

# GREECE Retail Market Snapshot

Third Quarter | 2017



## MARKET INDICATORS

### Market Outlook

Prime Rents:	Prime rents stable, but rents falling further in secondary locations.	▶
Prime Yields:	Yields in prime high street and shopping centre locations anticipated to fall in the medium term.	▲
Supply:	Limited supply, with no new projects in the immediate development pipeline.	▶
Demand:	Occupier and investor demand is anticipated to improve in the medium term.	▼

### Prime Retail Rents - September 2017

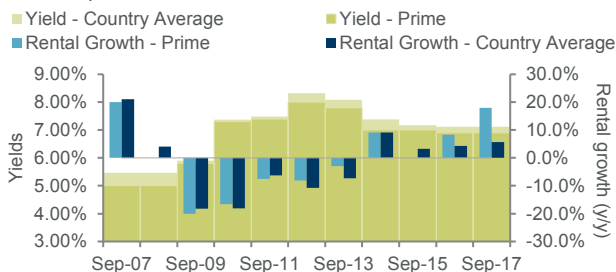
HIGH STREET SHOPS	€		US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Athens (Kolonaki-Tsakalof)	90	1,080	119	0.0	-2.1
Athens (Ermou)	230	2,760	304	17.9	6.2
Athens (Glyfada-Metaxa)	120	1,440	159	4.3	2.7
Athens (Kifisia-Kolokotroni)	115	1,380	152	4.5	0.9
Athens (Piraeus-Sotiros)	75	900	99	7.1	4.6
Thessaloniki (Tsimiski)	135	1,620	179	3.8	4.2

### Prime Retail Yields - September 2017

HIGH STREET SHOPS (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Athens (Kolonaki-Tsakalof)	7.20	7.20	7.20	8.50	5.50
Athens (Ermou)	6.90	6.90	6.90	8.10	5.00
Athens (Glyfada-Metaxa)	7.20	7.20	7.20	8.60	5.50
Athens (Kifisia-Kolokotroni)	7.20	7.20	7.20	8.60	5.50
Athens (Piraeus-Sotiros)	7.50	7.50	7.50	8.60	6.00
Thessaloniki (Tsimiski)	7.00	7.00	7.00	8.60	5.75
SHOPPING CENTRES (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Country prime	8.10	8.10	8.30	9.00	6.00

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

The turnover of retail sales in Greece rose 1.6% in July 2017 compared the same period a year ago, with volume of sales up 2.3% over the same period according to statistics service ELSTAT. The Greek economic sentiment index grew further to 100.6 points in September from 99 in August and 98.2 in July, to the highest level since December 2014, according to the Foundation of Economic and Industrial Research (IOBE). Consumer confidence also improved, mostly due to less adverse estimates for unemployment and is consistent with positive growth rate across the wider economy.

## Occupier focus

Prime retail markets and prime shopping centres continue to attract the interest of both local and international retailers. Occupier demand has been largely supported this quarter by food & beverage operators and mass-market retailers supported by increased tourism. This quarter Kotsovolos electronics opened its second store in Piraeus, Intersport athletics opened a stand-alone store along Stadiou street in the city centre while NYX Professional Makeup, opened their first store in Athens CBD and will soon expand in Glyfada. Starbucks opened its first store in the centre of Corfu and United Colors of Benetton and Sisley opened a store in Larisa while a new Goody's Burger House operated this summer in Mykonos.

## Investment focus

Trastor REIC has been particularly active this quarter, acquiring four retail units; twain the high streets of Kifisia, for a total of €2.12m, a stand alone retail building along Tsimiski in Thessaloniki for €8.45m and a high street store in Halandri for €0.78m. Investor demand is expected to continue till the year end focused on well-positioned high street stores and supermarkets.

## Outlook

There is increased interest for prime stores in all prime high street retail locations while shopping centre development has been thin on the ground. Investors' interest is expected to remain high and yields are mostly anticipated to remain stable, though some further downward pressure may be seen for prime schemes. Retailer demand is expected to hold, especially on behalf of mass-market operators, with rents remaining stable or rising in in certain locations.

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