



INDUSTRY
STUDY
JULY 2026

Airport Retail Fitout Study 2026

THE MERCURIUS
GROUP



Foreword

THE MERCURIUS GROUP

Welcome to the 2nd edition of the Airport Retail Fitout Cost Study (ARFCS). When we launched the study last year it was—to the best of our knowledge—the first time that airport retail fitout costs had been benchmarked in a systematic way anywhere in the world. The reaction from the industry was overwhelming. Retailers finally had benchmarks they could compare against and use to support their Board capital requests.

While that was a great outcome, it wasn't enough.

Our objective in shining a light on airport retail fitout costs was to encourage airports to take a closer look at how their developments affect those costs, and what they can do to reduce them. Based on the feedback we've received from retailers, there's still work to do. So, for this second edition, we decided that we need to go one step further.

Of course, we've still gathered retail fitout benchmarks, but this year we've improved them with a more granular analysis of F&B fitouts by outlet type.

To provide deeper insight and analysis, we also brought WT Partnership into the project. As one of Australia's leading quantity surveyors, WT brings unrivalled expertise in construction costing across both airport and shopping centre environments.

WT's involvement adds two new features to the study:

- Robust, real world comparisons between airport and shopping centre retail fitout costs
- A road map of initiatives for airports to follow to help reduce airport retail fitout costs

There are no winners when retail fitout costs are higher than they need to be. They erode retailer profitability and reduce the rent retailers can afford to pay airports. It's tempting to deal with that by extending contract terms, but that's really just sweeping the problem under the carpet. It also comes with a hidden cost: we know that frequency of renewal—including, where appropriate, changing concepts—has a direct impact on sales. Most of the time, a fitout renewal delivers a sales uplift that benefits everyone. So why delay those renewals just to work around a problem that has better solutions?

With the addition of WT's expertise, we hope this 2nd edition of the ARFCS will go closer to achieving our two main objectives: the provision of robust fitout cost benchmarks for retailers and helping airports understand that they can do their bit to reduce retail fitout costs.

The response to this 2nd edition has once again been overwhelming. We've had a record number of retailers responding to the Study, including just about all of the major retailers across F&B, duty free, travel essentials and specialty retail.

Completing the ARFCS survey is not easy and can be time-consuming, so our sincere thanks go to the retailers who took the time and resources to participate. We understand they have done so because they share our view that this is an important topic that can't continue to be ignored.



Ivo Favotto
Managing Director
The Mercurius Group



It is a pleasure to contribute to this study, which explores the cost of airport retail fit outs. I would like to extend my sincere thanks to The Mercurius Group for their leadership, insight and collaboration in producing this work along with the many travel retailers who have shared data that underpins the study.

Airports present a uniquely complex context for the delivery of retail fit outs. They sit at the intersection of high operational intensity, stringent regulatory requirements and growing sustainability expectations. At the same time, the current economic climate, characterised by persistent cost escalation, supply chain pressures and heightened scrutiny on capital investment has only added to the challenge. Delivering commercially viable outcomes in this environment requires a more considered and integrated approach than ever before.

This paper reinforces a critical point: the traditional model for delivering retail fit outs in airports is under increasing strain.

For airports, retailers, designers and delivery partners alike, the opportunity lies in working together more collaboratively, with greater transparency and a shared commitment to “best for project” outcomes. It also requires a willingness to challenge established practices and explore new models that better distribute risk and reward.



Tony Griffin
National Director
WT

Intellectual Property Notice and AI Use Restriction

© 2026 The Mercurius Group Pty Ltd.

This publication contains original research, analysis and proprietary frameworks developed by The Mercurius Group Pty Ltd. All content is protected by copyright and other applicable intellectual property rights.

No part of this publication may be reproduced, republished, distributed, or used for commercial purposes without prior written permission.

This material may not be uploaded to, processed by, incorporated into, or used in connection with artificial intelligence systems, large language models (LLMs), generative AI platforms, or similar technologies for training, content generation, or derivative analysis without explicit authorisation.

Internal circulation within the recipient organisation is permitted. External redistribution is prohibited.

Introduction

The 2026 Airport Retail Fitout Cost Study builds on the foundation established in last year's inaugural report, extending the dataset, broadening the scope and deepening the analysis in response to industry feedback.

Where the 2025 study established baseline cost benchmarks across retail segments, the 2026 edition adds further granularity to the food and beverage category, introduces a direct cost comparison between airport and high street fitout environments, and incorporates a dedicated sustainability section, which reflects the growing prominence of environmental obligations across airport retail precincts.

The study also introduces a practical roadmap for airport operators: a set of measures that airports can implement to reduce the cost burden on tenants without compromising design standards or operational requirements. The aim is to deliver the best commercial outcomes for airports, retailers and fitout providers. This responds directly to a theme that emerged strongly from last year's research, which is that many of the cost pressures tenants face in airport environments are, at least in part, within the airport's capacity to influence.

Early planning and collaboration between airports, tenants and their project teams remain the most consistently cited levers for cost reduction. Greater transparency around airport-controlled costs, including security, inductions, Category 1 works and contractor requirements, is also needed. The tension between design guideline rigidity and the creativity and innovation that differentiates premium airport retail from the broader market also remains.

Sustainability adds a new dimension. Airports are increasingly mandating sustainable fitout practices, yet the commercial structures that govern tenancy agreements, including deficit obligations, lease terms and fitout contributions do not always support the long-term material reuse and circular economy outcomes those mandates are intended to achieve. Addressing that misalignment may prove to be one of the more consequential opportunities for the industry. This topic is explored in greater depth in our ***white paper: Sustainability in Airport Retail Fitouts.***

Methodology

The 2026 Airport Retail Fitout Cost Study builds on the dataset established in the 2025 study, providing an expanded and increasingly robust benchmark of airport retail fitout costs across Australia and New Zealand. The study covers four retail segments: food and beverage, duty free, specialty retail, and travel essentials, pharmacy and convenience. Recognising the significant variation in scope and cost within the food and beverage category, the 2026 study introduces additional granularity by segmenting this segment into quick service restaurants, cafes, restaurants and bars.

A survey was distributed to airport retail operators across Australia and New Zealand. Seventeen respondents participated, covering **approximately 13,500m² of fitted-out space and more than \$110 million in total fitout expenditure**—a scale of data that provides meaningful benchmarking capability and reflects strong industry engagement with this research.

Contents

Respondents were asked to provide fitout cost data on a per-square-metre basis across 15 cost categories, grouped under six primary headings: design and project management; Category 1 and airport-specific costs; engineering and consultants; services; onsite works; and joinery and signage. This structure captures the full cost profile of airport retail delivery, including costs specific to the airport environment such as security inductions, airport authority fees for example.



At a headline level, **CY25 results show an overall cost decline of approximately -17% compared to CY24**, across a total survey volume of approximately 11,200m² in Australia and 2,450m² in New Zealand.

Cost movements varied considerably by segment: food and beverage costs were lower (-11%), specialty retail recorded a slight increase (+4%), travel essentials increased +10%, and duty free declined considerably (-19%).

Total fitted out volume was slightly down on 2024 (13,654m²) vs 14,270 in 2024.

Duty free and TE volume was up 77% and 100% respectively, while food and beverage and Specialty were both down 40%.

These headline figures are explored in detail within this study.

Duty Free Fit Outs	4
Food & Beverage Fit Outs	8
QSR Fit Out Cost Breakdown	10
Restaurant Fit Out Cost Breakdown	11
Cafe Fit Out Cost Breakdown	12
Bar Fit Out Cost Breakdown	13
Travel Essentials Fit Outs	16
Specialty Retail Fit Outs	20
Cost Variances Across Airport Environments	22
Sustainability in Airport Retail Fitouts	23
Airport vs High Street Fitouts	24
What Can Airports Do to Help	25
Upcoming Development Opportunities by Airport	26

Duty Free Fit Outs



5,150m² +2,200m² versus 2024



\$6,600 per m² -\$1,600 per m² versus 2024

Weighted AVG cost per m² for Duty Free airport fitouts – CY25

Range: **\$6,100** to **\$7,000** per m²



-19% ↓

AVG actual price escalation
2025 v 2024

+8% ↑

AVG anticipated price escalation
2026 v 2025

Observations

The duty free segment recorded 3,650m² of fitted-out space across Australian outlets and 1,500m² in New Zealand in CY25. Total volume was higher than the prior year (CY24: 2,900m² combined).

