

Stock
915,200 sqm

Vacancy Rate
5-8%

Take - up
5,800 sqm

Completions
8,200 sqm

Prime yield
5.5%

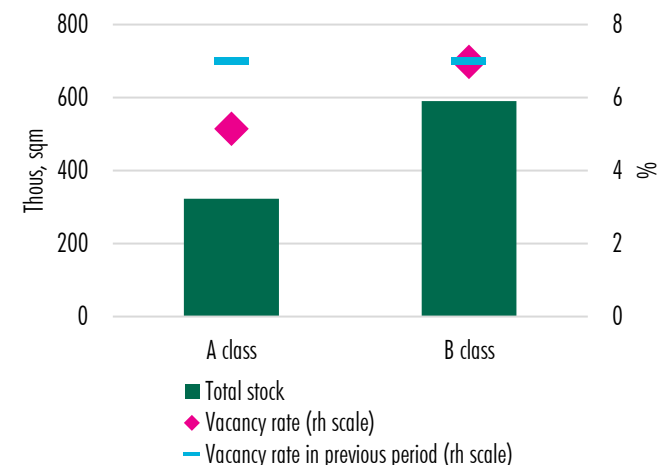
A Class rent range
15-17 EUR/sqm/mnth

B Class rent range
12-14 EUR/sqm/mnth

Highlights:

- After no new office buildings were commissioned in Q2 of 2021, the market welcomed the opening of Skyon in Q3. The development added 8,200 sqm of new A class office space to the market and was almost fully preleased. The remainder of the year is likely to add only a further 6,400 sqm of new office space to the market.
- The main reason for the low volume of new development added to the market is the delay in construction due to the uncertainty created by the Covid-19 pandemic.
- The rental level has not fluctuated noticeably in the last few years, yet a low vacancy and increasing activity levels in newer A class office buildings as well as tenants looking for newer and more high quality spaces are starting to create an upward pressure on prices in the segment.
- Currently, A class offices account for 33%, while the remaining 67% of total Tallinn office stock is made up of B class premises.
- Despite the delta variant of Covid-19, developers are being more optimistic and in 2022 development activity is expected to increase again. A significant volume of 90,400 sqm of office space is estimated to be delivered to the market with the Alma Tominga House in Ülemiste and the Polaris House in Avala Quarter being the largest projects.

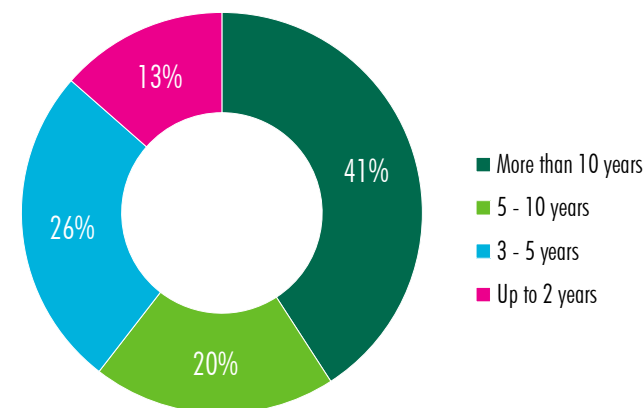
Vacancy by Office Class:



Tallinn Modern Office Stock:



Age of Offices based on GLA Distribution:



Notes:

KPI figures show Q3 2021 results. Arrows indicate Q2 2021/Q3 2021 change.

Sources: CBRE Baltics

Martin Rootare, Sr Real Estate Consultant | A&T | +372 530 22146 | martin.rootare@cbre.ee
Robert Roode, Market Analyst | R&C | +372 564 59222 | robert.roode@cbre.ee

© Q3 2021 CBRE Baltics, Part of the CBRE Affiliate Network

Disclaimer: Information contained herein, including projections, has been obtained from sources believed to be reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to confirm independently its accuracy and completeness. This information is presented exclusively for use by CBRE clients and professionals and all rights to the material are reserved and cannot be reproduced without prior written permission of CPB Real Estate Services.