

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q4 2023

11.3%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



20,000
Take-Up sqm



€29.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q4 2023

2.4%

GDP growth rate for
2023

YoY
Chg



12-Mo.
Forecast



9.2%

Unemployment Rate
12/23



3.57%

Inflation rate 12/23



OCCUPIERS MARKET: Although the 4th Quarter saw a softening of take-up, 2023 closed above expectations.

Take-up for the fourth quarter totaled 20,000 sqm, bringing the total value for the year to 160,000 sqm. This represents a 22% increase on the previous year and is only 12% below the highest take-up level recorded pre-crisis. The largest transaction of the quarter was the relocation of Greek Parliament offices, to a 13,460 sqm building along 20 Amalias street in CBD. Over Q4, two projects were completed with a total area of around 9,500 sq m. in line with the low number of completions in other 2023 quarters. As a result, there is intense pressure on prime rents with the average prime rent rising to €29/sq m/month during the quarter, with certain deals exceeding the €30/sqm/month threshold, which is 12% above last year. There are currently nearly 230,000 sq m under construction which are expected to be completed over the next two years and 232,000 sqm in the pipeline. It is worth highlighting that of the current projects under construction, around 45% are reconstructions of existing buildings. The strongest submarket in terms of take-up in 2023 was CBD followed by Northeast Athens.

INVESTMENT MARKET: High investment volume fueled by special interest transactions.

Office investment volumes recorded were € 165 million in Q4 2023, 15% higher compared to last year. However, the deals were mainly of special interests, and is evident that investors maintain a cautious posture due to the recent rising of financing costs. Family-based capital and value-add funds and occupiers remain active. Prime yields remained stable across all sectors during the 4th quarter which is rather theoretical due to the lack of significant volume of transactions on investment-grade products. Within the quarter the selling of the new Pireaus courthouse of 36,000 sqm has been concluded for €80.9 million, through the Judicial Buildings Financing Fund. Prodea Investments announced the conclusion of the transfer of 22 offices and retail assets to NBG being also the tenant of the assets for €110.5 mil.

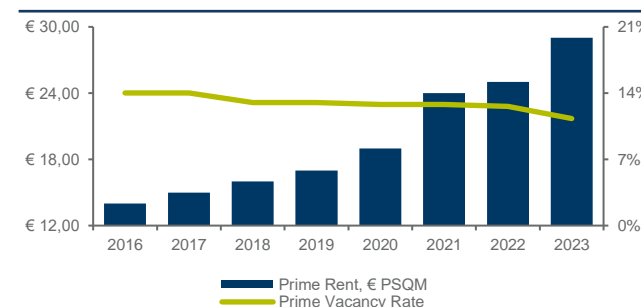
OUTLOOK: Average rents increasing under the pressure of flight to quality.

The market fundamentals in the office sector in Greece are still strong in the opposite direction of other European markets. 2024 is expected to be another year of growth, with the risks centered around geopolitical tension with sustainability to be a growing influence on real estate decisions. Improvement of capital markets conditions and loan maturities is expected to create transactional activity while take-up is expected to further rise arising from changes in occupiers' workplace strategies.

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	1,756,000	235,000	13.38	58,000	84,899	8,200	€29.00	5.80
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,828,000	166,900	9.13	40,000	90,779	22,728	€28.50	6.00
Athens North(E75)	80,000	11,000	13.75	9,000	14,000	0,00	€16.00	7.00
Athens South(Syngrou, Vouliagmenis)	1,000,000	105,100	10.51	15,000	25,500	152,500	€23.00	6.30
Piraeus Port	300,000	42,000	14.00	12,000	16,000	0,00	€18.00	6.90
Other	171,000	20,000	11.70	30,000	0	0,00	€14.00	7.50
TOTALS	5,135,000	580,000	11.30	160,000	231,178	233,428	€20.33	6.58

*Rental rates & yields reflect average prime

**including 24 months completions

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Amalias str.	CBD	Public	12,819	New lease
Panepistimiou str.	CBD	Public	3,516	New lease
Kifisias Ave.	Athens northeast	Bank	750	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
Mesogheion Ave.Politeia center	Athens Northeast	Bain Capital/Trastor REIC	5,500	20,400,000
Haidariou and Fokionos str	Piraeus	Dimand/Public	36,000	80,900,000

KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Mesogeion Ave 109-111	Athens CBD	Italgas	5,500	na
Fragoklisis 13	Athens Northeast	Net Company intrasoft	5,800	na
Omirou & Stadiou	Athens CBD	Na	4,600	na

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