



Office Q2 2023

12.5%
Vacancy Rate

YoY
Chg



12-Mo.
Forecast



51,000
Take-Up sqm



€26.00
Prime Rent, PSQM



ECONOMIC INDICATORS Q2 2023

2.2%
GDP growth rate
for 2023

YoY
Chg



12-Mo.
Forecast



11.1%
Unemployment Rate
June 2023



1.8%
Inflation rate June
2023



SUPPLY & DEMAND: Quality remains the priority requirement.

The Greater Athens office market registered 26 new lease deals, in a total take-up volume of 51,000 sq.m during Q2 2023, 25% higher, compared to Q1 2023 and 50% compared to Q2 2022. The take-up was driven by the technology, financial, and Public sectors, with the latter playing an essential role in the activity volume. The CBD was the most active sub-market this quarter. The largest transaction recorded, was the lease of the Athens Heart shopping centre, to the Independent Authority for Public Revenue (IARP), following its reconstruction to a modern 26,500 sqm LEED Gold-certified office complex. Grade A Leed-certified, absorption, accounts for 80% of the total volume, confirming that quality, energy, efficiency, and sustainability, remain the key drivers of demand. Certified buildings, tend to attract higher rents compared to the ones without certifications however with lower operating expenses. By the end of year mark, only 15,000 sq.m of new or redeveloped offices will be delivered in the Athenian office market while in the medium term, another 124,000 sq.m will be added by the end of 2024, and an additional 211,000 sq.m by the end of 2026. High long-term development activity, albeit rising interest rates, and tight lending, highlights the intense lack of good quality space in the market. Office leasing demand remains particularly strong also in Thessaloniki, especially in the city center, an area with very low availability of modern office space.

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

Office investment volumes recorded were € 171 million in Q2 2023, fueled by the € 151 million acquisition of three self-occupied buildings by NBG owned by Prodea Reic. However in terms of institutional investors, the activity is low largely reflecting a wait-and-see attitude mainly due to the cost of money, after the further increase in ECB rates in June. Activity is expected to return in H2 2023 as investors adjust to the economic environment. The formation of a government in Greece with a comfortable majority after the national elections in June is expected to strengthen the country's economic stability and bring the economy closer to the upgrade by credit rating agencies to investment-grade level, certifying the return of the Greek economy to a growth path with positive prospects.

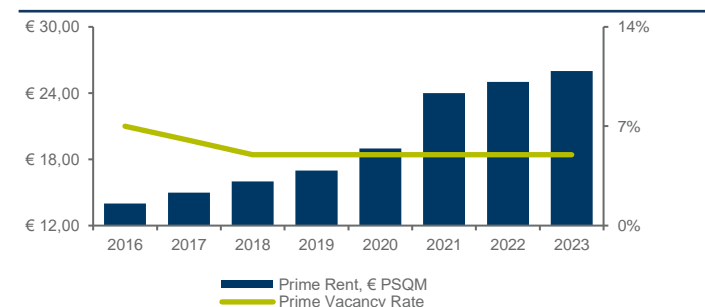
OUTLOOK: Average rents remained stable with the increasing trend for certified space.

The vacancy rate decreased to less than 5% amidst limited new supply. In Q2 2023, average rent remained stable with increased rates for certified grade A office buildings. The prime headline rent for certified buildings, in both the CBD area and Athens Northeast, is reaching €28-30/ sq.m/ month, reflecting a y-o-y increase of close to 10%. Overall, the pre-letting rate for projects is very low however higher than in the equivalent period last year in terms of volume.

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	€26.00	5.80
Athens North East(Kifisias Ave, Attiki Odos, Mesoghion)	1,850,000	80,000	4.32	19,000	90,779	16,228	€26.00	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	€22.00	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 Q2 2023

PROPERTY	SUBMARKET	TENANT	SQM	TYPE
Michalakopoulou Ave	CBD fringe	manufacturing	2,400	New lease
Athens Heart	CBD	State	26,489	New lease
Michalakopoulou	CBD fringe	TMT	900	New lease
Katehaki junction	CBD fringe	Construction	826	New lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SQM	PRICE (€)
Three office buildings in Athens	Athens CBD and Athens Northeast	Prodea/NBG	-	151,000,000
16 Karyatidon str, Kifisia	Athens North	Bank/DPG Digital Media Group	3,000	Confidential

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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