The weighted average fitout cost for duty free was \$6,700/m² (AUD) and \$7,100/m² (NZD) in CY25. Australian costs declined against the prior year (\$8,200/m²), likely reflecting a combination of refurbishment activity and/or increased vendor contributions to joinery and display costs in categories such as beauty, liquor and luxury retail. Looking ahead, respondents anticipate escalation of 7% (AUD) and 10% (NZD) for CY25–CY26.

The most significant shift from the prior year was in design and project management, which rose from 8% to 18% of total cost—a near-tripling of its proportional share. In absolute terms, given broadly flat overall costs, this implies design, preliminaries and project management

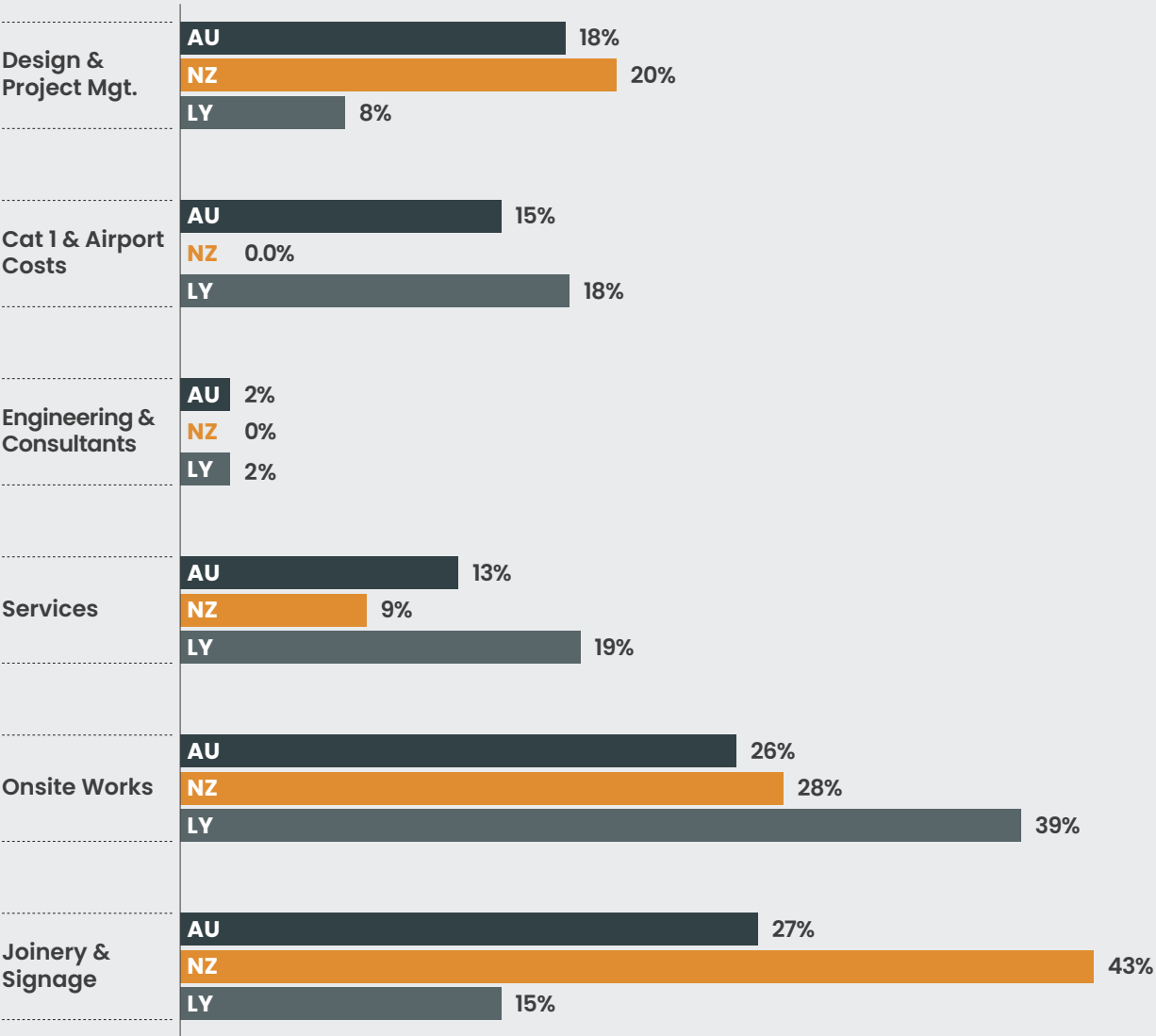
costs per square metre increased materially in isolation. This is consistent with:

1. greater investment in design development and documentation relative to physical construction,
2. an increasing proportion of projects involving refurbishment of existing stores rather than full new-build fitouts.

Category 1 and airport-specific costs held steady at approximately 15%. Onsite works fell from 39% to 26%, while joinery and signage, increase from 15% to 27% in Australia but accounted for 43% in New Zealand, reflecting refurbishments of existing stores rather than new-builds.

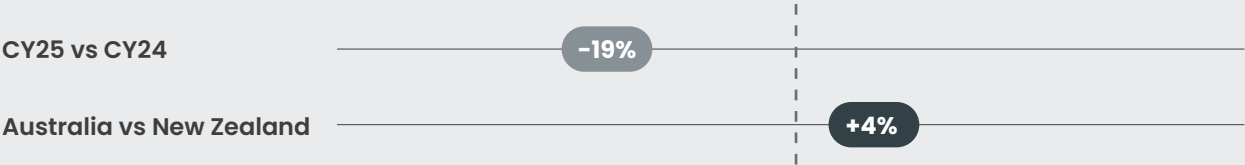
Services costs reduced as a proportion of total spend, from 19% to 13%, suggesting less mechanical and electrical upgrade work was required in CY25 projects.

Duty Free Fit Out Cost Breakdown



Note: Due to rounding, the percentages shown in the graph above may not sum to 100%.

Cost Comparison Benchmarks



Good Design Should Sell, Not Just Look Good.

Insights from SSP's Dominic Cain

“When airport retail design prioritises aesthetics over functionality, commercial performance suffers. Across airport precincts, fit outs are increasingly shaped by visual consistency rather than how customers navigate, recognise and buy. At the same time, infrastructure and sustainability costs are being passed to tenants, creating attractive venues that are harder to operate and slower to deliver returns.”

Dominic Cain
Regional MD, Australia
& New Zealand
SSP Australia & NZ

 **SSP** Australia &
New Zealand

Airport retail environments have never looked better. New terminals and redevelopments showcase high end materials, strong architectural language and carefully curated precincts. But increasingly, retail fit outs are being driven by design preferences that prioritise aesthetics over functionality, often to the detriment of commercial performance.

One of the most common examples is way finding and signage. A sushi store within an Australian airport was renovated several years ago as part of a broader precinct upgrade. As part of the refit, we were required to significantly reduce external signage to align with the designer's preferred look and feel. The impact was immediate and sustained. Sales declined by approximately 25 percent following the renovation, despite no change to menu, pricing, staffing or offer.



Elevating Travel, One Experience at a Time

Customers simply could not see or quickly identify the brand.

More recently, two large vinyl decals with the word “Sushi” were installed on the back of the store to improve visibility from key passenger sightlines. Within a week, sales increased by 20 percent. Nothing else changed. The lesson is simple. In airport environments, clarity drives conversion. Visibility matters more than subtlety.

This issue extends beyond static signage. Many retail design managers are actively seeking to reduce the presence of digital signage across precincts, despite clear evidence that both the quantity and placement of digital assets directly influence dwell time, customer engagement and transaction uplift. Strong commercial outcomes ultimately translate into higher rent, which benefits airports as much as operators. Designing out digital is not a neutral decision. It has measurable financial consequences.

Running alongside these design challenges is a growing structural issue around infrastructure

and sustainability. As airports accelerate electrification strategies and sustainability agendas, many are passing the capital burden of essential infrastructure onto tenants. This includes the provision of electrical distribution boards, sufficient power capacity, and adequate HVAC and return air for food and beverage operations.

The irony is that many major airports now operate their own solar farms, generating renewable power which is on sold to tenants. Airports benefit from sustainability credentials and energy revenue, while tenants fund the electrical upgrades required to operate electric kitchens. At lease end, those upgrades typically remain, improving the base build for the next occupier with no adjustment to commercial terms.

If airports want high performing, sustainable retail precincts, design decisions must be grounded in how customers actually behave, and infrastructure responsibility must be shared more equitably. Good design should not just look right. It should work, and it should sell.

