

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
137,000	▲	▲
Modern office stock in sq m		
€13.5-15.5	▲	—
Class A office rent per sq m		
88,000	—	—
Modern retail stock in sq m		
(Overall, All Property Classes)		

ECONOMIC INDICATORS

2.9%	▼	▲
GDP Growth Rate Q4 2024		
11.6%	▼	▼
Montenegro Unemployment Rate Q4 2024		
€876	▲	▲
Montenegro Average Net Salary Q4 2024		

Source: Statistical Office of Montenegro

ECONOMY

Following a strong GDP expansion of 6.3% in 2023, Montenegro experienced moderate economic growth in 2024, despite facing various international challenges. According to the statistical data published by the Statistical Office of Montenegro, Montenegro’s annual GDP increased by 2.9% in Q4 2024. In all four quarters of 2024, a growth of 4.4%, 2.7%, 2.6% and 2.9%, respectively, was noted. Positive results were marked in transport, trade and construction, as well as a mild increase in tourist arrivals. Economic growth also led to an improvement in the labour market, with a significant increase in employment. According to the official data for the fourth quarter of 2024, the unemployment rate stabilised at 11.6%.

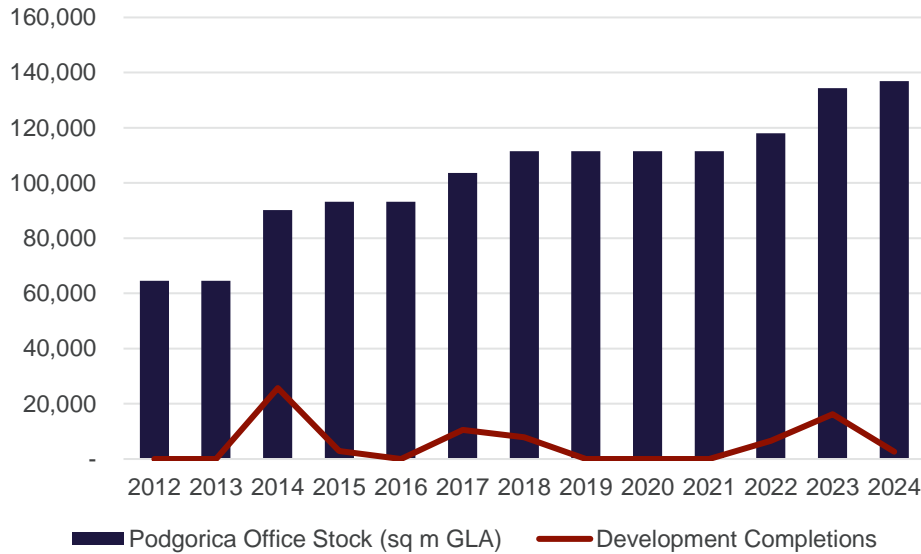
OFFICE

Podgorica has been experiencing a new wave of construction over the past two years, with several office buildings completed or in various stages of development. After a modest expansion of total office stock in 2022, two buildings were finalised in 2023, adding 16,278 sq m of modern office space.

With no new completions in the first half of 2024 and with the completion of one smaller office building of 2,600 sq m in H2 2024, Podgorica’s modern office stock stands at 137,000 sq m of GLA, with speculative office space making up for approximately 90,000 sq m. However, development activity is steadily progressing, with several upcoming projects set to increase the total supply by nearly 22,000 sq m over the next two years. Demand is primarily driven by international ICT companies and outsourcing service providers, particularly software development firms looking to expand in the market.

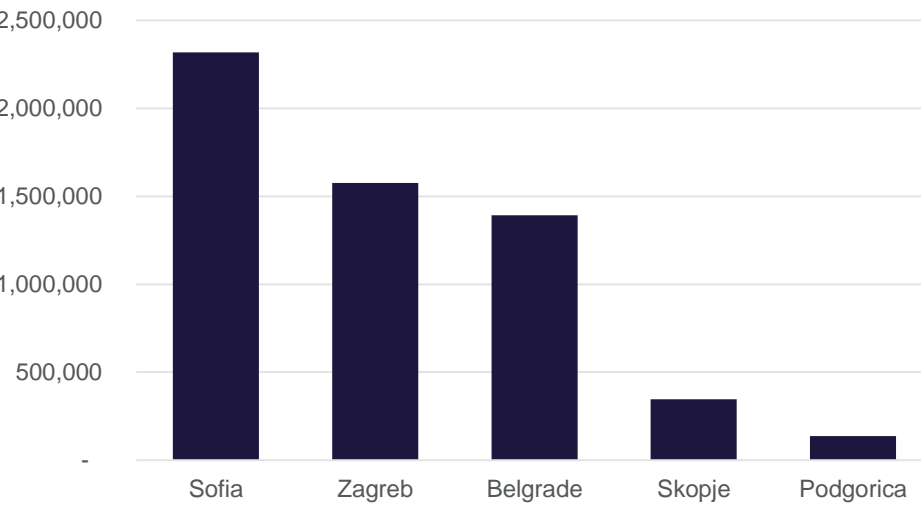
Rental levels in the later months of 2024 have remained stable. Currently, modern office spaces in the city centre are priced between EUR 13.5 and 15.5 per sq m per month, while prime office locations can reach up to EUR 17 / sq m per month. Meanwhile, lower-quality office spaces range from EUR 10 to 12 per square meter per month.

