

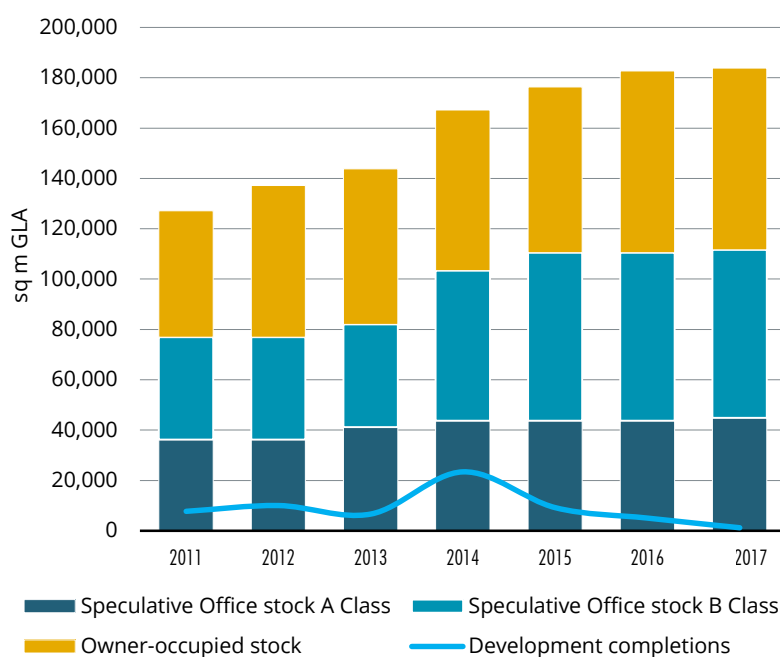
MarketInSight

Skopje Office 2017



OFFICE MARKET SPOTS POSITIVE TAKEOFF

Chart 1 – Skopje office stock



184,000 sq m GLA

Skopje Existing Modern Office Stock

112,000 sq m GLA

Speculative/leasable office stock, including Class A and Class B office schemes

72,000 sq m GLA

Owner – occupied office stock, including Class A and Class B owner-occupied schemes

Source: CBS International

YEAR 2017 SUMMARY

- Total stock of modern office space in Skopje stands at the level of 184,000 sq m
- The total amount of the space currently under construction exceeds 25,000 sq m of GLA
- In 2017, total leasing activity remained balanced. The vacancy rate shows a mild step-down in both Class A and Class B office space segment
- Rental levels remain unchanged

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OFFICE SUPPLY

Skopje modern total office stock, including Class A and Class B speculative stock, stands at 112,000 sq m, which combined with owner-occupied stock of 72,000 sq m totals 184,000 sq m of GLA.

In terms of the new deliveries, several projects are under construction, indicating the growth of the stock by app. 25,000 sq m of GLA, which would increase the stock in the forthcoming period.

VACANCY

In the year of 2017, the vacancy rate has slightly dropped in both Class A and Class B office segments.

A further decrease in vacancy rate is expected for both Class A and Class B as a result of the resolved political crisis

OFFICE DEMAND

The demand for the office space in 2017 was marked by the takeover of Hyperium Business Centre which was acquired by Grawe Macedonia AD Skopje. This transaction is significant for the local market and sends a positive signals for potential property investors across the region.

The future demand is expected to continue to be led by the Western led companies in the ICT sector, outsourcing service companies and the software developers, who show interest in expanding activities in the local market.

RENTAL LEVELS

In the year of 2017, the asking rents for Class A office buildings ranged between EUR 11-15/sq m/month, while the asking rents for Class B office schemes varied between EUR 8-12/sq m/month.



Table 1 – Pipeline projects

Location	Project	Investor	GLA (sq m)	Status
Skopje, Downtown	New Intex BC	Nastel Skopje	10,000	Under construction
Skopje, Karposh	Mi-Da / Groteks Gradba BC	Mi-Da / Groteks Gradba	1,500	Under construction
Skopje, Aerodrom	Mercedes Benz BC	MakAutostar Skopje	12,000	Under construction

Source: CBS International

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