

MARKETBEAT GREECE

Office Q2 2021



CUSHMAN &
WAKEFIELD

PROPRIUS

13.2%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



20,000
Take-Up sqm



€24.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q2 2021

4.2%

GDP growth rate
for 2021*

YoY
Chg



12-Mo.
Forecast



15%

Unemployment Rate
June 2021**



+1.4%

Inflation rate July
2021**



Source: *Bank of Greece**Estat

ECONOMY: Economic sentiment brightens

Greece looks to recover from the coronavirus pandemic which has hit, its heavily dependent on tourism and services economy, hard. The Bank of Greece announced that economic growth will reach 4.2 % this year, with growth being particularly strong in the latter half of 2021, higher than the 3.6 % that had been estimated by the IMF. The recovery is expected to be driven by domestic demand, the launch of projects under the National Recovery Plan and an expected increase in tourism receipts compared to 2020. The European Commission approved the Greek Recovery and Resilience Plan (RRP), Greece 2.0, of a total budget of €30.5 billion which aspires to change the Greek growth model. The Plan will support critical investments and reforms and help Greece emerge stronger from the Covid –19 pandemic. According to ELSTAT, the seasonally adjusted unemployment rate in June 2021, was 15% compared to the upwards revised 17.8% in June 2020 and to the downwards adjusted rate of 15.8% in May 2021.

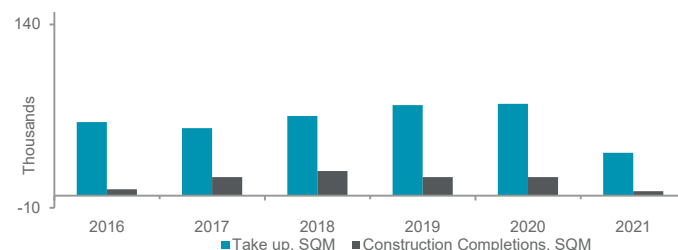
SUPPLY & DEMAND: Office space take-up at previous year's level.

Occupiers are more active than last quarter in terms of number of relocation searches and there is strengthening demand, particularly from international tenants. However take up was anemic at current quarter based on projections, reflecting occupiers' cautiousness when making decisions relating to leasing and owner-occupation and the scarcity of prime offices on the supply side. However a more dynamic second half of the year with stronger take up figures is expected. Development activity continues to rise with speculative schemes in all submarkets. Quality is still the key driver of demand which is coming mainly from Public sector, pharma and technology sectors. The highest level of office take-up was recorded in north East Athens. New decentralized clusters are being created driven by Helliinikon and other major development schemes in the pipeline. The largest relocation announced this quarter refer to the start of construction of new Leed and Well accredited 7,500 sqm offices for Kaizen Gaming (Stoiximan | Betano), expected to be completed till June 2022 by Dimand development company.

PRICING: Headline rents increasing.

Athens's outdated real estate portfolio is holding back investment for core assets albeit increased interest while we notice yield compression for such product. Prime headline rents reported an increase in the 2nd quarter of 2021 reflecting the scarcity of supply of such space and prime yields are expected to further compress supported by the high interest for core product. The largest transactions of the quarter include the pre contract for acquisition by Prodea Investments of Ilida Business Center, in Maroussi and the acquisition by ICI REIC of 3,200 sqm offices at the prime section of Kifissias Avenue in Chalandri and the partial lease- back of the building to an international pharma company, at a price of € 12.05 mill.

TAKE UP/ DELIVERIES



OVERALL VACANCY & ASKING 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	165,000	9.42	4,000	50,180	71,349	€24.00	6.00
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	128,000	6.92	2,500	21,100	65,298	€23.00	6.30
Athens North(E75)	60,000	12,500	20.83	3,500	0,00	0,00	€15.00	7.00
Athens South(Syngrou, Vouliagmenis)	1,000,000	72,000	7.20	3,000	21,500	100,000	€19.00	6.50
Piraeus Port	280,000	41,000	14.64	1,000	15,000	0,00	€17.00	6.90
Other	150,000	31,000	20.67	2,000	0,00	0,00	€13.00	7.50
TOTALS	5,090,000	449,500	13.28	25,000	109,520	236,647	€19.00	6.54

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Marousi	Athens North East	Kaizen Gaming	7,500	New lease
Kifisias Ave	Athens North East	Pharma	1,230	New lease
Delta Falirou	Athens South	Pharma	2,000	New lease
National Road(E75)	Athens North	Consumer products	1,000	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
Kifisias Ave 266	Athens Northeast	GSK/ICI Reic	3,180.00	12,050,000
Ilida business centre	Athens Northeast	Lamda development/Prodea Reic(pre contract)	11,750.00	confidential
Panepistimiou str	CBD	Fund /Private investor	1,250.00	confidential
Kifisias Ave 278	Athens Northeast	Trastor Reic/Private(pre contract)	4,003.58	5,050,000

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Attiki Odos	Athens Northeast	vacant	3,180	NEW ELEVEN CAPITAL

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