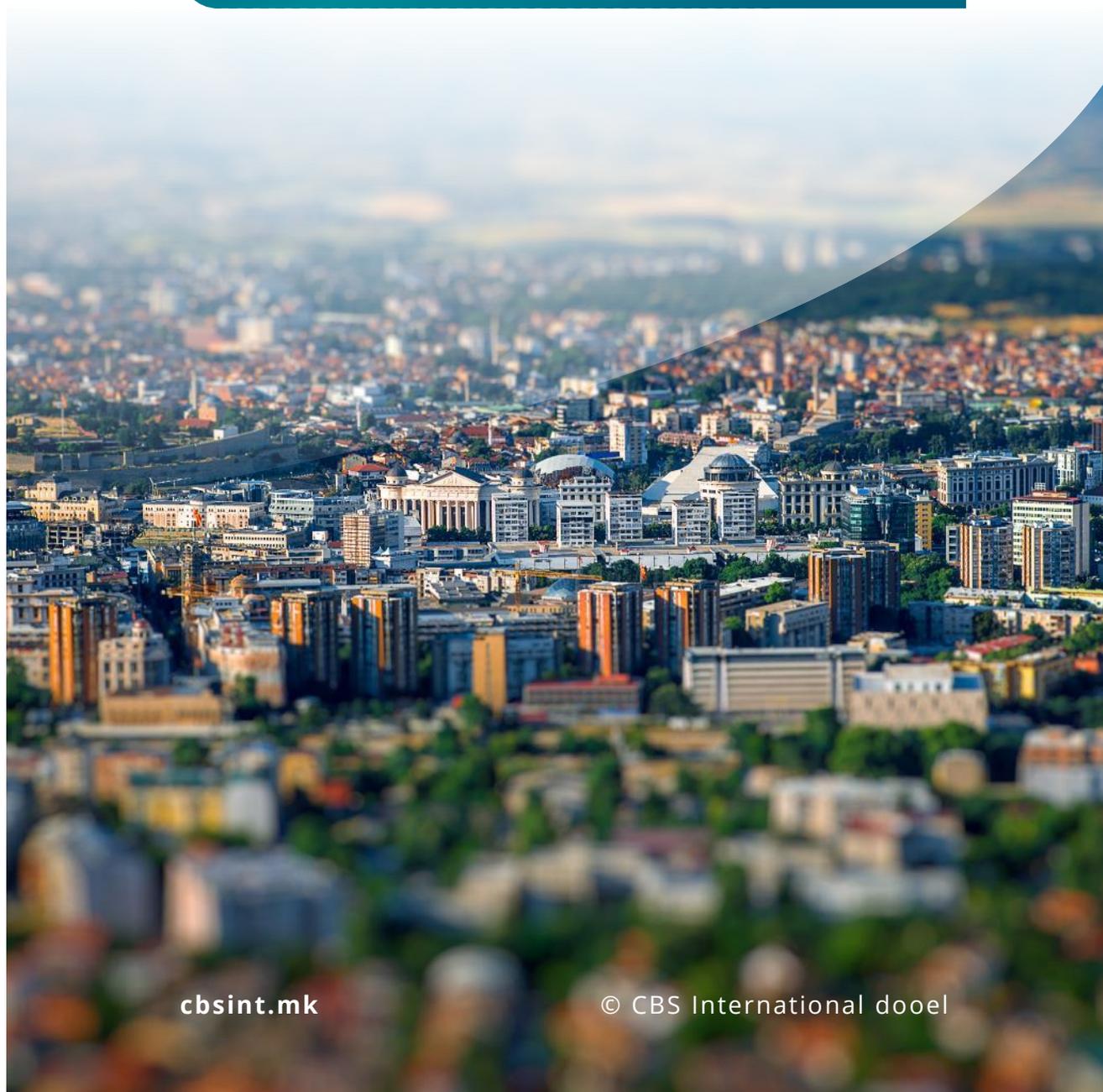


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Skopje Office, H1 2018



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OFFICE SUPPLY

Skopje modern total office stock, including Class A and Class B speculative office stock, stands at the level of 143,457 sq m, which combined with owner-occupied stock of 77,475 sq m totals 220,932 sq m of GLA.

In H1 2018, there has been an uprising of Class B Buildings that have converted from residential space into an office space and buildings who have expanded their office stock by adding an extra floor or by completely changing the retail format into an office space. This trend changed the offer of the office supply stock by adding extra 36,000 sq m.

In terms of the new deliveries, several projects are under construction, indicating the growth of the stock by approximately 85,000 sq m of GLA, which would increase the stock in the forthcoming period.

VACANCY

In the year of 2018, the vacancy rate has slightly dropped in both Class A and Class B office segments.

A further decrease of vacancy rate in office space stock is expected for both Class A and Class B as a result of the resolution of political crisis and positive political climate in the country.

OFFICE DEMAND

The demand for the office space in H1 2018 was marked by the announcement of Skopje East Gate, the largest real estate project in Skopje and the region to date. The project is significant for the local market and sends 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 such as software development, which show interest in expanding activities on the local market.

RENTAL LEVELS

In H1 2018, the asking rents for Class A office buildings ranged between EUR 10-14 per square meter per month, while the asking rents for Class B office schemes varied between EUR 7-10 per square meter per month.



Nastel Business Centre
10,000 sq m GLA

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Skopje Office, H1 2018

Table 1 – Pipeline projects

Location	Project	Investor	GLA (sq m)	Status
Skopje, Downtown	Nastel BC	Nastel Skopje	10,000	Under construction
Skopje, Aerodrom	Mercedes Benz BC	MakAutostar Skopje	12,000	Under construction
Skopje, Avtokomanda	Skopje East Gate	Balfin Group	60,000	Planning Phase

Source: CBS International

CONTACTS

Goran Zivkovic

Managing Director

goran.zivkovic@cbsint.mk

Igor Gjorgjevski

Consultant

Office & Retail Agency

igor.gjorgjevski@cbsint.mk

Tamara Kostadinovic

Regional Head of Market Research

Serbia, Macedonia, Montenegro

tamara.kostadinovic@cw-cbs.rs

CBS INTERNATIONAL OFFICE

CBS International dooel

2/4 Nikola Vapcarov St.

1000 Skopje, Macedonia

+389 23 222 785

office@cbsint.mk

To learn more about CBS International Research or to access additional research reports, please visit www.cbsint.mk