

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q1 2020

8.59%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



20,000
Take-Up sqm



€22.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q1 2020

0
GDP growth
rate 2020

YoY
Chg



12-Mo.
Forecast



16.4%
Unemployment Rate



1.2%
Harmonized index
of consumer prices



Source: Bank of Greece & Elstat

ECONOMY: Economic prospects weaken with the arrival of the COVID-19 pandemic

Following a recent emerged from a 10-year economic crisis, the arrival of the COVID-19 pandemic is expected to have sharp effects on the output level, household spending, business investment and international trade of Greece. This impact cannot, for the time being, be quantified, due to a lack of available data and given that the pandemic is still unfolding. According to the baseline scenario of the Bank of Greece, GDP growth in 2020 is now projected to be zero, rather than 2.4% as last revised. Retail establishments, restaurants, schools and leisure activities, museums and most hotels and seasonal tourist accommodations, have almost all ground to a halt while customers self-quarantine and practice social distancing. As per Hellenic Federation of Enterprises manufacturing and agriculture, even if their link to global supply chains is relatively limited, will suffer the consequences of a likely prolonged scarcity, and a price hike, of raw materials. Tourism, retail trade and shipping seems to encounter a retrenchment of a smaller or larger size, depending on the duration and the impact of the COVID-19 to production, incomes and consumption. The government imposed severe social distancing measures at a much earlier stage than other European countries and Greece avoided the tragic healthcare crisis of other countries. Hopeful signs are emerging that policy steps to “flatten the curve” are beginning to work but it is too early to say if these signs are sustainable and how they will impact the economy.

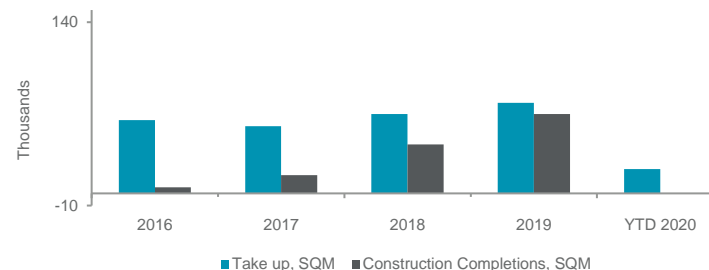
SUPPLY & DEMAND: earlier stage requirements are being delayed or placed on hold.

Corporates in Greece are focused to adjust to the new remote working regime and closely monitoring the market to take strategic decisions, discuss and plan for scenarios. Vast majority of assignments that were close to completion are moving forward with material delays. In general, the majority of earlier stage requirements are being delayed or placed on hold. The Greek Ministry of Finance has announced a 40% reduction in rent for commercial and residential property for the month of April in order to support companies and their employees. For property owners suffering a loss of income due to the rent reduction, a four-month suspension of tax obligations and tax installments is provided.

PRICING: Headline rents stable

At this stage landlords are keeping headline rents stable, being more generous to incentives offered to occupiers. Sellers are unwilling to lower prices significantly, hoping that the impact on the economy would be temporary and that market confidence would recover rapidly after the pandemic will be contained.

TAKE UP/DELIVERIES



OVERALL VACANCY & ASKING RENT





MARKET STATISTICS

| SUBMARKET | INVENTORY (SQM) | AVAILABILITY (SQM) | OVERALL VACANCY RATE(%) | YTD OVERALL TAKE-UP(SQM) | UNDER CNSTR (SQM) | PRIME RENT* (€/SQM/MNTH) | PRIME YIELD* |
|---|------------------|--------------------|-------------------------|--------------------------|-------------------|--------------------------|--------------|
| CBD & CBD periphery | 1,750,000 | 160,000 | 9.14 | 4,000 | 26,000 | €22.00 | 6.15 |
| Athens North East(Kifisias Ave, Attiki Odos, Mesoghion) | 1,850,000 | 125,000 | 6.76 | 10,000 | 14,600 | €18.50 | 6.50 |
| Athens North(E75) | 60,000 | 12,000 | 20.00 | 1,000 | 5,000 | €13.00 | 7.20 |
| Athens South(Syngrou, Vouliagmenis) | 1,000,000 | 70,000 | 7.00 | 1,500 | 15,000 | €16.50 | 6.70 |
| Piraeus Port | 280,000 | 40,000 | 14.29 | 2,000 | 7,000 | €15.50 | 7.00 |
| Other | 150,000 | 30,000 | 20.00 | 1,500 | 8,000 | €13.00 | 8.00 |
| DOWNTOWN TOTALS | 5,090,000 | 437,000 | 8.59% | 20,000 | 75,600 | €15.42 | 6.90 |

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q1 2020

| PROPERTY | SUBMARKET | TENANT | SQM | TYPE |
|-----------------------|--------------|-------------|-------|-----------|
| Orbit building | CBD | Travel | 700 | New lease |
| Kifisias Ave | Kifisias Ave | Consultancy | 3,500 | New lease |
| Close to Kifisias Ave | Kifisias Ave | Bank | 2,000 | Renewal |

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2020

| PROPERTY | SUBMARKET | SELLER / BUYER | SQM | PRICE/€ PSQM |
|-------------------------------------|---------------|--------------------|----------|--------------|
| Michalakopoulou 184 & Rapsanis Strs | CBD periphery | Pireos Real Estate | 8,896.00 | 17.1/3,525 |
| CBD | CBD | Confidential | 7,757.00 | Confidential |

KEY CONSTRUCTION COMPLETIONS YTD 2020

| PROPERTY | SUBMARKET | MAJOR TENANT | SQM | DEVELOPER |
|--|-----------|--------------|-----------|-----------|
| 115 Kifisias Ave, CBD fringe «The Orbit» | CBD | TAXIBEAT | 17,131.00 | NOVAL |

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