

UNLOCKING ASSET POTENTIAL

THE IMPACT OF SUSTAINABLE OFFICE FIT-OUT PRACTICES



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ULI Hong Kong

Unit 902, The Executive Centre | 28 Stanley Street | Central, Hong Kong SAR

ABOUT THE URBAN LAND INSTITUTE

The Urban Land Institute is a global, member-driven organization comprising over 45,000 real estate and urban development professionals dedicated to advancing the Institute's mission of shaping the future of the built environment for transformative impact in communities worldwide.

ULI's interdisciplinary membership represents all aspects of the industry, including developers, property owners, investors, architects, urban planners, public officials, real estate brokers, appraisers, attorneys, engineers, financiers, and academics. Established in 1936, the Institute has a presence in the Americas, Europe, and Asia Pacific regions, with members in over 84 countries. Drawing on the work of its members, the Institute recognizes and shares best practices in urban design and development for the benefit of communities around the globe.

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About ULI Net Zero Imperative

Launched in July 2021, the Net Zero Imperative is a multiyear initiative to accelerate decarbonization in the built environment and it is a significant aspect of ULI's work to advance its net zero mission priority. The program sponsors technical assistance panels in a select number of global cities per year and is designed to help owners, cities, and other relevant constituents reduce carbon emissions associated with buildings, communities, and cities.

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EXECUTIVE SUMMARY

Problem Statement

With over 70 percent of buildings in Hong Kong more than 20 years old, the city faces a significant challenge: Many aged and Grade B office spaces are grappling with high vacancy rates. Even within Grade A office spaces, about 44 percent are over 30 years old, and projections indicate that this figure may rise to 55 percent by 2030. Approximately one-fifth of these buildings could face functional obsolescence by 2035, posing challenges in attracting tenants. Furthermore, capital and rental values of Grade A offices are projected to decline by more than 10 percent by 2026. And the value of poorly maintained office buildings that are more than 30 years old may decline by as much as 20 percent.

Solution Focus

Sustainable fit-outs are emerging as a compelling solution, offering a wealth of benefits for both landlords and tenants. For landlords, investing in sustainable upgrades can enhance asset value and attract high-quality tenants who prioritize sustainability. These improvements can lead to increased occupancy rates, reduced turnover, and long-term cost savings through lower energy consumption and maintenance expenses. Furthermore, revitalizing aging buildings with sustainable features not only improves their marketability but also contributes positively to urban landscapes, and makes them more appealing to both businesses and the communities they serve.

For tenants, these modernized office environments provide flexible spaces that can adapt to various work styles, enhanced amenities that promote well-being and productivity, and innovative layouts that foster creativity and collaboration. In addition, sustainable fit-outs can significantly reduce move-in, operational, and move-out costs, making them a financially savvy choice.

Alarmingly, only about 5 percent of buildings in Hong Kong currently meet the highest standards of sustainability. This gap presents a remarkable opportunity for value creation in the real estate market.

About the Workshop

To leverage this opportunity and explore potential sustainable fit-out solutions, ULI and JLL hosted a workshop in June 2025 that gathered about 50 professionals from the built environment, including landlords, tenants, designers, MEP engineers, and suppliers. This diverse group of key stakeholders discussed current trends and opportunities, and they brainstormed sustainable fit-out solutions implementable over the short-term to enhance asset value and reduce vacancies in aging buildings.



I LIKE



LIKE PEOPLE

TAKE CHANGE
WISH FORWARD

Great relevant
Content

THE FORMAT

WORKSHOP & SHARING
WORKS WELL TO BRAINSTORM
IDEAS.

I like the setting of
the event & Jill's
leadership/modulation.

I Like

- group discussion
- presentation by JLL

I LIKE:

How much I learned
about fit out &
embodied carbon.
And meeting new peers
from the industry

I like the
workshop aspect
+ collab spirit

I like the good mix of
ppl coming from different
background providing
insights in various
perspectives (And smoke)

I like

The diversity
of thoughts &
willingness to
share

I LIKE

Interactive 1.

I LIKE:

Chance to learn more
from others

CURRENT TRENDS AND OPPORTUNITIES IN THE HONG KONG OFFICE MARKET

Overview

With the challenges of aged office spaces, high vacancy rates, and slow growth of new Grade A offices, sustainable fit-outs offer an effective way to better meet tenants' operational needs by optimizing existing office spaces. Although these opportunities may incur capital expenditure, many landlords are responding positively by developing sustainable fit-out solutions to cater to tenants' evolving requirements and to attract tenants to these spaces.



Tenant Trends



- Top-performing tenants are increasingly looking for newer and better office spaces, driving demand for Grade A properties. A prime example is The Henderson, a newly built commercial building renowned for its innovative design and construction technologies. Meanwhile, other tenants are opting to stay in their current locations or to extend their leases. Small- to medium-sized tenants are seeking fitted premises to minimize capital expenditures.



- Recent surveys indicate that occupancy costs and location are the top priorities for tenants when evaluating future office decisions. In addition, building grade and the sustainability and technology features of the office space are significant factors that tenants take into account.

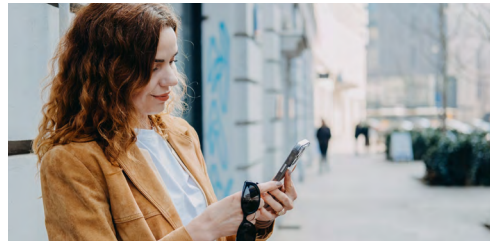
Landlord Trends

- Landlords are setting higher standards in terms of amenities, functionality, sustainability, and overall quality for existing older and newer buildings. They are modifying existing buildings to retain and attract tenants through the following:



Sustainability upgrades

(e.g., green certification, incorporating low-embodied carbon products, and renewable energy sources)



Tenant experience enhancements

(e.g., provide access to outdoor spaces, events, and learning experiences)



Property technology integration

(e.g., smart-building technology, artificial intelligence-driven building systems, and internet of things-enabled devices)



Space optimization and greater flexibility

(e.g., providing less frequently used spaces, such as coffee shops, gyms, training rooms, and large meeting rooms, to reduce the need for tenants to fit out those types of spaces)

- Landlords are offering rental incentives and more flexible lease terms (such as longer rent-free periods, paid-for office fit-outs, and build-to-suit options) to attract and retain tenants.
- Landlords are accepting cash settlement as a financial payout to cover estimated repair costs—instead of reinstatement of the premises—to allow potential reuse of existing materials and equipment for incoming tenants.

