

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q3 2023

11.7%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



50,000
Take-Up sqm



€28.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q3 2023

2.5%

GDP growth rate for
2023(projection IMF)

YoY
Chg



12-Mo.
Forecast



10%

Unemployment Rate
9/23



4.9%

Inflation rate 9/23



SUPPLY & DEMAND: Quality remains the priority requirement.

The occupier market continues its positive trend, with competition pushing rents upwards for grade-A space. The third quarter of 2023 saw a take-up of around 50,000 sqm, at the same level as the figure of the previous quarter however 100% above the figure for the same period in 2022. This performance was mainly influenced by the lease acquisition by Mytilinaios group of 29,000 sqm offices with 1,100 parking spaces, along Attiki Ring Road in Peania. The aggregate total for the three first quarters of 2023 is some 40% up yoy. The technology sector is the leading player on the demand side in Athens, albeit high level of remote working percentage in this sector. A degree of polarisation is noted in terms of prime rents, due to the scarcity of quality floor space available pushing rents upwards. The benchmark average prime rent rose to €28/sq m/month during the third quarter of 2023, with certain deals exceeding the €30/sqm/month threshold. It is important to point out that the quality of the building plays a key role in the level of rent estimation with each building experiencing its own rent evolution. Within the same area, there may consequently be buildings that experience rent trends different from other properties in the same district.

INVESTMENT MARKET: low investment volume fueled by increasing cost of money.

Office investment volumes recorded were € 90 million in Q3 2023, 25% higher compared to last year. However, the deals were mainly of special interests, and is evident that investors maintain a cautious posture due to the recent rising of financing costs. Family-based capital and value-add funds remain active. Prime yields remained stable across all sectors during the third quarter which is rather theoretical due to the lack of significant volume of transactions on investment-grade products. The largest agreement was the acquisition by NBG of three buildings for €180 million estimated to be concluded at the year's end.

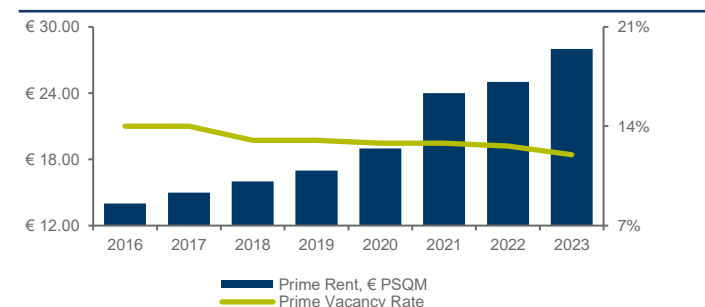
OUTLOOK: Average rents remained stable with the increasing trend for certified space.

The market fundamentals in the office sector in Greece are still strong in the opposite direction of other European markets. The availability of green investment-grade buildings is very low while the demand for these spaces is growing. We expect positive rental growth to be sustained at the prime end of the market as the shift towards hybrid working supports demand for the best in class and sustainable space. Completions are set to remain subdued for 2024 compared to demand with a large percentage of this space already pre-committed.

TAKE UP/DELIVERIES



OVERALL VACANCY & PRIME RENT



MARKET STATISTICS ATHENS

SUBMARKET	INVENTORY (SQM)	AVAILABILITY (SQM)	OVERALL VACANCY RATE(%)	YTD OVERALL TAKE-UP(SQM)	UNDER CNSTR ONGOING (SQM)	DEVELOPMENT IN THE PIPELINE(SQM)	PRIME RENT* (€/SQM/MNTH)	PRIME YIELD*
CBD & CBD periphery	1,750,000	100,000	5.71	21,000	71,953	58,200	€28.00	5.80
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	80,000	4.32	19,000	90,779	16,228	€28.00	6.00
Athens North(E75)	60,000	15,000	25.00	1,800	0,00	0,00	€16.00	7.00
Athens South(Syngrou, Vouliagmenis)	1,000,000	60,000	6.00	7,000	25,500	29,500	€23.00	6.30
Piraeus Port	280,000	30,000	10.71	1,200	16,000	0,00	€18.00	6.90
Other	150,000	35,000	23.33	2,000	0	16,000	€14.00	7.50
TOTALS	5,090,000	320,000	12.51	52,000	204,232	187,678	€20.33	6.58

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Voukourestiou str	CBD	Retail fashion	800	New lease
Delta Falirou	South Athens	Technology	2,100	New lease
Karela Business Park	Attiki Odos	Technology	29,000	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
Varis Ave	Athens South	Private investor/Shipping company	2,500	6,000,000
Pireos Ave	CBD Periphery	Private equity fund/Bank	12,500	30,000,000
Korai 5	CBD	Bank/Trastor Reic	2,633	7,540,000

KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Mesogeion Ave 109-111	Athens CBD	na	5,500	na

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