Food & Beverage Fit Outs



4,700m² -3,300m² versus 2024



\$9,100 per m² -\$1,100 per m² versus 2024

Weighted AVG cost per m² for Duty Free airport fitouts – CY25

Range: **\$3,500** to **\$17,200** per m²



-11% ↓

AVG actual price escalation
2025 v 2024

+10% ↑

AVG anticipated price escalation
2026 v 2025

Observations

Food and beverage remains the most capital-intensive category in airport retail fitout, and the 2026 study provides the most detailed picture of this segment to date. For the first time, cost data has been collected and reported across four distinct food and beverage types, quick service restaurants (QSRs), cafes, restaurants and bars, allowing meaningful comparison between formats that differ substantially in fitout scope and operational complexity.

The segment recorded approximately 4,700m² of fitted-out space across 25 outlets. New Zealand weighted average costs were broadly comparable to Australian outcomes at \$9,700/m² (NZD) against \$9,200/m² (AUD).

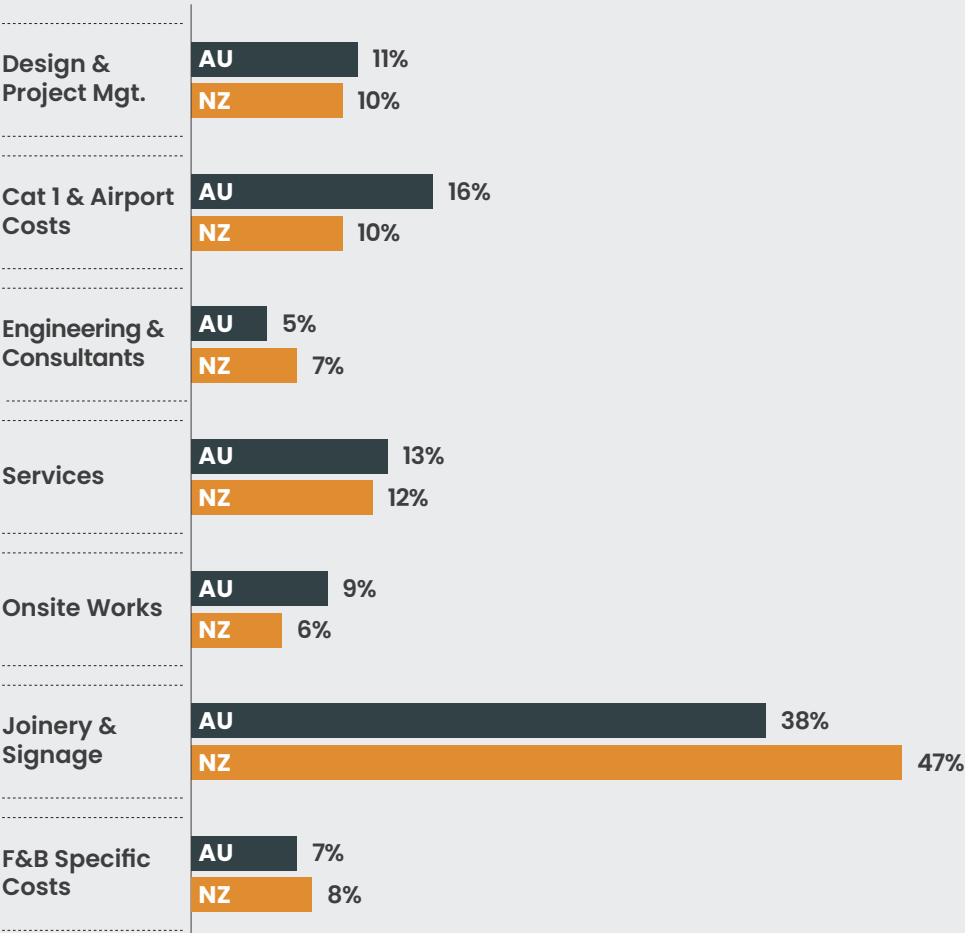
The range of outcomes within the segment was wide, from \$3,300/m² to \$17,500/m² in Australia and \$6,100/m² to \$16,000/m² in New Zealand, highlighting the significant variation in fitout scope across the four formats. QSRs recorded the highest costs at \$13,600/m² (AUD) and \$11,000/m² (NZD), followed by bars at \$10,700/m² (AUD), restaurants at \$9,000/m² (AUD) and

cafes as the least expensive format at \$6,100/m² (AUD) and \$8,200/m² (NZD).

At an aggregate level, food and beverage costs declined by -11% compared to last year. This is partly attributable to a number of fitouts in the survey that were refreshes rather than full new-build projects, which were in some cases limited to signage replacement and reused existing equipment. This trend toward lighter-touch refurbishment, was seen across all retail fitout categories and is likely driven by the increasing pressure on business, and aligns with themes explored in the sustainability section of this study.

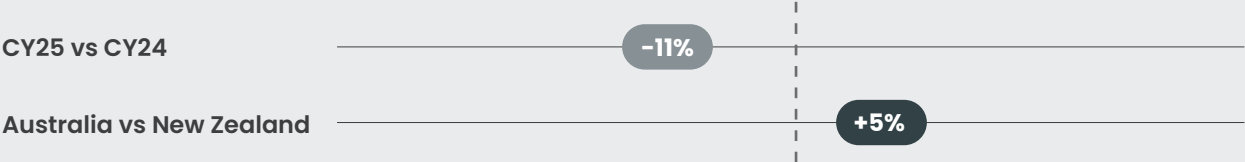
Looking ahead, operators anticipate escalation of 12% (AUD) and 6% (NZD) between CY25 and CY26. Respondents expect Category 1 works, mechanical, fire safety and airport-specific costs to increase by more than 25% in Australia. The individual segment analyses that follow explore the cost profile, year-on-year movements and key observations for each format in detail.

Food & Beverage Out Cost Breakdown

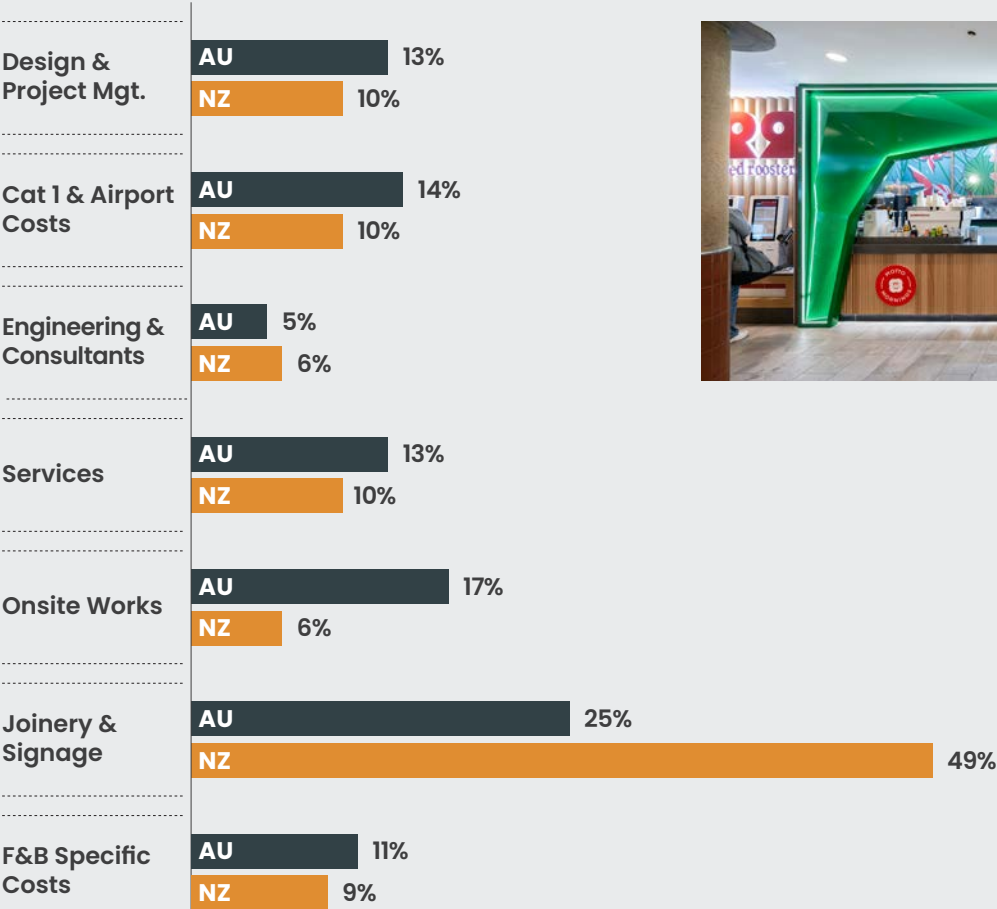


Note: Due to rounding, the percentages shown in the graph above may not sum to 100%.