Market Sentiment

The sentiment is that Hong Kong’s office leasing market is on a gradual upswing, especially in vibrant districts such as Tsim Sha Tsui, Wanchai, and Causeway Bay, where exciting expansion activities are occurring. Although the overall vacancy rate is currently at 13.7 percent, there remains an opportunity for growth, especially with the new developments and retrofits of existing buildings.

Investors in a Holding Pattern

Because of current economic conditions, investors remain cautious. However, as delayed new-build projects regain momentum, the market expects to see close to 5 million square feet of Grade A offices completed by the end of 2025, including sizable projects such as International Gateway Centre and One Causeway Bay.

Rental occupancy continues to edge down in 2025

	Vacancy (as of end of March 2025)	Vacancy (10-year average) (2015–2024)
Central	11.5%	5.6%
Core Central	12.4%	5.2%
Grade A1	17.8%	5.1%
Wan Chai/Causeway Bay	9.5%	6.1%
Hong Kong East	13.2%	6.1%
Tsim Sha Tsui	8.3%	6.1%
Kowloon East	21.3%	13.5%
Overall	13.7%	8.0%

Source: JLL.

Conclusion

Although the recovery in leasing demand from tenants is gradual, it is evident that both landlords and tenants are prioritizing sustainable office spaces. Future fit-outs should align with these sustainability goals to meet the needs of both parties. The next section explores the typical fit-out process to gain further insights based on participants’ contributions.



TYPICAL OFFICE FIT-OUT PROCESS

For each lease, tenants may initiate fit-outs to meet their operational requirements. Although tenants and landlords are the two primary stakeholders in a standard fit-out project because they have key demands regarding the use of the leased office space, other important stakeholders are involved, including designers, engineers, and suppliers. These stakeholders help bring the project's vision to life and play a significant role in ensuring that the entire process complies with regulations and other obligations.

While Hong Kong has already established a comprehensive set of environmental and sustainability

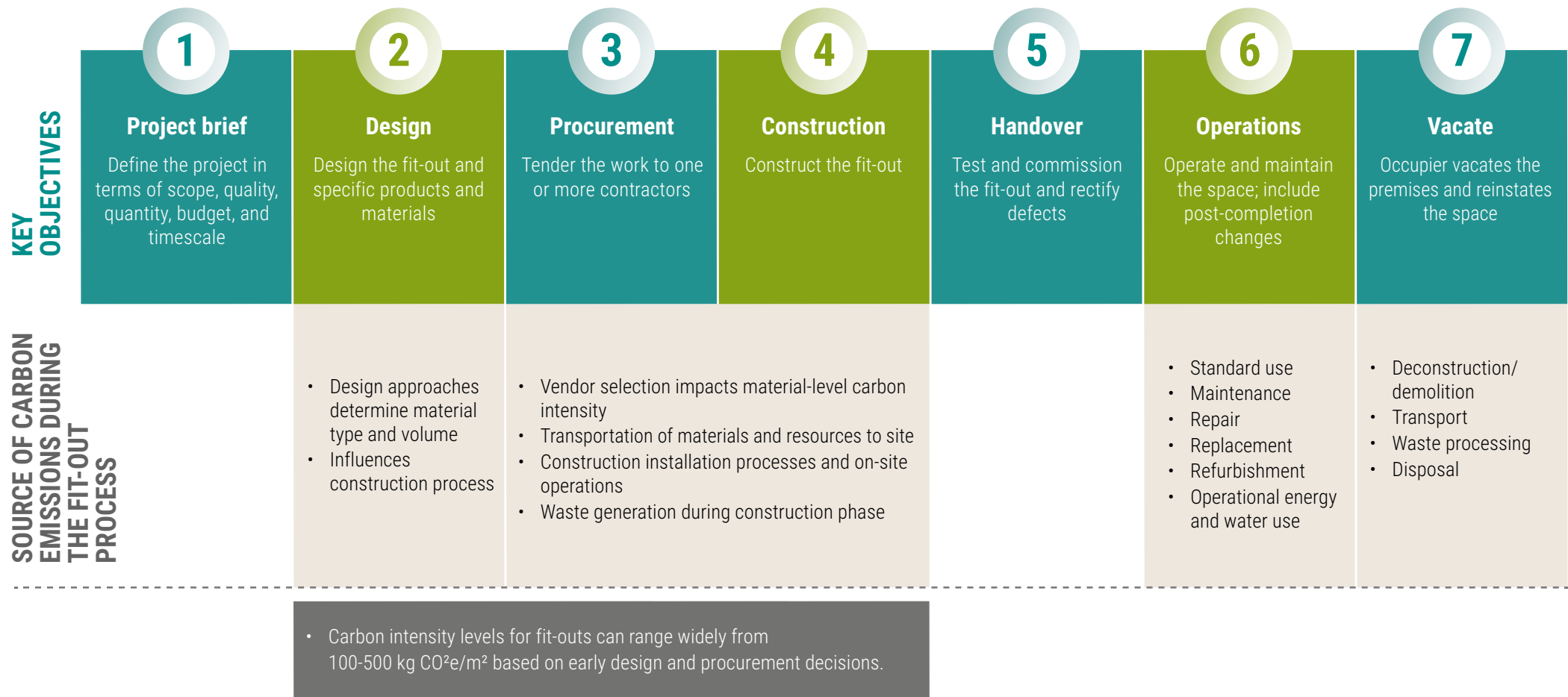
regulations, there is minimal focus on tenant-specific mandates for retrofitting existing buildings to meet sustainability standards. Because the typical fit-out project tends to be a tenant-focused decision-making process, and traditional fit-outs are cheaper and quicker upfront, this type of project can produce a high volume of waste and consequently contribute to heavy carbon emissions.

