

**7.80%**  
Prime yields



**200,000**  
Take-Up est 2021, SQM



**€ 4.25**  
Prime Rent, PSQM



**ECONOMIC INDICATORS  
Q1 2021**

**+3.8%**

GDP growth rate  
2021 (est IMF)



**15.8%**

Unemployment Rate  
Dec 2020 Elstat



**-2.0%**

Harmonized index of  
consumer prices  
March 2021 Elstat



**51.8**

March IHS Markit  
Greece



**4.4%**

February Industrial  
Production Index Elstat



**ECONOMY: Economic sentiment brightens despite prolonged lockdown.**

The IMF forecasts growth of 3.8% for the Greek economy in 2021 and 5% in 2022, below however the eurozone average of 4.4%. An increase of 8.5% in exports for February 2021 for the sixth consecutive month of export growth (excluding fuel) has been also reported by Elstat. The CPI fell by -1.6% Y-o-Y in March, completing yet another quarter of deflation. Industrial production was up by 4.4% Y-o-Y in February, following a revised increase of 3.5% in January. The total contribution of the supply chain sector in Greece exceeds 9%, with 6.3% coming from third party services (3PL), according to data from Eurostat (fixed prices 2010), while the remaining 2.8% concerns in-house logistics. The industry employs about 200 thousand employees and has higher productivity than the country average. The catalyst for the implementation of strategic goals is now digitization and integration of modern technologies in all the functions of the supply chain. The supply chain maintained high levels of efficiency during pandemic in all critical areas and especially in medicine and food.

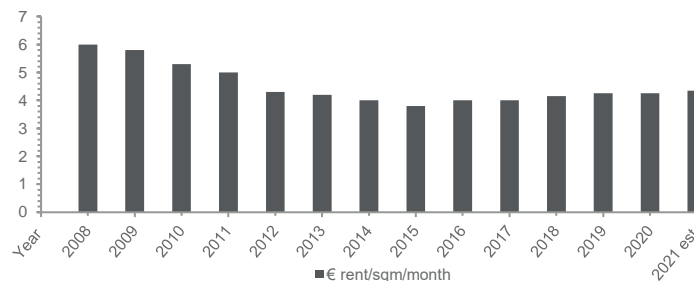
**DEMAND: Positive tenant activity recorded.**

Occupier demand for logistics property in Greece continues to be particularly strong as e-commerce activity increases. The majority of occupier's transactions are built to suit and concern newly built properties. The pandemic and the modern needs for real time inventory management have pushed several occupiers to find solutions. To this end, the Jumbo group is reorganizing its supply system, and implements an investment of new 5,000 sqm logistics facilities in Voiotia and land has already been purchased in Thessaloniki for the creation of new intermediate distribution center. New 45,000 sqm logistics investments are being launched by Orpheus Veinoglou group while the new 31,000sqm logistics hub is estimated to be completed till the end of 2021 by ACS in Aigaleo. In the first quarter of 2021 DHL Express operated its new distribution center of 5,000sqm at airport Macedonia of Thessaloniki.

**PRICING: Yields tend to further compress.**

While prime rents for large modern assets maintained their 2020 level, yields compressed by 20 bps compared to last quarter of 2020. The continual lack of grade A logistics available stock, has resulted investors to carry out forward purchase transactions. Given the allocation of real estate capital targeting the logistics sector, we anticipate further yield compression through the remaining of the year. Locations close to centres of consumption maintain a healthy appetite, whether completed or greenfield land. In the first quarter of 2021, approximately €15 mil has been invested in industrial and logistics property, with the largest being the acquisition by Trastor Reic of 11,634 sqm logistics at Dyo Pefka location of Aspropyrgos fully let to Synergy at € 6.9 mill. The reason for weak investment volume is mainly the absence of investment class product on offer. Developers are searching for brownfield sites in Attica and Thessaloniki in order to develop spaces for city logistics. Investors' appetite for warehouses and logistics space is expected to remain strong while areas close to city centre attract investors interest for last mile logistics.

**RENT EVOLUTION**



**YIELD EVOLUTION**

