

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q4 2019

8.59%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



20,000
Take-Up sqm



€22.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q4 2019

1.7
GDP growth
rate 2019

YoY
Chg



12-Mo.
Forecast



16.5%
Unemployment Rate



0.8%
Consumer Prices,
average 2019



Source: Oxford Economics &
Elstat

ECONOMY: Sentiment further improves in Q4

The Economic Sentiment Indicator has improved strongly since the general election of July 2019 and Greece has been active on international capital markets, where interest spreads have declined to historically low levels as per EU latest forecast Nov 2019. There have been upgrades in the assessment by rating agencies, during 4th quarter reflecting the positive and constructive engagement with the European institutions. Releasing its autumn forecasts EU said it foresees Greece's expanding by 1.8 % in 2019, while predicting a significant drop in employment to 16.5 %. Downside risks to the outlook stem from a slowdown in foreign demand, as well as the under execution of both the public investment budget and the ordinary spending, which if sustained, might pose a further drag to the recovery in domestic demand. Upside risks are related to the marked improvement in tourism, business and consumer sentiment, which has yet to be translated into significant increases in spending.

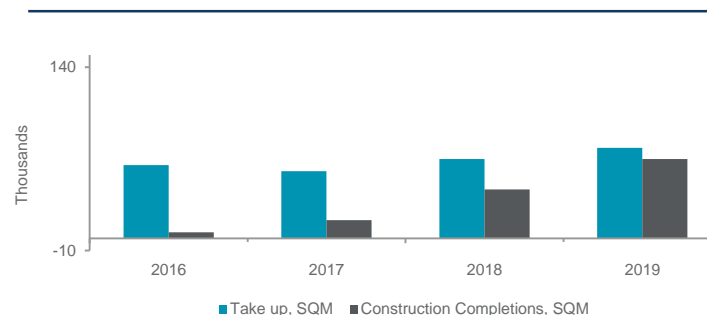
SUPPLY & DEMAND: Greece's investment office market broke records in 2019

Until December 2019 greater Athens office market registered a take up of 74,000 sqm 10% higher than 2018. Vacancy rate stands currently at below 4% in prime areas and modern buildings while demand is increasing mainly by TMT and financial services sectors. The lack of modern office supply & demand increase has pushed speculative developments to emerge with more than 70,000 sqm expected to enter the market in 2020-2021 mainly on CBD periphery zones. Investment activity has also shown a great performance over the year, with the office sector leading the way while pushing yields down. Within 2019, around 50 office deals were closed in a total of €500 million. The selling of four office buildings by Prodea Reic was the biggest deal of this quarter, sold for €93 million, followed by the Michalakopoulou 80 asset, purchased by Trastor Reic for €25 million. Looking at transaction types, new demand and expansions are emerging in the market and become drivers of main activity.

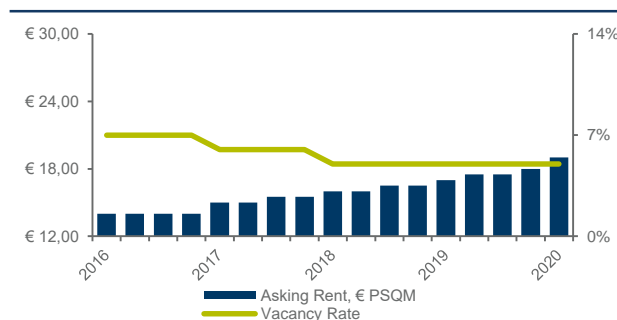
PRICING: Asking Rents on the rise

Prime rents are increasing and closing at a ten years high and the same with capital values. This trend is felt, especially, in the CBD, both in prime and average rents. Despite the limited activity, the competition between occupiers for the most qualitative office spaces available push the prime rent on 20-21€/sq m/month, in peripheral locations and further upward are still expected in the coming months.

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	25,000	26,000	€22.00	6.15
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	125,000	6.76	20,000	14,600	€18.00	6.50
Athens North(E75)	60,000	12,000	20.00	5,000	5,000	€13.00	7.20
Athens South(Syngrou, Vouliagmenis)	1,000,000	70,000	7.00	6,000	15,000	€16.00	6.70
Piraeus Port	280,000	40,000	14.29	5,000	7,000	€15.50	7.00
Other	150,000	30,000	20.00	13,000	8,000	€13.00	8.00
DOWNTOWN TOTALS	5,090,000	437,000	8.59%	74,000	75,600	€16.25	6.90

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
3 rd Septemvriou and Ioulianou	CBD	Sitel	6,500	New lease
Athens Tower	CBD	Bank Of China	700	New lease
18 Panepistimiou str	CBD	Hellenic Capital Market Commission	3,845	New lease
SEA Pallini Attiki Odos	Athens north	Wind	4,200	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2019

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE/€ PSQM
74-76 Piraeus Avenue, Moschato	CBD periphery	Prodea Reic/Dromeus Capital	6,068.00	
Mesoghion Ave. and 118 Vas. Sofias, CBD	CBD	Prodea Reic/Dromeus Capital	5,500.00	93M/NA
68 Akademias Street and Har.Triikoupi, CBD	CBD	Prodea Reic/Dromeus Capital	9,905.00	
178 Kifissias Ave and Agisilaou, Chalandri	Athens North	Prodea Reic/Dromeus Capital	3,104.00	
80 Michalakopoulou str, CBD	CBD	Ethniki Leasing/Trastor Reic	9,700.00	25M/2,577

KEY CONSTRUCTION COMPLETIONS YTD 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
115 Kifissias Ave, CBD fringe «The Orbit»	CBD	TAXIBEAT	17,131.00	NOVAL

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