

# MarketInSight

*Skopje Office, H1 2021*

### OFFICE SUPPLY

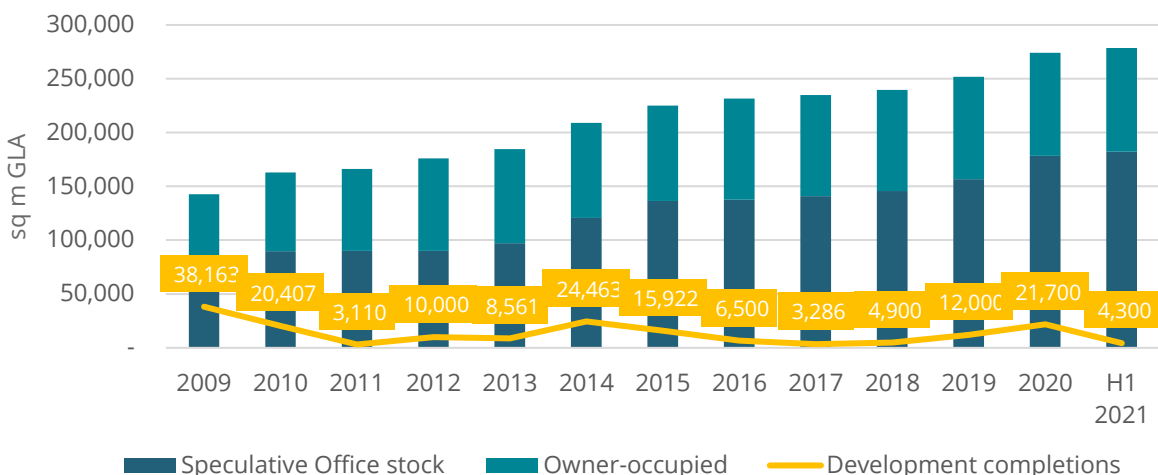
In spite of the situation with coronavirus, Skopje office market was enlarged by nearly 22,000 sq m of GLA during 2020, thanks to the completion of 3 office buildings. The first half of 2021 brought the additional increase of the total supply, with the completion of ZOaRa office building, totalling 4,300 sq m of GLA.

At the end of H1 2021, Skopje modern office stock stands at the level of 277,000 sq m of GLA, including both types of office buildings, whereas speculative office stock stands at the level of 181,000 sq m of GLA and owner-occupied stock totals 96,000 sq m of GLA.

### OFFICE DEMAND

The office market was clearly exposed to the COVID-19 situation, as the short-term demand slightly decreased in 2020, as it has accelerated the home office trend and demand for flexible workplaces has been on the rise. However, during the H1 2021, a recovery in demand was visible having in mind that app. 20,000 sq m was leased, including several sales transactions which were marked during the previous few months.

Chart 1 – Skopje office stock



### VACANCY

After the increase in vacancy rate during the 2020, the new trend emerged on the market. As the consequence of acquisitions of few buildings, which were converted from speculative into owner-occupied buildings, along with the strong demand in H1 2021, the overall vacancy rate on the market dropped to the level of 8.5%.

### RENTAL LEVELS

At the moment, the asking rental values of Class A office buildings range between EUR 10-14 per square meter per month, while the average rents of Class B stock amount to EUR 7-10 per square meter per month.

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Table 1 – Pipeline projects

Location	Project	Investor	GLA (sq m)	Status
Skopje, Downtown	Diamond of Skopje	Limak Invest	9,800	Under construction
Skopje, Downtown	Enterprise, 2 <sup>nd</sup> phase	Elan Properties	4,000	Under construction
Skopje, Downtown	KAM Business Complex	Kamfud doo	4,000	Under construction
Skopje, Avtokomanda	Skopje East Gate	Balfin Group	66,000	Planing Phase

Source: CBS International

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