Cost Comparison Benchmarks



QSR Fit Out Cost Breakdown



Note: Due to rounding, the percentages shown in the graph above may not sum to 100%.



Observations

Quick Service Restaurants (QSRs) were the most expensive food and beverage format in the 2026 study, recording a weighted average fitout cost of \$13,600/m² (AUD) and \$11,000/m² (NZD).

The higher cost relative to other F&B formats reflects the operational intensity of QSR fitouts, high-capacity kitchen infrastructure, significant Category 1 base-building interface works and the compressed construction programmes all contribute to an elevated cost base.

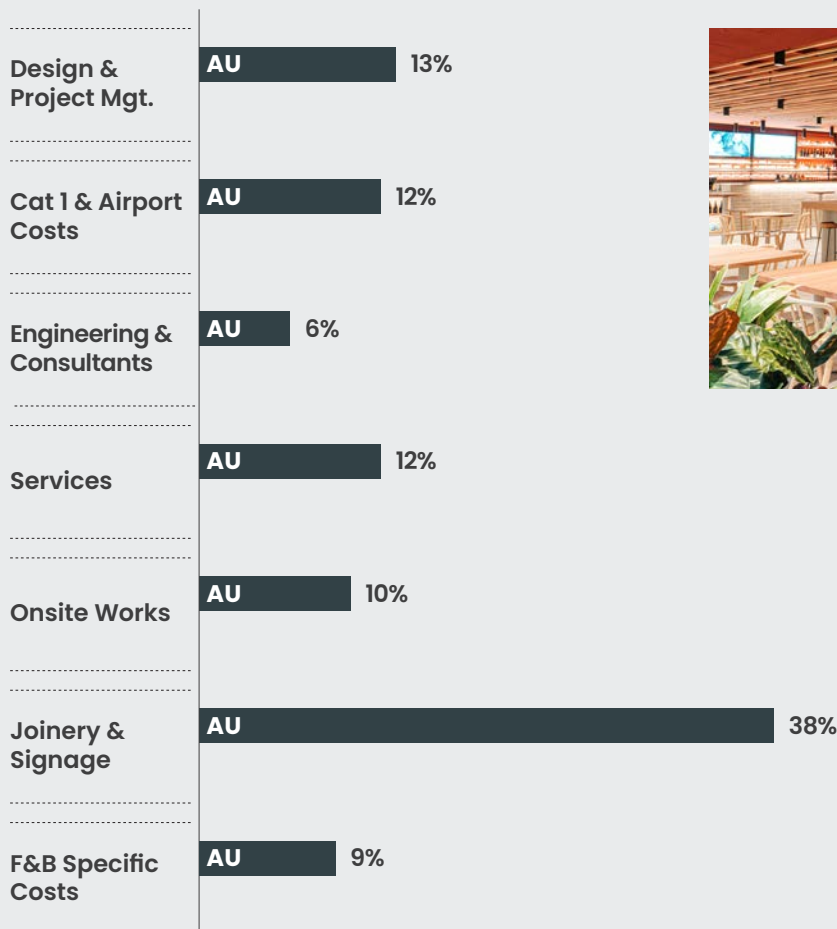
The most notable shift from the prior year was in design and project management, which more than doubled as a proportion of total cost to represent 13% (AUD) and 10% (NZD) of

total spend. This is consistent with observations across other segments.

Category 1 and airport-specific costs across all food and beverage categories increased significantly, underscoring the significant base building interface requirements undertaken in 2025.

Joinery and signage accounted for 25% of Australian costs but was 49% in New Zealand. F&B specific costs such as kitchen equipment, hydraulics and specialist services represented 11% (AUD) and 9% (NZD).

Restaurant Fit Out Cost Breakdown



Note: Due to rounding, the percentages shown in the graph above may not sum to 100%.



Observations

Restaurant fitouts recorded a weighted average cost of \$9,000/m² (AUD) in CY25.

At 38%, joinery and signage represented the largest single cost category—a proportion notably higher than in QSRs (25%) due to a significant number of refresh-style projects.

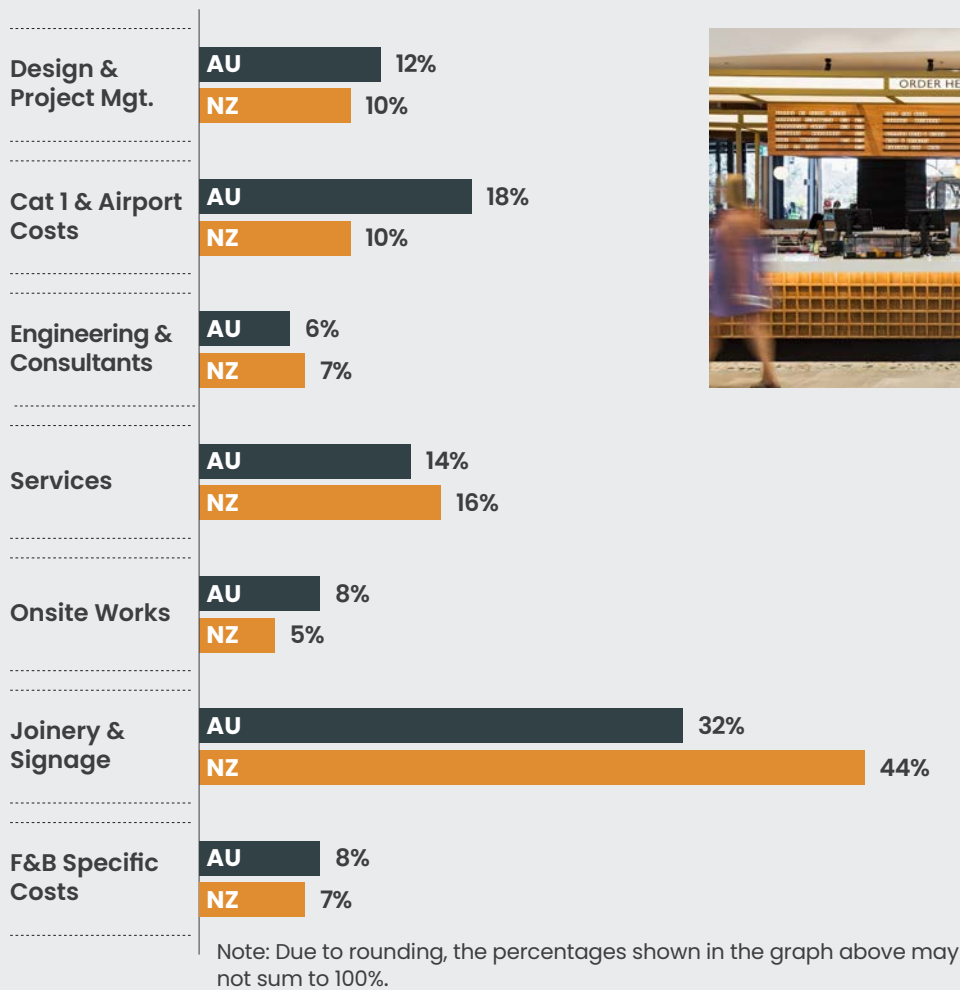
Where operators have reused existing kitchen infrastructure and reinvested the budget into the customer-facing environment, as such, joinery and signage naturally absorbs a greater share of total spend. This interpretation is consistent with the broader trend observed across the food and beverage segment of lighter-touch refurbishments.

It will be important to monitor whether this approach to fitout delivery is sustained in future years, and how these refreshed environments perform commercially over time relative to full new-build fitouts.

Design and project management represented 13% of total cost, which is consistent with QSR results. Category 1 and airport-specific costs were proportionally lower at 12%, while services and F&B specific costs together accounted for 21%.

No New Zealand data was provided for this segment, and all observations accordingly reflect Australian results only.

Cafe Fit Out Cost Breakdown



Observations

Cafes were the most affordable food and beverage format in the 2026 study, recording a weighted average fitout cost of \$6,100/m² (AUD) and \$8,200/m² (NZD)—a meaningful gap below the segment average and reflecting the comparatively lighter kitchen infrastructure and services requirements of a beverage-focused, medium-dwell format.

The most striking feature of the cafe cost profile is the dominance of joinery and signage, which accounted for 32% of Australian costs and 45% in New Zealand.

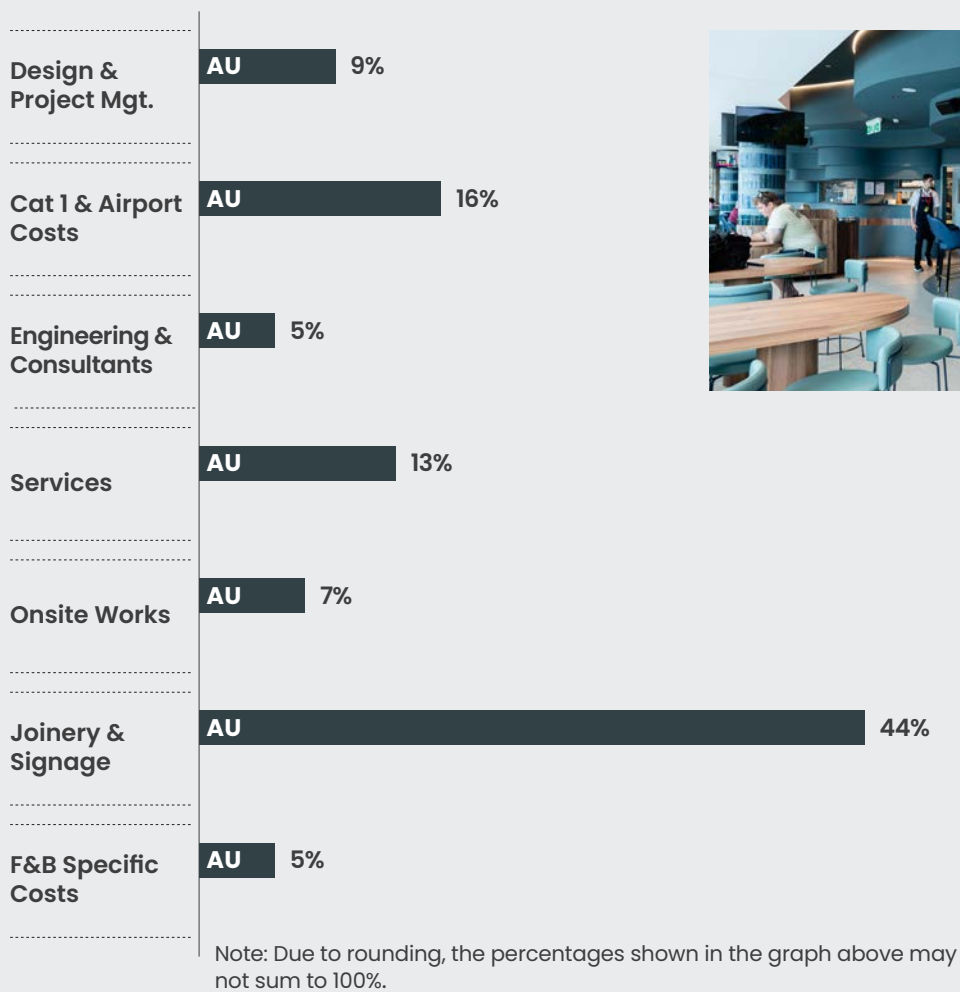
Compared to last year's F&B joinery share of 23%, this substantial increase points strongly

toward a cohort of refresh-style projects within the sample where operators have reinvested primarily in the customer-facing environment while retaining existing services infrastructure and kitchen equipment.

How these refreshed outlets perform commercially over time relative to full new-build fitouts will be an important question for the future.

Category 1 and airport-specific costs represented 18% of Australian spend which is the highest of all F&B formats. Services costs were broadly in line with prior year levels at 14% (AUD) and 16% (NZD).

Bar Fit Out Cost Breakdown



Observations

Bar fitouts recorded a weighted average cost of \$10,700/m² (AUD), making bars the second most expensive food and beverage format after QSRs.

The defining characteristic of the bar cost profile is the proportion attributed to joinery and signage, which at 44% is approximately double last year's F&B figure of 23%.

Conversely, F&B specific costs (kitchen equipment, hydraulics and specialist services) fell to just 5% of total spend, roughly half the prior year proportion.

Taken together, these movements are consistent with a pattern of significant reinvestment in front-of-house and customer-facing environments while reusing existing back-of-house services infrastructure and equipment.

This approach reduces capital outlay on mechanical and kitchen systems but raises longer-term questions about asset condition and the sustainability of deferred infrastructure investment in the future.

No New Zealand data was provided for this segment, and all observations reflect Australian results only.

Rising Costs and Complexity Make Collaboration Essential in Airport F&B Fitouts.

Insights from ELR's Davina Connell

Airport fit outs are facing a uniquely challenging moment, shaped by rising operational pressures, shifting passenger expectations, and increasingly complex regulatory environments. At the centre of the challenge is the tension between delivering a high quality, commercially viable hospitality experience and operating within one of the most constrained construction environments anywhere.

Davina Connell
Regional Director and
General Manager - ANZ
Emirates Leisure Retail

Emirates
LEISURE RETAIL

One of the most significant hurdles is the escalation of build costs and supply chain volatility. Airports and passengers demand specialised materials, high durability finishes, and equipment that meets strict safety and fire rating standards. These items are often imported or custom manufactured, which exposes projects to long lead times and price fluctuations. Fit out contractors must also work within secure zones, where every delivery, tool, and worker requires clearance. This slows progress and increases labour costs, making even small design changes disproportionately expensive.

Another major challenge is the operational complexity of building in a live airport environment. Often work windows are often restricted to overnight shifts to avoid disrupting passenger flow. Noise, dust, and vibration





Creators and operators
of bespoke and global
award-winning venues.

www.mmielr.com

Emirates
LEISURE RETAIL

controls are far stricter than in typical retail settings. Coordinating trades becomes a logistical puzzle, and delays in one area can cascade quickly. Airports also have limited storage space, so materials must be delivered just in time, adding another layer of planning pressure.

At the same time, airports and operators are pushing for more ambitious retail and dining concepts. Travellers now expect premium experiences—fresh food, local brands, immersive design—rather than generic fast food counters. To deliver the level of quality operators and airports demand within tight footprints, limited back of house space, and rigid infrastructure constraints (such as fixed exhaust routes, power loads, and drainage points) requires creative engineering and often costly custom solutions.

Sustainability expectations add further complexity. Many airports are committing to net zero targets, requiring tenants to

incorporate energy efficient equipment, waste management systems, and sustainable materials. While these initiatives are positive, they can increase upfront costs and require specialist knowledge that not all operators possess.

Finally, the commercial environment is tightening. Airport rents and revenue share models are high, and operators must balance investment in premium fit outs with the need to maintain profitability. With passenger volumes still fluctuating globally, and unforeseen global pressures, forecasting demand is harder than ever, making capital intensive fit outs feel riskier.

In short, airport food retail fit outs sit at the intersection of rising costs, heightened expectations, and operational constraints. Success now depends on meticulous planning, strong collaboration with airport partners, regulatory authorities, and design strategies that embrace flexibility and resilience.

Travel Essentials Fit Outs



2,500m² +1,250m² versus 2024



\$5,700 per m² +\$500 per m² versus 2024

Weighted AVG cost per m² for Travel Essentials airport fitouts – CY25

Range: **\$4,500** to **\$6,000** per m²



+10% ↑

AVG actual price escalation
2025 v 2024

+9% ↑

AVG anticipated price escalation
2026 v 2025

Observations

The travel essentials, pharmacy and convenience segment recorded a total of 2,500m² of fitted-out space across Australian outlets in CY25. Notably, the volume of space fitted out doubled compared to the prior year, indicating growing operator investment in this category across Australian airports.

Cost Per Square Metre

The average fitout cost for the travel essentials segment was \$5,700/m² (AUD) in CY25, up from \$5,200/m² in CY24—representing actual price escalation of 10% year on year. This is a significant increase. Looking ahead, respondents anticipate further escalation of 9% in Australia and 10% in New Zealand for CY25–CY26, suggesting cost pressures in this segment are expected to persist.

