

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q1 2023

6.24%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



40,000
Take-Up sqm



€25.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q1 2023

1.2%
GDP growth rate
for 2023

YoY
Chg



12-Mo.
Forecast



10.8%
Unemployment Rate



4.6%
Inflation rate March
2023



INVESTMENT MARKET: increased investment volume fueled by two transactions.

Office investment volumes reached € 170 million in Q1 2023, largely driven by the pre-contract completion, for the sale of PWC new headquarters along Kifisias Ave, to Eurobank at € 74.4 million and the agreement for the construction of 30,000 sqm Piraeus courts building, by Dimand, at € 81 million. Also, Trastor Reic announced the acquisition of three buildings owned by Piraeus bank and specifically a listed 2,579 sqm building along 5 Korai str in CBD, a 1,337 sqm office building in Chalandri and a 2,835 sqm three-story building along Lavriou str in Peania. The upcoming presidential elections during May 2023 and the increasing financing costs result in a more challenging investment market, with most of the investors taking a wait-and-see position.

SUPPLY & DEMAND: Quality remains the priority requirement.

Leasing activity reached almost 40,000 sqm in the first quarter of 2023, surpassing the 5-year average for this period of the year by almost 50%. Buildings with quality grades A- and B represented 80% of the take-up with only 20% in the A+ category due to low availability. However, albeit with a dynamic start in 2023, the office market is surrounded by cyclical uncertainties with the most active sector the Business Services and the State authorities. Building completions were almost muted in the quarter while more than 50% of the letting transactions have been recorded in CBD submarket. Inflation, interest rate, and cost increases add to the uncertainty among office occupiers. The occupiers are adapting differently to the alternative ways of working with some downsizing due to low space utilization as a result of high levels of hybrid work, while others are expanding due to new hirings. There are also discrepancies in demand between the submarkets with Athens northeast and CBD attracting the majority of the new inquiries with vacancies increasing in the decentralized locations.

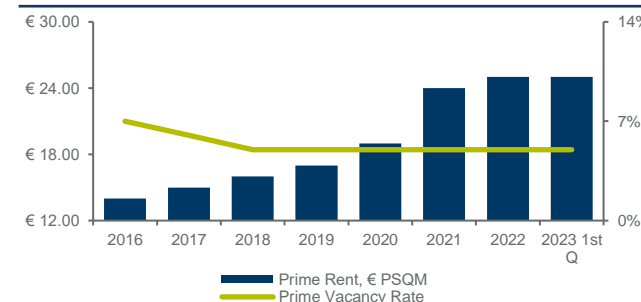
OUTLOOK: Prime and average rents remained stable over the past year.

In the office segment, demand is focused on attracting and retaining talent, adjusting to the hybrid working model, and trying to increase the return to office rate by opting for high-spec buildings with flexible spaces and amenities which address factors such as sustainability and well-being. Older space is marketed following appropriate investment in refurbishment. The threshold at 3%, previously imposed on the rent readjustment rates applicable to commercial and professional leases for 2022, shall continue to apply in 2023.

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 Q1 2023

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Mesoghion Ave	CBD fringe	State authority	5,326	New lease
Syntagma	CBD	State	8,981	New lease
Kato Kifisia	Athens North	Media	3,000	New lease
Iliia Iliou	CBD fringe	Telecom	3,376	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
65 Kifisias Ave	Athens Northeast	Dimand /Eurobank	16,500	74,400,000
Agiou Dionisiou(Daskalaki property)	Piraeus	Dimand/Piraeus municipality	36,000	80,900,000
5 Korai str	Athens CBD	Piraeus Bank/Trastor Reic	2,579	7,540,000

KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Anthousis str	Athens North East	Technology/Banking	3,500	New Eleven

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