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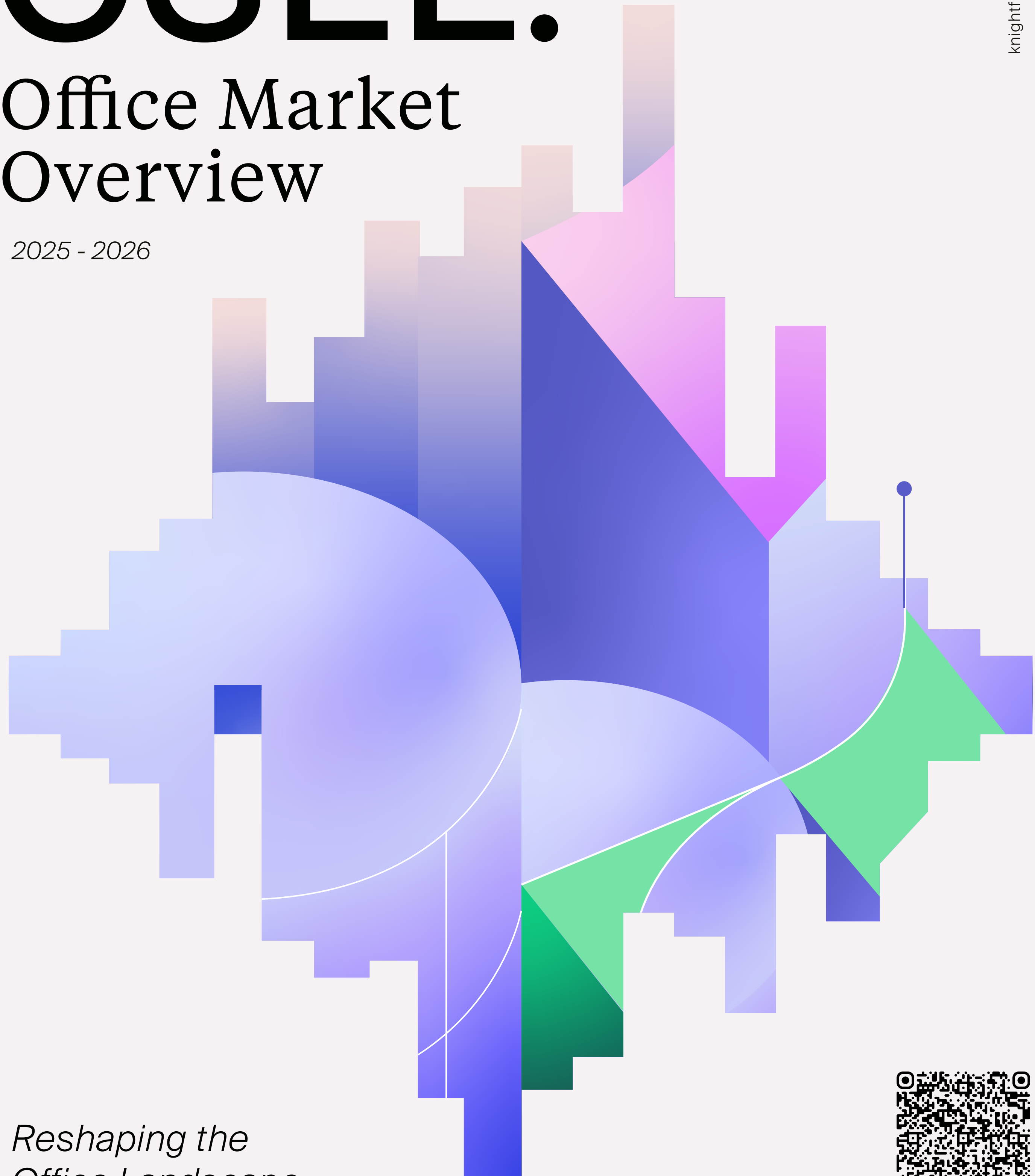
Office Market Overview

2025 - 2026



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Reshaping the Office Landscape

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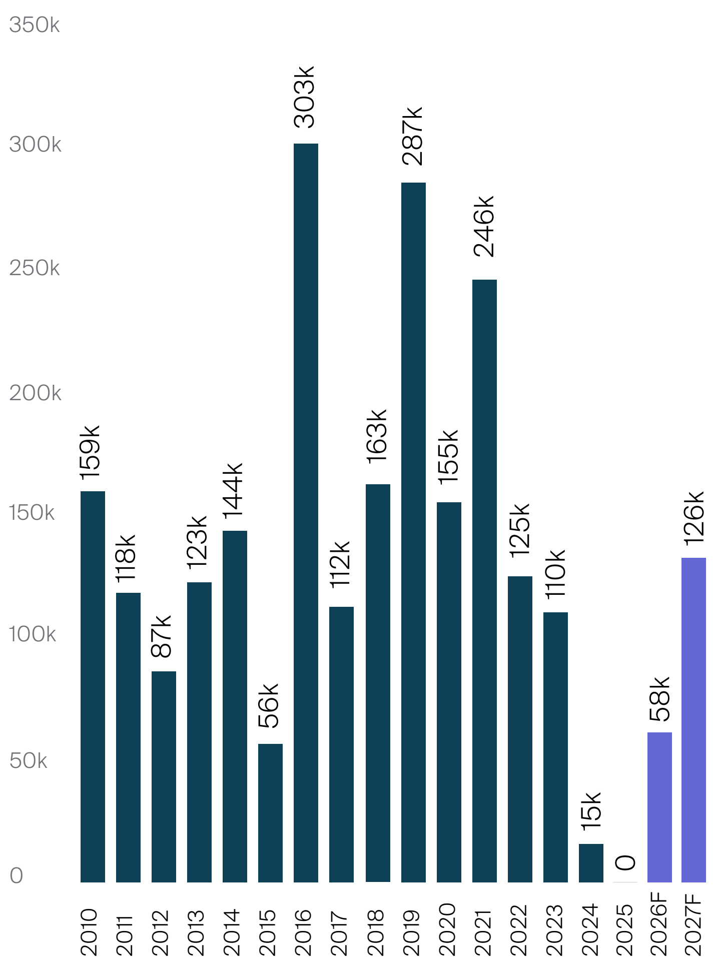
Bucharest Office Market Overview

SUPPLY

A historic low was recorded in Bucharest's office market in 2025, as the year closed without any new office building deliveries. The slowdown in post-pandemic development activity largely explains the absence of office completions during the year. Following the Covid-19 outbreak, developers adopted a more cautious approach and largely postponed new office projects, while alternative real estate segments offered more attractive risk-return profiles. This trend was further reinforced by prolonged and complex building permitting procedures, particularly for projects that had not secured permits in advance.

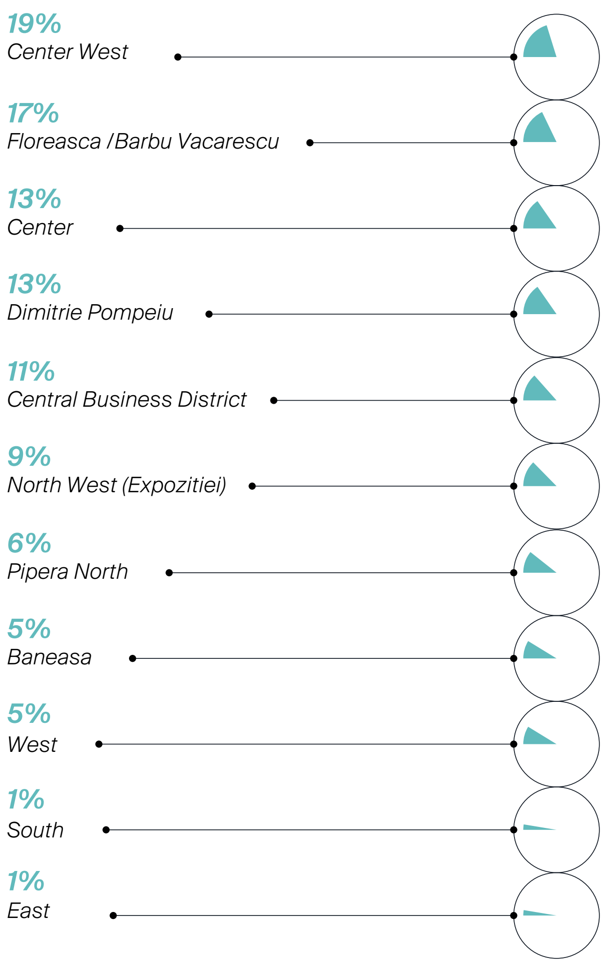
Supply evolution (sq m)



STOCK

The total stock of Class A and B office space in Bucharest stood at 3.43 mil sq m as of the end of 2025. The total stock has been updated to reflect changes in the composition of the existing inventory, including the addition of buildings previously sold by end users that are now available for lease, and the removal of properties that have changed or are planned to change their use. The submarket with the largest modern office stock remains the Center West area (638,000 sq m), followed by Floreasca / Barbu Vacarescu (589,000 sq m) and Center (452,000 sq m).

Stock by submarket



DEMAND

Total take-up in the Bucharest office market reached just under 250,000 sq m in 2025, marking a 24% decrease compared to 2024. Demand picked up in the second half of the year, with take-up increasing from 111,000 sq m in H1 to 138,000 sq m in H2.

Renewals remained the most prevalent transaction type yet for another year, accounting for 45% of the total take-up, while relocations scored second, with 30% of the overall demand. This breakdown is consistent with tenant behaviour observed in recent years. A significant share of mid- to large-size occupiers opted to renew their leases in their current locations, reflecting a broader pattern: over 75% of those signing in 2025 with footprints over 3,000 sq m chose to remain in their existing premises. This trend may be influenced by several factors, including limited availability in existing properties, comparatively less favourable commercial terms in projects under development, as well as increased fit-out costs.

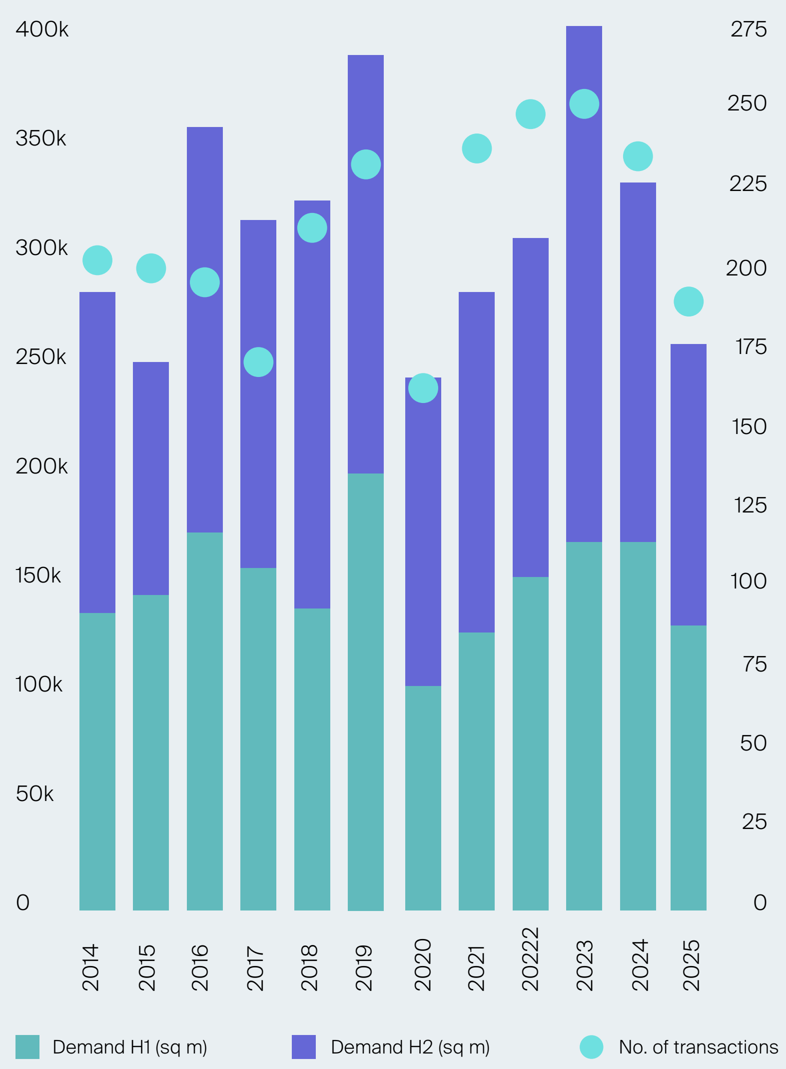
The submarkets attracting the most leasing activity were Center-West, Floreasca/Barbu Vacarescu, and Central Business District, collectively representing over 60% of the total take-up.

