

10%

Vacancy Rate

YoY Chg



12-Mo. Forecast



100,000

Take-Up, SQM



€ 4.25

Prime Rent, PSQM



Overall, Net Asking Rent

ECONOMIC INDICATORS Q3 2020

-10%

GDP growth rate 2020(est)

YoY Chg



12-Mo. Forecast



16.8%

Unemployment Rate



-2.0%

Harmonized index of consumer prices



50

September HIS Markit Greece



-2.4%

September Industrial Production Index



Source: European Commission & Elstat

ECONOMY: Coronavirus now expected to lead to 10% drop in GDP in 2020 overall.

According to the latest estimates of ELSTAT, GDP decreased by 15.2 % in the second quarter y-o-y, impacted in large part to the coronavirus pandemic and drop of tourism revenue. The decline in GDP has been driven mainly by private consumption (-9.3%), Imports of goods and services (-16.7%) and exports (-32.1%). Greece's economy is expected to contract by around 10% this year as a result of a likely second lockdown to contain a resurgence of infections. Greece began reopening to tourism in mid-June after strict lockdown measures which kept infection rates lower than in most other EU countries. Manufacturing PMI rose in August & September to a seven-month high, on the back of stabilizing output. Less positively, tourism revenues in the peak July–August months were down by over 75% compared to 2019, while consumer sentiment deteriorated for the third month running in September. Piraeus Port authority reported turnover decrease by 5.8% y-o-y during 1st semester 2020 mainly due to the significant reduction of revenues from the Cruise, the Coastal Shipping and the Car Terminal sectors, counterbalanced by an increase in revenues at the Container Terminal and the Ship Repair sector. During same period Thessaloniki Port Authority reported revenue increase of 5.3% due mainly to the additional revenues from the Container Terminal.

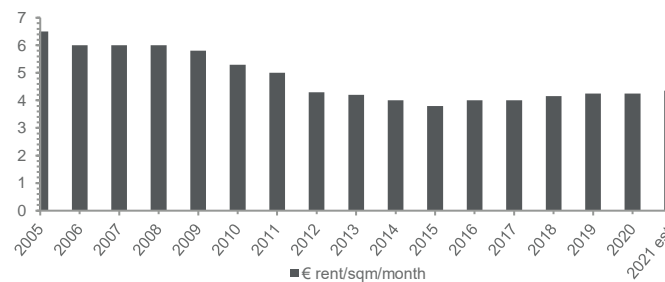
DEMAND: Positive tenant activity recorded.

Occupier demand for logistics property in Greece has been particularly strong in 2020 as e-commerce activity increased at the expense of regular food and non food retail. The pandemic has had relatively little impact on logistics real estate in Greece. The majority of occupier transactions concern newly built properties and for the year-to-date, some 250,000 sq m have been transacted approximately, only in Attica metropolitan area. The logistics sector remained the main drivers of demand. The lack of available warehouse space continued to maintain landlords' negotiating positions. Prime headline rents currently stand at €4.25 in Athens.

PRICING: Yields tend to further compress.

The continual lack of grade A logistics available stock, has resulted investors to carry out forward purchase transactions and yields tend to further compress. Investors are seeking existing warehouses or units under development in strategic locations close to centres of consumption and maintain a healthy appetite for the acquisition of logistics assets, whether completed or under development. In the third quarter of 2020, approximately €60 mil has been invested in industrial and logistical property, an increase compared to the same period last year. When it comes to yields for the classic real estate assets the logistics sector has been the only one undergoing prime yield compression, going from 8.25% to 8.00%. Major transactions of the quarter include the acquisition by Trastor REIC of a fully let logistics centre of 25,095 sq.m. at € 15.45 mill in Aspropyrgos area and the pre agreement of STERNER STENHUS for the acquisition of 3 assets in same area of 62,500 sqm, fully let expected to be completed till the end of 2020.

RENT EVOLUTION



YIELD EVOLUTION

