

ATHENS

Key Investment Trends

Prime yields across all commercial property sectors were gradually compressed over the course of H1 2018, due to high demand. A lot of investor interest is coming via both Greek REICS and real estate funds focusing on office, retail and city hotel opportunities.

A number of investments are currently in the process of being finalised, and more are expected throughout 2018. For example, a recent acquisition has been made by Dromeus Capital, with Ethniki Leasing as the seller. Additionally, an 8,400 sqm office and retail complex located in the Marousi business district in the Northern suburbs has been sold for €23.6 mn. This complex includes four underground levels of 25,000 sqm and 812 parking spaces. Looking forward, the Hellenikon project (former International Airport of Athens), once completed, will provide space for new large office, retail and hotel investment and development projects.

Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
44	Riga	6.85	-30
45	Bucharest	7.40	-15
46	Zagreb	7.80	-70
47	Szczecin	7.95	-5
48	Istanbul	7.98	31
49	Athens	8.11	-86
50	Sofia	8.35	-15
51	Belgrade	8.40	120
52	Tirana	9.70	0
53	St Petersburg	10.48	-22

Note: Lowest scoring yield ranks highest.

Yield Outlook

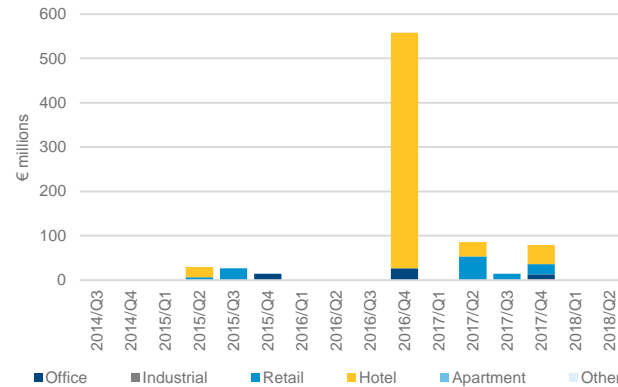


Sectors to watch out for in the next 12M

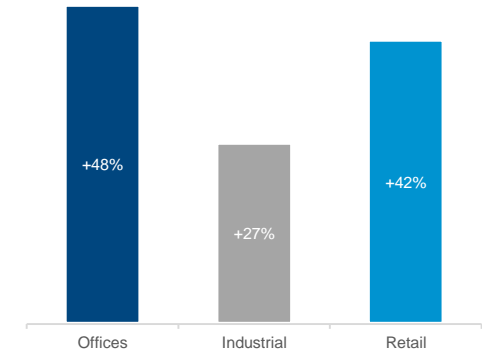


Source: Colliers International, Real Capital Analytics, Oxford Economics.

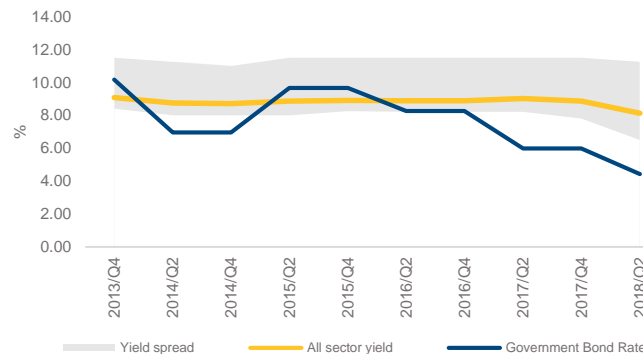
Quarterly investment volumes by sector (City & catchment)