In 2025, the Finance, Insurance, and Banking sector emerged as the leading driver of office demand, accounting for 25% of total take-up, while the IT&C sector followed closely with a 24% share. This shift marks a departure from the long-standing trend of IT&C leading office demand over the past decade, during which the sector consistently accounted for more than 30% of total take-up.

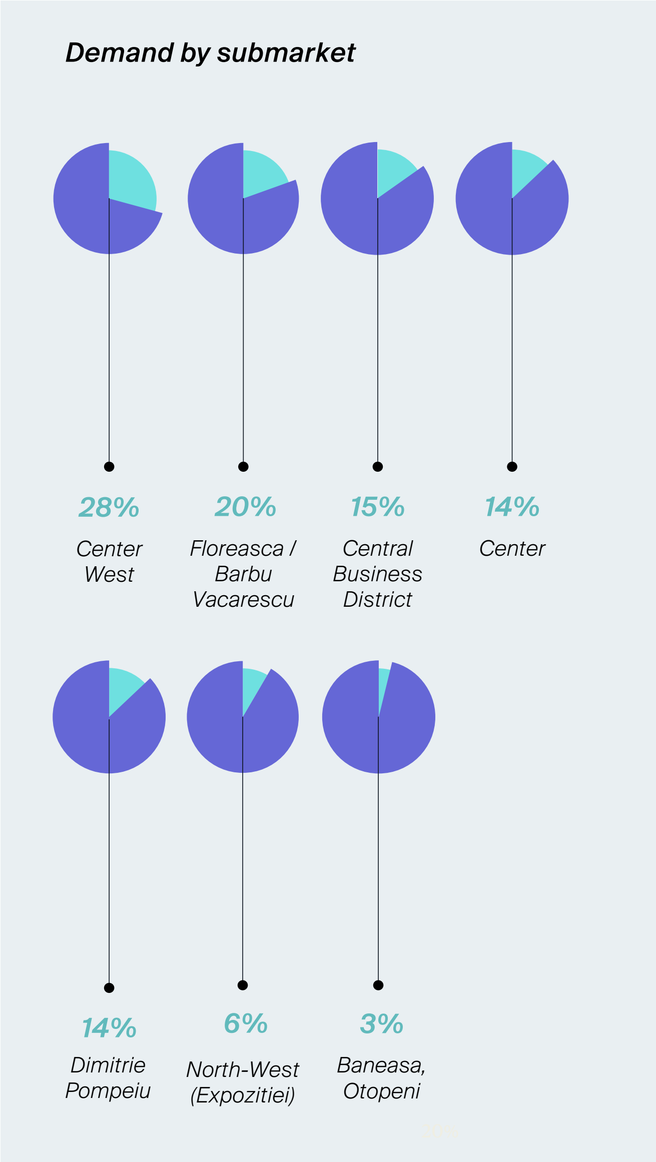
Transactions in the 1,000–3,000 sq m size bracket represented the largest share of activity, accounting for 82,500 sq m across 52 deals.

In 2025, demand approached 250,000 sq m, with a noticeable rebound in the second half of the year as take-up rose from 111,000 sq m in H1 to 138,000 sq m in H2.

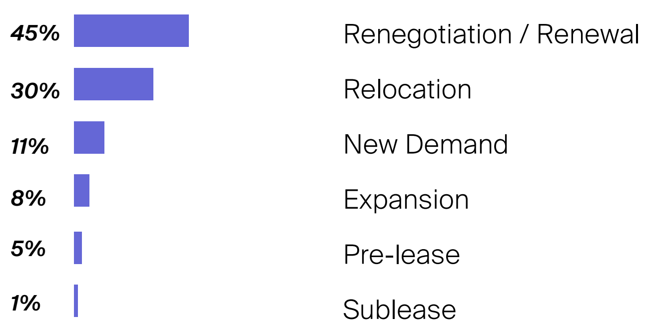
Demand evolution (sq m)



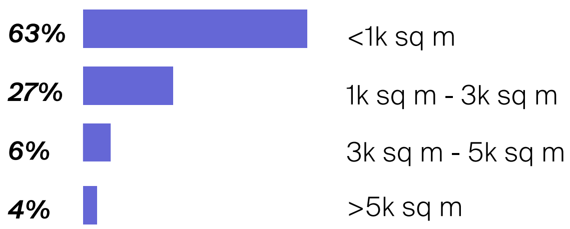
Demand by submarket



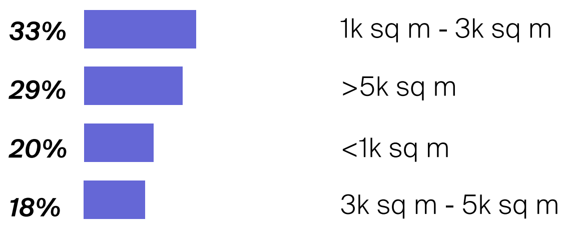
Demand by type of transaction



Demand by number of transactions



Demand by leased area

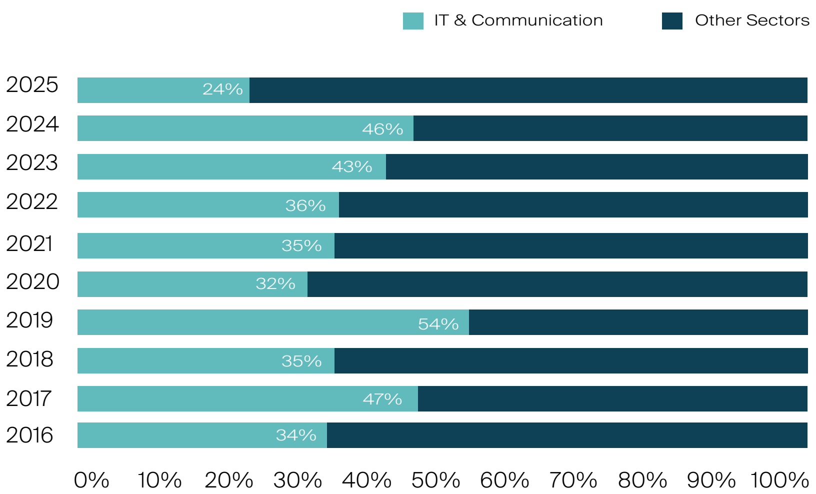


RENTS

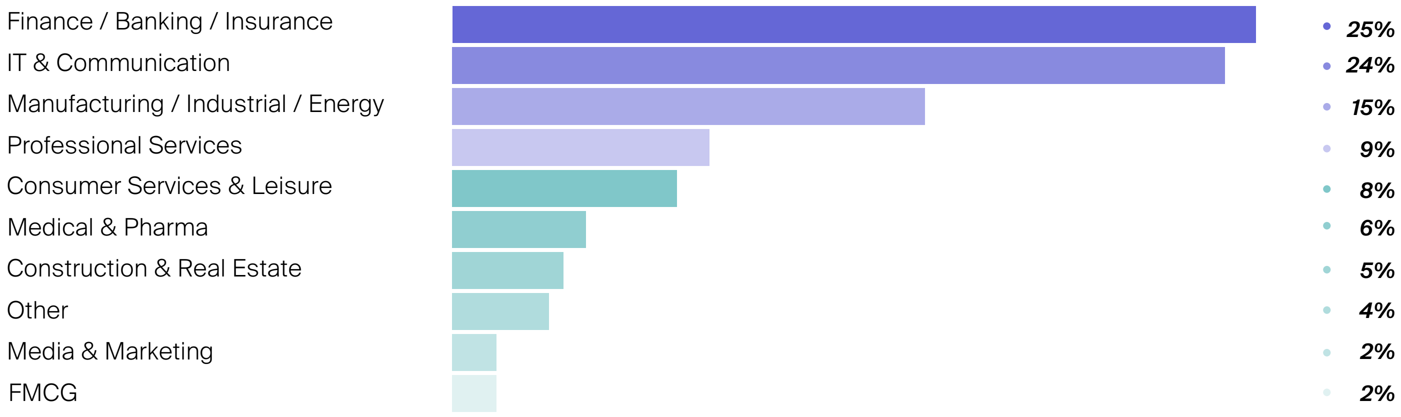
While overall demand has moderated, prime rents have shown resilience, supported by sustained interest in modern, well-located office assets.

In 2025, rents have generally trended upward compared to 2024, with prime rents lying around 22 eur/sq m/month. In the CBD, prime office spaces of up to 500 sq m are commanding rents of up to 25 eur/sq m/month. Upcoming deliveries are expected to continue driving rental growth.

IT&Communication share of total demand



Breakdown by tenant activity



Top transactions

Tenant	Project	Type of transaction	Leased area (sq m)
BCR	The Bridge	Renewal / Expansion	24,000
Adobe	U-Center	Pre-lease	13.000
Societe Generale Global Solution Centre	Campus 6.3	Renewal	12,000
Deloitte	The Mark	Renewal	7,500
P&G	Yunity Park	Relocation	7,000

VACANCY

The overall vacancy rate in Bucharest stands at approximately 12%. Vacancy levels vary significantly by submarket, with the lowest rates recorded in the CBD, Floreasca–Barbu Vacarescu and the Center, helping to offset the higher vacancy levels observed in Pipera North, Dimitrie Pompeiu and the North-West (Expozitiei) submarkets. Pipera North records the highest vacancy rate in the market, exceeding 30%. Despite comparatively lower rental levels, the submarket continues to face structural challenges, primarily the lack of a metro connection. This limited accessibility has prompted many tenants to relocate in recent years, and the resulting vacant space has yet to be absorbed. By contrast, buildings located in the Center report the lowest vacancy rates, at around 5%. The divergence in vacancy levels underscores a timeless real estate truth – location continues to dictate demand.

FORECAST

The Bucharest office market is expected to welcome new deliveries in 2026, including Arc, One Technology District, and One Gallery, following a year with no new supply. This will mark the end of the supply hiatus, with additional project completions anticipated from 2027 onwards. Demand is expected to recover gradually following the decline experienced in 2024–2025, after the record-high activity seen in 2023. Pre-leases are likely to gain momentum in 2026, supported by clearer delivery schedules and limited options of large spaces in the existing stock. Tenant demand will focus on modern, sustainable, and energy-efficient buildings in well-connected locations offering extensive amenities. Prime headline rents in Bucharest's Central Business District are expected to remain broadly stable, with potential for modest growth. The delivery of new office projects is likely to exert upward pressure on rents, while older stock will continue to trade at noticeably lower levels.

