

# GREECE Office Market Snapshot

Fourth Quarter | 2018



## MARKET INDICATORS

### Market Outlook

Prime Rents:	Shortages of quality supply allied with higher demand expected are likely to fuel rent hikes.	▼
Prime Yields:	Room for slight yield compression, as investor interest intensifies for quality schemes.	▲
Supply:	Supply under development expected to increase in the short term.	▶
Demand:	Demand will continue to trend in line with current levels.	▶

### Prime Office rents – December 2018

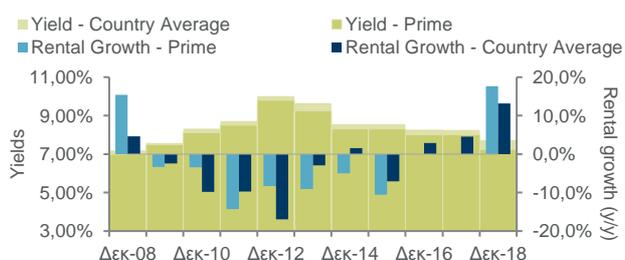
LOCATION	€	€	US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Athens (Syntagma Square)	20.00	240	25.4	17.6	0.0
Athens (Kifissias Avenue)	17.00	204	21.6	13.3	2.5
Athens (Piraeus)	14.00	168	17.8	16.7	8.1

### Prime Office yields – December 2018

LOCATION (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Athens (Syntagma Square)	7.25	7.50	8.00	9.80	7.00
Athens (Kifissias Avenue)	7.50	7.75	8.00	9.80	7.00
Athens (Piraeus)	7.75	8.00	8.20	10.20	7.50

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

### Recent performance



## Overview

Albeit the positive momentum, Greece is still confronted with serious challenges and recovery is progressing slowly. As the 2019 general election approaches, political risk increases while various questions are hanging over the banking sector. The merger of Eurobank and Grivalia Reic has been announced by absorption of Grivalia by Eurobank subject to the relevant legal and regulatory requirements and approvals. Fairfax will become the largest shareholder in the merged entity with a 32.93% shareholding. The largest driver of growth in Greece remains the tourism sector and growth in tourist arrivals over the last years is likely to level off in 2019, according to the President of the Association of Greek Tourist Enterprises who recently announced that in 2018, Greece attracted about 33 million foreign visitors and tourism revenue rose to 16 billion euros.

## Occupier focus

During the fourth quarter of 2018 the Athens office market continued to follow a positive trend although take up remains subdued due mainly to small size of transactions. There is limited take up in excess of 4,000 sqm in Athens market and the quality of the leased premises is becoming an increasingly important factor for occupiers to consider in their relocation's decisions. On the supply side the availability of class A office space is still limited albeit the first speculative construction projects announced. Prime rents have seen growth over the past six months largely driven by the lack of quality supply than any significant shift in occupiers' patterns.

## Investment focus

During fourth quarter, Grivalia Properties Reic acquired 49% of the company "Piraeus Port Plaza 3". The existing asset will be upgraded from a former industrial into a modern, energy-efficient 43,992 sqm office, retail and parking complex. Grivalia has agreed to acquire the remaining 51% following the completion of the asset's redevelopment. A joint venture of Dimand development and Grivalia, acquired also a 14,000 sqm office building in CBD periphery for 10.8 million to redevelop it into modern offices and BriQ Properties Reic acquired a stand-alone building of 1,629sqm at a premium location of CBD.

## Outlook

The office sector is expected to remain active. Core assets will be the most requested, although the limited availability of prime product is promoting new investment strategies oriented towards the redevelopment of existing buildings and its change of use to hospitality or residential uses. As a consequence of the increasing competition for the best products, further compression of prime yields is expected in 2019.

GREECE

# Office Market Snapshot

Fourth Quarter | 2018



GREECE

# Office Market Snapshot

Fourth Quarter | 2018



# GREECE Office Market Snapshot

Fourth Quarter | 2018



## Key Occupier Transactions

PROPERTY	SUBMARKET	TENANT	SIZE (SQ.M)	TRANSACTION TYPE
Athens	Syngrou Ave	Boehringer Ingelheim	2.170	New lease
Athens	Kifisias Ave	Siemens Health Initial	1.004	New lease
Athens	Kifisias Ave	General Mills	404	New Lease

Source: Cushman & Wakefield

## Key Investment Transactions

PROPERTY	SUBMARKET	SELLER / BUYER	YIELD	PRICE € MILLIONS
Piraeus Port plaza 1&2	Piraeus	DIMAND/GRIVALIA REIC	na	7.49
Filellinon 18	Kifisias	RED DEVELOPMENT/BRIQPROPERTIES REIC	8	1.0
Politeia Business centre	CBD	PRIVATE/TRASTOR	na	0.96

Source: Cushman & Wakefield, Real Capital Analytics

This report has been produced by Cushman & Wakefield LLP for use by those with an interest in commercial property solely for information purposes. It is not intended to be a complete description of the markets or developments to which it refers. The report uses information obtained from public sources which Cushman & Wakefield LLP believe to be reliable, but we have not verified such information and cannot guarantee that it is accurate and complete. No warranty or representation, express or implied, is made as to the accuracy or completeness of any of the information contained herein and Cushman & Wakefield LLP shall not be liable to any reader of this report or any third party in any way whatsoever. All expressions of opinion are subject to change. Our prior written consent is required before this report can be reproduced in whole or in part. ©2018 Cushman & Wakefield LLP. All rights reserved.

## Nicky Simbouras

Managing Director  
154A, Sevastoupoleos street,  
11526 Athens, Greece  
Tel: +30 210 7480852  
[nicky.simbouras@cwproprius.com](mailto:nicky.simbouras@cwproprius.com)  
[cushmanwakefield.com](http://cushmanwakefield.com) / [cwproprius.com](http://cwproprius.com)