

MarketInSight

Skopje Office, H2 2022



MarketInSight

Skopje Office, H2 2022

OFFICE SUPPLY

During the 2022, developers' activity was very dynamic, as Skopje office market saw the supply increase amounting to 27,300 sq m, when several Class A office buildings were completed, including MG Fashion office building of approx. 4,000 sq m, as well as the Kan Business Centre of 8,000 sq m GLA. Additionally, the TCC Plaza Hotel has been converted to Class B office scheme, featuring 7,000 sq m of speculative office space.

Having in mind 2022-annual deliveries, the volume of modern office stock is pushed to over 310,000 sq m GLA at the end of 2022, including Class A and Class B office buildings in both, speculative/leasable and owner-occupied segments.

More specific, 68% of the total office stock is speculative office space, i.e. app. 210,000 sq m, while 32% is owner-occupied space, or app. 100,000 sq m. Furthermore, out of the total stock, 44% belongs to Class A office schemes and 56% represents Class B office buildings.

In terms of the new deliveries, several projects are under construction or planned for development, indicating the growth of the modern stock in the forthcoming period. In the following two years, by nearly 90,000 sq m of GLA should be delivered to the Skopje office market.



East Gate Business Towers, Skopje

OFFICE DEMAND

The Skopje office market registered 37 office deals in 2022, with the annual take-up amounting to 33,000 sq m, which is a better performance than in 2021. Moreover, the average deal size reached 900 sq m, mainly due to increased demand for larger premises. Namely, after the easing of COVID-19 related restrictions during the 2021, when some occupiers downsized their offices, 2022 saw the increased activity in larger deals. If we analyse annual take-up by type of industry, demand for high-quality office space was mostly coming from large companies from the ICT industry and outsourcing service companies, such as software development companies showing the interest in expanding their activities on the local market.

VACANCY

As a consequence of the acquisitions of few office buildings, which were converted from speculative to owner-occupied properties, along with the strong demand, the overall vacancy rate dropped to the level of 7.25% at the end of 2022. If we calculate the vacant space in Class A office stock only, the vacancy rate amounts to 3.97%.

RENTAL LEVELS

Rental levels have remained mostly stable during the second half of 2022. The asking rental values of Class A office buildings vary between EUR 13-15/sq m/month, while the asking rents of Class B stock amount to around EUR 10-12/sq m/month. The standard monthly service charges for Class A properties in Skopje are in the range of EUR 3.60-4.0/sq m/month for the office space and include all expenses by the landlord related to the administration, operation and maintenance of the building.

MarketInSight

Skopje Office, H2 2022

Table 1 – Pipeline projects

Location	Project	Investor	GLA (sq m)	Estimated completion
Skopje, Downtown	Diamond of Skopje	Limak Invest	5,500	Q2 2023
Skopje, Downtown	Enterprise, 2 nd phase	Elan Properties	3,800	H1 2023
Skopje, Center	La Piz	Darvage	4,000	H1 2023
Skopje, Avtokomanda	Skopje East Gate	Balfin Group	50,000	Q1 2024
Skopje, Aerodrom	Porta Superium	Porta Inzenjering	21,000	Q4 2024
Skopje, Center	Grand Skopje	MG Fashion	9,000	Q1 2025
Skopje, Aerodrom	Skopje Riverside	Sanik	17,500	Q1 2025
Skoplje, Karposh	Karedo	Golden Art	2,200	Q4 2024

Source: CBS International

CONTACTS

Goran Zivkovic

Managing Director

goran.zivkovic@cbsint.mk

Milan Kjosovski

Country Manager

milan.kjosovski@cbsint.mk

Tamara Kostadinovic

Regional Head of Market Research

Serbia, North Macedonia, Montenegro, Croatia

tamara.kostadinovic@cw-cbs.rs

CBS INTERNATIONAL OFFICE

CBS International dooel

Blvd Partizanski Odredi 15A/1-9.

1000 Skopje, North 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