In fact, within each fit-out phase, embodied carbon is incurred from the start of material supply during the procurement/construction phase. It is a sunk element that cannot be reduced after construction is completed,

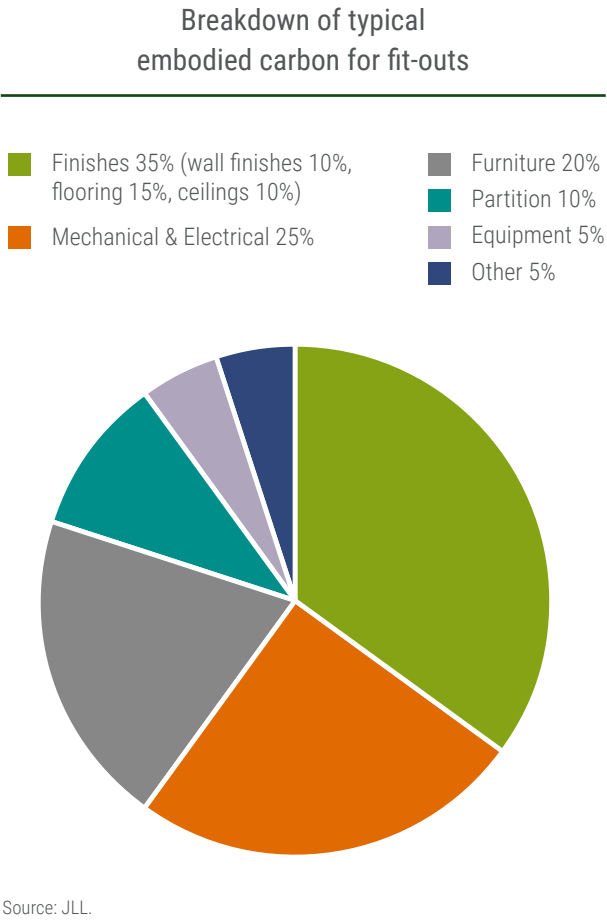
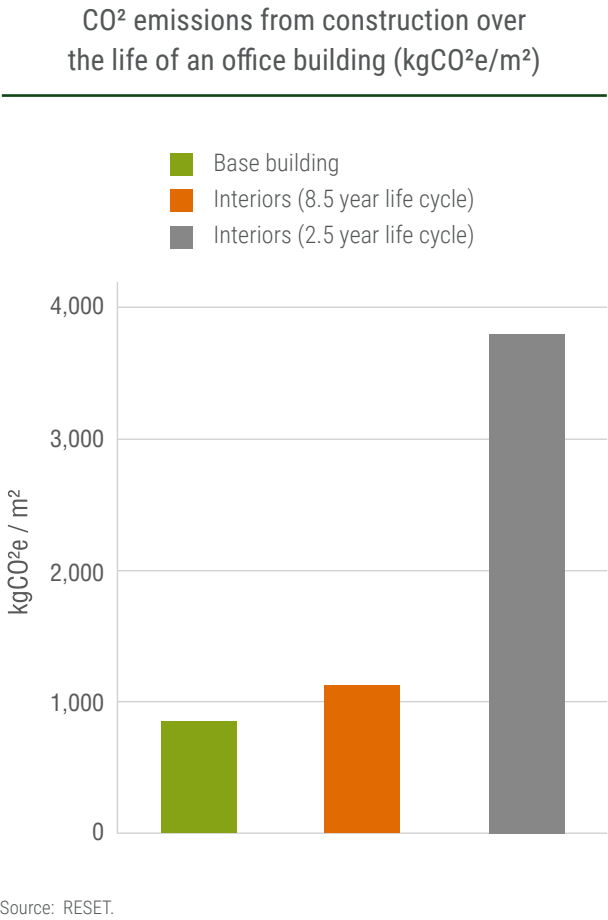
and this is especially true during the operation and vacate phase. As we all work together to achieve the net zero carbon goal by 2050, it is important to include the entire fit-out process as part of the whole life-cycle assessment in assessing areas of decarbonization opportunities.

Workshop participants were asked to examine each phase of the typical fit-out process to identify opportunities that enhance sustainability and to explore potential value creation.





Frequent fit-outs significantly increase carbon emissions over time. Updating interiors every 2.5 years not only generates more waste from discarded materials, but also results in over four times the carbon emissions compared with the base building throughout its life cycle. In the context of a changing rental market, the long-term environmental impact of these fit-outs can be detrimental.





OPTIMAL DESIGN APPROACH

Diving into the Circular Use of Resources

Achieving low-carbon fit-outs can begin with cutting down on waste. Every material used in a fit-out project has a carbon cost, so avoiding unnecessary waste is one of the most effective ways to reduce carbon emissions. A sustainable approach embraces circularity through the reuse of materials to reduce the reliance on new construction build and prevents usable materials from being disposed.

In contrast to a traditional linear model of “source-to-waste”, this method begins before demolition by identifying used materials to be recovered, deconstructed, or refurbished for reuse. This process helps not only to reduce the use of new resources but also to lower the embodied carbon footprint of the project.

