

Greece Office Snapshot

H2 2020 & Forecast

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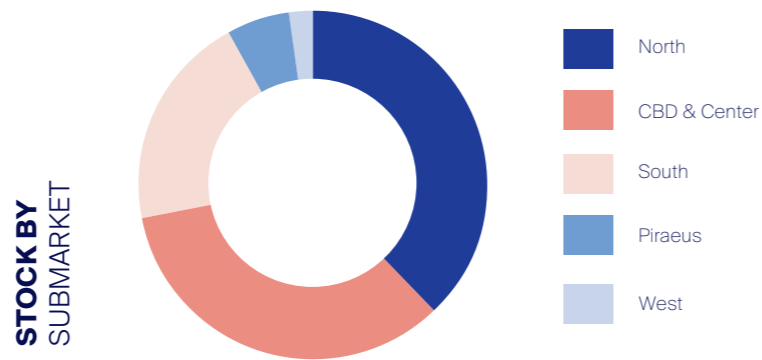
Athens

Supply

The second semester of 2020 saw class A and B supply reach **approximately 30,000 sq m**, driving the stock to almost 2.45 mil sq m.

Stock sq m 2.45 mil

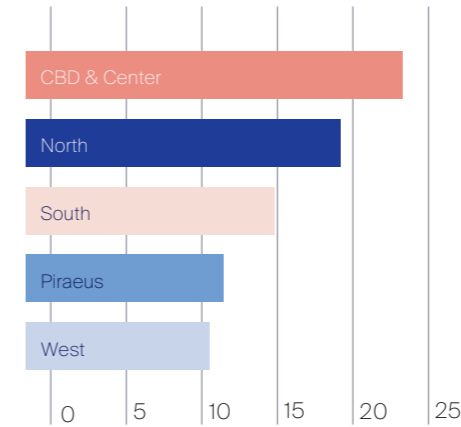
The submarket with the highest office stock is **North (1.0 mil sq m)** followed by CBD and Center with 0.70 mil sq m in total.



Pipeline

Over **50,000 sq m** are currently under construction and more than 100,000 sq m are expected to be delivered in the next couple of years.

Prime average rents per submarket



Rents sq m/month 22.5 eur

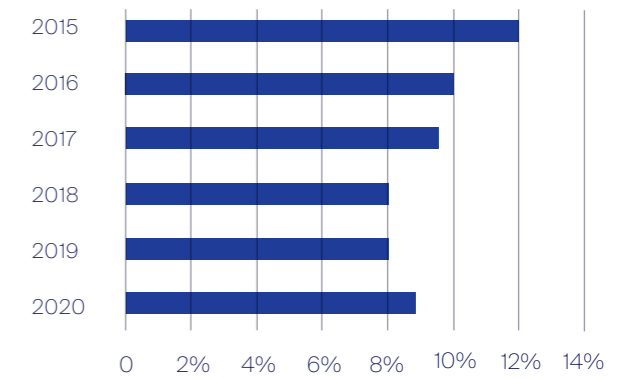
Prime headline average rent

Financial incentives and higher flexibility in surface and lease term held the rental values almost **unchanged during the second half of 2020**.

Vacancy % 8.7%

The vacancy rate in the second half of 2020 remained almost the same as in the first semester of 2020. **The overall vacancy rate was at a level of around 8.7%** approximately. The prime vacancy of around 5% **was maintained at the same level**, a fact explained by the lack of Class A office buildings.

