

# GREECE Office Market Snapshot

First Quarter | 2018



## MARKET INDICATORS

### Market Outlook

Prime Rents:	Shortages of quality supply allied with higher demand expected are likely to fuel rent hikes	▼
Prime Yields:	Room for slight yield compression, as investor interest intensifies for quality schemes	▲
Supply:	Supply under development expected to increase in the long term	▶
Demand:	There is occupiers trend for demand increase focused on prime locations and quality assets	▶

### Prime Office rents – March 2018

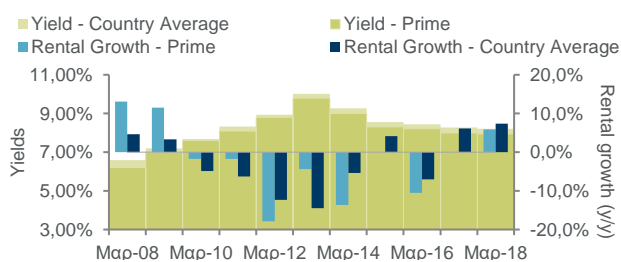
LOCATION	€	€	US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Athens (Syntagma Square)	18.00	216	25.1	5.9	-3.9
Athens (Kifissias Avenue)	16.00	192	22.3	6.7	0.6
Athens (Piraeus)	13.00	156	18.1	18.2	6.5

### Prime Office yields – March 2018

LOCATION (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Athens (Syntagma Square)	7.95	8.00	8.00	9.80	6.40
Athens (Kifissias Avenue)	7.95	8.00	8.00	9.80	6.40
Athens (Piraeus)	8.00	8.20	8.20	10.20	7.20

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

### Recent performance



## Overview

After a decade of recession, Greece is eyeing an exit from its third EU bailout programme. Recovery is set to be driven by tourism, with a record number of arrivals in 2017 and strong early bookings for 2018, along with increased domestic consumption. Occupiers remain cautious leading to low levels of demand with prime rents presenting increasing trend. Overall investment activity remained low over the quarter and development activity is still subdued.

## Occupier focus

Office space demand registered reductions in take-up in 2017 and the same trend continued in the first quarter of 2018 due mainly to absence of large deals. There is a shortage of available offices apt to satisfy corporate demand while quality remains a driver for demand with very limited development activity and dated stock. CBD and Kifissias Ave have been the most active submarkets, with the financial services and pharma the most aggressive sectors. The market continues to be characterized by small-size transactions. Notable transactions include the lease of an office building along Syngrou Ave to a hotel operation.

## Investment focus

The first quarter of 2018 saw 30 million invested into the office sector. Among the Reic acquisitions, Greek real estate investment company Trastor Reic, bought 80% ownership of Kronos Business Center, of 4,715 square meters for 6.5 million euros and Intercontinental Reic acquired 838 square meters offices in Kolonaki for 2.45 million euros. Core investment assets continue to be the most attractive for investors; however, due to limited availability of quality products, there is an increasing demand for value-added opportunities in core locations. High competition for prime assets is generating a compression of prime yields in major submarkets.

## Outlook

The office sector is expected to drive investments interest throughout the year. As a consequence of the increasing competition for the best products, and lack of such product on offer, compression of prime yields is expected in 2018. Activity expansion and space renovation is expected to be the main drivers for new letting contracts this year.

# GREECE Office Market Snapshot

First Quarter | 2018



## Key Occupier Transactions

PROPERTY	SUBMARKET	TENANT	SIZE (SQ.M)	TRANSACTION TYPE
Athens	Syngrou Ave	Hotel	5.300	New lease
Athens	CBD	Law office	542	New lease
Athens	Pireaus	Telekom	11.600	New lease

Source: Cushman & Wakefield

## Key Investment Transactions

PROPERTY	SUBMARKET	SELLER / BUYER	YIELD	PRICE € MILLIONS
Kronos business center	Kifisias Ave	Lamda Development/Trastor Reic	na	6.5

Source: Cushman & Wakefield, Real Capital Analytics

This report has been produced by Cushman & Wakefield LLP for use by those with an interest in commercial property solely for information purposes. It is not intended to be a complete description of the markets or developments to which it refers. The report uses information obtained from public sources which Cushman & Wakefield LLP believe to be reliable, but we have not verified such information and cannot guarantee that it is accurate and complete. No warranty or representation, express or implied, is made as to the accuracy or completeness of any of the information contained herein and Cushman & Wakefield LLP shall not be liable to any reader of this report or any third party in any way whatsoever. All expressions of opinion are subject to change. Our prior written consent is required before this report can be reproduced in whole or in part. ©2018 Cushman & Wakefield LLP. All rights reserved.

### Nicky Simbouras

Managing Director  
154A, Sevastoupoleos street,  
11526 Athens, Greece  
Tel: +30 210 7480852  
[nicky.simbouras@cwproprius.com](mailto:nicky.simbouras@cwproprius.com)  
[cushmanwakefield.com](http://cushmanwakefield.com) / [cwproprius.com](http://cwproprius.com)