BUCHAREST
Business Hubs

Center-West
Stock: 637k sq m
Headline rent: 15.5 - 17.5 eur/sq m/month
Demand: 68k sq m

Floreasca/Barbu Vacarescu
Stock: 589k sq m
Headline rent: 16 - 18 eur/sq m/month
Demand: 48k sq m

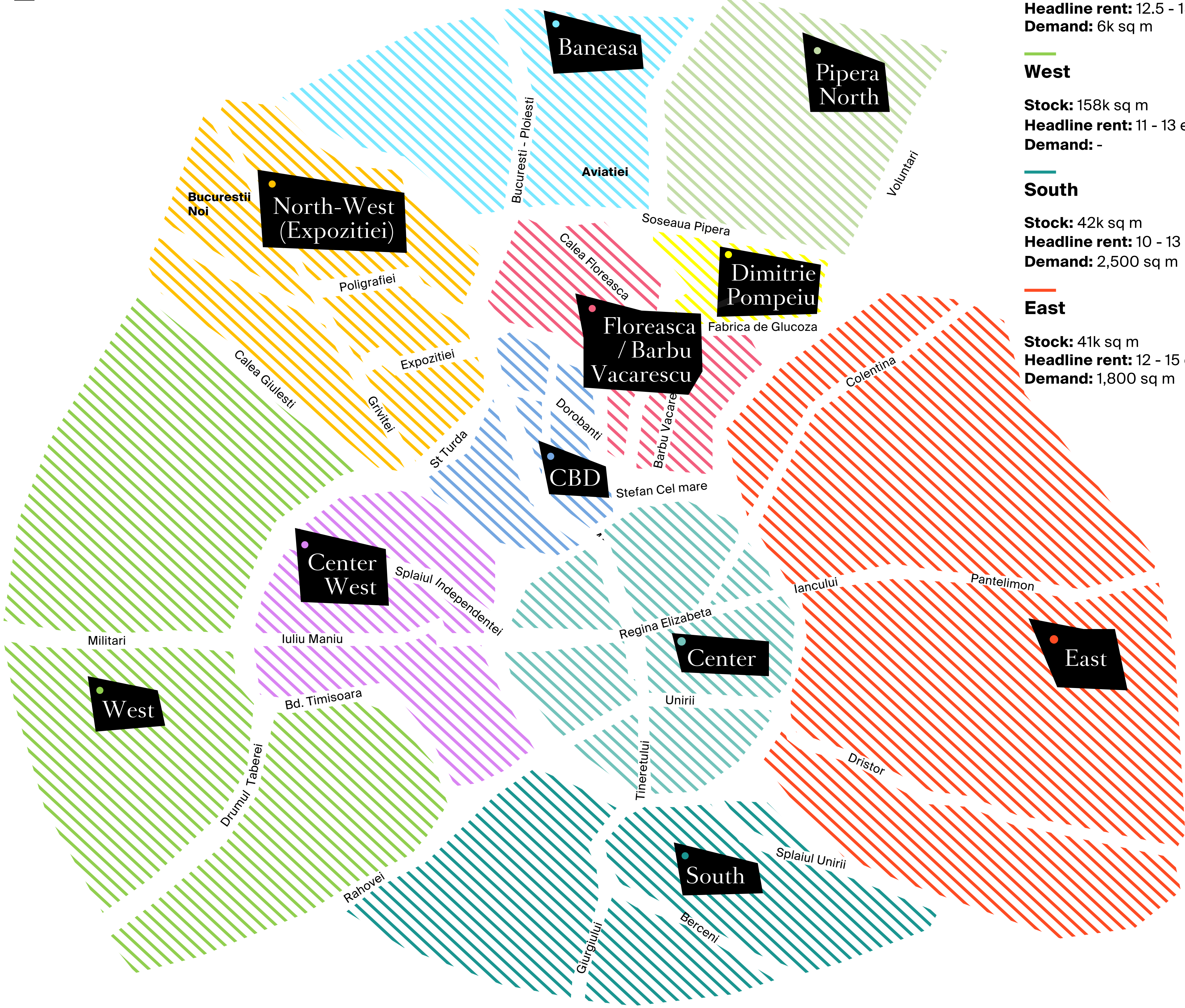
Center
Stock: 453k sq m
Headline rent: 17 - 19 eur/sq m/month
Demand: 135k sq m

Dimitrie Pompeiu
Stock: 441k sq m
Headline rent: 11 - 14 eur/sq m/month
Demand: 35k sq m

CBD
Stock: 370k sq m
Headline rent: 18 - 22 eur/sq m/month
Demand: 37k sq m

North-West (Expozitiei)
Stock: 325k sq m
Headline rent: 15 - 17 eur/sq m/month
Demand: 14k sq m

Pipera-North
Stock: 193k sq m
Headline rent: 9 - 11 eur/sq m/month
Demand: 2,300 sq m



Baneasa
Stock: 183k sq m
Headline rent: 12.5 - 15 eur/sq m/month
Demand: 6k sq m

West
Stock: 158k sq m
Headline rent: 11 - 13 eur/sq m/month
Demand: -

South
Stock: 42k sq m
Headline rent: 10 - 13 eur/sq m/month
Demand: 2,500 sq m

East
Stock: 41k sq m
Headline rent: 12 - 15 eur/sq m/month
Demand: 1,800 sq m

02 HUNGARY
Budapest

2025 - 2026

Office Market
Overview

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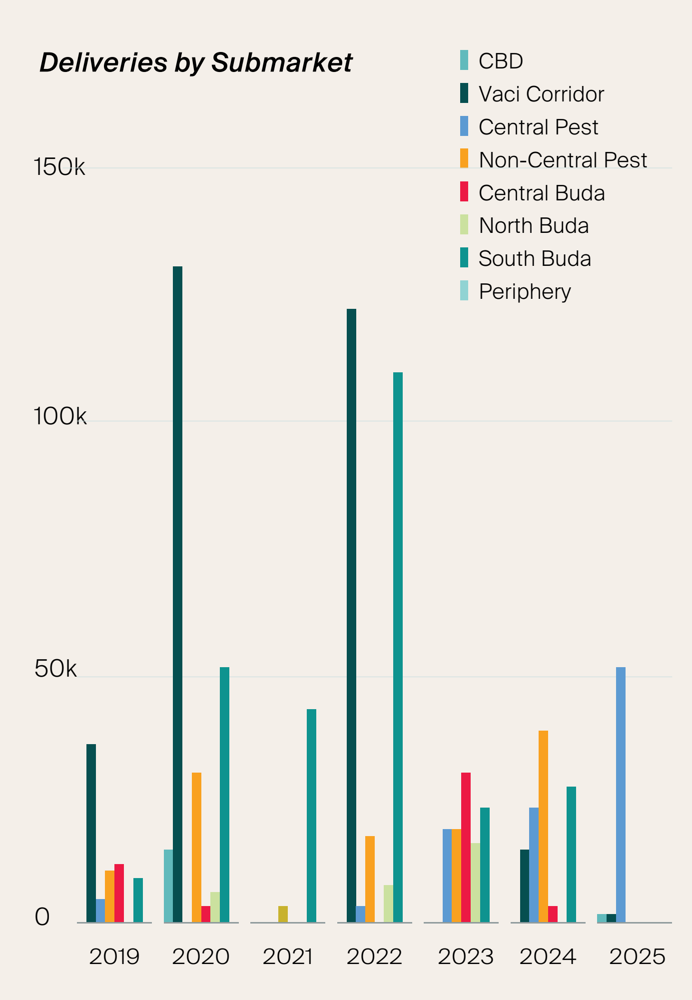
Budapest Office Market Overview

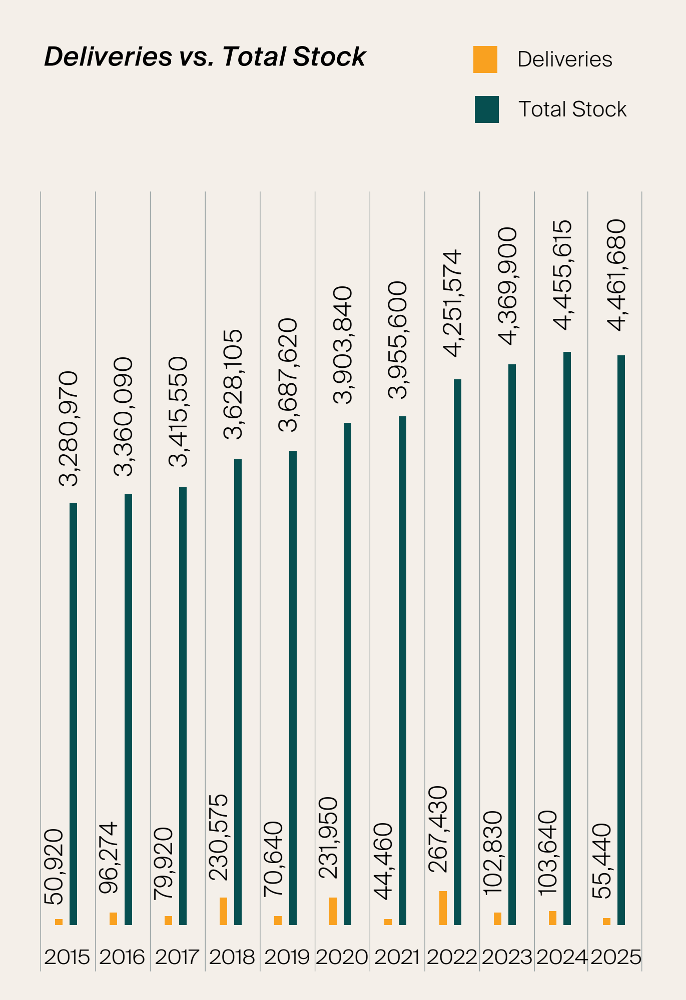
SUPPLY

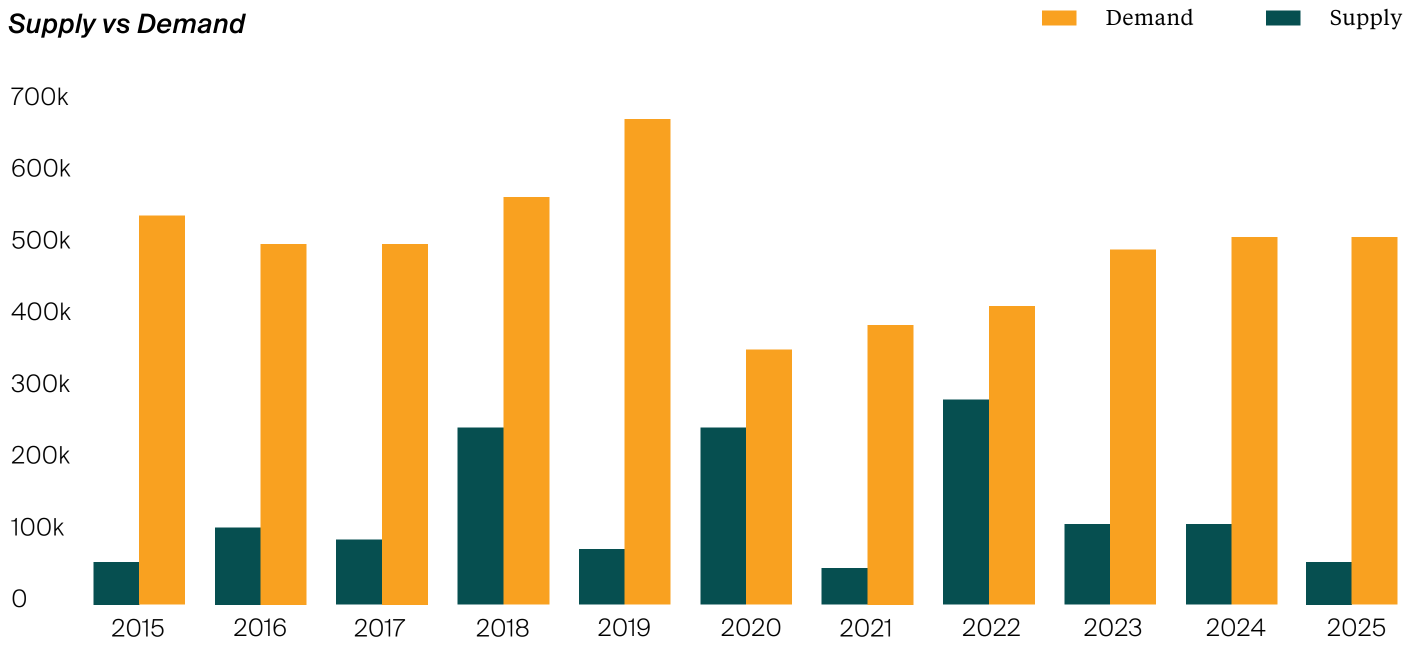
A total of 55,440 sq m of new office space was delivered to the Budapest office market in 2025, representing approximately 50% of the volume completed in 2024. The new supply comprised three developments across the city. Two of these were speculative office projects: Rhodium Office Building (2,807 sq m), located in the Váci Corridor submarket, and Wagner Palace (2,253 sq m), situated in the Central Business District (CBD). The majority of completions occurred in Q4 2025, driven by the delivery of the owner-occupied Dürer Park I–II scheme in Central Pest, which added 50,377 sq m of office space to the market to be utilised by governmental bodies.

