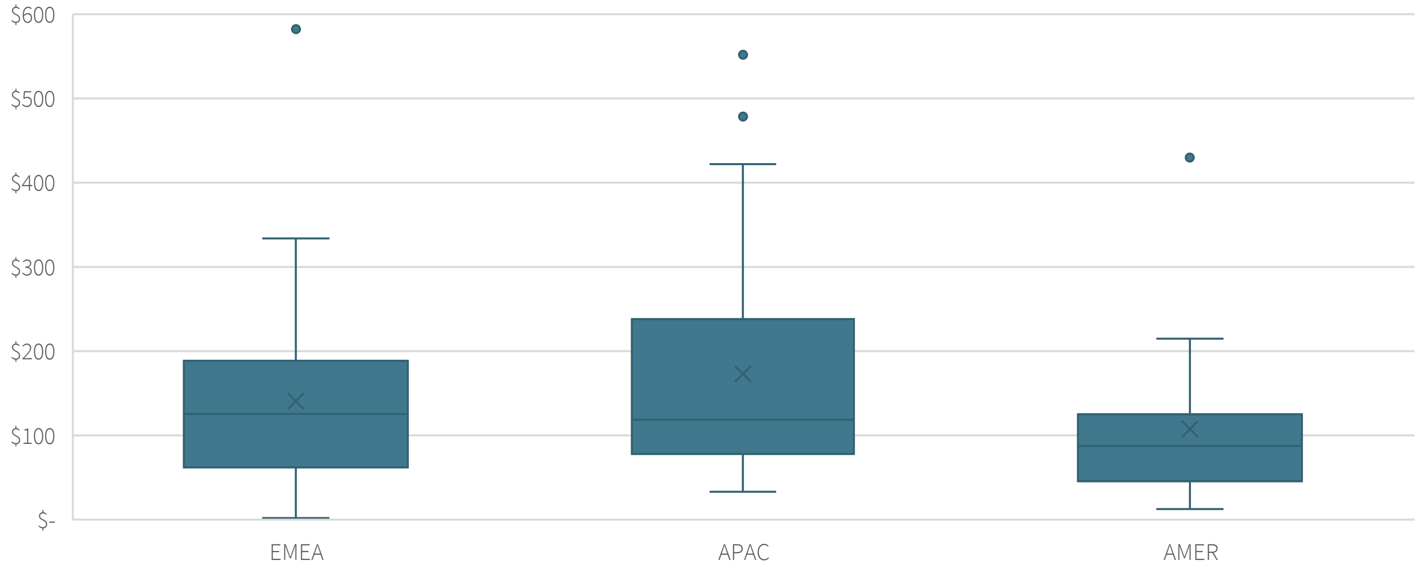
Reinstatement costs, also known as dilapidations or asset restoration obligations, is a term that generally describes a tenant's liability at the end of their lease of how they must return the premises to the landlord.

Reinstatement requirements can have both positive or negative impacts on sustainability outcomes and metrics as an important but often overlooked aspect of whole-life impact of a fit-out.

With increasing costs for materials, furniture and finishes, forward-looking organizations will be considering how alternative reinstatement models could create both cost and carbon savings. Central to the success of these will be collaborative partnerships between landlords and tenants to identify opportunities for re-use and enhancement of existing fixtures and fittings.

Average regional costs for reinstatements*

Europe, Middle East, Africa	Asia Pacific	Americas (North and Latin)
$140	**$170**	**$110**



*Required scope of work varies significantly from country to country. Most commonly, the work includes full reinstatement, repair and redecoration while alternative scopes include simple removal of Furniture, Fixtures and Equipment (FFE) or is rarely performed at all.

Source: JLL Research
Note: All costs shown in USD. Total fit-out cost $/sqm.

Outlook for the year ahead

1 Office market bouncing back

As trends in office leasing and expansion activity are seeing upturns in many countries, increased demand and limited supply for Grade A office space in prime locations is anticipated to continue throughout 2025 and in the long-term.

With office development and new construction at historic lows, there will be greater focus on lease renewals and upgrading existing buildings as an alternative.

2 Now is the time for decisive investment

Delays in decision-making and hesitancy around investment in the past few years have led to tighter timeframes for leasing and capital projects, with implications on material supply and labor channels.

Early planning for lease ends and decisive investment in existing buildings will benefit landlords and occupiers and help to plan for and manage associated costs.

3 On watch – U.S. Policies

U.S. policy shifts on trade, immigration and defense spending have broad implications for commercial real estate globally. Beyond direct cost impacts on core materials and U.S. construction labor availability, new trade and manufacturing patterns will have long-term effects on global demand for industrial, warehousing and the service sector and infrastructure to support changing economies. The final scope tariffs cover, immigration policy enforcement, and changes in federal spending will dictate how the next cycle proceeds in the U.S. and how acutely the impacts are felt internationally.

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