



YoY Chg 12-Mo. Forecast

**7.0%**

Prime yields



**120,000**

3rd QTake-Up, SQM



**€ 5.25**

Prime Rent, PSQM



## ECONOMIC INDICATORS Q3 2023

YoY Chg 12-Mo. Forecast

**+2.5%**

GDP growth rate for 2023(projection IMF)



**10%**

Unemployment Rate 9/23



**2.4 %**

Inflation rate 9/23



**50.3**

9/23 PMI Markit Greece



**+2.4%**

Production Index June 2923



## ECONOMIC OVERVIEW

The Greek economy is expected to grow by 2.5% this year and by 2% in 2024, significantly exceeding average growth rates in the Eurozone. Economic Sentiment Indicator increased to 109,9 as an average of third quarter compared to 93.8 in Eurozone same period and 108.7 in the 2nd quarter 2023. The positive climate that prevailed after the elections, with the stability provided by the renewal of the government mandate, is mitigated by the major natural disasters in many regions of the country. S&P Global is the first among the “big three” rating agencies to upgrade Greece to investment grade since the country’s debt crisis in 2010 which is expected to significantly boost market confidence in the Greek economy, attracting investment and lowering borrowing premiums. The unemployment rate fell to a near 14-year low at 10% in September from 11.3% in Q2 2023, with employment growth maintaining momentum (+1.6% y/y). PMI in September closed at 50.3 points against 52.9 points in August due to an increase in input costs, from raw materials to transportation, a decrease in new orders, as well as delays in the supply chain. Officially ranking 23rd globally this year, Greece's truly impressive upgrade in the World Bank’s Logistics Performance Index, has come to reward efforts to improve the supply chain and logistics center.

## INVESTMENT & DEVELOPMENT

The fundamentals of the industrial property market in Greece remain strong with an investment volume of circa € 50 million this quarter in Attica. Notable transactions include the pre-agreement for the acquisition by Trastor REIC of two land sites of 18,419 sqm and 11,740 sqm in Aspropyrgos, on which a state-of-the-art 10,981 and 4,545 sqm storage and distribution facility shall be developed. Every also acquired two logistics centres in Aspropyrgos of 33,000 sqm in size within the 3rd quarter of 2023. The transformation of commerce into a hybrid model that combines electronic and physical stores is giving new impetus to the sector, which is being called upon to respond by strengthening its infrastructure. Investors’ and occupier’s necessity to align to ESG criteria is driving the market to increasingly focus on sustainability.

## OCCUPIER MARKET

The volume of demand is very high led by 3PLs which are focused on high-quality assets with defined delivery times, and we estimate that a total of circa 120,000 sqm of industrial and logistics space have been absorbed only in the 3rd quarter of 2023 significantly higher than the same period last year. Prime rents registered a 5% (YoY) increase as a consequence of the unbalanced between demand/supply and of the increase in construction costs. Headline prime rents are standing at circa €5.25/sqm in Athens and €4.25/sqm in Thessaloniki with higher rents for Leed certified assets. Occupier demand is primarily driven by logistics and transportation companies and producers as well as end users.

## RENT EVOLUTION



## YIELD EVOLUTION

