

A modern office interior featuring a staircase with wooden steps and a glass railing. Two women are standing on the upper level, looking out at a cityscape through large windows. The scene is dimly lit, with light coming from the windows. The text 'EMEA Fit-Out Cost guide' is overlaid in white.

EMEA Fit-Out Cost guide

About this guide

Allure's Design & Construction specialists are pleased to present you our latest Fit-Out Cost Guide, a comprehensive tool that has been put together to help Real Estate Specialists and Project Leads throughout the decision-making process for projects in the EMEA region.

The current situation with pressure on supply chains, fluctuating levels of virus activity, international unrest and labor shortages have led to unprecedented challenges for the office environment and our clients find themselves faced with difficult questions and a multitude of different opinions on how to answer them. Talent attraction and retention remains a key priority and it has been proven that the office environment plays an important role in creating a culture that inspires staff to join or remain in an organization.

This Fit-Out Cost Guide provides a pragmatic price index for accurate cost forecasting in 2022 and 2023. The costs are based on real projects completed in EMEA region and take account of recent variances.

At Allure we are obsessed with client satisfaction and would be happy to assist with any additional information regarding trends and specific benchmarking data that could assist you in your projects. Please do not hesitate to contact our team!

Keith Hegwood

Chief Operating Officer



About this guide

Office Fit-Out is all about understanding how your business will change in the next five years. Your workplace should reflect your current company values as well as the ability to adapt to changes in the near future. This guide is an essential tool created as a swift solution to assist in corporate real estate decision-making regarding fitting out, retrofitting & reinstating office space.

The cost, time, and effort necessary to design your future workplace will be influenced by the fit-out categories, which will vary depending on the magnitude of your predicted space. This guide's purpose is to showcase budget average fit-out costs, to guide occupiers through the early stages of defining their office relocating or renovation budgets.

Investing time and money on your workplace will greatly increase the probability of business success. Companies are exploring investment possibilities to boost their business' worth.

Benefits of using this guide

- Offers high-level guidance on the real cost of fitting out office space depending on the region.
- Enables you to make informed decisions for a futureproof workplace.

What it provides

- An indication of the fit-out construction costs for occupiers across key cities in EMEA.
- Trends and opportunities that can really influence the overall fit-out budget.

Our Guide costs are based on certain assumptions and are representative of market averages. Therefore, exact costs may differ depending on specific projects. We recommend connecting with our experts to advise on precise and detailed costings based on your unique construction requirements.



The big picture is still dominated by the pandemic's impact on the workplace. Costs have risen as a result of tightened supply chains and labor issues, while virus variants have delayed the return to work in some regions.

While employees are starting to return to the office and businesses are embracing more flexible working methods, we've highlighted three significant workplace trends you can't ignore in 2022.

#1

DESIGN FOR PERMANENT HYBRID

Occupiers are adopting and expanding a range of flexible working methods. Companies are trying to figure out how to create the optimal hybrid ecology. What the space should look like, how much the fit-out will cost and how to fulfill the ever-increasing design demands of a flexible workforce.

Technology-centric design: A workplace built for a partially remote workforce will include a higher proportion of conference rooms, huddle rooms, and flexible collaborative spaces that allow for video conversations and virtual presentations. What was once limited for higher-end build outs, audio visual and other supporting tech infrastructure are now a basic necessity for a post-pandemic office.

#2

DESIGN FOR WELLNESS & EXPERIENCE

Part of reinventing the office is understanding the impact the environment has on employee health. Wellness focused design is crucial to supporting return to office at any level. Employers are grappling with how to accommodate greater working flexibility while maintaining corporate culture and great employee experience.

Thoughtful design: High quality workspaces that make way for best health practices with wellness credentials are required. Intelligent design and fit-out standards are critical in order to reflect the role and purpose of the workplace, which is all about experience, engagement, collaboration, culture, and welfare.

#3

DESIGN FOR SUSTAINABILITY

We are experiencing a turning point, with occupiers increasingly emphasizing Environmental, Social, and Governance (ESG) factors throughout their whole real estate portfolio. Future tenants are increasingly conscious of their impact on the world around them, and demanding for environmental and well-being certifications, therefore fit-outs must support long-term sustainability goals.

Attract talent: A recent study shows that 65 percent of employees would prefer to work for a firm with strong environmental values. The message is clear: in order to recruit the finest talent, companies must demonstrate their commitment to sustainability.

