

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Office Q1 2022

7.45%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



35,000
Take-Up sqm



€25.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q1 2022

3.1%
GDP growth rate
for 2022*

YoY
Chg



12-Mo.
Forecast



12.8%
Unemployment Rate
February 2022**



+8.9%
Inflation rate March
2022**



Source: *EU **Elstat

ECONOMY: the economy has proven to be resilient so far.

After rebounding 8% in 2021, real GDP rose again in Q1 2022 by 2.3% boosted by private consumption (+2.5% q/q) and investment (+3.7% q/q). The unemployment rate fell back to 12.6% in Q1 2022 to a 12-year low while total compensation of employees increased by 7.4% y-o-y in Q1:2022 – the strongest pace in almost 14 years – with employment exceeding its pre-pandemic level in Q1:2019 by c. 250K persons.. The risks of recession seem to be more limited than in the rest of Europe in the back of the prospects of an excellent summer tourist season. Risks are concentrated around the up- turn in bond yields and inflation which rose above 10% in May (harmonised CPI of 10.5% y/y). The government projects growth of 3.1% this year, picking up to 4.8% in 2023 .The medium-term prospects of the domestic economic activity remain positive despite the geopolitical headwinds clouding the economic outlook. The investment injection from the RRF funds, accompanied by a reliable government plan, is expected to support the economic recovery in the coming years.

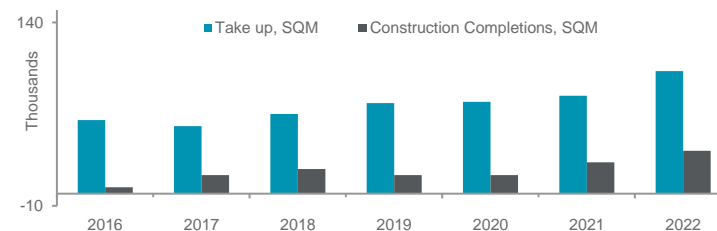
SUPPLY & DEMAND: Office tenant sentiment is gradually improving.

The net take-up this quarter slowed down compared to the high activity of 1st quarter of 2022, reaching 20,000 sqm which brings the total figures for the first semester to the record amount of 55,000 sqm. The take-up was driven by the professional and financial sectors with the CBD being the most active sub-market. After the slowdown due to the pandemic, the demand for flex offices has now recovered with many centers being fully booked. Prime rents remained stable at 25 €/sqm/month which in some cases reached even the 28 €/sqm/month. The investment market showed increased activity this quarter with €165 mill invested in prime offices. Kifisias Ave attracted the majority of the deals with investors focusing on stabilised assets. Value-Add deals, which dominated in 2021, have instead reduced due to the negative impact of current macro-economic and geopolitical conditions which affected the availability and the costs of financing. The pipeline remains sizeable with the forecasted delivery of c. 370 thousand sq m by 2025. The office still plays a central role however the new space planning philosophy is much more flexible with employee welfare and sustainability being new drivers of demand.

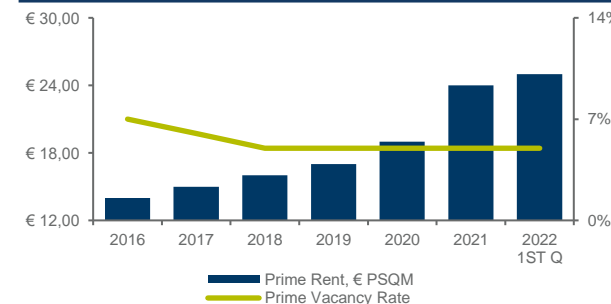
OUTLOOK: Albeit geopolitical developments positive momentum prevails.

During the quarter, prime rents have stayed stable while the demand for high-quality spaces with high sustainability standards, in line with ESG criteria. Given the number of ongoing negotiations and agreed deals, we expect an even more positive second part of the year in terms of investment activity although geopolitical developments in Ukraine and the international economic consequences can be a risk to the momentum. Landlords and tenants will be faced with the challenge of significantly increased inflation and rising construction costs. Furthermore, material and staff shortages on construction sites might postpone the completion of office projects. Even if most companies will continue to offer their employees the right to remote working, the office is proving to be a crucial place for internal exchange and cooperation, developing corporate identification and culture, and promoting employee satisfaction.

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	157,500	9.00	5,000	50,493	50,000	€25.00	5.80
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	166,500	5.88	12,120	14,900	33,500	€25.00	6.00
Athens North(E75)	60,000	5,400	19.00	1,000	0,00	0,00	€16.00	7.00
Athens South(Syngrou, Vouliagmenis)	1,000,000	90,000	7.20	4,000	21,500	99,450	€20.00	6.30
Piraeus Port	280,000	25,200	14.00	850	16,000	0,00	€18.00	6.90
Other	150,000	13,500	18.00	1,030	21,000	20,000	€13.00	7.50
TOTALS	5,090,000	458,100	10.80	24,000	123,893	202,950	€19.50	6.58

*Rental rates & yields reflect average prime

KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Syntagma square	CBD	State	4,500	New lease
Panepistimiou	CBD	State	2,500	New lease
Marousi	Athens North East	technology	2,400	New lease
Marousi	Athens North East	technology	2,200	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
Christou Lada 1-3	CBD	Sodia capital/Ehret+Klein	3,500	Confidential
Kifisias Ave and Dionysou	Athens North East	Jehovah's Witnesses/Prodea Investments	10,433	Confidential

KEY CONSTRUCTION COMPLETIONS YTD 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SQM	DEVELOPER
Fragoklisias str 7	Athens Northeast	Google, Elpedison	6,800	Prodea Investments
Alexandras Avenue	CBD Periphery	Na	3,700	Ten Brinke

NICKY SIMBOURAS

Managing Director

+30 210 7480852

nicky.simbouras@cwproprius.com

cushmanwakefield.com

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