

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q1 2021

13.2%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



15,000
Take-Up sqm



€23.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q1 2021

3.8%

GDP growth rate
for 2021*

YoY
Chg



12-Mo.
Forecast



15.8%

Unemployment Rate
December 2020**



-1.6%

Inflation rate March
2021**



Source: *IMF **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%. According to the latest announcement of Elstat the public debt, rose to €341 bill, an increase of €10 bill from the year before. An increase of 8.5% in exports for February 2021 the sixth consecutive month of export growth (excluding fuel) has been also reported by Elstat. The Consumer Price Index (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 increase was driven primarily by a 12.4% annual rise in the electricity supply index, as well as a 2.7% rise in manufacturing. Recently, the Greek government announced its ambitious €57 bill recovery program – Greece 2.0 – promising to remake the Greek economy through investments in clean energy, digital transformation, education and social services. The program envisages 118 investments and 64 reforms, to boost competitiveness, exports and improve the business environment.

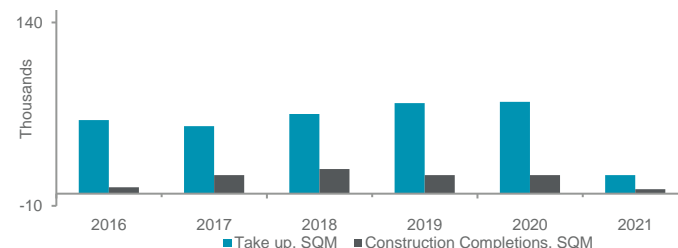
SUPPLY & DEMAND: The effects of the crisis are reflected in a decline of activity.

Occupiers are more active than last year in terms of relocation searches although there is still considerable uncertainty about future business development and ongoing discussions about the home office and its implications. The office letting market recorded a weak start with around 15,000 sqm take up recorded in Athens with the absence of larger deals of upwards of 3,000 sqm. Demand is expected to pick-up in the second half of the year (subject to the success of the vaccination program), and the year-end take-up result should at least be above the previous year (75,000 sqm) with Public authorities becoming more active in the market. Vacancy rate increased in class B and C space and is low in the case of new, flexible and well-located spaces and as a result rent increases has been reported for such space. An increase has been reported in development activity with a further 260,000 sqm currently under construction or in the planning stage, significantly higher compared to previous years without taking into consideration Hellinikon project.

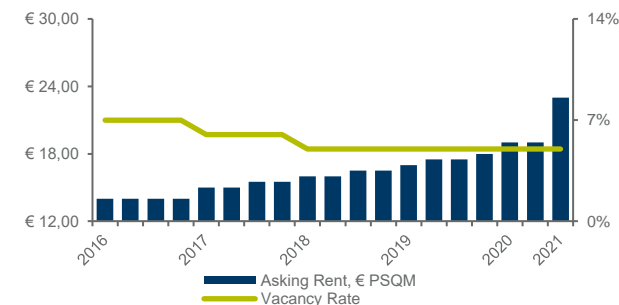
PRICING: Headline rents increasing.

Despite some uncertainty about the 'future of the office' the office sector remains the preferred investment choice for investors in Greece. A great example was the result of the recent tender process in which Noval Reic and Brooklane submitted a bid of €25.2 mill for the acquisition of 17,000 sqm land in Marousi to develop close to 20,000 sqm prime offices with bioclimatic characteristics. Prime headline rents reported an increase in the 1st quarter of 2021 reflecting the scarcity of supply of such space.

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	165,000	9.42	4,000	119,977	€23.00	6.05
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	128,000	6.92	2,500	6,800	€22.00	6.45
Athens North(E75)	60,000	12,500	20.83	3,500	0,00	€15.00	7.00
Athens South(Syngrou, Vouliagmenis)	1,000,000	72,000	7.20	3,000	21,000	€18.00	6.55
Piraeus Port	280,000	41,000	14.64	1,000	15,000	€17.00	7.00
Other	150,000	31,000	20.67	2,000	0,00	€13.00	7.50
TOTALS	5,090,000	449,500	13.28	25,000	146,877	€18.00	6.90

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Hrakleiou Ave	Athens North East	F&B	1,240	New lease
Nat. Road	Athens North	Commercial	2,200	New lease
Syngrou Ave	Athens South	Pharma	2,200	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
Gounari 11	Piraeus	Private/Briq Properties	2,428	2,100,000
Hrakleiou Ave	Athens Northeast	Confidential	5,200	confidential
Historic centre of Athens	CBD	Private company/Developer	1,586,00	3,300,000

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Attiki Odos	Athens Northeast	vacant	3,500	NEW ELEVEN CAPITAL

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