

	YoY Chg	12-Mo. Forecast
7.0% Prime yields	▼	▼
250,000 2022 Take-Up est, SQM	▲	▲
€ 4.50 Prime Rent, PSQM	▬	▲

ECONOMIC INDICATORS Q3 2022

	YoY Chg	12-Mo. Forecast
+5.3% GDP growth rate 2022(estimation)	▼	▼
11.8% Unemployment Rate September 2022	▼	▼
12 % Inflation rate September 2022	▲	▼
49.7 September PMI Markit Greece	▼	▲
+5.5% September/Annual change of Industrial Production Index	▲	▲

INVESTMENT & DEVELOPMENT: Increased appetite for the Logistics and Industrial markets.

Exports posted a new record, of € 35.79 bill over the January-August 2022 period, compared to €39.3 bill for the entire 2021. A 52.9 % increase in imports was also reported, along with a 29.9 % hike in the trade deficit during the same period. Having benefitted from trade figures and consumer and business reactions to the pandemic, the logistics sector presents strong interest and opportunities to investors, especially in Greece where only 25% of the total stock is exceeding the 5,000 sq.m. size. Albeit the macros worsening and the cost of borrowing rise, yields remain stable as a result of the strong interest in the sector. Lack of immediately available stock combined with strong demand and supply chain reconfigurations to enhance efficiencies, puts a sharper focus on land for new speculative or prelet developments. The acquisition of the former Balkan Real Estate property in Thessaloniki by Dimand for €6 mill. is a notable land transaction of the quarter. Within 335,600 sq.m land, Dimand plans to develop, in two phases, the largest logistics complex in northern Greece of 120,000 sq.m.. A series of projects are underway focusing on strengthening Greece's role in the global supply chain. The Church of Greece and the Hellenic Republic Asset Development announced, their cooperation for the exploitation of 3,000 stremmas land, at a strategic location bordering Piraeus port and Skaramagka area, for logistics among other uses. The agreement for the concession of 600 stremmas to the Hellenic Republic Asset Development, by the municipality of Fyli, has been signed, marking the development of the largest logistics centre in Southeast Europe for the relocation of the national transportation companies from Elaiona area. Investment volume reached €60 mil this quarter 50% higher than that of 2021. Fourlis Group entered also into the Real Estate Investment logistics sector, through the establishment of TRADE ESTATES REIC with the participation of AutoHellas as a strategic investor. H.I.G. Capital, following the investment to Makios Logistics SA is in advanced talks to acquire a majority stake at Orphee Beinoglou. The third quarter of 2022 was also marked by two logistics acquisitions by Trastor Reic, fully let triple-A occupiers, with a total surface of 17,708 sq.m., in the Aspropyrgos area of Attica for €12.5 mil.

OCCUPIER MARKET: Occupier demand remains robust, unable to be absorbed by the current supply.

Supply chain strategy is driving activity as occupiers seek supply chain optimization, cost efficiencies, operational resilience, and agility. During the third quarter of 2022, new occupancy deals in a total of 80,000 sq.m were transacted in Greece. Occupier demand for logistics continues to be particularly strong as e-commerce activity triggers increased rates of absorption of quality space, especially in Attica and Thessaloniki. Occupiers' focus on sustainability and searching for facilities adopting energy-saving systems and solar panels have been the norm for new logistics developments. Demand for last-mile facilities remains high, which is expected to boost further take-up in the next quarters. Rents are being subjected to upward pressures due to inflationary pressures and high construction costs.

RENT EVOLUTION



YIELD EVOLUTION

