

# MARKETBEAT GREECE



CUSHMAN &  
WAKEFIELD

PROPRIUS

Office Q3 2020

## ECONOMY: surge in new Covid-19 cases, should weigh on the recovery in Q4.

According to the latest estimates of ELSTAT, GDP decreased by 15.2 % in the second quarter compared to the same period a year ago, impacted in large part to the coronavirus pandemic and drop of tourism revenue. The decline in GDP has been driven mainly by private consumption (-9.3%), Imports of goods and services (-16.7%) and exports (-32.1%). Greece's economy is expected to contract by around 10% this year as a result of a likely second lockdown to contain a resurgence of infections. Greece began reopening to tourism in mid-June after strict lockdown measures which kept infection rates lower than in most other EU countries. Encouragingly, the decline in international arrivals at Athens International Airport slowed to 66.2% y-o-y in August from -76.1% in July and -93.4% in June. Manufacturing PMI rose in August & September to a seven-month high, on the back of stabilizing output. Less positively, tourism revenues in the peak July–August months were down by over 75% compared to 2019, while consumer sentiment deteriorated for the third month running in September.

## SUPPLY & DEMAND: CBD periphery registered the Highest Demand.

Although Athens office leasing market is experiencing a period of uncertainty caused by the pandemic, the Greater Athens metropolitan area merely registered 15 new lease deals during the third quarter of 2020, totaling 19,000 sq.m, in line with 2 year average, mostly characterized by small medium transactions in grade A buildings. The CBD periphery concentrated the highest volume, 9,000 sq.m of leased area, representing 48% of the Q3. Projects under construction, which are expected to come into the market over the next 3 years, account for 83,600 sq.m, with the Syngrou and Lagoumitzi (15,000 sq.m) being the largest one. However we do noted a slowed down of decision process for new spaces by occupiers, in order to better understand their new needs in terms of footage and number of work stations. Prime rents are stable, while tenants ask for bigger incentives package due to the economic environment. On the investment side, the market has experienced an increase boosted by the pre agreement on the acquisition of Generali new headquarters along Syngrou Avenue and Lagoumitzi street, a Leed accredited 8,000 sqm superstructure office building to be completed in late 2021.

## PRICING: Headline rents stable.

Although during Q3 2020 prime office rents remained at €22 per sq m per month, various properties on the market demonstrate differing rental performance depending on their quality, occupancy and management. Prime rents are likely to remain stable, over the next quarters, sustained always by tenant incentives, while availability for lower quality spaces could increase. Prime yield is likely to remain stable on account of lack of prime product on offer, while a discount on non core opportunities is expected and this is going to increase further the spread between prime and secondary assets.

**8.59%**  
Vacancy Rate

YoY Chg  
12-Mo. Forecast



**19,000**  
Take-Up sqm



**€22.00**  
Prime Rent, PSQM



## ECONOMIC INDICATORS Q3 2020

**-10%**  
GDP growth rate 2020

YoY Chg  
12-Mo. Forecast



**16.8%**  
Unemployment Rate



**-2.0%**  
Harmonized index of consumer prices

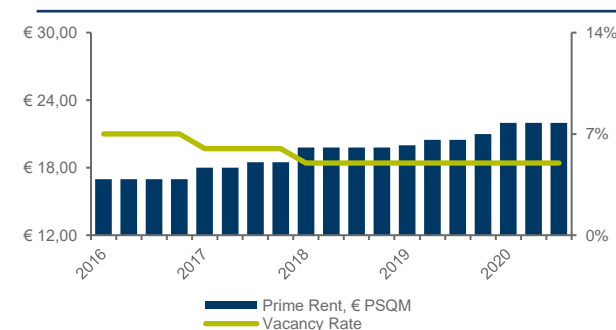


Source: European Commission & Elstat

## TAKE UP/DELIVERIES



## OVERALL VACANCY & PRIME 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 Ave)	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 Ave)	1,000,000	70,000	7.00	2,000	15,000	€17.50	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
<b>DOWNTOWN TOTALS</b>	<b>5,090,000</b>	<b>437,000</b>	<b>8.59%</b>	<b>25,000</b>	<b>83,600</b>	<b>€15.42</b>	<b>6.90</b>

\*Rental rates & yields reflect average prime

## KEY LEASE TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Confidential	CBD fringe	Consultancy	7,000	New lease
E75	Athens North	Pharmaceutical	1,370	New lease
Kifisias Ave	Athens North east	Pharmaceutical	760	New lease

\*Renewals not included in leasing statistics

## KEY SALES TRANSACTIONS Q3 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE €
Syngrou Ave 97 and Lagoumitzi str, Athens	CBD fringe	Generali(pre agreement)	8,000.00	Confidential
Ethnikis Antistaseos str 72, Chalandri	Kifisias Ave	Prodea Reic	7,137.32	16.900.000
Amfiaraou str 44-46, Athens	CBD fringe		1,829.12	

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