



Commercial high-street rents bend to pressure

By NIKOS ROUSSANOGLOU
KATHIMERINI

In a clear indication of the conditions prevailing in the commercial real estate market in central Athens, the Civil Servants Fund (TPDY) recently agreed, after a string of unsuccessful calls for tender, to reduce the rent on one of its prime properties by 43 percent compared to what it was asking two years ago.

FOCUS

The space in question is 747 square meters, with two basement areas, and is located at the top of the capital's main shopping street, Ermou, on Syntagma Square, in a building that also houses two offices for state services, among others.

The new tenant in the space is a major sportswear retailer which opened last month, paying 57,000 euros per month – significantly less than the 100,000 euros paid by the previous occupant, a bank.

However, this 43 percent reduction in the space of a couple of years could have been much greater given that just a few meters away, on Stadiou Street, rents have dropped dramatically, in some cases even above 50 percent.

According to Yiannis Perrotis, managing director at CBRE Atria, a firm specializing in real estate services, “the market in cen-



The commercial real estate market in central Athens, and especially on Stadiou Street, is operating abnormally due to the frequency of protest marches and riots in the vicinity.

tral Athens and especially on Stadiou Street, is operating abnormally because of the frequency of protest marches and riots in the vicinity. This, combined with the de-

cline in consumption, has inevitably brought rents down.”

In some parts of downtown Athens, according to experts, rents need to come down

by more than 50 percent compared to those of two years ago if they are to reflect today's market conditions.

In the streets around Syntagma Square – which has borne the brunt of the protests – such as Ermou, Mitropoleos, Stadiou and Panepistimiou, the cost of rent has declined by 20 percent on average and in some cases up to 50 percent compared to 2008, when it became clear that the Greek economic crisis was only just starting.

According to Nicky Simbouras, managing director of Proprius (an alliance partner of international realtors Cushman & Wakefield), protests, riots and the economic crisis have definitely taken a toll on the commercial property market in the area, though Ermou Street has managed to retain its commercial appeal.

“The most expensive stretch of Ermou is around the middle, between Syntagma Square and the Church of Kapnikarea,” said Simbouras. “There, rents may have gone down by up to 40 percent compared to pre-crisis levels, yet they have proved more resilient than those on other parts of the street.”

The cost of rent, however, does not currently exceed 200 euros per square meter for smaller spaces (the larger the space, the smaller the rent per square meter), compared to not so long ago, when the average was up to 300 euros per square meter.