Embodying Decarbonization

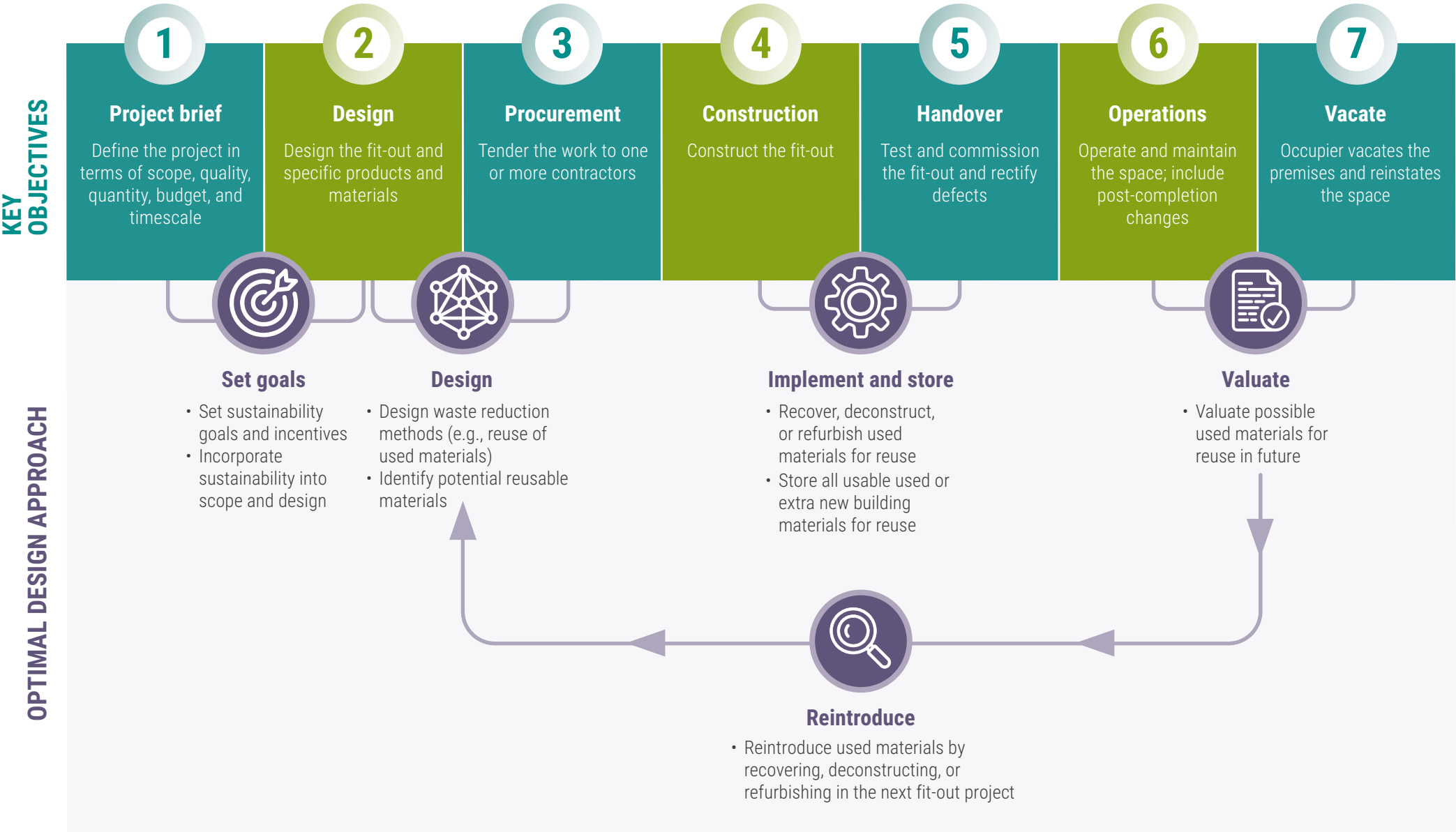
To achieve low-carbon fit-outs, it is important to establish decarbonization as a clear requirement early in the Project Brief phase and communicate this requirement to all stakeholders involved. Doing so helps set expectations, encourages discussions on additional requirements and performance targets, and clarifies the overall scope of the fit-out process, especially in terms of the materials and products that will be used throughout the process. Good design should make use of what is available, specify reclaimed materials where appropriate, and allow for future disassembly and reuse.

Although new materials may be needed to create assets essential for operations, it is important to weigh the materials’ embodied carbon — this includes the carbon tied to raw materials used in finished products like timber, recycled steel, or repurposed fabrics, as well as the emissions from transportation and installation.

Any new low-carbon solutions must not outweigh the carbon savings that could be made by reusing what already exists.

In the context of fit-outs, tenants can prioritize reusing their previous fit-outs, such as furniture, partitioning, or audiovisual equipment. Landlords also have a role to play by encouraging the reuse of existing materials from outgoing tenants. This includes facilitating discussions between outgoing and incoming tenants and updating reinstatement clauses in lease agreements when and where applicable to allow certain fit-out elements to be retained and reused in the space. When reuse is not an option, new low-embodied carbon solutions can be pursued. For instance, new furniture made from materials with high recycled content and natural, carbon-sequestering properties can be considered.