Cost Category Breakdown

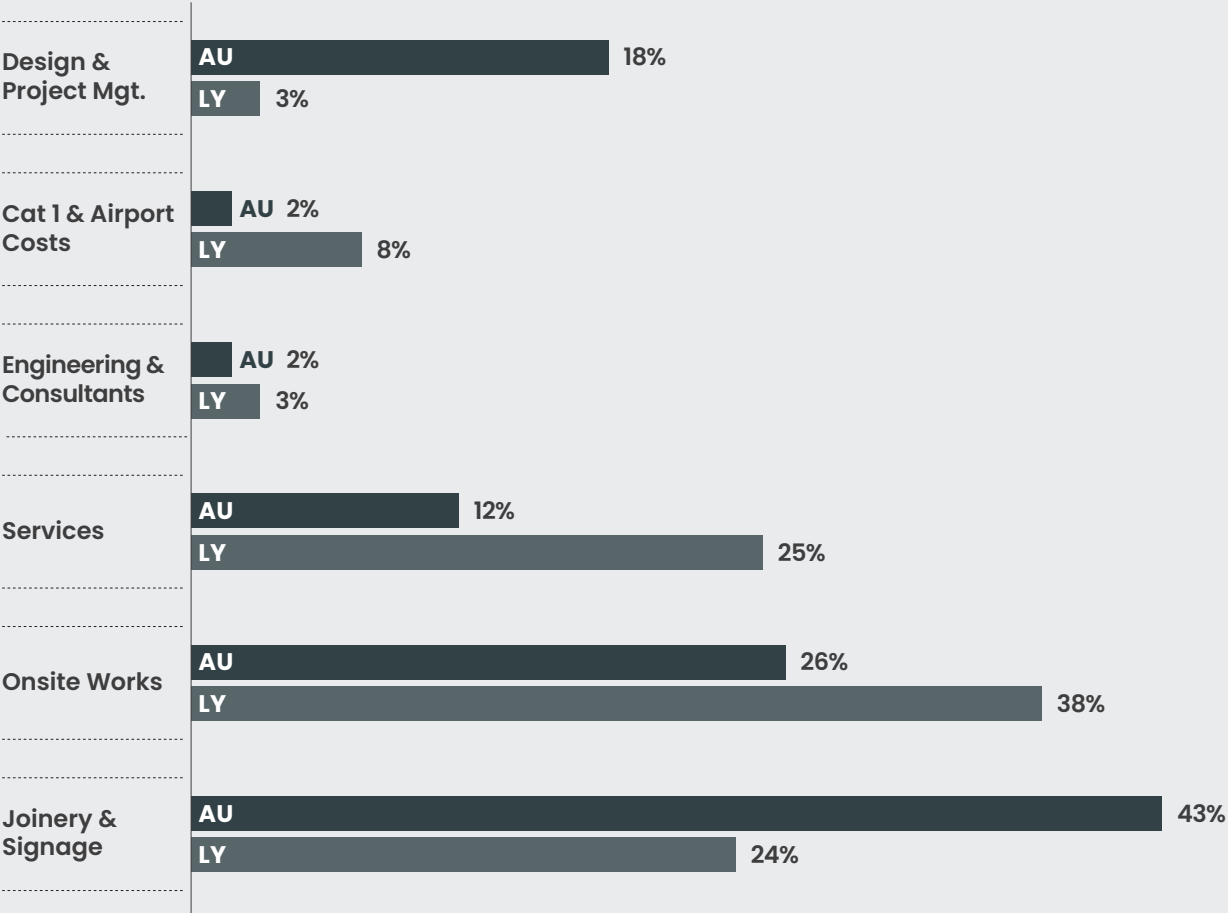
The cost profile of travel essentials fitouts shifted considerably compared to the prior year. The most material movement was in joinery and signage, which accounted for 43% of total

fitout cost in CY25, compared to 24% in the prior year—an increase of nearly 19 percentage points, this reflects many projects being partial fitouts or refurbishments, rather than full new builds. Design and project management costs also rose sharply, representing 18% of total cost against just 3% last year, though it should be noted that a 12–18% share for this category is broadly consistent with industry norms.

Conversely, services (mechanical, fire, electrical and lighting) fell significantly as a proportion of total cost, from 25% to 12%, as did onsite works (38% to 26%) and Category 1 and airport-specific costs (8% to 2%). The reduced Category 1 cost share is consistent with observations elsewhere in this survey that this segment required comparatively less base-building work.

There were no New Zealand fitouts recorded for this segment in the survey period, and accordingly all cost and category data reflects Australian projects only.

Travel Essentials Fit Out Cost



Note: Due to rounding, the percentages shown in the graph above may not sum to 100%.



Delivering Airport Retail Fitouts Through Partnership and Planning.

Insights from Trivision's Jeff Williams

The airport sector continues to consistently demonstrate a collaborative, partnership led delivery model. Great fitouts rely not only on trade and construction expertise, but on the collective efforts of airport operators, retailers, designers, consultants and contractors working towards shared goals.

Jeff Williams
Director
Trivision Shopfitting



Airport retail fitouts operate within a uniquely complex environment. Unlike traditional retail settings, project delivery must accommodate strict security requirements, restricted site access, staged construction programs, after-hours works and live passenger movements. These operational considerations are essential to maintaining the safety, security and continuity of airport operations and require a high degree of planning and coordination across all stakeholders.

The airport sector consistently demonstrates the value of a collaborative delivery model. Successful retail fitouts rely not only on construction expertise, but on the coordinated efforts of airport operators, retailers, designers,





consultants and contractors working towards shared objectives. Early engagement allows operational requirements, design intent, program considerations and delivery constraints to be understood and addressed collectively, reducing risk and supporting more efficient project outcomes.

Across Australia and New Zealand, airports continue to invest in terminal upgrades, retail precincts and customer experience initiatives that enhance both passenger journeys and commercial performance. These projects reflect the strength of collaboration across the industry and the commitment of all participants to delivering high-quality outcomes. Trivision is proud to contribute to these projects alongside the many organisations and individuals who help bring them to life.

Like many construction and infrastructure sectors globally, airport projects are also being delivered in a challenging economic environment. Rising costs across materials, labour, energy, fuel and logistics continue to influence project delivery and investment decisions. These pressures are not unique to airports, but reflect broader macroeconomic conditions affecting construction markets worldwide.

Despite these challenges, the industry continues to demonstrate resilience and adaptability. Through early planning, strong stakeholder engagement and practical delivery strategies, airports and their project partners continue to deliver high-quality retail environments that support operational requirements, commercial objectives and the evolving expectations of passengers.

Specialty Retail Fit Outs



1,300m² -800m² versus 2024



\$6,600 per m² +\$200 per m² versus 2024

Weighted AVG cost per m² for Specialty Retail airport fitouts – CY25

Range: **\$4,800** to **\$16,300** per m²



+4% ↑

AVG actual price escalation
2025 v 2024

+9% ↑

AVG anticipated price escalation
2026 v 2025

Observations

The specialty retail segment recorded 850m² across Australian outlets and 450m² across New Zealand outlets in CY25, significantly lower than CY24's total of 2,100m².

