

GREECE

# Retail Market Snapshot

Third Quarter | 2018



## MARKET INDICATORS

### Market Outlook

- Prime Rents: Prime rents in some high street locations are expected to see further rental growth. ▶
- Prime Yields: Downward pressure in yields in certain locations. ▲
- Supply: Limited supply, with no new projects in the immediate development pipeline. ▶
- Demand: Occupier and investor demand is anticipated to improve in the medium term. ▼

### Prime Retail Rents – September 2018

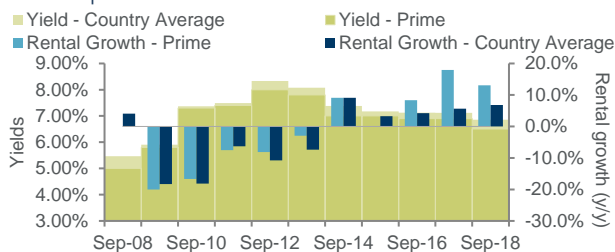
HIGH STREET SHOPS	€	€	US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Athens (Kolonaki-Tsakalof)	90	1,080	117	0.0	0.0
Athens (Ermou)	260	3,120	338	13.0	9.5
Athens (Glyfada-Metaxa)	120	1,440	156	0.0	3.7
Athens (Kifisia-Kolokotroni)	115	1,380	150	0.0	2.8
Athens (Piraeus-Sotiros)	80	960	104	6.7	9.9
Thessaloniki (Tsimiski)	140	1,680	182	3.7	5.9

### Prime Retail Yields – September 2018

HIGH STREET SHOPS (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Athens (Kolonaki-Tsakalof)	7.00	7.10	7.20	8.50	5.50
Athens (Ermou)	6.50	6.70	6.90	8.10	5.00
Athens (Glyfada-Metaxa)	7.20	7.20	7.20	8.60	5.50
Athens (Kifisia-Kolokotroni)	7.20	7.20	7.20	8.60	5.50
Athens (Piraeus-Sotiros)	7.25	7.40	7.50	8.60	6.00
Thessaloniki (Tsimiski)	6.90	7.00	7.00	8.60	5.75
SHOPPING CENTRES (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
Country prime	Q	Q	Y	HIGH	LOW
Country prime	8.00	8.10	8.10	9.00	6.00

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

### Recent performance



## Overview

The retail business performance index rose in September compared to July, reaching 109.5 (from 105.8) points, higher compared to last year's performance (88.7 units) according to the latest report by Foundation of Economic and Industrial Research (IOBE). The Consumer Confidence Index is considerably improving in September compared to July and stood at -44.9 (from -49.9 in July), significantly higher against its respective last year's level (-53.7 points). The rise stems from better forecasts for households' economic situation, but also from the less negative expectations of unemployment. These trends are probably connected with the recent exit of Greece from the third bailout program on 21 August 2018

## Occupier focus

Prime retail markets continue to attract the interest of both local and international retailers as there is no shopping centre development pipeline. During the third quarter of 2018 the Japanese retailer Miniso entered the market opening the first three stores in Athens. Technology brand Germanos opened the largest in size flagship store in Glyfada while consumer electronics and office supplies retailer Plaisio opens a store in Agia Paraskevi. Mango expands in The Mall shopping centre and Sneaker Cage opens a store in same.

## Investment focus

No institutional investment transactions were recorded in Q3 2018. With an absence of shopping centre deals, capital invested into the sector predominantly came from private investors whose primary focus is prime high street retail. Prime high street yields compressed as a result of increased interest and limited product on offer.

## Outlook

Prospects of the general retail market in Greece is positive, with the economic environment improving and leasing activity expected to be sound in 2018 benefitting from growth in private consumption and tourism increase. With lack of development activity, the overall vacancy rate in dominant shopping centres and prime high streets is expected to remain low. The lack of prime supply might limit the activity of potential investors despite the positive outlook.

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