As a result, we have witnessed a shift in how businesses regard their space requirements, and also what elements of the project they invest in most, which has a strong influence on fit-out decisions.

Fit-Out Cost

(€ per sqm)

The cost of a fit-out varies greatly from market to market in EMEA. The map below depicts the average fit-out expenses per square metre in each market for a moderately styled, high-quality workplace. The budget expenses that have been estimated are simply market averages based on specific assumptions. Individual project prices may change from those shown here, therefore we recommend seeking guidance from a design consultancy firm to establish accurate costings based on your specific building needs.



Detailed Fit-Out cost

(€ per sqm)

Your fit-out costs are likely to be one of your company's greatest investments. Bearing in mind that factors such as the final design, furniture choices, size of the space and location will all have a significant influence on the ultimate cost.

	Low					Medium					High				
	Furniture	Construction	AV / IT	Pro. Fees	Total	Furniture	Construction	AV / IT	Pro. Fees	Total	Furniture	Construction	AV / IT	Pro. Fees	Total
Amsterdam	115	459	115	77	765	152	607	152	101	1012	281	1125	281	188	1875
Belgrade	199	445	61	61	767	290	647	89	89	1115	378	842	116	116	1452
Brussels	95	381	95	64	635	169	675	169	113	1125	287	1147	287	191	1921
Bratislava	134	453	82	74	743	171	579	104	95	949	258	874	158	143	1432
Budapest	129	325	50	56	560	216	545	85	94	940	340	858	133	148	1480
Dublin	135	540	90	135	900	245	980	163	245	1634	322	1287	215	322	2145
Frankfurt	250	562	250	187	1249	399	898	399	299	1996	528	1188	528	396	2640
Geneva	235	925	172	235	1567	317	1246	232	317	2112	406	1598	298	406	2708
Lisbon	152	456	76	76	760	200	600	100	100	1000	277	832	139	139	1387
London	214	854	142	214	1424	298	1192	199	298	1987	377	1507	251	377	2512
Luxembourg	107	427	107	71	712	186	744	186	124	1240	335	1339	335	223	2232
Madrid	102	364	46	57	569	156	558	69	87	867	230	819	102	128	1280
Milan	134	389	80	67	670	206	597	124	103	1030	256	742	154	128	1280
Paris	191	286	343	134	954	299	449	539	210	1497	397	596	715	278	1987
Prague	131	329	131	66	567	206	516	206	103	1032	327	818	327	164	1635
Sofia	153	305	70	59	587	185	370	85	71	712	248	496	114	95	953
Stockholm	256	881	142	142	1421	308	1061	171	171	1711	376	1296	209	209	2090
Warsaw	98	412	52	52	654	157	658	84	84	1045	236	989	126	126	1570

Procurement routes

Choosing the right procurement strategy is critical to ensure the solution corresponds to your end goal. At the most intrinsic level, it is a choice between a traditional contract, a design and build (D&B) contract and a detailed design & build. The decision will depend on a variety of situational and contingent factors. Therefore it is critical to grasp the major distinctions between between the 3 main procurement routes before starting your office fit-out or renovation project.

TRADITIONAL

A design firm works on strategy and design, whilst build is managed by a general contractor.

Pros

- The client has a greater level of cost comparison between tendering parties.
- The traditional route affords the future occupier more time to invest in the design.

Cons

- The client takes final responsibility for the design as well as for the choice of partners. This means that the client will spend more time managing the project.
- The client must also be prepared to manage conflict between the various parties involved as each one will seek to ensure they are relieved of responsibility.

DESIGN & BUILD

A single contractor is designated to manage all the process from strategy down to delivery.

Pros

- The contractor is solely responsible for the design as well as delivering the project on time, and within budget.
- The client can expect to spend considerably less time managing the project as the ultimate responsibility to coordinate the various parties lies with the contractor.

Cons

- Decreased visibility of cost comparisons for submitted contract.
- Increased reliance on a single provider requires a greater need for trust in the selected team.

DETAILED DESIGN & BUILD

A design firm runs strategy and conceptual design. A general contractor is responsible for design development and build.

Pros

- The client can use a single design company for any location worldwide, increasing harmony between offices.
- The design developed is compliant with local norms & regulations, so it mitigates risks for the construction phase.