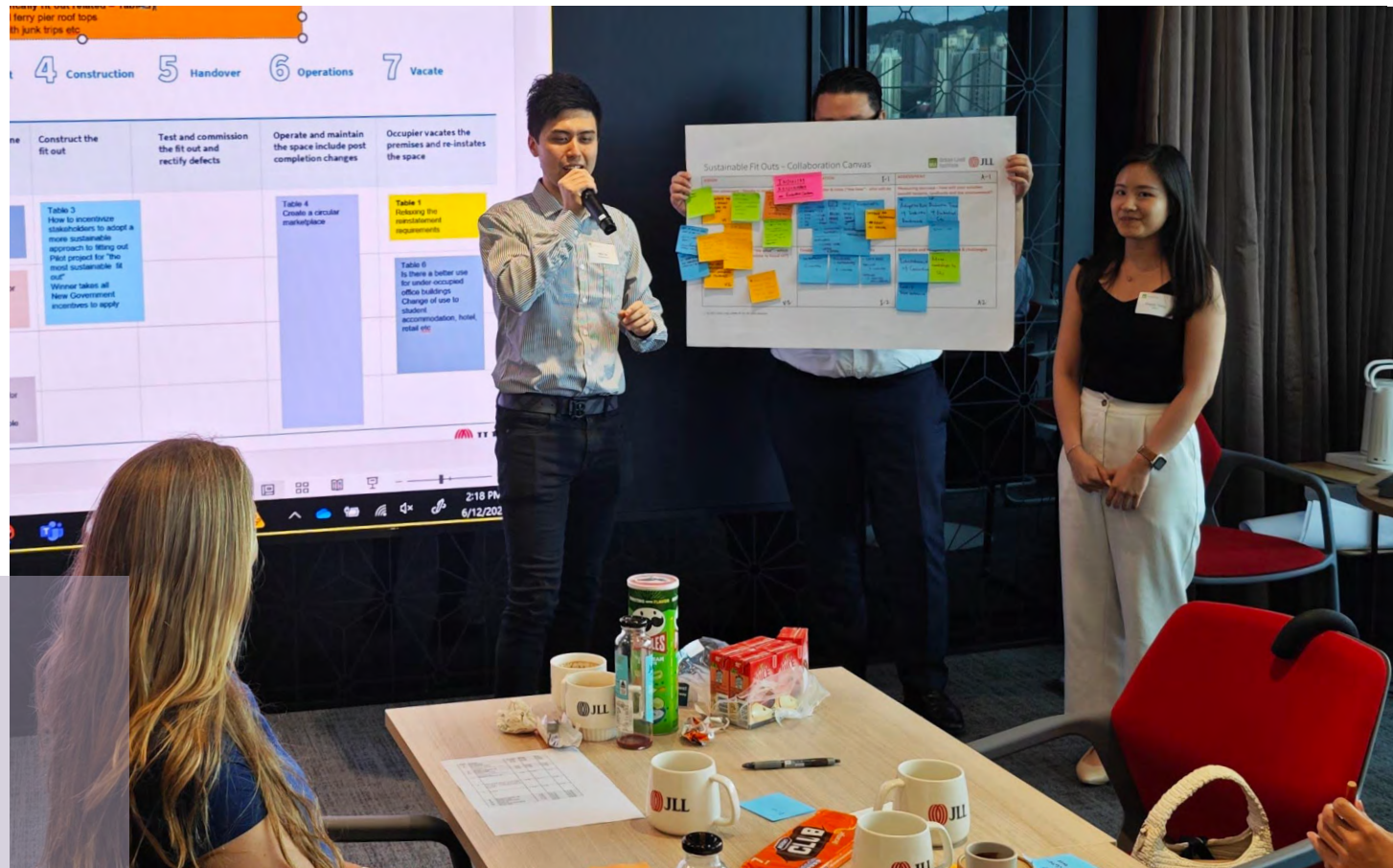
By consciously combining sustainability into designing and deploying fit-out projects, effectively sustainable fit-outs can significantly reduce embodied carbon and enhance the value of existing spaces.

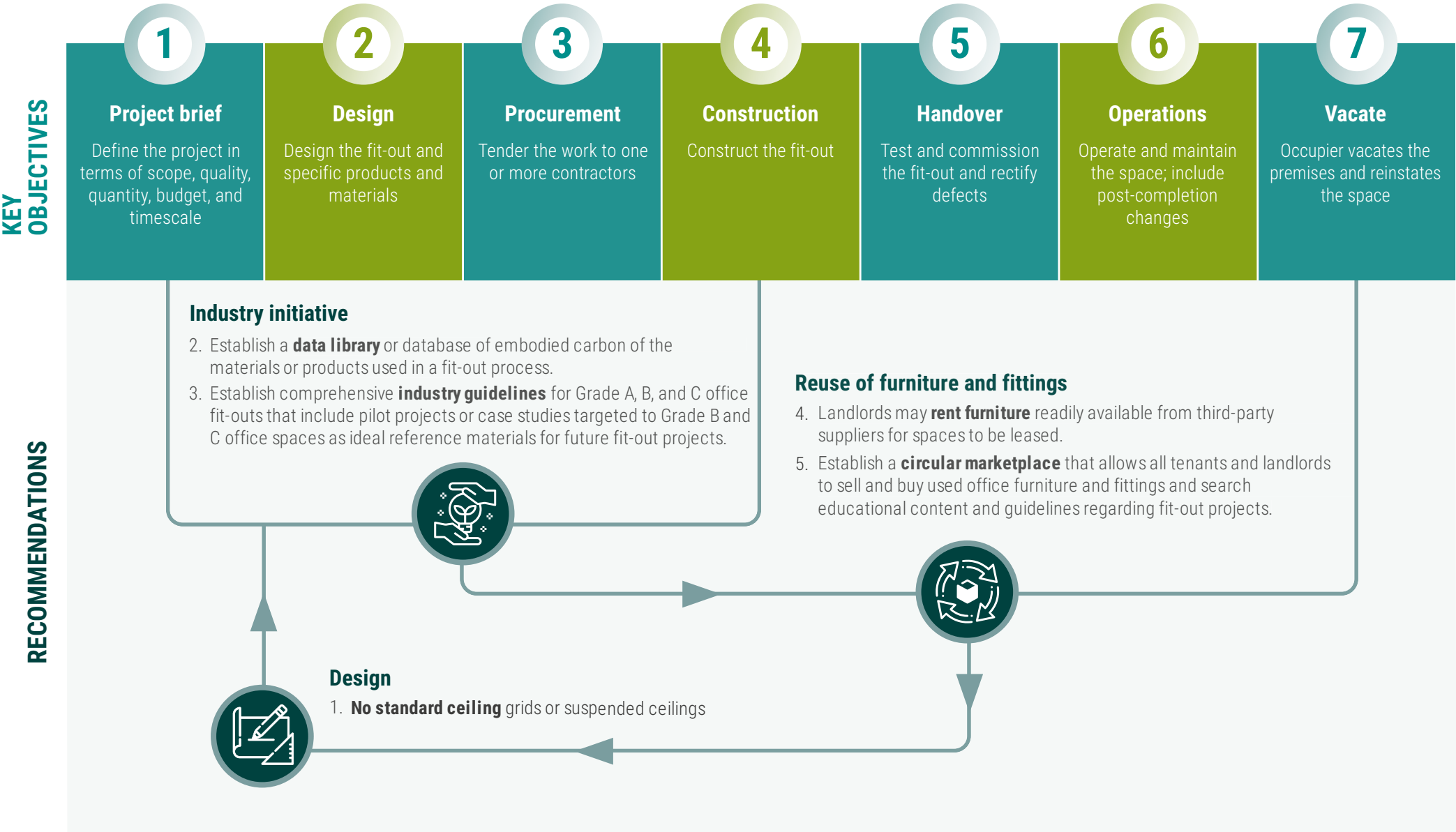


RECOMMENDATIONS

Workshop participants were placed in groups to engage in creative brainstorming of implementable short-term solutions that capture the value of sustainable fit-outs while minimizing embodied carbon.