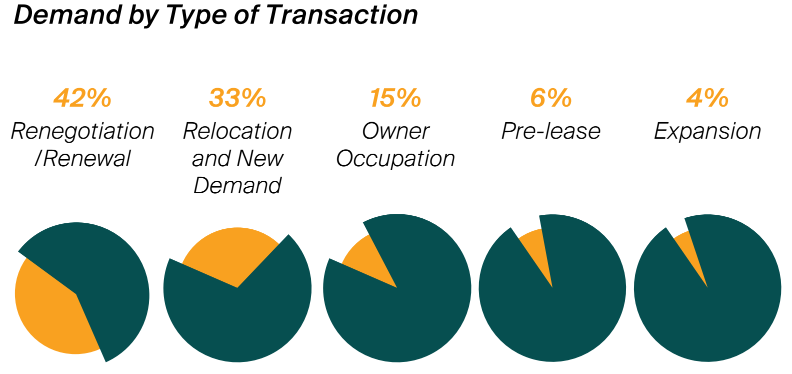
STOCK

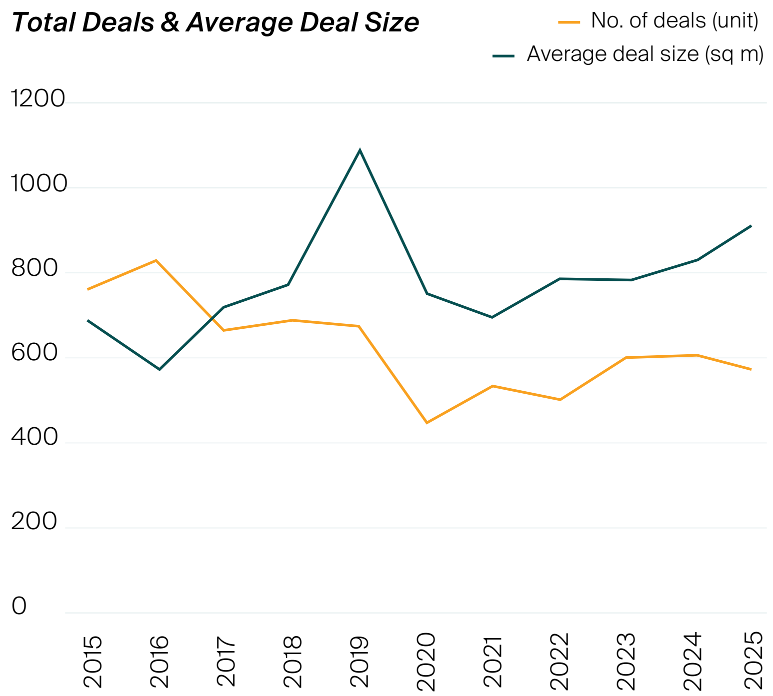
Besides the new supply delivered during the year, Budapest's total office stock has recorded a decline due to the annual size correction (5,945 sq m) and the reclassification of six office buildings (28,270 sq m) to alternative uses. As a result, the total office stock contained 4,461,680 sq m by year-end, comprising of 3,518,820 sq m of speculative Class A and B office space and 942,860 sq m of owner-occupied offices. Given the limited speculative completions and the further removal of 17,500 sq m from the latter segment due to conversions and changes in ownership structure, the speculative share of total stock decreased by 3 pps year-on-year.











DEMAND

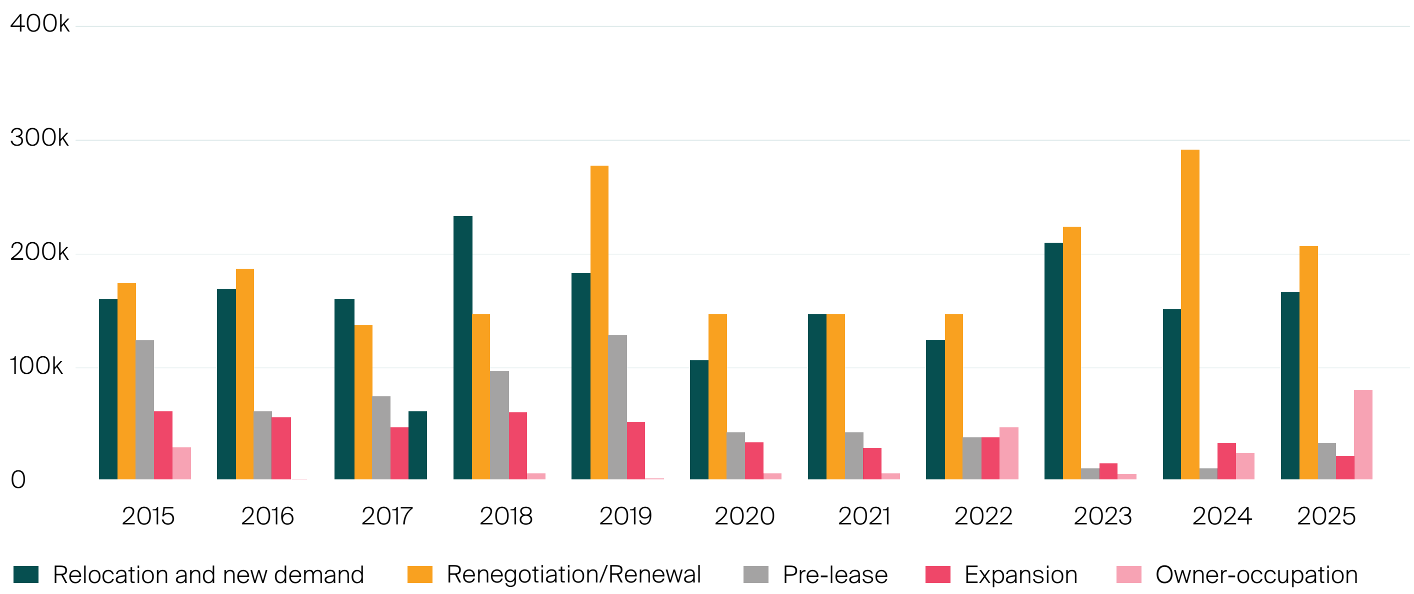
Leasing activity in 2025 came up to 505,850 sq m and was largely driven by owner-occupied governmental transactions. The overall demand remained broadly stagnant, increasing by only 0.7% compared to 2024.

Due to the limited pipeline of new developments, lease renewals dominated market activity, accounting for 42% of total leasing volume, while new demand represented 33% over the year.

Owner-occupied transactions comprised 15% of total demand, marking a 10 pps increase year-on-year in this sector. Pre-lease agreements followed with 6%, while expansions accounted for the remaining 4% of total take-up.

In total, 563 lease agreements were signed in 2025. The average transaction size rose by 8% y-o-y to 898 sq m. From a submarket perspective, Váci Corridor remained the most active location, capturing 32% of all transactions. Central Pest ranked second with a 17% share, followed by South Buda, which accounted for 11% of total agreements.

Demand by Type of Transaction



RENTS

In the Budapest office market, rental levels have generally remained stable or shown only modest increases going into 2025–2026 compared with 2024. Prime rents in the best locations (CBD and top quality buildings) are around 25.50 eur/sq m/month.

Similarly, Class A and newly built office rents have stayed close to prior levels, with average new-build rents in the range of 20.00–22.00 eur/sq m/month and average Class A rents around 17.00 eur/sq m/month – only slightly higher than typical asking rents during the same period last year.

Meanwhile, Class B rents at about 13.00 eur/sq m/month reflect ongoing downward pressure on older or secondary stock, consistent with the slower leasing dynamics observed.

Prime Rent	*Average Class A rent*	*Average New built rent*	*Average Class B rent*
25.5 €	17 €	20-22 €	13 €
sq m / month	*sq m / month*	*sq m / month*	*sq m / month*

VACANCY

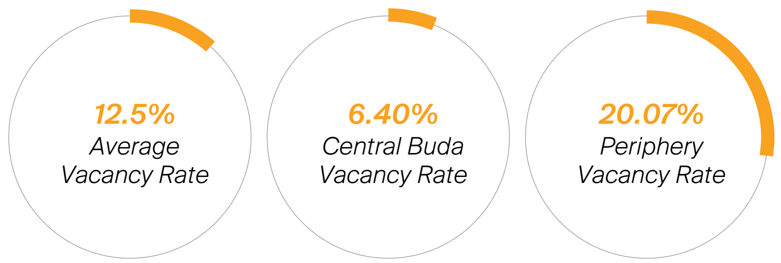
In 2025, the average office vacancy rate recorded a 1.6 pps year-on-year change, alongside a 0.9 pps quarter-on-quarter decrease, bringing the annual average vacancy rate to 12.5%. These movements point to a stabilising vacancy environment, supported by steady leasing activity, limited inflow of new office supply and large volume of new pre-leases and owner-occupied spaces. A growing divergence by building quality is notable, vacancy rates increased more markedly in Class B, first-generation office buildings, whereas Class A, energy-efficient, newly developed or refurbished assets continued to demonstrate greater resilience, in line with evolving occupier expectations.

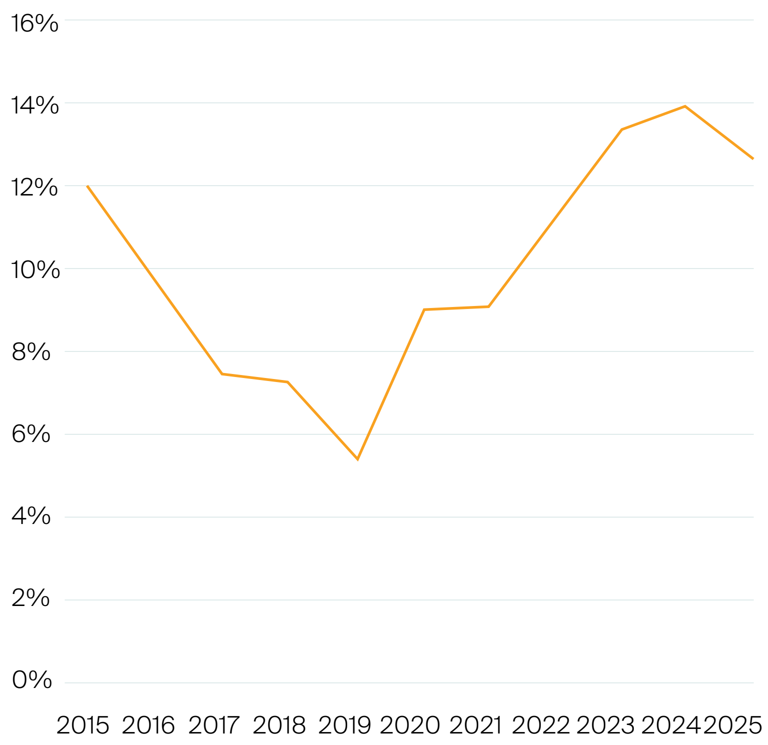
From a submarket perspective, Central Buda remained the strongest performer, posting the lowest vacancy rate at 6.4%. Although the Periphery continued to register the highest vacancy level at 20.1%, it also recorded a notable 8.5 percentage point year-on-year improvement, reflecting increased absorption from a relatively elevated base.

