

MORE THAN 195,000 SQM OF OFFICES UNDER CONSTRUCTION IN BEIRUT

Beirut, 24 February 2015: A recent market study conducted by a real estate company on the office market in Beirut has revealed that **37 office projects** are currently under construction in Municipal Beirut. This total represents **195,694 SQM** of office space. Eleven of these 37 projects (29%) are part of mixed-use projects that offer offices on the lower floors and residential apartments on the upper floors.

The study did not take into account projects destined to be used as headquarter offices for private companies. The study focuses on office stock offered for rent or sale.

"The office stock under construction has increased by 32% since September 2013. Within the context of a stagnating residential market, some developers have opted to turn to office projects in the hope of achieving better success than with residential projects. Furthermore, many plots of land along large traffic axes are not suited for residential development, as they are too noisy. Developers thus prefer to use them for office developments or to reserve the lower levels as offices and leave the upper floors only for residential use.

Beirut Central District (BCD) has a total of **43,331 SQM** of office space distributed across five (5) buildings. The asking sales price for a first floor office offered core and shell (concrete finishing) varies between **USD 5,500 to USD 7,500 per SQM**.

With **23 projects** out of the 37, Ashrafieh has the largest stock of new offices. The periphery of Ashrafieh (**Corniche el Nahr, Adlieh, and Badaro**) is the most active, mainly along the axis that links the National Museum to the area of Fiat, where eleven (11) projects are currently under construction. Overall, Ashrafieh has a total stock of new offices of about **130,752 SQM**, representing about 67% of the total upcoming office stock in Beirut. Depending on the location of the project in Ashrafieh, asking sales prices vary between **USD 3,500 to USD 5,500 per SQM**. This price range covers offices offered in varying finishing – some offices in Ashrafieh are offered core and shell, while others are offered with basic finishing (tiling, electrical installations, sanitary, kitchen, paint, etc.).

“By 2017 or 2018, the south-eastern part of Ashrafieh will become an important business destination, as there is new stock in the pipeline that will most likely be launched in the course of 2015. Easy to access and located in the heart of the urban area of Beirut, this area will become a serious competitor to traditional office hubs, such as BCD, Ras Beirut, and Charles Malek.

Only **21,611 SQM** of offices are under construction in the western side of Beirut, mainly in Hamra, Bachoura, and UNESCO. The average asking prices for offices with standard basic finishing lie between **USD 5,000 and USD 5,500 per SQM**.

Office Space under Construction*				
Area	BCD	Ashrafieh	Western Beirut	Municipal Beirut
Number of Projects	5	23	9	37
Office Area (SQM)	43,331	130,752	21,611	195,694
Average Project Size (SQM)	8,666	5,684	2,401	5,289
Share across Beirut	22%	67%	11%	100%