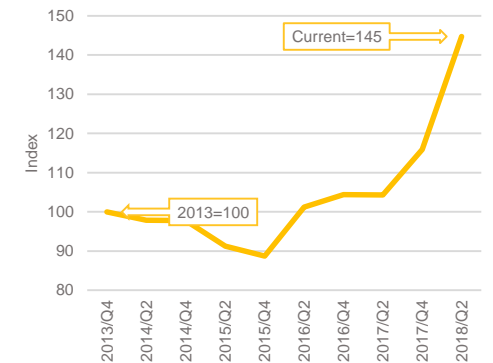
5yr cap. value growth – by sector



All sector yields vs. bond rates



All sector cap. value index

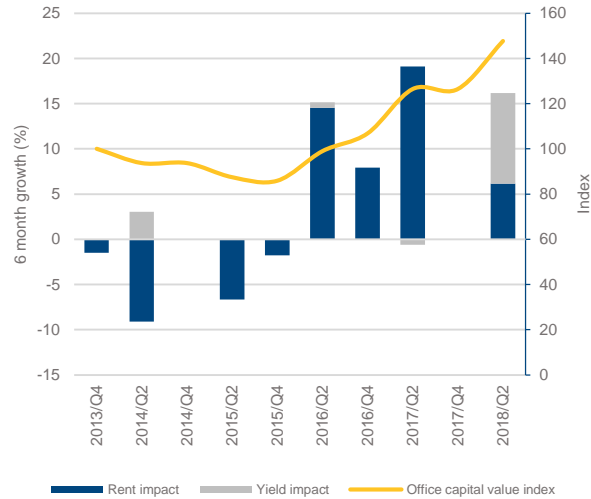


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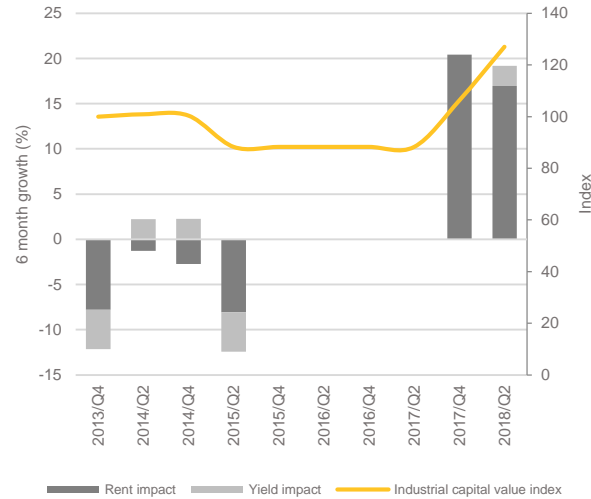
“Stability has been starting to return to the Greek real estate market. The office and hospitality sectors dominate investors’ interest creating future opportunities for investments. Greek REICS are heavily targeting the office market focusing on buying income generating assets with low vacancy. End occupier demand for high quality office buildings in core areas in combination with limited Class A availability in these areas, has created the opportunity for redevelopment and conversion of older buildings into modern Class A office buildings. At the same time the hotel industry in Athens is witnessing an increase in boutique and 4 – 5 star hotels from investor redevelopment of abandoned buildings and the luxury up-scaling of existing hotel assets.”

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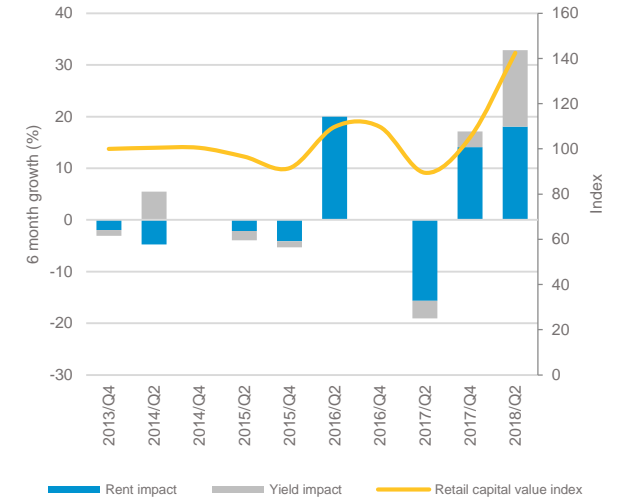
Cap. value index - rent/yield impact: Office



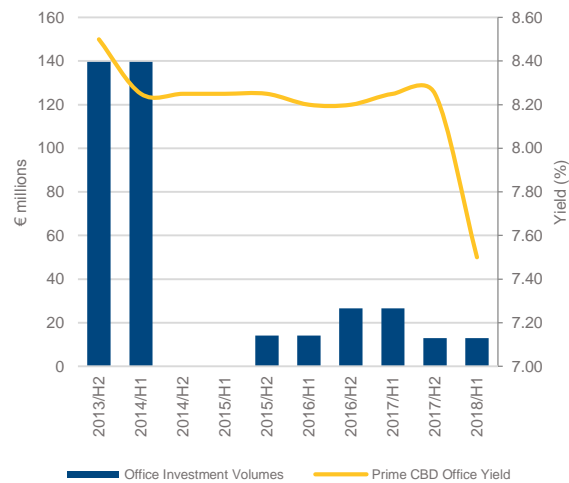
Cap. value index - rent/yield impact: Industrial



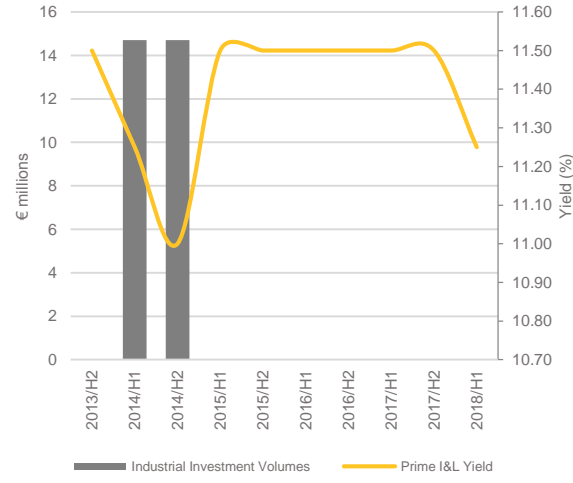
Cap. value index - rent/yield impact: Retail



Yields and 12M rolling investment volumes: Office



Yields and 12M rolling investment volumes: Industrial



Yields and 12M rolling investment volumes: Retail

