

MarketInSight

Skopje Office, H1 2019

OFFICE SUPPLY

The construction activity in Skopje office market was rather limited in the last three years, with only smaller-office buildings being completed, increasing the total office stock by 15,000 sq m only. At the moment, Skopje modern office stock, including both Class A and Class B office buildings, stands at the level of app. 225,0000 sq m of GLA. Out of total stock, app. 35% of the share or 80,000 sq m belongs to Class A office schemes and 65% represents Class B office buildings.

In terms of the new deliveries, several projects are under construction, indicating the growth of the stock for approximately 85,000 sq m of GLA, which would increase the stock in the next several years. In 2019, the completion of 3 buildings is expected, totaling 25,000 sq m of GLA.

VACANCY

At the end of H1 2019, the overall vacancy rate slightly dropped to the level of 8.2%. Looking at the Class A office buildings only, the vacancy rate is even lower, at 6%.

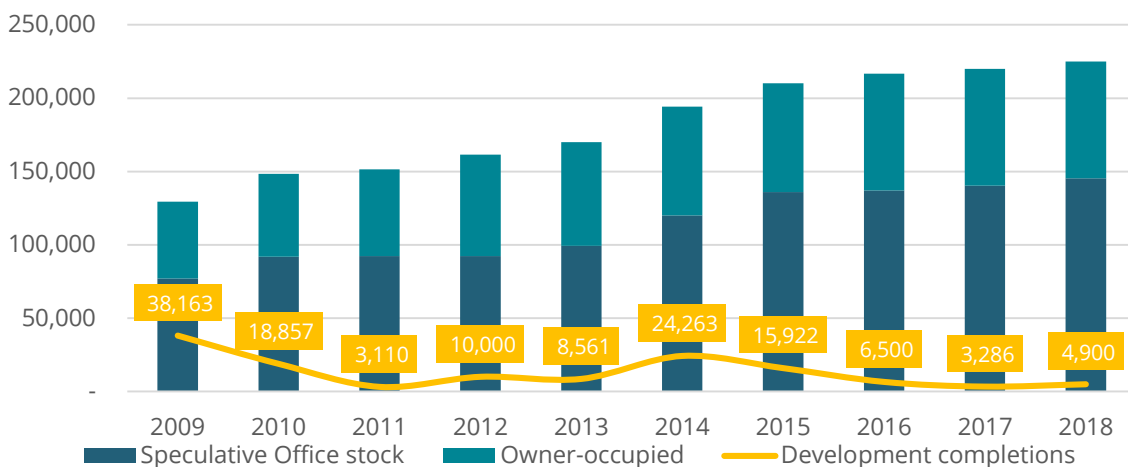
OFFICE DEMAND

The demand for high-quality office space is mostly coming from large companies from the banking, legal, pharmaceuticals, sector, however ICT industry and outsourcing service companies such as software development companies remain key demand driver, showing the interest in expanding their activities on the local market.

Also, call centers made a remarkable progress in 2018 in terms of expansion, mostly marking demand for Class B office buildings. This trend is expected to continue, with several call centers from other larger Macedonian cities planning to open another location in Skopje.

RENTAL LEVELS

The asking rents for Class A office buildings usually range 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.



Source: CBS International

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Table 1 – Pipeline projects

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

Source: CBS International

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