Cons

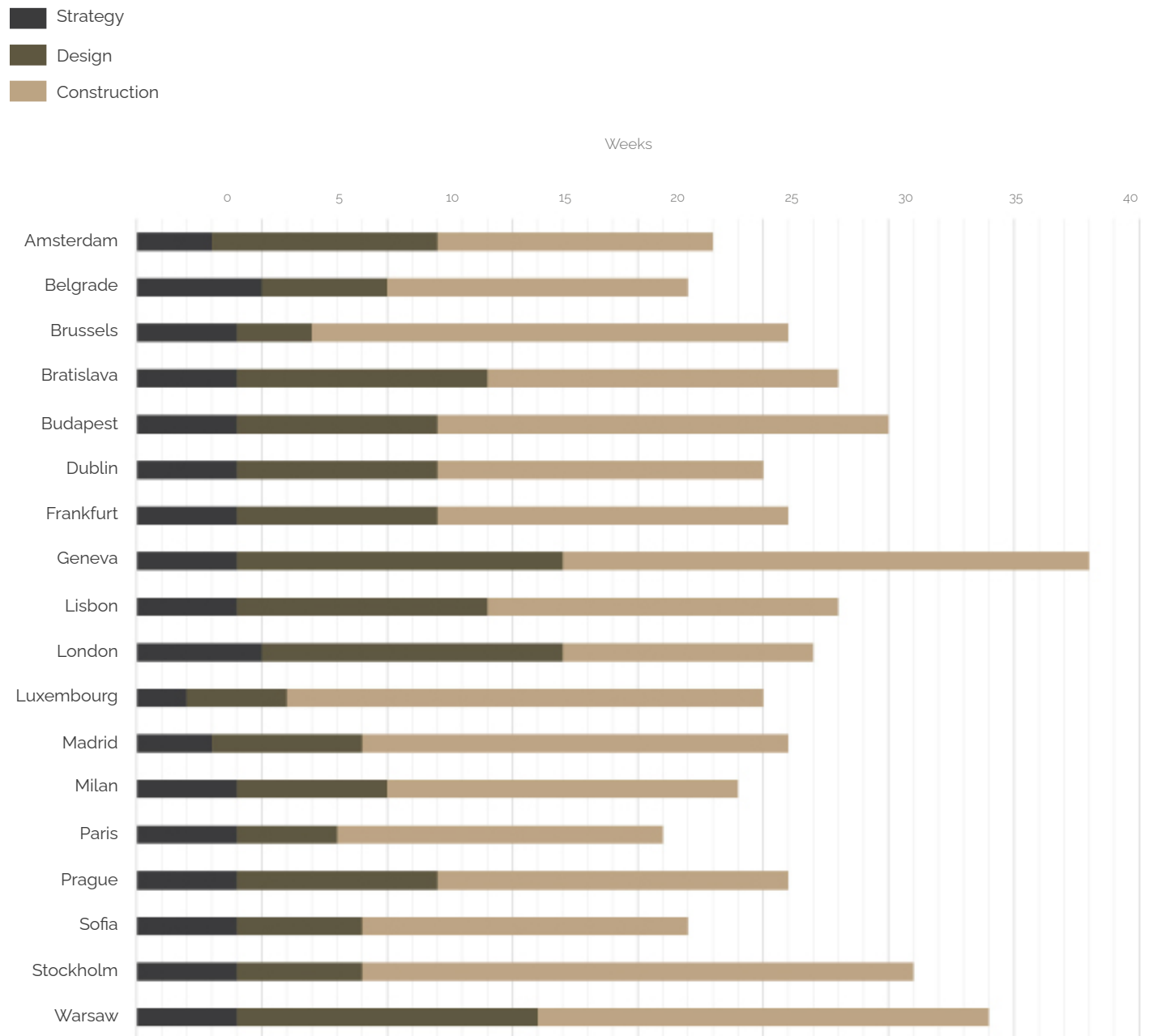
- Longer process, as two different firms are involved in the process.
- Less control on budget and timeline during conceptual design phase, as the global design firm often have limited understanding of local regulations.



Timelines

To design the optimal workplace, corporate real estate and workplace leaders must first understand how a project will be procured, as well as the time it will take to accomplish each of the main milestones. From one country to the next, lead times and task durations might differ dramatically. This local expertise might lead to reassessing the project's procurement or phasing approach in order to keep the targeted program on track while minimizing the impact on the business.

In order to complete the project on schedule, it is important to understand furniture lead times especially as the workplace environment has a significant influence on the end-user satisfaction. It's also crucial to engage and coordinate with the IT, security, and audiovisual teams so that installation, testing, and commissioning comply with the target completion date and that all current and even future requirements have been catered for.



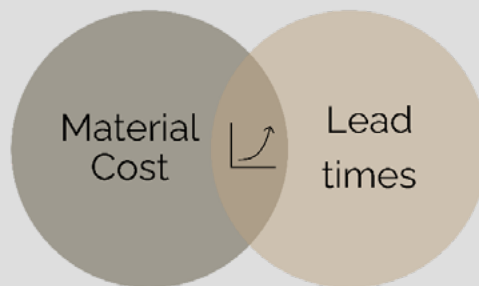
Supply chain

Most organizations have seen exceptional supply chain challenges in the last 18 months, ranging from labor shortages to rising material costs to delivery delays. Construction is expected to be greatly impacted by global and local disruptions. Connecting global supply chain trends to local capabilities is critical to ensure a smooth completion of your project.

The distinct challenge of the construction industry is that every building is different, a one-of-a-kind prototype, developed by a team of design consultants, contractors and other suppliers that may never have worked together before. The following challenges as well as the appropriate solutions need to be taken into consideration to ensure of your project's effective progress.

CHALLENGES

Since the start of 2022, we are experiencing a significant increase in building materials prices. We expect substantial fluctuations during this year, with high demand combined with strong inflation, and unstable political environment.



A clear pattern of delivery times can be observed in 2022. They are now double or more of what they were pre-Covid. In order to be sustainable, businesses have reduced stock levels and often order in materials as they need to fulfill orders. This trend is not expected to change in the near future.

SOLUTIONS

Start contract early

To achieve project timelines, materials must be ordered and contractors must be secured early in the process. Because of early contractor participation and extended lead time ordering, if a new risk arises, it can be addressed swiftly and the projects can remain on track.

Build and maintain strong relationship with suppliers

It is crucial to have a strong relationship between the suppliers and the contractors involved in the overall project. Expert knowledge and frequent communication between stakeholders are necessary to ensure that supply chain challenges are streamlined throughout the duration of the project.

Achieving zero net carbon

More and more businesses are committing to achieve net zero emissions as nations struggle to reach their carbon reduction targets. Creating a low-carbon, environmentally friendly workplace is becoming a top priority concern.

Companies that incorporate environmental responsibility into their business can see up to a 20% increase in sales and a 50% reduction in employee turnover, according to the UN Global Compact. Consumers and investors are placing a higher value on green practices, and research has shown that providing employees with sustainable workspaces will improve their wellbeing and increase their productivity.

A sustainable office that reduces its impact on the planet promises tremendous benefits for companies and employees:



INCREASE VALUE
FOR CUSTOMERS & INVESTORS



IMPROVE WELLBEING
AND PRODUCTIVITY



DECREASE
EMPLOYEE TURNOVER

FACTS

Retrofitting generates less carbon than creating a new development

Even though new buildings can be developed to generate net zero carbon, the emissions produced by developing a brand-new space typically account for 20–50% of a building's lifetime emissions and are much higher than the emissions produced by retrofitting an existing structure.

Environmental accountability to standard frameworks will be compulsory by 2026

Incoming EU regulations will set out a plan for reducing overall emissions by 55% by 2030 and issue penalties for inaction, increasing the pressure on companies to address the carbon footprint of their office buildings.

Higher value for investors

Increasing requirements for sustainability from customers and business partners translates into investors valuing companies with a clear plan for reducing their carbon impact. Investors will be able to incorporate sustainability metrics into their building valuations in ways that are comparable, trustworthy, and consistent. They are examining what's required to bring their buildings into compliance with the 2030 goals.

About our firm

Allure is an international design consultancy firm, with in-house construction capabilities. We deliver workplaces for global companies in EMEA.

We believe people, brand and culture should be at the heart of workplace, to change life at work for the better. Our experience of working with corporate real estate & workplace leaders from global companies like Lazard, Facebook and Airbus, has helped us understand the challenges related to managing workplace projects from a distance, where time and visibility are limited. The stakes are high and the risk of falling short of expectations is ever present.

Allure dives deep into your organization, to connect your corporate vision with local outlooks. Our team consists of a cohesive group of international talents, workplace strategists, interior designers, engineers and project managers. We bring the world's best practices, ideas and technologies on to the local arena, in 10 European countries.

Allure makes the experience seamless from inception to completion, delivering environments that work for your people, your culture and your future.

Want to know more?

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