Top transactions in 2025

Size (sq m)	Submarket	Building	Type of transaction
22,180	Váci Corridor	H2Offices Phase II.	Pre-lease
17,800	South Buda	IP West	OO
13,800	Váci Corridor	Gateway Offices	Renewal
12,500	Váci Corridor	Undisclosed	New lease
9,000	South Buda	Budapest One	Renewal
6,230	Central Pest	Undisclosed	Renewal
5,165	Periphery	Budaörs Office Park, B	OO

Vacancy Rate





FORECAST

The downward trend in speculative development is expected to persist, with only 88,000 sq m of new office space currently under construction and scheduled for delivery over the next two years. Developers remain cautious in their approach, with approximately one-third of this pipeline already pre-let on long-term leases, further restricting the volume of space that will be available to the open market. Several previously announced office schemes are being reconsidered and, in many cases, converted to residential developments. At the same time, an increasing number of existing CBD office buildings are being repurposed for alternative uses, including hotels and student accommodation.

The ongoing relocation of governmental bodies into owner-occupied premises is expected to drive vacancy shifts, leaving behind obsolete, capital-heavy offices.

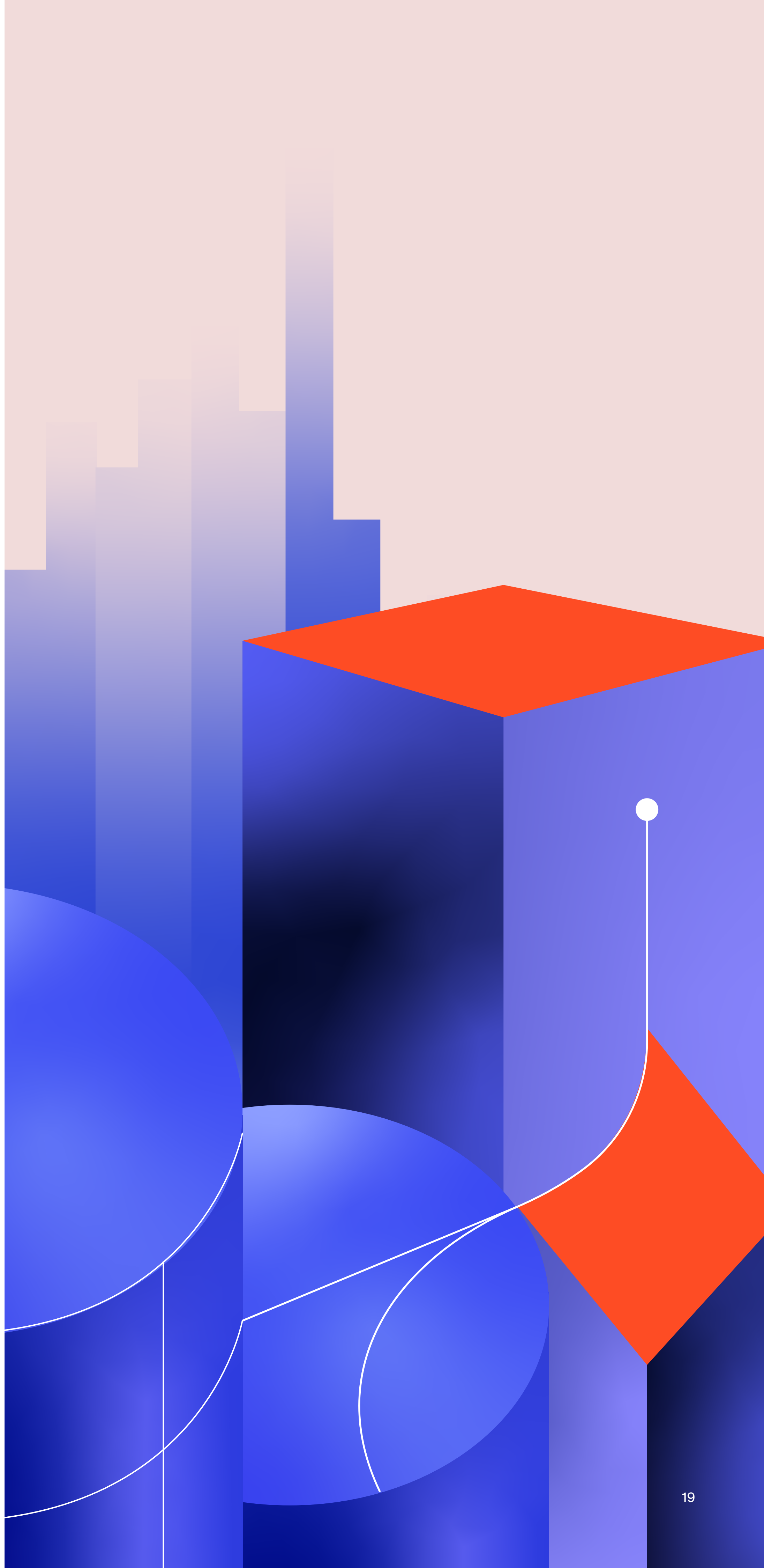
In light of these synergies, major occupiers exploring available or new ESG-compliant, high-quality office spaces are recommended to commence their leasing projects well ahead of their lease events.

03
BULGARIA
Sofia

2025 - 2026

Office Market Overview

Reshaping the Office Landscape



Sofia Office Market Overview

SUPPLY

Development activity in Sofia's office market remained measured during the second half of 2025, reflecting continued caution among developers amid a maturing cycle. New deliveries totaled approximately 32,100 sq m, with 12,500 sq m completed in Q3 and a further 19,600 sq m in Q4. As a result, Sofia's total office stock expanded to around 2.43 mil sq m by year-end, up from 2.42 mil sq m at mid-year.

Construction activity edged slightly higher over the period. Office space under construction increased from approximately 187,000 sq m in Q3 to around 187,500 sq m in Q4, signalling continued selective confidence in schemes that meet evolving occupier requirements, particularly in terms of location, technical specifications, and sustainability credentials.

On an annual basis, new office supply in 2025 reached 79,100 sq m, exceeding the volume delivered in 2024 and underlining a gradual reactivation of the development pipeline, albeit still well below pre-pandemic levels.

STOCK

By the end of 2025, Sofia's total office stock stood at approximately 2.43 mil sq m, with growth driven primarily by suburban submarkets. The suburban zones continued to account for the largest share of stock, followed by the Broad Center and the CBD, where development opportunities remain constrained.

While most new completions were again concentrated outside the core, tenant interest remained firmly focused on centrally located and well-connected projects. This structural mismatch between supply and demand continues to reinforce the competitive position of prime and near-prime assets.

DEMAND

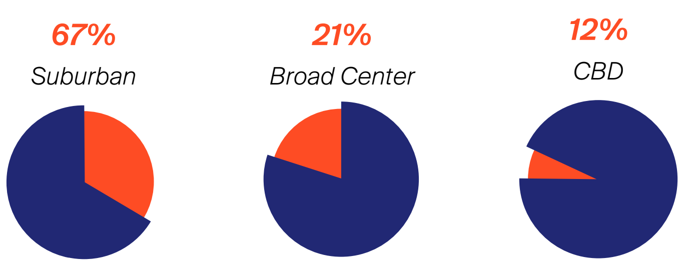
Leasing activity softened slightly in the second half of 2025, with gross take-up reaching 70,500 sq m, compared to 80,500 sq m in H1. Quarterly volumes amounted to 34,000 sq m in Q3 and 36,500 sq m in Q4, indicating a stable, though more selective, occupier market.

Despite this moderation, overall market fundamentals remained solid. Annual gross take-up for 2025 reached 151,000 sq m, underscoring a healthy level of occupier engagement over the year as a whole. Demand continued to be driven primarily by relocations, consolidations, and quality upgrades rather than large-scale expansions or new market entrants.

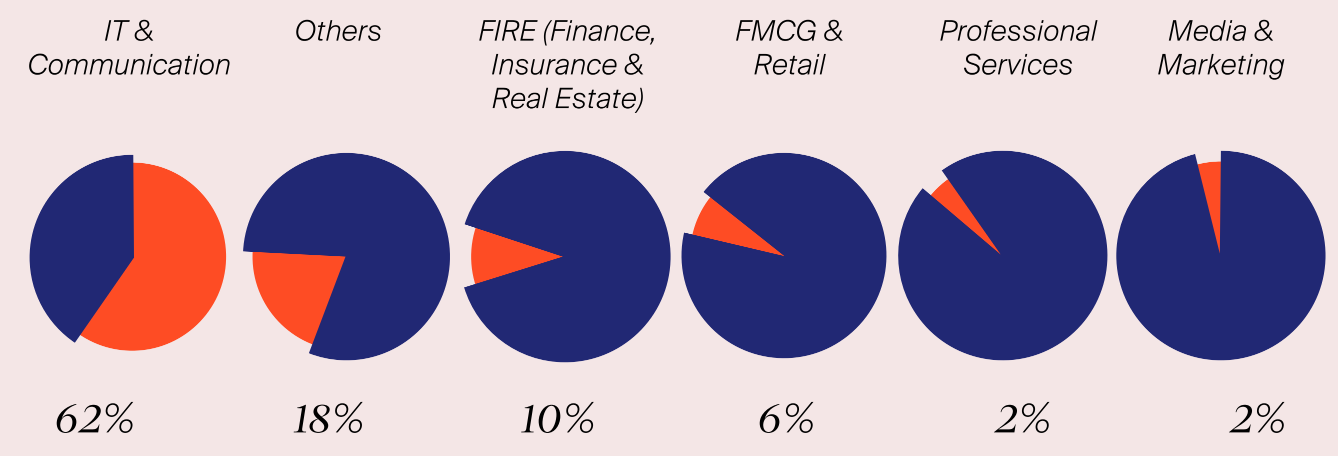
Occupiers remained highly focused on Class A buildings offering modern amenities, efficient floorplates, and strong ESG performance. Older and non-compliant buildings faced increasing challenges in maintaining occupancy, particularly where landlords were unwilling or unable to invest in upgrades. Lease renewals and renegotiations continued to account for a significant share of activity, reflecting cautious corporate decision-making amid broader economic uncertainty.

The tenant mix remained diversified, with professional services, financial services, and selected industrial and life sciences occupiers helping to offset the structurally lower contribution from the IT and BPO sectors compared to previous cycles.