Following the discussions, the groups presented solutions under three main themes: industry initiative, reuse of furniture and fittings, and design. These solutions not only addressed key problems or gaps currently found in the typical fit-out process but also offered strong synergies when implemented together. Taken as a whole, the recommendations help both tenants and landlords move closer to low-carbon fit-out goals while unlocking new value opportunities.





1. No Standard Ceilings

Vision	Implementation	Impacts
Problem statements <ul style="list-style-type: none"> Standard ceiling grids or suspended ceilings is a common fit-out component that has a minimal function of aesthetic or acoustics purposes, which can cause unnecessary additional carbon emissions. 	Key stakeholders <ul style="list-style-type: none"> Landlords <ul style="list-style-type: none"> Explore the possibility of removal of suspended ceilings at scale with considerations from cost and functional perspective. Initiate conversations with tenants to understand their response to this standardized change. Update reinstatement obligations where applicable regarding possible instalment or removal of suspended ceiling during tenants' fit-outs. Tenants <ul style="list-style-type: none"> Reassess their needs on suspended ceilings. Designers/contractors/architects/engineers <ul style="list-style-type: none"> Proactively offer to clients the option of no suspended ceilings. Ensure the aesthetics and acoustics can be maintained where possible. 	Benefits <ul style="list-style-type: none"> Both landlords and tenants can save costs of building suspended ceilings. Not having suspended ceilings minimizes the upfront embodied carbon. Removal of suspended ceilings encourages tenants to reassess their need for a suspended ceiling, which contributes to minimal embodied carbon fit-outs.
Solutions <ul style="list-style-type: none"> Landlords may start to provide leased spaces without standard ceiling grids or suspended ceilings. Tenants may start to embrace leasing spaces that do not have such ceilings. 	Steps to achieve <ul style="list-style-type: none"> Landlords to look into not installing standard ceiling grids or suspended ceilings for new office spaces that are being built or refurbished. Landlords to update their standard operating procedure by removing the instalment of suspended ceilings and other necessary building changes that are affected by this. Landlords to engage in conversations with tenants to be transparent on the removal of ceiling grids. 	Challenges and mitigating solutions <ul style="list-style-type: none"> Not having suspended ceilings may be considered unconventional for office space design and may reduce the office spaces' appeal to tenants. <ul style="list-style-type: none"> Landlords may collaborate with designers on meeting tenants' aesthetic preferences to work around leased spaces without suspended ceilings. Tenants may reinstall suspended ceilings during their fit-outs, which defeats the purpose of removing them in the first place. <ul style="list-style-type: none"> Landlords may offer specific suspended ceilings-related reinstatement clauses in the leasing agreements to deter tenants in fitting out suspended ceilings. A nonsuspended ceiling design may be less energy efficient by increasing energy consumption for more insulation, lighting, and acoustics. <ul style="list-style-type: none"> Landlords may present a compelling business case that is based on quantitative metrics of energy efficiencies and carbon emissions of variable builds that are affected by the elimination of suspended ceilings to calculate cost savings.

2. Data Library

Vision	Implementation	Impacts
Problem statements <ul style="list-style-type: none"> Absence of embodied carbon benchmarks for materials complicates the ability of contractors, tenants, and landlords to cross-reference industry standards and to accurately assess the possible carbon footprint during fit-out projects. 	Key stakeholders <ul style="list-style-type: none"> Built industry organizations (e.g., nonprofit organizations, think tanks, etc.) <ul style="list-style-type: none"> Gather members/other organizations in events, research programs, workshops, etc. Developers <ul style="list-style-type: none"> Build a database according to the requirements or needs of future users Landlords <ul style="list-style-type: none"> Share data when possible Tenants <ul style="list-style-type: none"> Share data if applicable and possible Use the data library for reference before starting any fit-out projects. 	Benefits <ul style="list-style-type: none"> Industry standardization helps key stakeholders unify around the right direction they should head towards when engaging in fit-out projects. Access and sharing of data enable competitiveness and aim for a sustainable contribution to society (e.g., developers may challenge the industry standards set by competitors; landlords may set this as a marketing feature to attract tenants who seek the best sustainable leased space).
Solutions <ul style="list-style-type: none"> Establish a data library or database of embodied carbon of the materials or products used in a fit-out. The data library will be kept as an open resource for any use to access. <p><i>Example use case:</i> <i>The Inventory of Carbon Energy (also known as the ICE database) is an embodied carbon database produced by Global Alliance for Buildings and Construction. It contains data on over 200 materials and has been used by more than 30,000 professionals from around the world.</i></p>	Steps to achieve <ul style="list-style-type: none"> Form an industry body or consortium of key industry stakeholders (e.g., landlords, key tenants, designers, developers, engineers, etc.) Form a community with consent on the agenda of building a data library and developing industry benchmarks. Discuss the framework and methodology. Select developer(s) to start building the database, while the community organizer invites industry stakeholders to share data for the database. 	Challenges and mitigating solutions <ul style="list-style-type: none"> Setting up an industry-wide database and baseline requires a significant amount of data and time to prepare. <ul style="list-style-type: none"> The government, investors, nonprofit organizations, or a consortium of the key stakeholders could sponsor the program to keep the initiative active, with continued maintenance by the responsible parties. Some stakeholders hold reservations about sharing internal data with the public. <ul style="list-style-type: none"> Before sharing the data, the responsible party should mask any confidential information (e.g., project name, developer, supplier name, etc.) to maintain anonymity while preserving data integrity for sharing purposes. The database requires ongoing maintenance to ensure it is up to date and operational. <ul style="list-style-type: none"> Collaborate with universities or research centers for the co-management of the data library, as these users may seek active use of the data.

