

34 office projects are under construction in Beirut

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Point A 14-storey office building, located in Beirut near Berytech, will be delivered in Autumn 2016.

A recent market study conducted by RAMCO sarl on the office market in Beirut has revealed that 34 office projects are currently under construction in Municipal Beirut. This total represents 194,863 SQM of office space.

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 in 2016 is almost the same as in 2015, which stood at 195,694 SQM. This figure reflects the current stagnation of the office market. Several indicators illustrate this slowdown: Only four projects have been launched during the past 12 months. The number of office projects under construction stood at 37 in 2015; today, it stands at 34, namely a drop of 8%," says Karim Makarem, Director of RAMCO.

71% of the projects under construction are located in Ashrafieh. During the past several years, the number of office projects has been on the rise in neighborhoods like Hotel Dieu, National Museum, Corniche el Nahr, Adlieh, and Badaro. In total, this stock represents 139,099 SQM of office space. Depending on the location of the projects, average asking prices on the first floor vary between USD 3,500 and USD 4,000 per SQM. "Prices are stable compared to 2015 but developers whose projects do not post satisfactory sales ratios are more and more flexible on pricing," says Karim Makarem.

Paradoxically, Beirut Central District (BCD), an important business hub of Beirut, accounts for only 32,831 SQM of the office stock, with namely four projects. Two of these are located on the periphery

of BCD, along the Ring Road. "The limited number of new projects is due to the scarcity of available plots designated for office development by the Master Plan of Solidere," says Karim Makarem.

Six office projects are under construction in the western part of Beirut, namely 22,933 SQM of office space (or 12% of the total stock). A new trend is slowly taking shape. In parallel to the known office hubs of Verdun and Hamra, developers have started launching new office projects in Jnah, Ramlet el Baida, and Unesco, which are traditionally residential neighborhoods.