

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q4 2020

8.59%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



15,000
Take-Up sqm



€22.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q4 2020

-11.7%

GDP growth rate
Q3 2020/Q3 2019

YoY
Chg



12-Mo.
Forecast



16.2%

Unemployment Rate



-2.3%

Inflation rate Q3
2020/Q3 2019



Source: Elstat

ECONOMY: Weak economic prospects after tightening of measures to fight the second wave.

Fitch Ratings affirmed Greece's sovereign credit rating at "BB" maintaining the country's outlook as "stable reflecting the degree of confidence in Greece's fiscal sustainability despite the serious shock to the economy from the pandemic. Fitch estimates that the economy contracted 10.2% in 2020 and anticipates a strong rebound in the next couple of years provided that the global health crisis is contained and the Next Generation EU resources are absorbed. Greece has recorded nearly 4,700 deaths since the beginning of the pandemic and over 135,900 confirmed infections, according to the European Centre for Disease Prevention and Control (ECDC). The vaccination schedule, started on 27 December while the vaccination of the general population will begin after mid-January when the appointment platform is expected to open. Greece entered a second nationwide lockdown on 7th of November till the end of the quarter in an effort to halt a recent coronavirus surge. Stores employ the "click-and-collect" model, a hybrid form of e-commerce whereby customers physically pick up merchandise they have bought online or by phone at store entrances with a receipt of online payment.

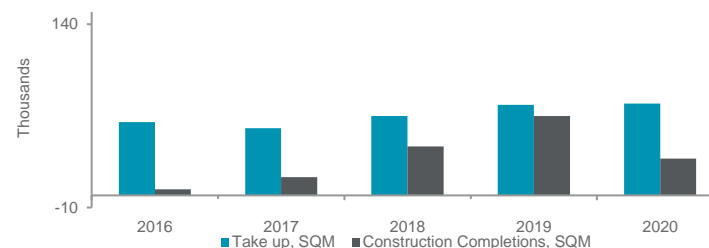
SUPPLY & DEMAND: The effects of the crisis are reflected in a decline of activity.

During the last quarter of 2020, the Greater Athens office market registered a total of 15,000 sq.m, adding up to a year-end take-up of 75,000 sq.m. while the average deal size remains at 500 sq.m. mostly characterized by small-medium transactions in grade A and B+ buildings. CBD and CBD fringe registered the highest share of take up followed by Kifisias Ave. Following the digital shift during the outbreak, TMT's & Financial Services were the most active sectors. Development activity of 105,000 sq.m is expected to come on-stream till the end of 2022. The uncertainty caused by the pandemic reflects on tenant's behavior, which has slowed down the decision process for new spaces, in order to better understand their new needs in terms of space and number of work stations. Large occupiers are requiring shorter terms in their renewal negotiations, whilst some excess space has been put on the market for sublease. Thessaloniki is emerging as a regional science & technology hub following Pfizer's announcement for the establishment of two new digital research hubs and Cisco's investment on a digital hub that will develop technologies for smart cities and applications for agriculture.

PRICING: Headline rents stable.

In Athens, prime quality spaces in core locations are still scarce and prime rents maintained stable, sustained by increasing tenant incentives. The largest office transaction announced in the quarter included the acquisition by Generali of their new impressive HQs along Syngrou Avenue a Gold Leed accredited 8,000 sqm office building to be completed in late 2021.

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

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Next to Kifisias Ave	Kifisias Ave	Pharmaceutical	760	New lease
Michalakopoulou Ave	CBD fringe	Financial services	1.600	New lease
Gerakas	Attiki Odos	Consultancy	961	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE €
18 properties	All over Greece	Prodea Reic/Globalworth	confidential	134.200.000
184 Michalakopoulou st	CBD fringe	Prieos Leasing/Trastor Reic	8.936,45	17.100.000
Historic centre of Athens	CBD	Private company/Developer	1.586,00	3.300.000

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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