3. Industry Guidelines

Vision	Implementation	Impacts
Problem statements <ul style="list-style-type: none"> Lack of comprehensive guidelines for creating sustainable fit-outs, particularly for Grade B and C offices, along with a need for projects and case studies to demonstrate effective processes for retaining and attracting tenants. 	Key stakeholders <ul style="list-style-type: none"> Think tanks/nonprofit organizations <ul style="list-style-type: none"> Contribute to developing the guidelines by providing data and conducting research. Government <ul style="list-style-type: none"> Provide incentive and leadership support for selected champions to undergo pilot scheme. Raise awareness for the built industry. Landlords, tenants, designers, and contractors of Grade B and C office spaces <ul style="list-style-type: none"> Participate in the pilot scheme and provide insights. 	Benefits <ul style="list-style-type: none"> A successful pilot scheme that turns into useful business cases will demonstrate the value of sustainable fit-outs. This plan becomes the road map for landlords, tenants, and other key stakeholders to follow. This poses as an opportunity to revamp the end-to-end leasing cycle by incorporating sustainable fit-ins, incentives, engagement programs, and metrics, which can set new industry-wide standards.
Solutions <ul style="list-style-type: none"> Establish comprehensive guidelines for Grade A, B, and C fit-outs that include pilot projects or case studies targeted to Grade B and C office spaces as ideal reference materials for landlords and tenants to follow. <p><i>Example use cases:</i></p> <ul style="list-style-type: none"> Lingnam University (Hong Kong) provides fit-out guide for tenants who intend to carry out fit-outs on the Lingnan University campus. CapitaLand (Singapore) provides its fit-out guide that lists the details and relevant forms required during the fit-out process. 	Steps to achieve <ul style="list-style-type: none"> Use Grade A's existing best-in-class fit-out guidelines as a reference. Develop initial fit-out pilot schemes that cover Grade A, B, and C offices' end-to-end leasing cycles, using flexible metrics and methodologies from Grade A's guidelines as reference that matches the resources of Grades B and C where possible (e.g., address sustainable fit-out projects and reinstatement criteria from the start of the leasing cycle with different types of tenants). Undergo pilot fit-out projects with selected champions. Collect feedback post-occupancy stage to measure the extent of success. Develop workable fit-out guidelines and record compelling business cases and common questions and answers that can be used as industry-wide standards for Grade A, B, and C landlords and tenants. Make the guidelines accessible to the public. 	Challenges and mitigating solutions <ul style="list-style-type: none"> There may be lack of support within the industry. <ul style="list-style-type: none"> Nonprofit organizations should actively engage with the government, organizations, or industry stakeholders (i.e., publish papers, hold industry forums, etc.) to call for governmental or wider support.

4. Rent Furniture

Vision	Implementation	Impacts
Problem statements <ul style="list-style-type: none"> Tenants often fail to comply with landlords' fit-out guidelines because of insufficient communication on net zero carbon goals and lack of ownership of furniture. Because tenants do not own the furniture, they are not incentivized to maintain it, which leads to extra costs for landlords on subsequent fit-outs and leads to increased carbon emissions. 	Key stakeholders <ul style="list-style-type: none"> Third-party furniture suppliers <ul style="list-style-type: none"> Provide furniture for lease. Landlords <ul style="list-style-type: none"> Negotiate with suppliers for the right type of furniture to be leased. Update reinstatement clause in leasing agreements for tenants for using leased furniture. At the end of the lease, tenants who leave behind the leased furniture in good condition may be waived a percentage of the reinstatement fee. Tenants <ul style="list-style-type: none"> Reassess fit-out needs based on the provided furniture in the leased space. Negotiate with landlords on rental and reinstatement clauses. 	Benefits <ul style="list-style-type: none"> Appropriate pricing adjustments and well-designed fitted spaces will be a value addition and appeal to more tenants. Landlords may save costs of furniture maintenance if tenants are incentivized to maintain the furniture in good condition for use by the next lease. Tenants stand to benefit by maintaining furniture in good condition if lease agreements are updated with a reinstatement fee percentage waiver.
Solutions <ul style="list-style-type: none"> Landlords may rent furniture readily available from third-party suppliers for spaces to be leased and pass the rental costs to tenants. Tenants are motivated to keep furniture and fittings in good condition for prolonged use. <p><i>Example use case:</i> <i>CORT (United States): a furniture rental company for offices, residences, and other occasions.</i></p>	Steps to achieve <ul style="list-style-type: none"> Landlords should structure the rental model considering the costs involved. Landlords may rent office furniture from third-party suppliers and provide leased space as a fitted space to avoid further fit-outs from tenants. Landlords and tenants may negotiate rental costs, and landlords may update reinstatement clauses in lease agreements. The lease agreements may include a clause to allow reimbursement of reinstatement fees if tenants can maintain furniture in good condition such that it can be reused by succeeding tenants. 	Challenges and mitigating solutions <ul style="list-style-type: none"> Third-party furniture suppliers may not be willing to enter into this arrangement because the risks in bearing the high costs of maintenance of leased furniture may be very high. <ul style="list-style-type: none"> If landlords are to ensure that third-party suppliers are compensated for bearing the risks, then the cost model between landlords and tenants must include that cost. Landlords may face marginal monetary gain after accounting for the increase in costs to lease furniture and fittings for this rental model to succeed in the long run. <ul style="list-style-type: none"> To offset potential increase in rental costs that tenants have to bear to maintain the appeal of their spaces for lease, landlords may provide additional attractive leasing terms (e.g., active use of available communal space to earn point).