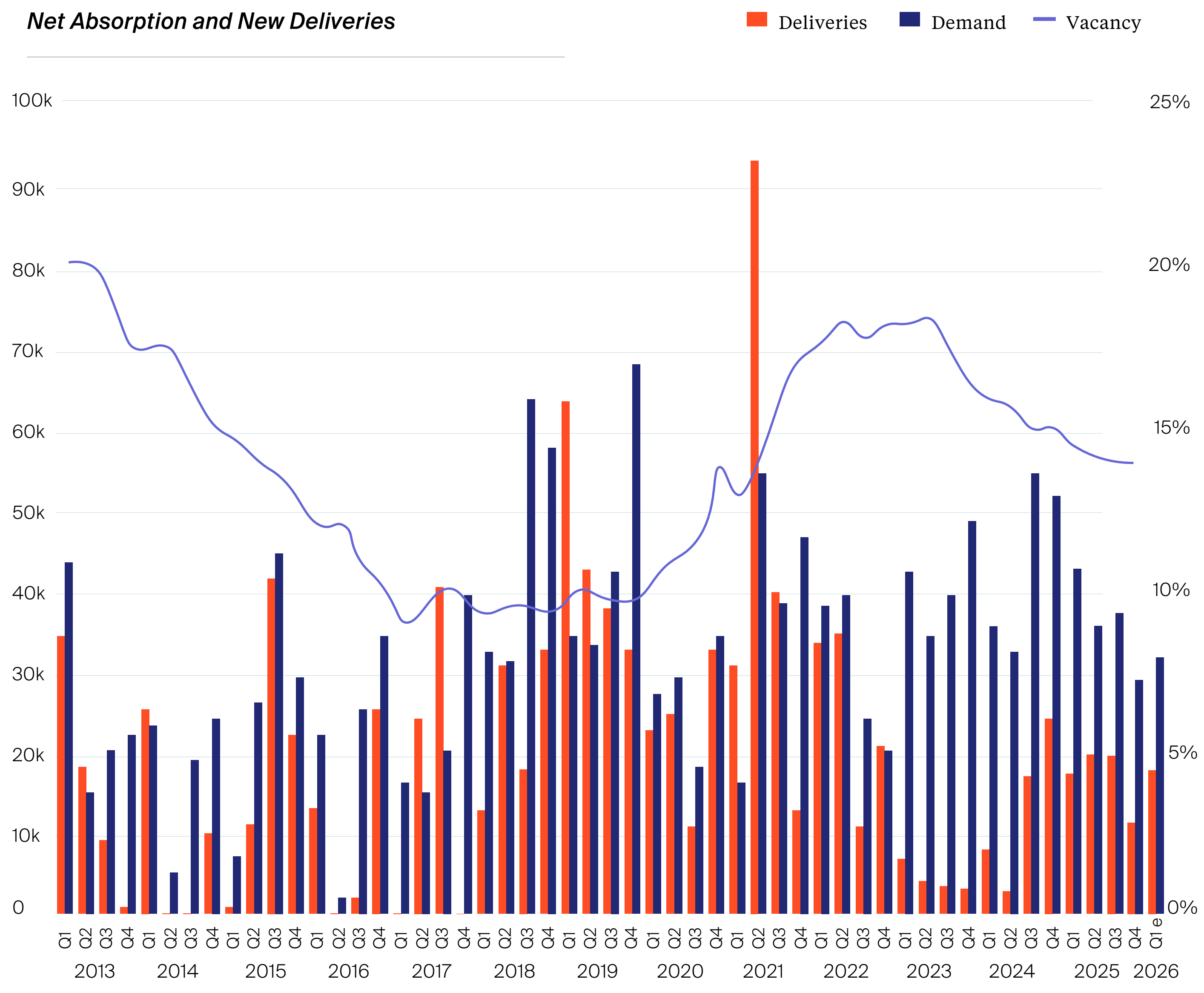
Stock by Submarkets

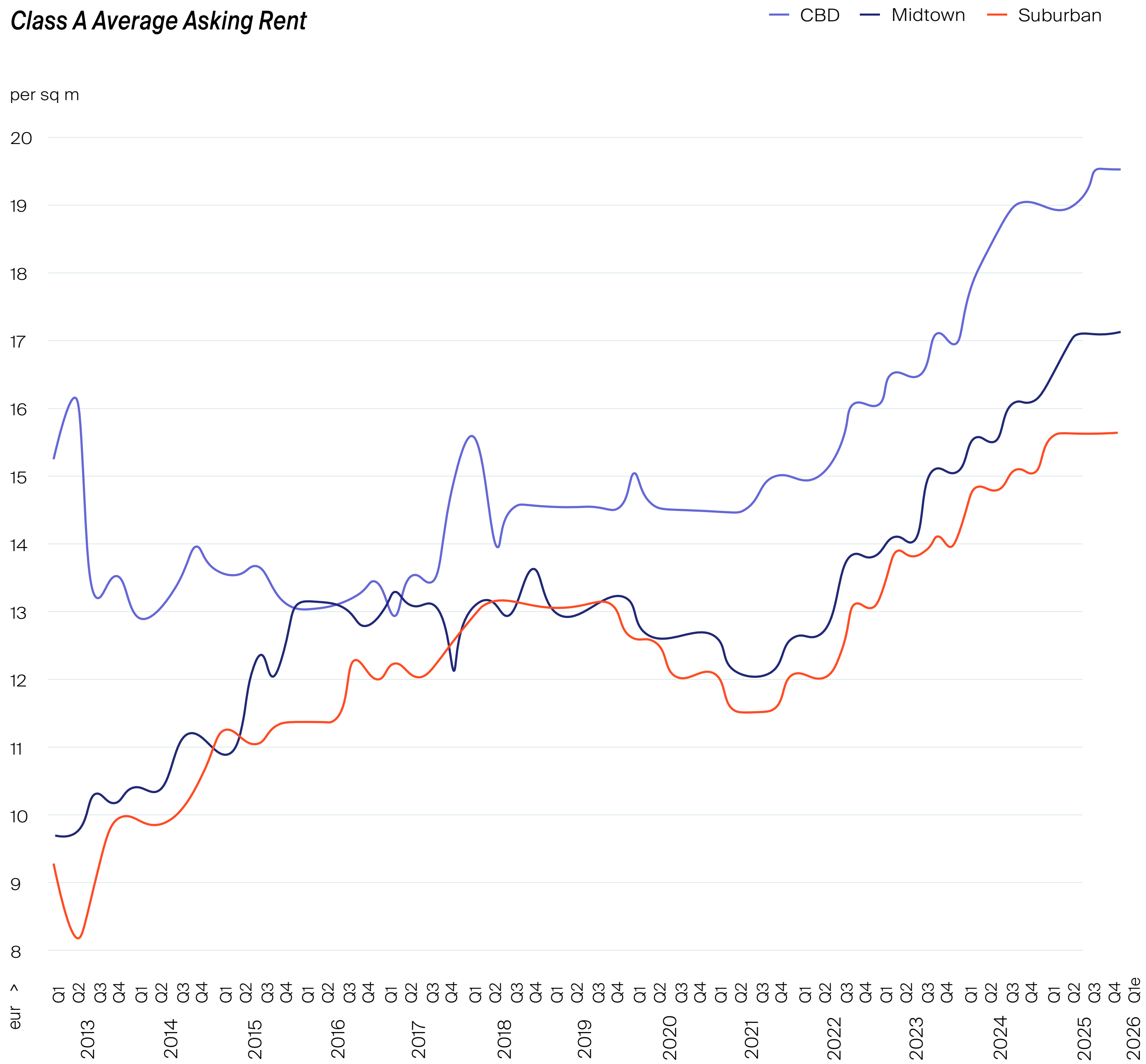


Demand by tenant activity, H2 2025



Net Absorption and New Deliveries





VACANCY

Vacancy continued its gradual downward trend during the second half of the year. The overall vacancy rate declined from 13.30% in Q3 to 13.10% in Q4 2025, supported by steady leasing activity and controlled levels of new supply. Total available space decreased from approximately 322,600 sq m to 317,800 sq m over the same period.

This tightening was most pronounced in the CBD and established suburban office clusters, where high-quality space remains in limited supply. In contrast, structurally weaker buildings continued to record elevated vacancy, reinforcing the divergence in performance across the market.

RENTS

Prime headline rents in Sofia's CBD stabilised at 19.00 eur/sq m/month during H2 2025. The absence of further growth reflects a balance between sustained demand for high-quality space and a modest increase in available options following recent completions. The pricing gap between best-in-class buildings and secondary stock widened further, highlighting the increasingly bifurcated nature of the market.

FORECAST

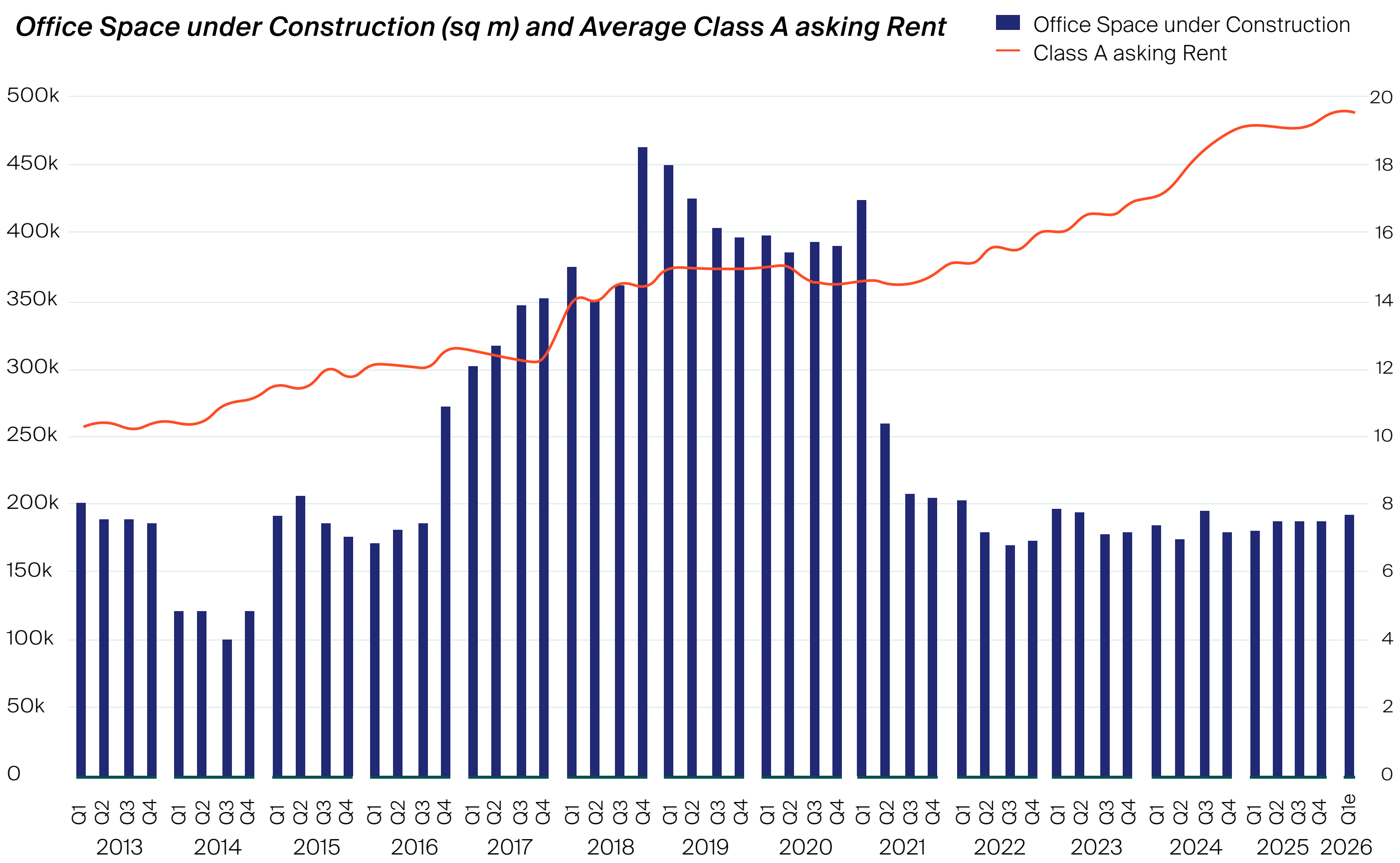
The Sofia office market is expected to remain fundamentally balanced in the near term, with conditions continuing to favour well-positioned, high-quality assets. Into early 2026, leasing activity is projected to stabilise rather than accelerate, as occupiers maintain a cautious approach to long-term commitments while continuing to prioritise efficiency, flexibility, and overall occupancy cost control. Forecasts point to steady but unspectacular take-up levels, broadly in line with the averages recorded over the past 18 months.