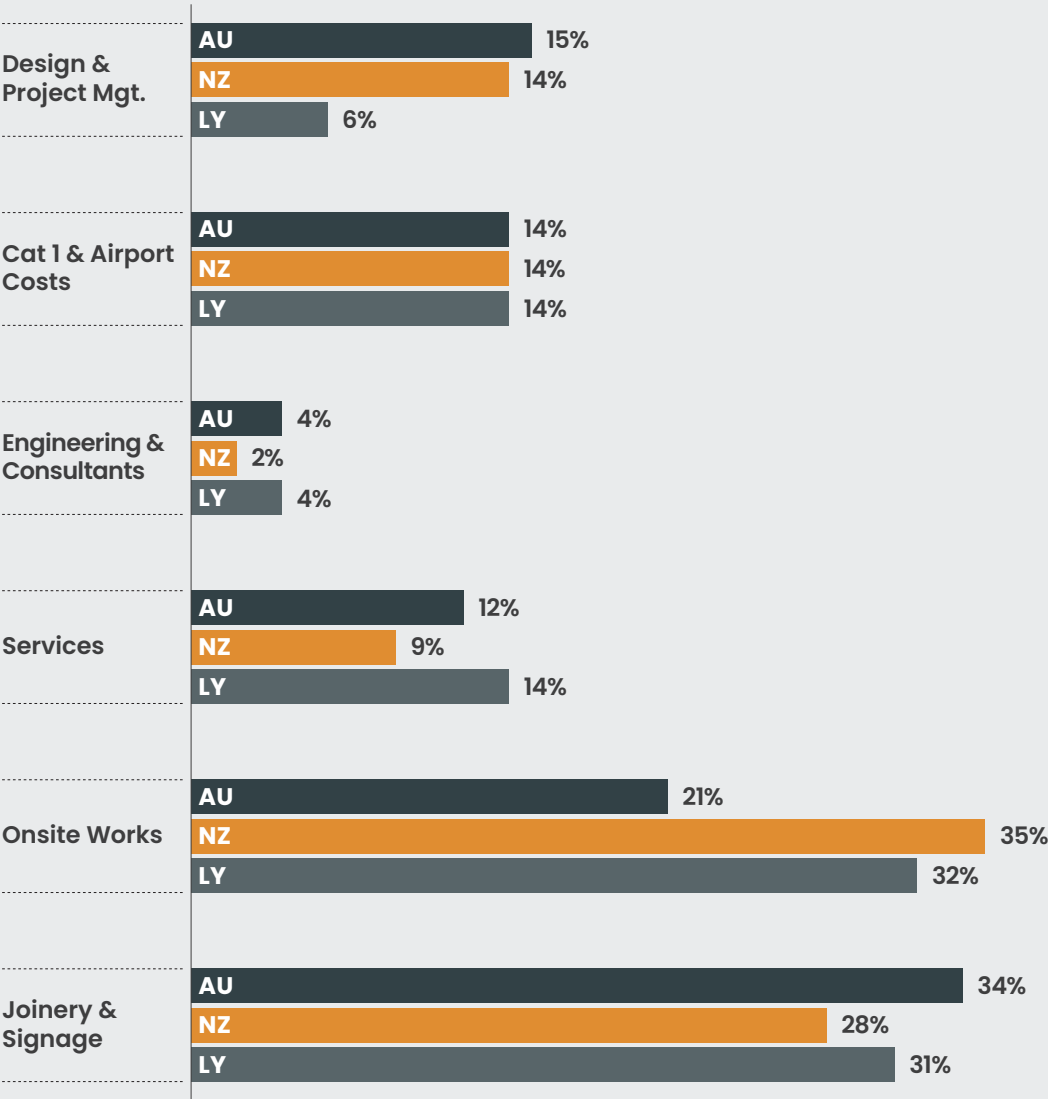
The weighted average fitout cost was \$7,500/m² (AUD) and \$5,600/m² (NZD). In Australia this represents a price escalation of 18% against the prior year figure of \$6,380/m². Respondents anticipate further escalation of 9% (AUD) and 10% (NZD) for CY25–CY26.

The Australian cost range was wide, spanning \$5,100/m² to \$21,700/m², reflecting two distinct fitout typologies within the segment. Kiosk-based concepts averaged around \$15,200/m² against approximately \$5,100/m² for larger fitouts.

The most significant category-level shift was in design and project management costs, which rose from 6% of total cost last year to 15% (AUD) and 14% (NZD). Given overall costs increased 40%, this implies these costs approximately doubled in absolute per-square-metre terms. A 12–18% share for this category is broadly consistent with industry norms.

Category 1 and airport-specific costs held steady at 14%. Joinery and signage remained the largest single cost category at 34% (AUD) and 28% (NZD), broadly consistent with the prior year, while on-site works fell from 32% to 21% in Australia but remained elevated in New Zealand at 35%.

Specialty Retail Fit Out Cost



Note: Due to rounding, the percentages shown in the graph above may not sum to 100%.

Cost Comparison Benchmarks



Cost Variances Across Airport Environments

Survey research conducted for this white paper reveals a meaningful differential across terminal type, location within the terminal, and airport scale. These findings have practical implications for how tenants, operators and their advisers approach budget setting.

Among the most commercially significant results is the **premium associated with international terminals**, which respondents reported as **averaging 10% above equivalent domestic terminal projects**.

This reflects the higher specification standards, greater passenger dwell time expectations and more demanding landlord guidelines that typically apply in international precincts.

The differential between airside and landside locations was pronounced, with respondents recording **an average premium of 12% for airside fitouts**, reflecting the additional security compliance costs, restricted access protocols and modified work methods required to deliver construction within secured zones.

The variance between large capital city airports and regional facilities was more modest, averaging 5%.

Capital city airports generally benefit from greater labour availability, though this is offset by higher rates. In regional locations, lower base rates are eroded by freight costs, limited supplier networks and reduced access to specialist trades, with cost pressures intensifying at more remote facilities.



Sustainability in Retail Fitouts

Sustainability has moved from a discretionary consideration to an operational expectation across the airport retail sector. This is driven by corporate net zero commitments, evolving airport operator guidelines and increasing scrutiny from investors and regulators. The cost is impacting materially on project budgets.

Survey research conducted for this white paper captures the scale of that shift. All respondents confirmed that sustainability requirements in airport retail fitout guidelines have changed in recent years.

While 80% characterised the pace of change as low to moderate, **20% indicated requirements have changed substantially**—and critically, every respondent expects that evolution to continue.

Respondents indicated that standards will rise, reporting obligations will expand, and the fitout guidelines tenants receive at lease commencement will include sustainability criteria that were optional until recently.

The cost implications are becoming measurable. The majority of respondents indicated that sustainability initiatives have impacted fitout pricing, with **only 30% reporting no change to their costs**.

On average, **respondents attributed an 11% premium to sustainability-related requirements**. Set against the base cost of airport retail construction—typically \$6,000 to \$13,500 per square metre in Australian airport environments—**sustainability adds between \$660 and \$1,485 per square metre** to the delivered cost.

For operators and tenants, these findings reinforce a simple reality that sustainability is an embedded condition of fitout delivery in the modern airport environment.

The topic of sustainable airport retail fitouts is explored in greater depth in The Mercurius Group's recent **White Paper: Sustainability in Airport Retail Fitouts**.



Airport vs High Street Fitouts

Fitting out retail, food and beverage, and kiosk tenancies in Australian airports consistently costs more than equivalent CBD projects—and the gap is material. According to WT Partnership, **airport fit-outs attract premiums of 15% to 40% above comparable high street projects**, rising to **45% for food and beverage tenancies** where hydraulic, exhaust and grease management infrastructure adds significant complexity.



General Retail

15%–40%

Depending on terminal operating conditions, security constraints and after-hours access limitations



Food & Beverage

20%–45%

Reflecting hydraulic, exhaust, grease-arrestor and odour-management complexity



Kiosks

Lower capital value but **disproportionately high \$/m²** due to services intensity and prefabrication requirements

These premiums reflect the cumulative cost of delivering construction within a continuously operating, security-regulated environment. Contractors require aviation security clearances, site inductions and escorts before accessing work areas. Materials may be subject to x-ray screening. Noisy or disruptive works — demolition, mechanical tie-ins, floor finishes—are typically confined to overnight windows, compressing productive construction time and attracting significant shift penalties.

Analysis by WT illustrates the scale: **logistics costs run 50% higher** than CBD equivalents, **preliminaries 35% higher**, and **contingency requirements 40% higher**.

Cost Element	Airport Premium	Primary Cause
Preliminaries	+35%	Security escorts, supervision, inductions
Logistics	+50%	Restricted loading docks, just-in-time delivery
Labour	+20%	Overnight /shift loading, restricted hours
Program Management	+25%	Stakeholder approvals, sequencing complexity
Contingency	+40%	Latent conditions, escalation, operational risk

WT finds that the key factors influencing cost variances to CBD environments are:

- **Restricted access** – airport projects must obtain security clearances, inductions and permits, and materials may require x-ray screening, all of which reduce labour productivity and increase preliminaries.
- **Limited working hours** – many works are confined to night shifts or outside trading hours, attracting shift penalties, overtime and fatigue-management costs; the report notes 4 hours of out-of-hours work can cost the equivalent of 16 hours of standard time.
- **Operational continuity** – airports run 24/7, so noise, dust, vibration and odour must be actively managed via hoardings, acoustic barriers and staged commissioning – constraints CBD landlords rarely impose to the same degree.
- **Logistics constraints** – loading docks, delivery routes, storage and waste management are tightly controlled, forcing just-in-time delivery and limiting craneage and material handling options.
- **Stakeholder complexity** – approvals must pass through landlords, aviation authorities, airline operators, security providers, fire engineers and ICT/base-building consultants – a materially larger approval matrix than a typical CBD landlord fit-out guide.
- **Fire & life-safety integration** – airport base-building fire, smoke-exhaust and egress systems are highly integrated; any tenancy modification affecting them can require detailed peer review and certification.
- **Programme risk** – because airports are live operational environments, minor delays can trigger airline disruption, terminal operating restrictions or liquidated damages – a downstream risk with no real CBD equivalent.

What can Airports do to Help?

The approval matrix compounds delivery risk for tenants. Where a CBD fitout generally requires landlord and building surveyor sign-off, an airport project must navigate aviation authorities, airline operations, fire engineers, security providers, base-building consultants and ICT stakeholders—each with independent review timelines.

