

Sofia, Bulgaria

Office market highlights

Quick stats



- The actively trading inventory of completed class A&B office space tracked by Avison Young Bulgaria has increased slightly, reaching 2.07 million sqm.
- In the second half of 2024, the vacancy rate of office spaces recorded a slight increase, reaching 14.1%, but remains below the levels from a year ago.
- During the second half of 2024, a total of 48,465 sqm of office space was completed, exceeding the volume from the first half of the year and the entire 2023. However, it remains only half of the average levels recorded over the past ten years.
- The total office space transacted in the second half of 2024 amounted to 140,697 sqm, comprising 63,628 sqm were new leases and 77,069 sqm from lease prolongations. These indicators are similar to the second half of 2023, followed by a weaker start in 2024.
- Asking rental rates for Class A office spaces remain mostly within the range of €12 to €18 per sqm per month, with a slight increase compared to the first half of 2024. This reflects the ongoing demand for high-quality office spaces and inflationary pressures.

Economic indicators



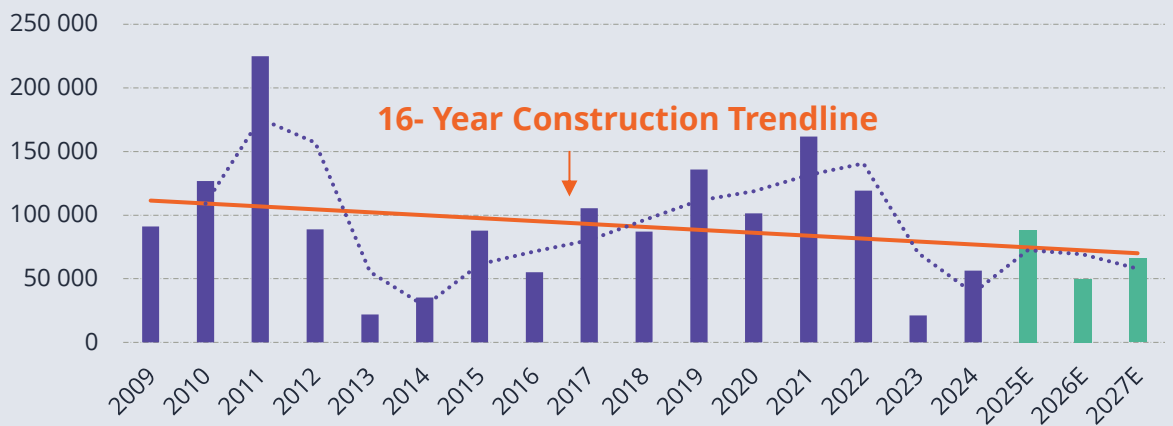
Source: National Statistical Institute, Bulgaria

2009 - 2027

Dynamics of completed and upcoming office spaces

Between 2009 and 2024, the volume of completed office spaces in Sofia has experienced significant fluctuations. Following a strong start with Bulgaria’s accession to the European Union, when new office completions peaked at over 224,000 sqm, a period of decline followed, triggered by the effects of the 2008 Global Financial Crisis, reaching a low of just 21,930 sqm in 2013. The market rebounded between 2017 and 2021, with 2021 being the second-strongest year, recording over 161,000 sqm of new office spaces. The subsequent contraction resulted from the impact of COVID-19 and the changing work habits that followed. In 2023, only 21,050 sqm of office space was completed, while in 2024, this figure rose to 56,328 sqm—still below the average for the period (90,726 sqm). Forecasts for 2025–2027 indicate stabilization around the average level, with a focus on high-quality and sustainable projects.

Completed office buildings (sqm)



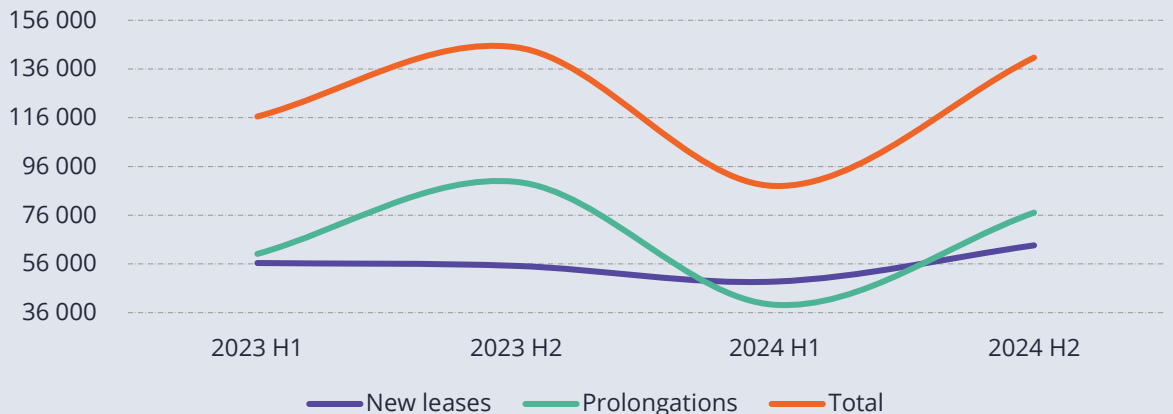
140,697 sqm

Transacted space

Leasing

Following a weaker first half of 2024, the second half of the year saw an increase in the total transaction volume in Sofia’s office market, reaching levels similar to those recorded in the same period of 2023. On an annual basis, lease renewals declined in 2024 compared to the previous year. On the other hand, the annual volume of newly leased office spaces remained relatively stable at approximately 112,390 sqm. Amid the overall decline in demand, for the second consecutive year, the volume of leased office spaces significantly exceeded newly constructed spaces. This underscores the limited supply of new office spaces. This trend could lead to better absorption of existing spaces and a more balanced market in a still uncertain economic environment.