5. Circular Marketplace

Vision	Implementation	Impacts
Problem statements <ul style="list-style-type: none"> As tenants move out of leased spaces, they often dispose of office furniture and fittings that are still in good condition because of a lack of awareness and knowledge about sustainable fit-outs. 	Key stakeholders <ul style="list-style-type: none"> Third-party digital solution provider <ul style="list-style-type: none"> Create the marketplace platform. Landlords <ul style="list-style-type: none"> Encourage the tenants/occupiers by promoting the concept of circular economy and the platform. Tenants <ul style="list-style-type: none"> Adopt circular economy mindset to use the platform to sell/purchase used furniture. Designers/contractors <ul style="list-style-type: none"> Provide sales leads to marketplace help purchase available furniture. 	Benefits <ul style="list-style-type: none"> Reduces waste by reusing furniture and fittings, which reduces embodied carbon by avoiding additional fit-outs. Provides an alternate source for landlords and tenants to purchase office furniture at a lower cost, but in good condition. Selling old or excess office furniture and fittings instead of paying for disposal can turn waste into income for both tenants and landlords.
Solutions <ul style="list-style-type: none"> Establish a circular marketplace that allows all tenants and landlords to sell and buy used office furniture and fittings. The platform should also aim to increase awareness by publishing educational content and guidelines on fit-out projects. <p><i>Example wholesale office furniture marketplace use cases:</i> <i>Chai & Chai Trading (Malaysia): a secondhand furniture broker that purchases, furnishes, and sells secondhand office furniture.</i> <i>Relieve Furniture (Belgium): an end-to-end circular furniture company that provides green furniture removal solutions and a marketplace for second-life furniture.</i></p>	Steps to achieve <ul style="list-style-type: none"> Industry organizations or associations may gather to form a consortium of stakeholders to select a third party to run the marketplace. Alternatively, the government may appoint designated organizations to manage the operations of the marketplace. A solution provider is needed to build an open digital marketplace and provide an audit service to assess the furniture that any seller wishes to sell. The marketplace will need to be marketed to tenants, landlords, contractors, and designers to promote the use of the platform to purchase and sell used furniture and fittings. 	Challenges and mitigating solutions <ul style="list-style-type: none"> If the marketplace is unstructured, it will inherit limitations pertaining to the quality of products, availability of items, etc. <ul style="list-style-type: none"> The management of the platform could be handled by specialized internal team(s) or outsourced to external vendors.

KEY TAKEAWAYS

In the current economic landscape characterized by aging office buildings and high vacancy rates, sustainable fit-outs emerge as an effective solution to use existing spaces while minimizing environmental impact. By embracing a circular economy—focusing on waste reduction and material reuse—organizations can significantly lower carbon emissions during the fit-out process. This shift not only addresses environmental concerns but also presents strategic opportunities for value creation, such as developing new business models and standardizing practices to meet user needs. Collective efforts in raising awareness, aligning practices, and fostering collaboration across the industry are essential for achieving low-carbon fit-outs and embedding sustainability into leasing and design decisions.

Key Takeaways

- **Sustainable Fit-Outs:** Address the dual challenges of high vacancy rates and environmental concerns.
- **Circular Economy:** Focus on reducing waste and reusing materials to lower carbon emissions.
- **Value Creation Opportunities:** Explore new business models and industry standardization to meet user demands.
- **Cost Reduction:** Sustainable practices can lower long-term operational costs.
- **Collective Effort:** Achieving low-carbon fit-outs requires collaboration and alignment across the industry.

Hong Kong has a unique opportunity to drive meaningful change by prioritizing sustainability in its office spaces. By fostering a culture of collaboration among stakeholders, encouraging innovative business models, and integrating sustainable practices into design and leasing processes, the city can create significant value. This approach not only enhances the market profile of office assets but also positions Hong Kong as a leader in sustainability, ultimately contributing to a healthier environment and a more resilient economy.

Further reading:

- Taking Green Leases to Net Zero
- Sharing Data to Achieve Net Zero
- Fitting Out Spaces for Net Zero
- Behavior Change to Achieve Net-Zero
- Community-Focused Tenant Engagement (NZI Hong Kong TAP report)

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List of workshop participants

Daniele Albanese, Cundall

Paul Bennett, Experium

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Mark Cameron, Nuveen

Daisy Chan, Nan Fung Group

Jessica Chan, JLL

Nancy Chen, Heitman

Winnie Cheung, Heitman

Philip Clarke, The Oval Partnership

Fiz Field, EY

Jonathan Fong, Hip Shing Fong

Charlie Haase, ANREV

Miu Ho, Sun Hung Kai

Patrick Ho, Swire Properties

Yongki Hong, Swire Properties

Elina Jiang, Sustaina

Taurus Kwan, AEW

Amie Lai, Great Eagle

Olivia Lai, Swire Properties

Dustin Lam, Robert Bird Group

Cheryl Law, JSM

Edward Law, Yu Tai Hing

Sharon Law, Link Asset Management

April Lee, Blackrock

May Lee, ULI

Charlotte Leung, Henderson Land

Phoebe Leung, Swire Properties

Emily Li, Nan Fung Group

Katherine Lo, Link Asset Management

Maple Ma, Nan Fung Group

Bede Ng, SOCAM

Stephanie Ng, ULI

Pritya Pavina, HSBC

James Pierce, The Oval Partnership

Deric Probst-Wallace, DeutscheBank

Andy Russell, JEB

Joe Tang, Cundall

Timothy Ting, Nan Fung Group

Sharon Tsang, Swire Properties

Mick Tse, Hongkong Land

Eric Wong, Saint-Gobain

Michael Wong, Sun Hung Kai

Peter Wong, Hip Shing Fong

Douglas Wu, Fairland Holdings

Carman Yeung, Henderson Land

Ray Zee, Chinachem

Jocelyn Zhu, OCBC

Presenters

Helen Amos

Head of Sustainability Consulting, JLL

Andrew Macpherson

Executive Director

Head of Asset Development, JLL APAC

Beatrix Du Toit

Client Design Director, JLL Design, APAC

Paul Yien

Head of Landlord Representation, JLL

Workshop Facilitators

Andrew Macpherson

Executive Director

Head of Asset Development, JLL APAC

Jenny Zhang

Director of Sustainability, ULI Asia Pacific

Report Team

Chan Hoi Shan

Consultant, Capco

Karen Cheng

Designer

Jan Lee

Executive Director, ULI Hong Kong

Anupriya Muppala

APAC & the Middle East Sustainability & Climate Change Lead, Capco

Sara Proehl

Editor, Publications Professionals LLC

Jenny Zhang

Director of Sustainability, ULI Asia Pacific

Knowledge Partner



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NET ZERO IMPERATIVE

ULI's Net Zero Imperative (NZI) Program empowers cities to take bold, practical steps toward climate action by meaningfully engaging the real estate sector. Recognizing that the urban built environment accounts for a significant share of global carbon emissions, the program works at the critical intersection of real estate, public policy, and community development to drive measurable change.





Unit 902, The Executive Centre,
28 Stanley Street,
Central, Hong Kong

hongkong@uli.org
+852 2886 1631

hongkong.uli.org