PODGORICA OFFICE STOCK (SQ M GLA)



Source: CBS International, part of Cushman & Wakefield Group

MODERN OFFICE STOCK IN THE REGION



Source: CBS International, part of Cushman & Wakefield Group

RETAIL

Over the past few years, Podgorica’s retail market has seen no new developments, keeping the total modern retail stock at around 88,000 sq m, or 473 sq m per 1,000 residents. Compared to other cities in the region, Podgorica’s retail sector remains slightly underdeveloped, as the regional average stands at 600 sq m per 1,000 residents. When looking at retail formats, shopping centres dominate the market, while retail parks account for just 13%—a significantly lower share than in neighbouring countries, where retail parks are becoming increasingly attractive to investors.

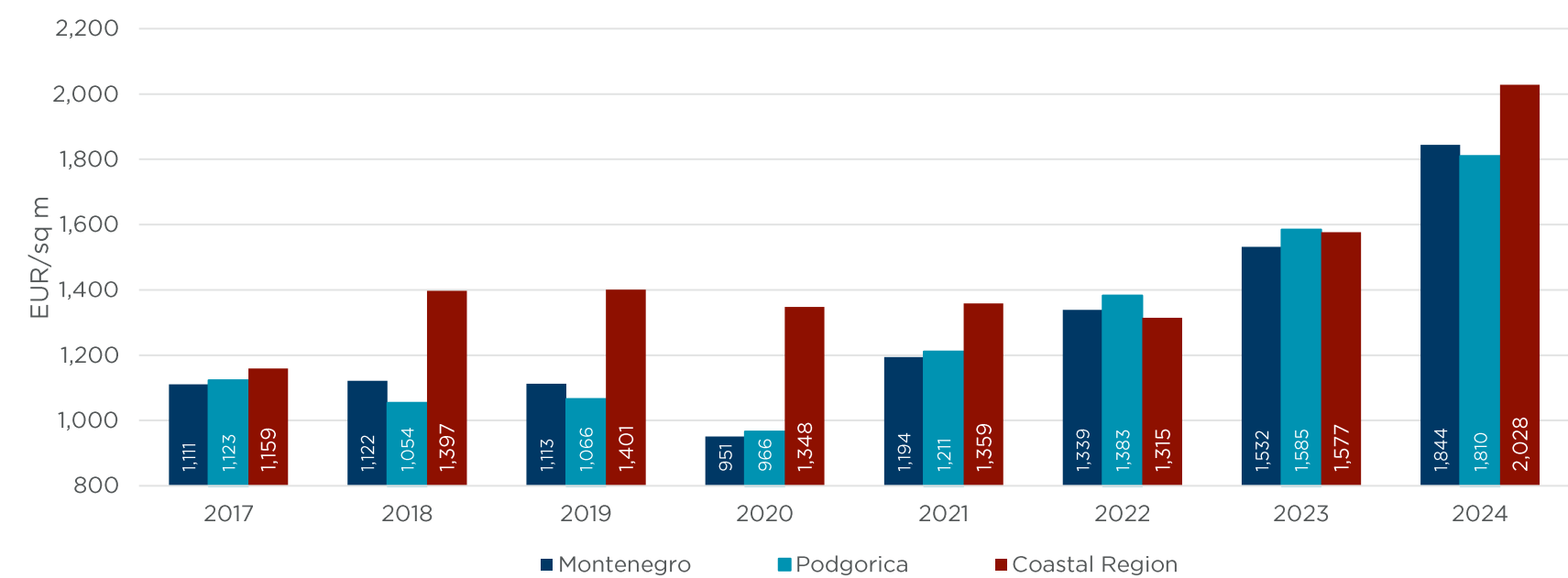
Beyond Podgorica, another key retail hub is Montenegro’s coastline, particularly in Budva and Kotor. The most recent opening is the opening of Mega Mall, totalling 14,000 sq m, which offers many local and international brands, including New Yorker, Multicom, Djak sport, GameS, Top Shop, Bata, etc. Among the upcoming developments, KAP Mall in Podgorica is set to deliver 11,000 sq m of retail space, while the well-known Israeli investor BIG CEE has bid in the tender for the purchase of land worth EUR 1.477 million.

RESIDENTIAL

Following a period of reduced development activity, 2022 saw a notable rebound with a 30% increase in the number of units compared to 2021. Over 4,000 units were completed, a milestone last reached in 2014. According to the 2023 Census, Montenegro’s total residential stock rose by 26% since the 2011 Census, reaching 396,873 units. The most significant growth was recorded in Tivat, Ulcinj, Budva, and Podgorica, where residential supply increased by 60%, 59%, 44%, and 38%, respectively.

Between 2022 and 2024, residential sales prices in Montenegro experienced a significant upward trend. On a national level, average prices rose from EUR 1,339 per square meter in 2022 to EUR 1,844/sq m in 2024, marking a 38% increase. Podgorica saw a steady rise as well, with the increase of 31% over the same period. The most notable growth occurred in the Coastal Region, where prices surged from EUR 1,315 to EUR 2,028 per sq m, which is the consequence of strong demand for coastal properties, likely driven by tourism, foreign investment and limited available land for development.

AVERAGE SALES PRICES



Source: Statistical Office of Montenegro

TAMARA KOSTADINOVIC
Regional Head of Market Research
Save Ilica 13, 85340 Herceg Novi,
Montenegro
Tel: +381 11 22 58 777
tamara.kostadinovic@cw-cbs.rs
www.cw-cbs.me

CBS INTERNATIONAL / CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

CBS International, part of Cushman & Wakefield Group (www.cw-cbs.me)
Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein