

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q2 2020

8.59%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



25,000
Take-Up sqm



€22.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q2 2020

-9.7%

GDP growth
rate 2020

YoY
Chg



12-Mo.
Forecast



17%

Unemployment Rate



1.9%

Harmonized index of
consumer prices



Source: European Commission & Elstat

ECONOMY: Weak economic prospects due to exposure to risk surrounding Greek tourism.

The Greek economy is projected to contract by 9.7% this year and grow by 7.9% in 2021, according to the European Commission Spring Forecast. The decline in GDP will be driven mainly by private consumption (-9%), investment (-30%) and exports (-21.4%). Unemployment is expected to rise to 19.9% by 2020, while the general government balance will turn into a deficit of -6.4% of GDP and public debt will climb to 196% of GDP, before returning in 2021 to -2.1% and 183% respectively. While the main effects of the lockdown are expected to be concentrated in the second quarter of this year, Greece's large tourism sector is likely to be affected in the third quarter as well, as restrictions on travel are expected to remain in place and foreign demand for overseas travel may remain subdued. As per Hellenic federation of enterprises, economic climate fell by -10.1 points in April 2020 with the sharpest drop recorded in construction and services, while in retail trade and industry there was a milder decline. Consumer confidence fell to -32.6 points in April and PMI plunged in both Greece and the Eurozone.

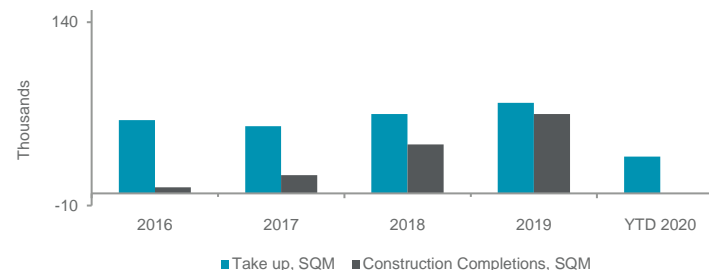
SUPPLY & DEMAND: The effects of the crisis are reflected in a decline of activity.

Demand for grade A space continues to be high, representing the largest part of total take up and highlighting companies' attention to identify efficient spaces focused on H&S and wellbeing of employees. The professional sector & technology drove take-up for the second quarter and while activity slowed, take-up was boosted by 10,000 sq m lease at CBD fringe demonstrating strong demand for Grade A space. Despite current situation, ongoing development projects are proceeding and so far, no substantial delays have been reported resulting in more than 90,000 sq m of office space expected to be completed by the end of 2021. The office investment market, with 45 Mln transacted, has witnessed a reduction of volume yoy and the transactions continue to be concentrated on core assets. In the last 6 months domestic buyers have been only active in the market. Occupiers have now started to reactivate relocation projects and take up is starting to pick up.

PRICING: Headline rents stable.

Despite the recently weakened market dynamics asking rent levels across existing available office space remained mostly stable. In the second half of the year, we expect the vacancy rate in secondary space to rise although an increase in the vacancy rate does not necessarily have to be reflected in a decline in prime rents as well. A stabilising element in all office sub markets is the continuously very low vacancy rate on prime assets.

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	10,000	26,000	€22.00	6.15
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	125,000	6.76	2,000	14,600	€18.50	6.50
Athens North(E75)	60,000	12,000	20.00	1,500	5,000	€13.00	7.20
Athens South(Syngrou, Vouliagmenis)	1,000,000	70,000	7.00	2,000	15,000	€16.50	6.70
Piraeus Port	280,000	40,000	14.29	2,000	15,000	€15.50	7.00
Other	150,000	30,000	20.00	2,500	8,000	€13.00	8.00
DOWNTOWN TOTALS	5,090,000	437,000	8.59%	25,000	83,600	€15.42	6.90

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Iliia Iliou	CBD fringe	Technology	10,000	New lease
Kifisias Ave	Kifisias Ave	Consultancy	850	New lease
Peripheral to CBD	CBD	Consultancy	2,000	Renewal

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE €
Amarousiou Halandriou 16, Marousi	Northeast Athens	Trastor Reic	21.412.00	26.800.000
Amarousiou Halandriou 29, Marousi	Northeast Athens	Trastor Reic	7,757.00	8.200.000

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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