

Office rental rates are clearly on the way up

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Signs of recovery in the Greek office market are now tangible, as sector professionals say that rental rates for quality space are growing in most cases.

Market experts report high demand while the availability of modern office buildings is insufficient, so many groups are choosing to lease offices in lower categories, intending to upgrade them and adapt them to their own requirements.

“We are observing an increased absorption of office spaces, and a reduction of their returns by 10 to 20 basis points compared to previous months. The shift in market psychology is obvious and we may currently be at the start of a growth cycle,” noted Tasos Kazinos, chief executive officer at Trastor Real Estate Investment Co.

According to data from property services firm Proprius, office rental rates on Athens’s Kifissias Avenue posted a year-on-year rise of 6.7 percent at the end of the first quarter. Similarly, offices in Syntagma Square saw rates jump 5.9 percent.

Marios Apostolinas, head of property investment company Intercontinental International, added that the two floors his firm acquired at Athens Towers were not only quickly leased out above the original target (of 14 euros per sq.m. per month), but that demand could match even higher rates.

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