

GREECE

Retail Market Snapshot

Third Quarter | 2019



MARKET INDICATORS

Market Outlook

Prime Rents:	Rents are expected to remain stable in high street locations.	▶
Prime Yields:	Downward pressure in yields in certain locations mainly due to lack of product on offer.	▲
Supply:	Limited supply, with few new projects in the immediate development pipeline.	▶
Demand:	Investor demand is anticipated to improve in the medium term.	▼

Prime Retail Rents – September 2019

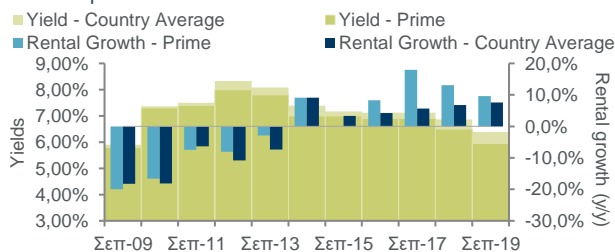
HIGH STREET SHOPS	€	€	US\$	GROWTH %	
	SQ.M	SQ.M	SQ.FT	1YR	5YR
	MTH	YR	YR	CAGR	
Athens (Kolonaki-Tsakalof)	100	1,200	126	11.1	2.1
Athens (Ermou)	285	3,420	359	9.6	9.6
Athens (Glyfada-Metaxa)	135	1,620	170	12.5	4.2
Athens (Kifisia-Kolokotroni)	120	1,440	151	4.3	2.7
Athens (Piraeus-Sotiros)	85	1,020	107	6.3	5.5
Thessaloniki (Tsimiski)	140	1,680	176	0.0	3.1

Prime Retail Yields – September 2019

HIGH STREET SHOPS (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Athens (Kolonaki-Tsakalof)	6.70	6.85	7.00	8.50	6.00
Athens (Ermou)	5.95	6.10	6.50	8.10	5.95
Athens (Glyfada-Metaxa)	6.65	6.80	7.20	8.60	6.00
Athens (Kifisia-Kolokotroni)	6.90	7.00	7.20	8.60	6.00
Athens (Piraeus-Sotiros)	6.90	7.00	7.25	8.60	6.30
Thessaloniki (Tsimiski)	6.40	6.60	6.90	8.60	6.20
SHOPPING CENTRES (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Country prime	7.85	8.00	8.00	9.00	6.50

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 economic climate index rose in September to 107.2 from 105.3 in July the highest performance since March 2008 according to the latest report by Foundation of Economic and Industrial Research (IOBE). At the same time, consumer confidence is at its highest level in 19 years. The positive impact of the election result is apparent. Complete lifting of capital controls, recovery of market confidence in the economy, played important role in the recovery of expectations albeit the deteriorating economic climate in the Eurozone, and the slowdown in economic activity in the region. The improvement in the Consumer Confidence Index is supported by both lower wage growth and continued employment growth, while purchasing power is expected to be further boosted by a decrease in VAT rates. Retail is expected to move in positive territory this year, as it is already witnessed a 1 to 2% increase since the beginning of the year, according to the Hellenic Retail Business Association (SELPE).

Occupier focus

Particularly significant increases are seen in outlets, with a 35% increase, indicating a general trend towards cheaper but branded markets. During 3rd quarter Bulgarian sports chain Sport Depot, expanded in Thessaloniki, opening a 2,600 sq.m. store, Zeus+Dione opened a flagship store along pedestrian of Voukourestiou, a new Ralph Lauren store opened in Kifisia while Adidas and Tezenis opened their first high street store in Thessaloniki along Tsimiski street.

Investment focus

During 3rd Q 2019 Trastor Reic agreed the acquisition of three prime high street stores at the markets of Glyfada and Piraeus investing 9 mill euros. With an absence of shopping centre deals, capital invested into the sector predominantly came mainly from private investors whose primary focus is high street retail. Prime high street yields compressed as a result of increased interest and limited product on offer.

Outlook

Prospects of the general retail market in Greece is positive, with the economic environment improving and leasing activity expected to remain sound in 2019 benefiting from growth in private consumption and tourism increase. In terms of shopping centre developments the construction works for the development of the western part of the former International Broadcasting Center (IBC) building where Golden Hall shopping center operates, continue and the investment of a total budget of €25 million is expected to be completed at the end of 2019 intended to supplement significantly the family entertainment sector of the shopping center. Athens City continues to dominate in commerce, culture, and tourism.

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