Transacted space during 2023 & 2024



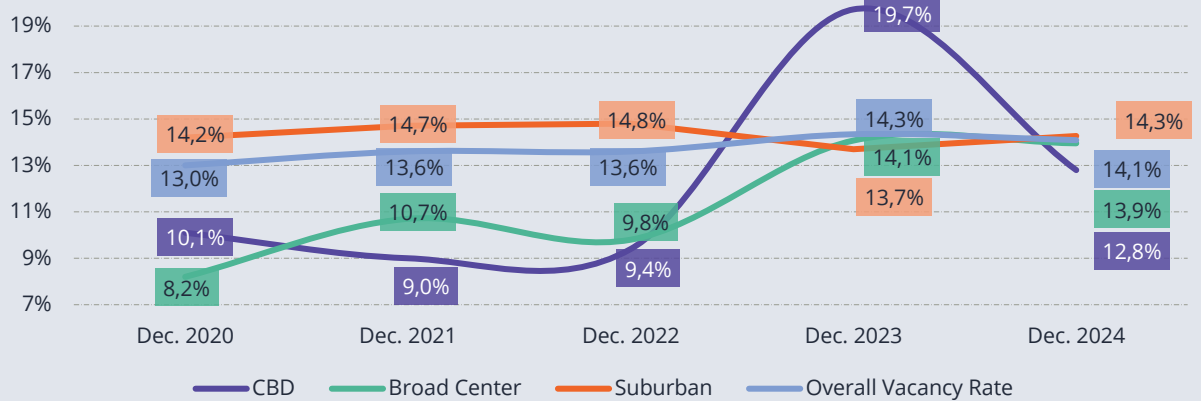
14,1%

Direct Vacancy rate

Vacancy

The share of vacant office spaces recorded a slight increase in the second half of 2024, reaching 14.1%. However, this represents an almost insignificant change compared to both the first half of the year and 2023. The trend remains relatively stable, suggesting that the office market is not experiencing significant fluctuations. The most notable variations are observed in the city center, primarily due to the small market volume there. Overall, the supply and demand for office spaces in Sofia remain balanced, though at a slower pace compared to the pre-pandemic period. The market does not show signs of a sharp slowdown or acceleration that could impact rental prices or tenant activity.

Vacancy Rate by Area, Class A & B



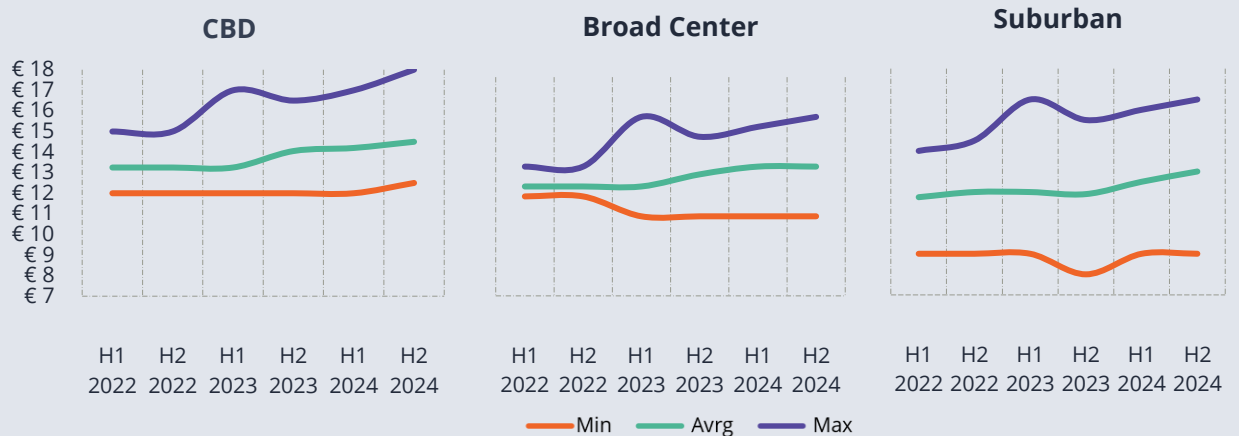
€ 12 – € 18

Avg. asking rates Class A

Rents

Asking rental rates for Class A office spaces remain stable, predominantly ranging between €12 and €18 per sqm per month, with a slight increase in the second half of 2024 compared to the first half of the year. Service charges for these spaces also range between €3 and €4 per sqm per month, showing a minimal increase. This trend is driven by the sustained demand from tenants for modern and high-quality office spaces that meet contemporary standards for comfort and efficiency. The limited supply of new spaces in this segment also contributes to the gradual increase in rental prices, highlighting the competitiveness of Class A offices in the market.

Asking Rental Ranges Class A



Reaching new heights: from Capital Fort (126m, 2015) to Sky Fort (202m, expected 2026) – The future rises higher!



Get more market information

Anton Slavtchev

Principal & Managing Director

+359 (0) 886 906 555

anton.slavtchev@avisonyoung.com | avisonyoung.bg |  

**AVISON
YOUNG**