The commercial case for airport retail remains strong where passenger throughput supports premium revenue densities. Realising that potential, however, depends on entering projects with cost plans and delivery

strategies calibrated to the environment—not benchmarked against it.

Airport landlords can have significant influence over project feasibility. Streamlining approval pathways, reducing unnecessary review cycles, and ensuring that nominated service providers and compliance requirements are proportionate and competitively priced can materially improve fitout cost outcomes for retailers. These measures need not compromise operational or security standards, while improving the overall commercial viability of airport fitouts.

Upcoming Development Opportunities by Airport



Sydney Airport

Major Opportunity.

T2 and T3 are largely complete. An RFP has been issued for the News and Books category, spanning 4,000 square metres across 20 retail sites. A broader integrated precinct is also planned. Under Master Plan 2045, the proposed T2–T3 integrated precinct will combine domestic and regional services into a centralised terminal. The \$6 billion infrastructure project will include 12 new international swing gates.

Melbourne Airport

Major Opportunity.

T2 food and beverage refurbishments and new specialty store openings are scheduled from late 2026 to mid-2027. In the longer term, an additional approximately 5,000 sqm of specialty retail and food and beverage space is expected to come online between 2031 and 2035. At T1, approximately 1,000 sqm of new retail space is scheduled to open in late 2026 or early 2027. Further opportunities are expected to arise through lease renewals.

Perth Airport

Limited Opportunity.

There is a large retail program underway (footprint of 4,600m² across T3/T4 airside and landside) which is in the final stages of fitout.

Brisbane Airport

Major Opportunity.

Brisbane Airport is executing a multi-terminal retail and food and beverage upgrade. The security and retail upgrade project in the International Terminal will double the duty free footprint to ~3,900m². Over 30 new and refurbished specialty and food and beverage outlets will be developed from now until the end of 2027.

In the Domestic Terminal, several food and beverage sites are likely to go to market in late 2026, with the anticipated timing for development in 2027 and 2028. There is also a continual rolling program of new and renewed specialty stores in the Domestic Terminal.

Western Sydney Airport

Moderate Opportunity.

Phase 1 Retail and Food and Beverage tenders have been awarded and fit out is underway, with opening due in October 2026. There will be future opportunities for Specialty retail and food and beverage throughout 2027 & 2028.

Adelaide Airport

Moderate Opportunity.

Major expansions to the retail program at Adelaide Airport have recently been completed. Over the coming 1–3 years the airport anticipates 4–6 fitouts annually.

Gold Coast Airport

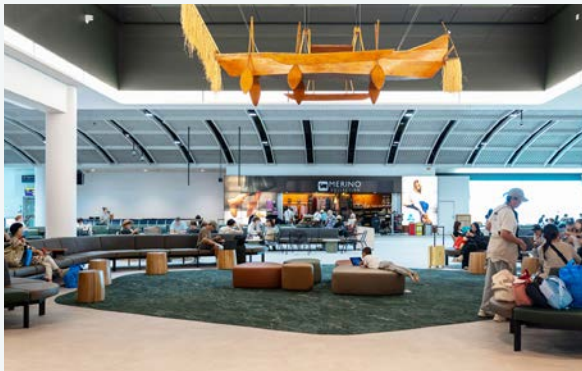
Moderate Opportunity.

The development of 200m² pub and 200m² specialty retail in early 2027.

Cairns Airport

Major Opportunity.

2,100m² in international across duty free (1,000m²), specialty (500m²) and food and beverage (600m²) for development in 2027. In T2 Domestic, three specialty retail sites of 50–100m² each, and a landside food and beverage site (230m²) slated for 2027.



Canberra Airport

Limited Opportunity.

A 101m² airside specialty retail site for fitting out late in 2026, which might be converted to food and beverage. There are no other developments planned.

Hobart Airport

Major Opportunity.

Hobart Airport will deliver 10 new retail and food and beverage outlets across 2,000m² (9 airside, 1 landside), comprising 5 food and beverage and 5 specialty/travel essentials retail outlets, with development currently underway and the final outlet opening in early 2028.

Darwin Airport

Limited Opportunity.

Recent completion of the retail program redevelopment means current opportunities are limited. However, opportunities may surface as tenancy arrangements evolve over time.

Townsville Airport

Limited Opportunity.

Retail redevelopment complete; future opportunities may arise through passenger growth and tenancy changes.

Sunshine Coast Airport

Major Opportunity.

Airside 277m² Relay store over two stages in 2026/2027 and Landside Cafe underway in 2026. In 2027, five food and beverage outlets (552m²) will be developed as well as fit out of 232m² of airside specialty.

Launceston Airport

Limited Opportunity.

Retail redevelopment complete; future opportunities may arise through passenger growth and tenancy changes.

Karratha Airport

Limited Opportunity.

Retail redevelopment complete; future opportunities may arise through passenger growth and tenancy changes.

Avalon Airport

Moderate Opportunity.

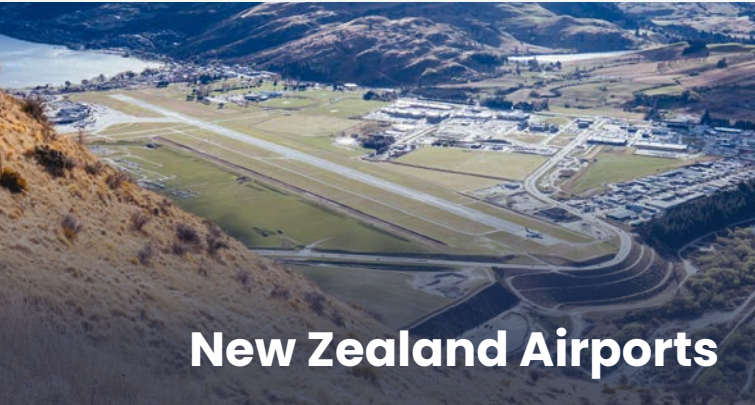
Refurbishment of Domestic retail and food and beverage.

Whitsunday Airport

Limited Opportunity.

A future expansion of the terminal is planned, including additional seating and facilities, including a Grab and Go style Food and beverage outlet, circa 50m².

Upcoming Development Opportunities by Airport



New Zealand Airports

Auckland Airport

Major Opportunity.

Food and Beverage and Destination Retail RFPs called throughout the international terminal.

In the medium-term, major opportunities will result as the domestic terminal integrates with the international terminal.

Christchurch Airport

Limited Opportunity.

Christchurch Airport's retail program redevelopment has recently concluded. While the current phase is complete, periodic opportunities may emerge as outlet turnover occurs.

Wellington Airport

Moderate Opportunity.

Refit of Duty Free to occur late 2026 into 2027. There is currently arrivals food and beverage fitout underway. Longer term a terminal expansion is planned, which is in the early stages of design.

Queenstown Airport

Major Opportunity.

Terminal development in final stages of planning. Developments likely to occur in 2028.

Hawke's Bay Airport

Limited Opportunity.

The retail program redevelopment at Hawke's Bay Airport has been completed. Future opportunities could develop through natural tenancy transitions and changes.

Pacific Island Airports

Noumea Airport

Limited Opportunity.

The work to accommodate the relocation of domestic passengers to the international airport is largely complete. There are three F&B outlets due to be fitted out in later 2026, and Duty Free will have a refit at the same time.

Port Vila Airport

Moderate Opportunity.

Terminal redevelopment 2026–2027, with numerous food and beverage and specialty opportunities.

THE MERCURIUS GROUP

Mercurius works with infrastructure owners to transform high-traffic environments into commercially vibrant, customer-focused destinations. Drawing on deep expertise in airports, hospitals, and train stations, the firm has broadened its advisory reach to include university campuses, stadia, cultural venues, and tourism precincts. Through robust benchmarking and strategic guidance, Mercurius enables clients to make informed decisions and enhance commercial performance.

With a multidisciplinary team, Mercurius delivers both strategic insights and practical solutions that drive commercially and operationally sound outcomes. Its expertise spans key sectors such as duty free, specialty retail, food & beverage, ground transport, advertising, and hotel development, consistently helping clients create integrated and sustainable commercial ecosystems.

Authors

Ivo Favotto, The Mercurius Group
Shane de Wit, The Mercurius Group
Matthew Quoi, The Mercurius Group



Also releasing this quarter
from The Mercurius Group



Contact

Ivo Favotto
Managing Director

ifavotto@themercuriusgroup.com
+61 423 564 057

THE **MERCURIUS**
GROUP

www.themercuriusgroup.com