

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q4 2022

7.45%
Vacancy Rate

YoY
Chg

12-Mo.
Forecast



35,000
Take-Up sqm



€25.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q4 2022

5.6%
GDP growth rate
for 2022

YoY
Chg

12-Mo.
Forecast



11.6%
Unemployment Rate
December 2022



7.2%
Inflation rate
December 2022



INVESTMENT MARKET: Office investment volume rising 35% y-o-y.

In the fourth quarter of 2022 the office market was responsible for € 100 mil investments, out of a year-end investment volume of € 370 mil, which is 35% higher than that of the previous year. Domestic REITs continue to be the leaders in deploying capital in the office market, with overseas capital, at lower levels than anticipated, given the global economic headwinds. The €49 mln purchase of 12-14 Amalias Ave offices in Syntagma Square, by Prodea Reic and the acquisition of Arcania centre, leased to Wiva Wallet for €31.5 mln again by Prodea Reic were among the largest transactions of the quarter.

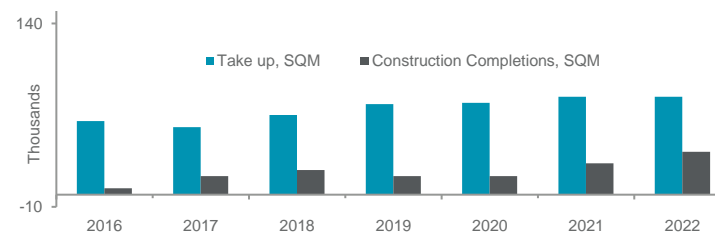
SUPPLY & DEMAND: Quality remains the priority requirement.

The Greater Athenian office market supply continues to be dominated by secondhand space, accounting for 75% of the total fourth quarter of 2022 availability. The availability of newly completed space, although increased due to a couple of development completions remains very low. The market registered 20 new lease deals in a total take-up volume of 35,000 sq.m, all immediate occupancies, bringing the year-to-date volume to 110,000 sq.m 25% higher y-o-y. Syngrou Ave at Athens south, reached the highest share of take-up in the fourth quarter mainly influenced by the completion of class A, Leed gold development by Dimand. More than 50% of take-up was driven by expansions and newcomers. With respect to sectors, advisory, and ITT firms played the leading roles in terms of the take up representing some 55% of the total transacted. After the increase of 10% in the second semester of 2021, prime rents remain stable since then. Quality offices, particularly to ESG-compliant and sustainable spaces, have been the target for most occupiers looking for new office space which remain in short supply across all office submarkets.

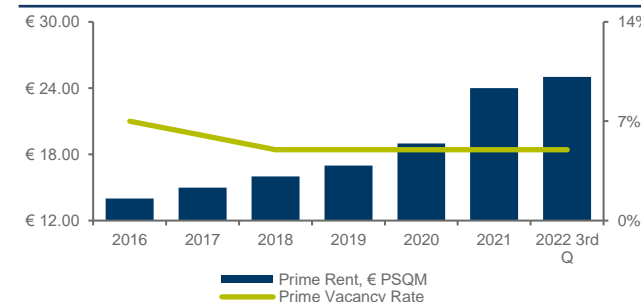
OUTLOOK: Prime and average rents remained stable over the past year.

Fundamentals of the office market are expected to remain positive in the coming months. The benchmark prime rent has remained stable over the past year, standing at € 25/sq m/month. It is expected that rents will be challenged in 2023 due to the delivery of new offerings, rising inflation which is putting further upward pressure on rents, and combined however with a shortage of quality and well-located office space in Athens. Inflated construction costs, skilled labor shortages, and construction wage growth are to be monitored closely during 2023. Developers might be required to explore alternative cost-cutting routes with a further focus on cost control and risk assessment and process improvements. While the market has undoubtedly become more challenging there is no shift reported on yield levels and capital values.

TAKE UP/DELIVERIES



OVERALL VACANCY & PRIME RENT



MARKET STATISTICS ATHENS

SUBMARKET	INVENTORY (SQM)	AVAILABILITY (SQM)	OVERALL VACANCY RATE(%)	YTD OVERALL TAKE-UP(SQM)	UNDER CNSTR ONGOING (SQM)	DEVELOPMENT IN THE PIPELINE(SQM)	PRIME RENT* (€/SQM/MNTH)	PRIME YIELD*
CBD & CBD periphery	1,750,000	157,500	9.00	21,000	25,864	62,077	€25.00	5.80
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	166,500	5.88	19,000	28,000	34,000	€25.00	6.00
Athens North(E75)	60,000	5,400	19.00	1,800	0,00	0,00	€16.00	7.00
Athens South(Syngrou, Vouliagmenis)	1,000,000	90,000	7.20	7,000	15,500	173,750	€22.00	6.30
Piraeus Port	280,000	25,200	14.00	1,200	16,000	0,00	€18.00	6.90
Other	150,000	13,500	18.00	2,000	0	16,000	€13.00	7.50
TOTALS	5,090,000	458,100	10.80	52,000	85,364	296,827	€19.80	6.58

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Kifisias Ave	North Athens	PWC	11,000	New lease
Michalakopoulou Ave	CBD fringe	State	1,000	New lease
Agisilaou str	North Athens	Pharma	1,212	New lease
Har. Trikoupi	CBD	Technology	1,076	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
12 klm National Rd Athens Lamia	Athens Northeast	Private party/Dromeus Capital	14.868	11,570,100
1, Artemidos str	Athens North East	Hellenic Properties/Eeverty	6,200	confidential
59-61, Akadimias str	Athens CBD	Bank of Greece/Hellenic Competition commission	8,379	9,500,000

KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Syggrou & Lagoumitzi	Athens South	TBC	15,000	Dimand

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