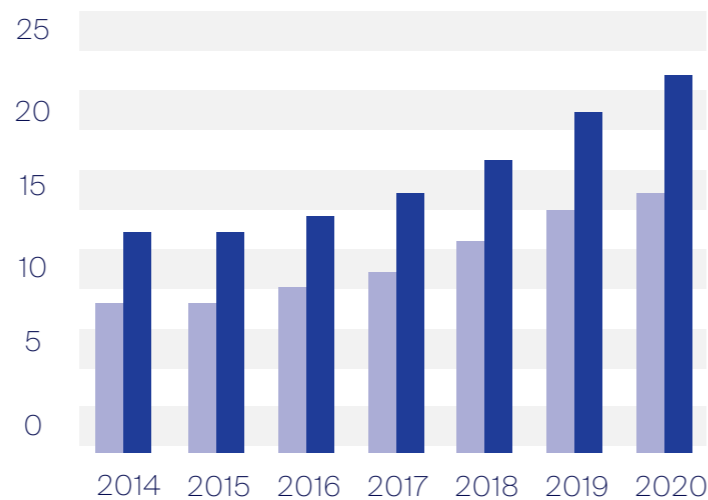
VACANCY RATE EVOLUTION



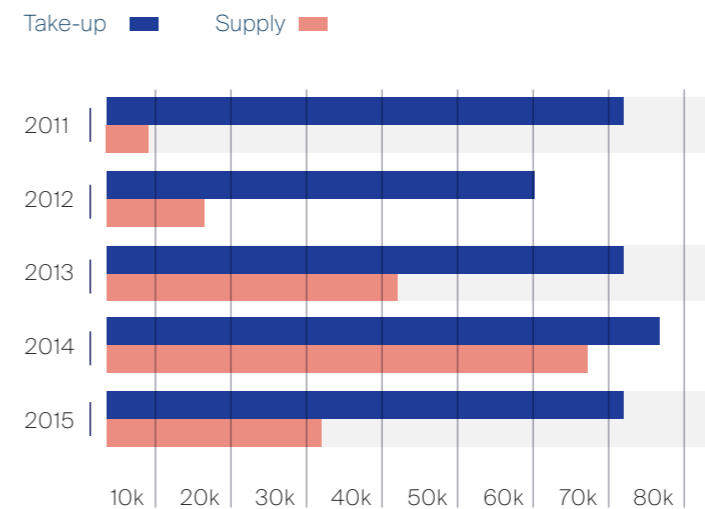
Demand

The demand for **Class A office buildings remained at the same levels as in 2019**, unlike other markets where a medium to large decrease was observed. The lack of prime office supply of prime office buildings contributed to the maintenance of the 2020 take-up to similar levels compared to 2019, despite the COVID-19 outbreak. The strict lockdowns during the first and the second wave of the pandemic and the fact that the vast majority of the tenants employed remote working, almost entirely, **did not significantly affect the demand**.

AVERAGE VS. PRIME RENT EVOLUTION



TAKE-UP VS. SUPPLY EVOLUTION



Forecast

The control of the pandemic and the vaccination progress will be the determinant factors of the employees' returning to the office this year. Organizations will attempt to better understand the so-called new way of working and, subsequently, translate this understanding into real estate decisions. COVID-19 highlighted **the importance of good quality green buildings, of health & safety and of flexibility**, that are expected to play an important role to the decision making of tenants.

Overview

Despite the difficulties brought by Covid -19 and the inevitable lockdowns **created an income a recession of more than 10% for 2020**. This seems to be increasing in the first quarter of 2021. Thessaloniki's office market has shown consistency in comparison with other secondary markets in the region with the vacancy rate expected to be further decreased.

The high demand which started at the end of 2018 combined with the lack of new class-A office buildings **drives the construction demand of new projects by mainly local developers**.



West

The western submarket is mainly constituted by office buildings in 26 Oktovriou Avenue, which is the western entrance to the city center and **very close to the port and the central railway station**.

The closer area to the city center with A class office buildings.

Mostly preferred by **international shipping companies** and **freight forwarders**.

CBD has **the biggest demand for office spaces**, especially on Tsimiski and Mitropoleos street, Nikis Avenue and Aristotelous square, despite the lack of A&B class office buildings.

The majority of the **existing stock is over 40 years old** and consists of small units between 80-200 sq m.

Most of the tenants are **banks, law firms, agencies, medical facilities and educational institutions**.

CBD

Kalamaria is the area with **the highest demand for A&B class** office buildings and also **the lowest vacancy**.

Adrianoupoleos and Ethnikis Antistaseos streets are the main arteries which connect the airport with the city center. The **main supply of office buildings can be found along these streets**.

Kalamaria

Main Office Hubs

Thessaloniki

East area has **the biggest stock of A&B class** office buildings.

The **first high technology business park** that was developed in Greece, as well as the **European Center of the Development of Vocational Training (CEEPOP)** are located in this area, **very close to International Airport** of Thessaloniki.

East

The majority of the multinational companies operating in Thessaloniki in industries like **IT and professional services** are located there.

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