Vacancy is expected to continue its gradual compression, supported by limited speculative development and the ongoing absorption of completed space. However, this improvement will remain uneven across submarkets and asset classes. Prime and ESG-compliant buildings in core and established suburban locations are likely to experience further tightening, while structurally obsolete stock will continue to face elevated vacancy and downward pressure on effective rents. As a result, market polarisation is set to intensify.

Prime headline rents are forecast to remain broadly stable in the short term, with any upward movement likely to be incremental and asset-specific rather than market-wide. Rising operating and service charge costs are expected to remain a key consideration for occupiers, reinforcing the importance of transparent cost structures and energy-efficient building design. Incentive packages are likely to stay selective, with landlords of best-in-class assets retaining strong negotiating positions.

Hybrid working models are now firmly embedded in occupier strategies and will continue to shape space requirements. Demand is expected to focus on flexible layouts, collaboration areas, and buildings that support employee wellbeing and sustainability objectives. In contrast, secondary assets that fail to adapt to these expectations are likely to face increasing pressure to reposition, refurbish, or consider alternative uses.

Overall, the Sofia office market is entering a more mature phase of the cycle, characterised by steady demand, constrained supply, and a clear differentiation between assets that meet modern occupier requirements and those that do not.



04
GREECE
Athens

2025 - 2026

Office Market
Overview

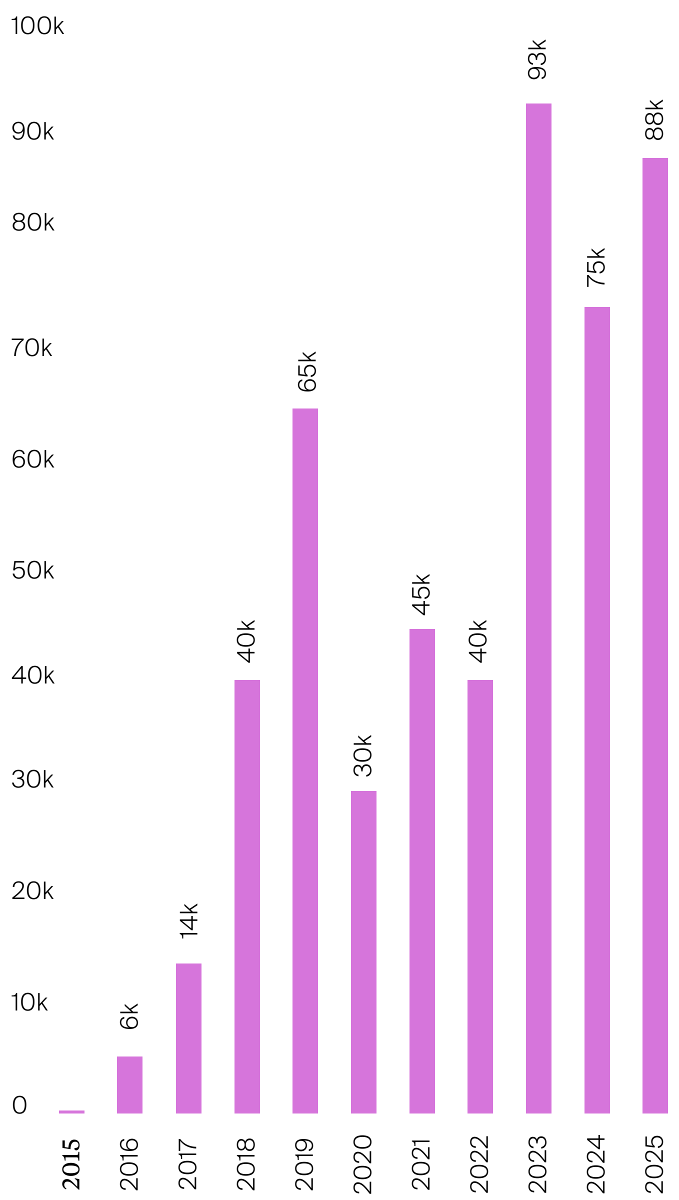
Reshaping
the Office
Landscape

Athens Office Market Overview

SUPPLY

Total new office supply in Athens in 2025 reached around 88,000 sq m, with 38,000 sq m delivered in the first half of the year and 50,000 sq m in the second half. This follows 75,000 sq m in 2024 and 93,000 sq m in 2023, indicating a broadly stable pipeline over the past three years.

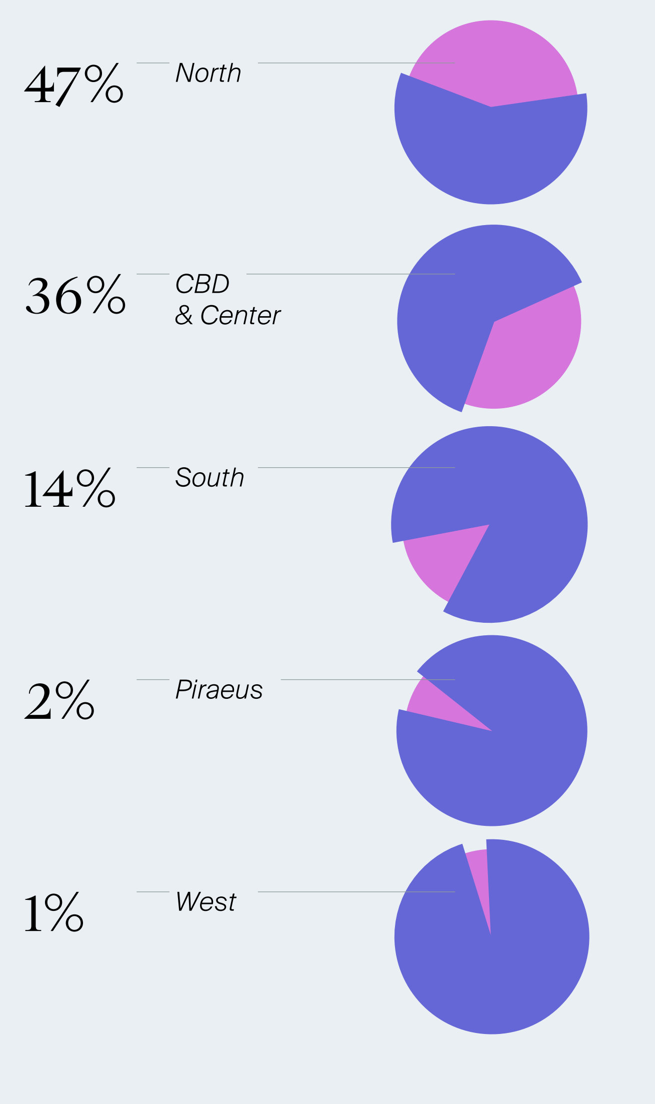
Supply evolution (sq m)



STOCK

By the end of 2025, Athens' office stock reached approximately 3.02 mil sq m, following the completion of new projects during the year. The Northern submarket, largely concentrated in Maroussi, remains the city's primary business hub, accounting for nearly half of total stock. The CBD and Central areas make up just over 35% of Athens' office stock, followed by the South, which represents 14% of the total.

Stock by submarket



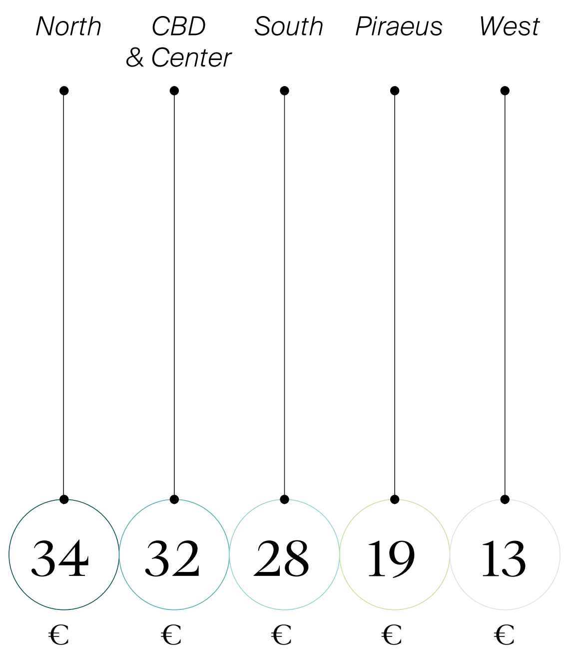
DEMAND

Class A office space remains in short supply relative to tenant demand, keeping the market highly competitive. This dynamic is incentivizing the renovation or redevelopment of older buildings, and is ensuring strong pre-leasing activity for projects approaching completion. Office demand in Athens in 2025 remained robust, reflecting sustained occupier interest in modern and well-located office spaces across the city. The Northern submarket retained its appeal, accounting for the largest share of office demand. At the same time, the Central Business District remains highly sought after, though it is increasingly constrained by limited office availability.

RENTS

Headline rents demonstrated price stability, with no significant short-term movement anticipated. Despite a sustained upward trajectory over recent years, Athens prime office rents have stabilised at current levels. Grade A assets continued to command a distinct rental premium.

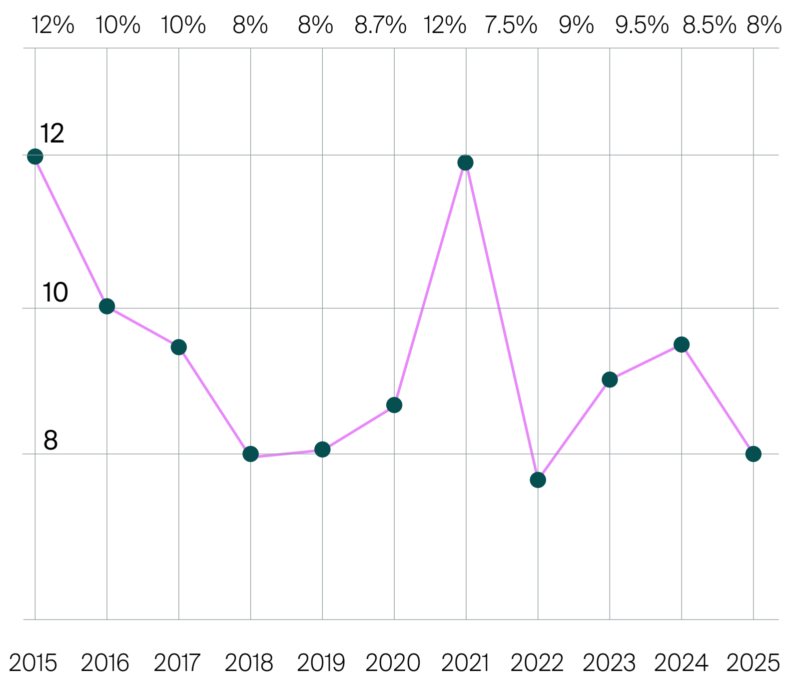
Prime average rent (eur / sq m / m)



VACANCY

The vacancy rate declined slightly to 8.0%, down from 8.5% in H1 2025. This decrease was partially caused by the repurpose of small office spaces which were turned into residential or touristic properties (i.e. Airbnb), in the CBD and southern suburbs. Occupancy rates in modern, well-located buildings remained exceptionally high throughout 2025.

Vacancy Rate



VACANCY

The vacancy rate declined slightly to 8.0%, down from 8.5% in H1 2025. This decrease was partially caused by the repurpose of small office spaces which were turned into residential or touristic properties (i.e. Airbnb), in the CBD and southern suburbs. Occupancy rates in modern, well-located buildings remained exceptionally high throughout 2025.

> Athens' office market remains competitive and resilient, underpinned by sustained demand for prime space.

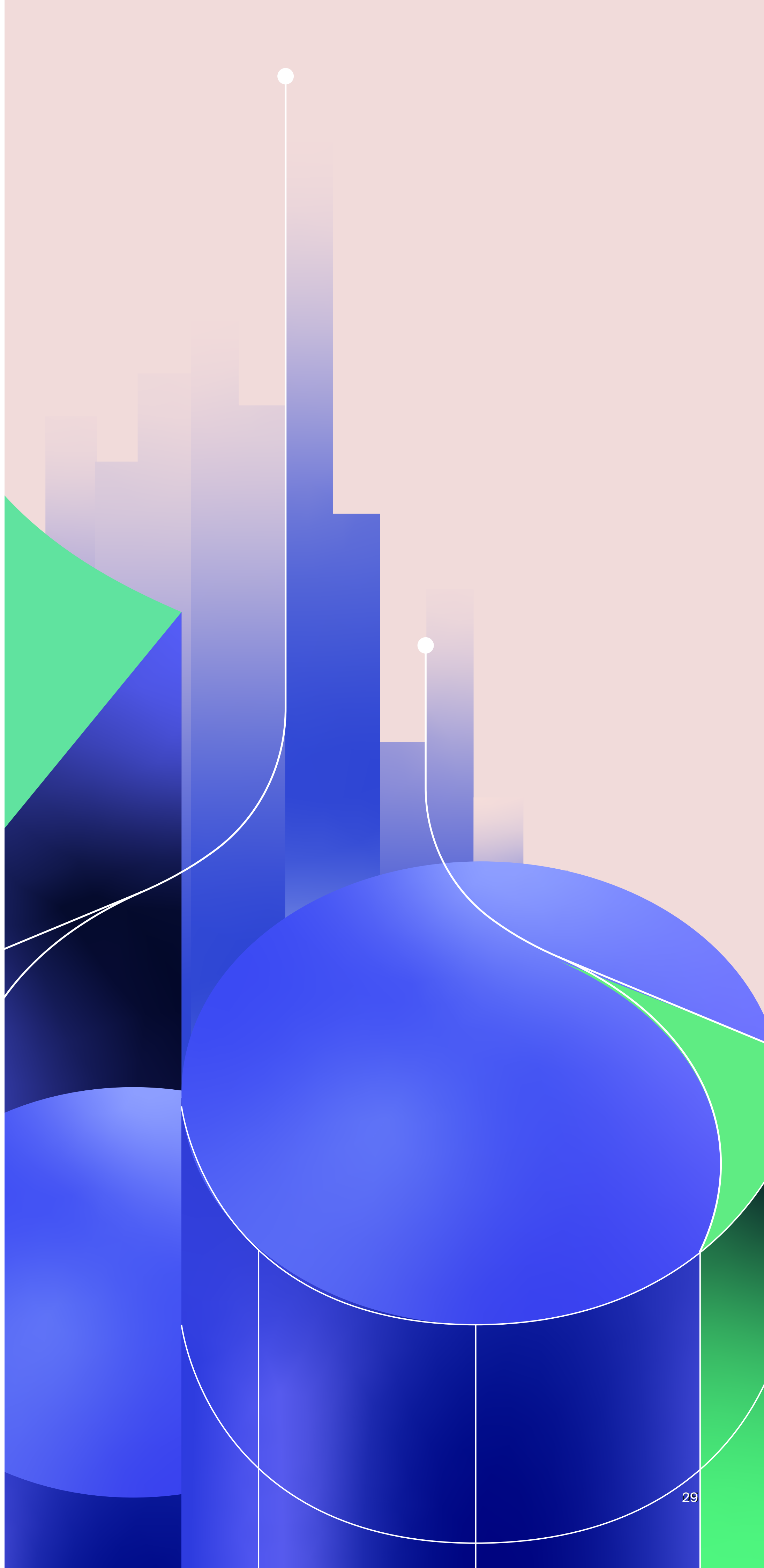
05 SERBIA

Belgrade

2025 - 2026

Office Market Overview

Reshaping the Office Landscape



Belgrade Office Market Overview

SUPPLY

Belgrade recorded 44,500 sq m of new supply in 2025, contributing to a moderate expansion of available stock. In the City Center, the refurbishment of the Tehnohemija office building delivered 13,600 sq m of modernised space in H1 2025, followed by the completion of Hyde Park City in H2 2025, which added a further 8,500 sq m to total stock. In New Belgrade, Airport City Tower I was finalised in H2, contributing 22,400 sq m to overall supply and further reinforcing the area's position as the city's prime office hub.

STOCK

Belgrade's office market continued to expand at a sustainable and well balanced pace throughout 2025, with new deliveries reflecting a clear moderation compared to previous peak years. Total new completions during the year amounted to approximately 44,500 sq m, bringing modern office stock to 1.37 mil sq m by year-end.

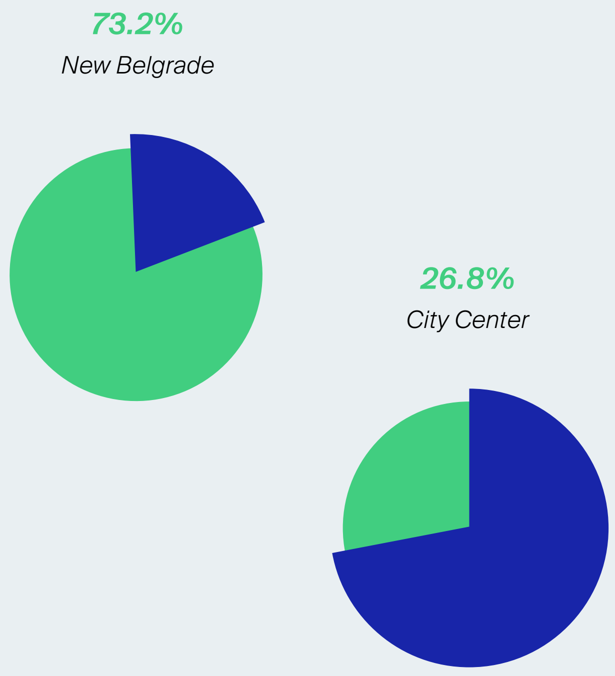
Modern office stock remains concentrated in New Belgrade, which has now exceeded one million sq m, followed by 368,000 sq m in the City Center. Supported by a growing share of Grade A space and development activity focused on established submarkets, the overall stock quality continues to improve, aligning closely with occupier and investor requirements and reinforcing the market's long term stability.

DEMAND

During 2025, occupier demand in Belgrade's office market remained resilient, supported by steady leasing activity and broad-based sector participation. Demand continued to be driven primarily by the IT, financial services and professional services sectors, with occupiers demonstrating a strong preference for Grade A, energy-efficient and well-located buildings.

New Belgrade remained the primary focus of tenant activity, benefiting from its concentration of modern office space and strong transport infrastructure, and continued to account for the majority of leasing transactions. Demand in the City Center remained more selective, constrained by limited availability of high-quality space. Overall, leasing activity reflected more cautious occupier behaviour, with many tenants prioritising retention, consolidation, and space optimisation over expansion.

Stock by Submarket (sq m)



Belgrade's office market closed 2025 on a stable and resilient note.

RENTS

Office rental levels remained stable and consistent in 2025. Prime rents averaged approximately 18 eur/sq m/month, with best-in-class buildings achieving 17–19 eur/sq m/month in prime New Belgrade locations.

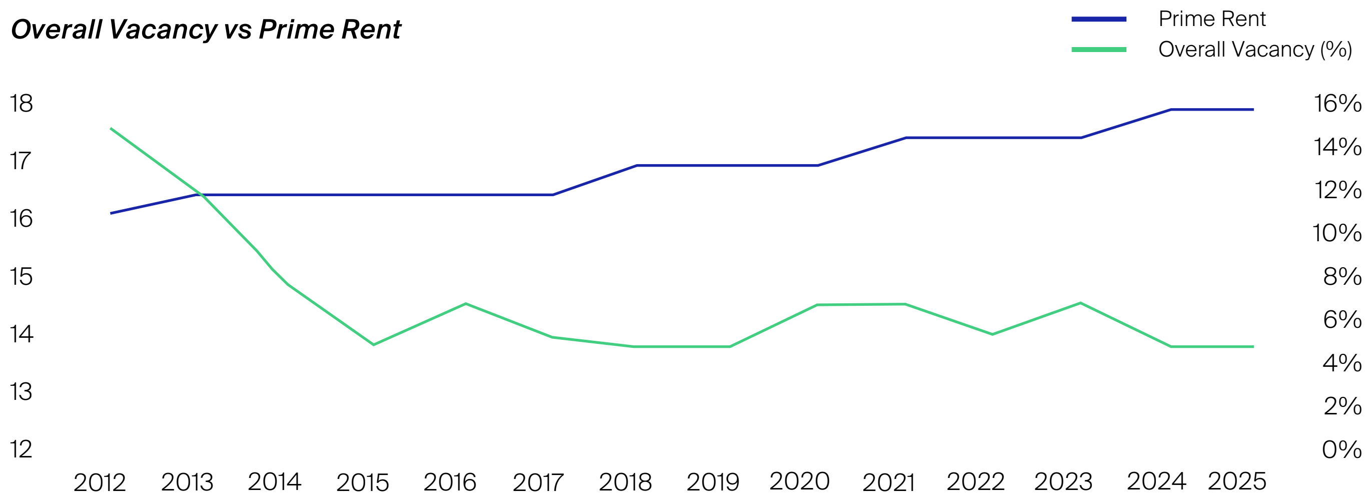
Office rents in the City Center remained within the 15–20 eur/sq m/month range, with pricing largely dependent on building quality, refurbishment status and micro-location.

VACANCY

Vacancy levels remained stable throughout 2025, estimated at around 5%, reflecting sustained demand for high-quality, prime office space. Newly delivered, ESG-compliant buildings achieved strong timely absorption, limiting any impact from additional completions and supporting a well-balanced market environment.

New Belgrade further consolidated its position as the city's leading office submarket, benefitting from superior infrastructure and depth of occupier demand. Meanwhile, City Center continued to see growing differentiation in performance, increasingly favouring high-quality and refurbished assets. Overall, no structural oversupply emerged during 2025, leaving the market well positioned entering 2026, with vacancy levels stabilised and rental dynamics remaining supportive.

Overall Vacancy vs Prime Rent



FORECAST

The Belgrade office market is expected to remain stable and resilient into 2026, underpinned by disciplined development activity, sustained tenant demand and improving investor sentiment. Demand is set to remain firmly focused on prime, well connected and sustainable office assets, with green certification increasingly viewed as a baseline requirement.

Several significant office projects are currently under construction, primarily in the New Belgrade submarket, which continues to attract the highest demand. Key developments include the B40 office building, Airport City Towers 2 and 3, and the mixed-use project Panorama 26, expected to add in total more than 133,000 sq m of new space to the existing stock by year-end.

Looking ahead, more than 300,000 sq m are expected to be delivered over the next few years, with the majority still in the planning phase.

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