



OFFICE MARKET SNAPSHOT

Pressure on the Greek economy continued in 2017 and demand for office space remained lower than its pre-crisis level. Pressure for rent renegotiations was lower and demand was mainly focused on high specification office spaces which were still being offered at attractive rents.

More specifically, demand was mainly focused on class A offices and on the top end of class B offices, having floor areas between 500 and 1,500sqm. Smaller spaces were also in demand, often by start-up companies.

Generally, availability of prime offices remained very limited. Despite the limited supply of prime offices, high quality office spaces remained available by the end of the year. A large share of those does not satisfy modern office space standards and is in need of considerable upgrades in order to compete with prime offices, such as those found on Vassilissis Sofias Avenue.

Kifissias Avenue traditionally is an attractive area for office users. There was still some availability of prime offices during 2017, as a consequence of an adequate

high quality stock located there. This is due to the fact that in addition to many developments which took place in the region before the economic crisis, a number of extensive office building upgrades were also completed in the recent years.

A number of office buildings in the area of Marousi which are not located across Kifissias avenue, due to the economic situation have remained partially empty for a long period time.

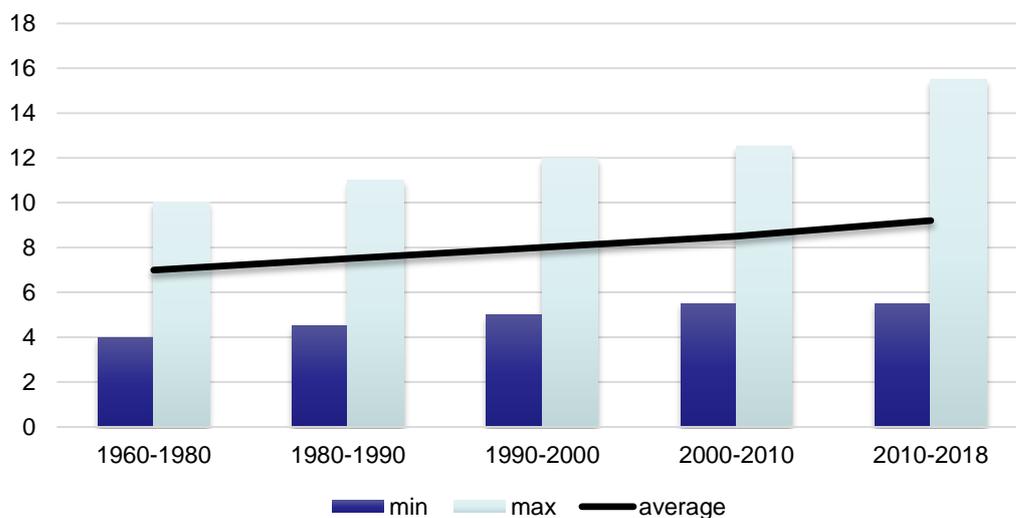
In CBD, rents exhibited some upward change in comparison to 2016, with prime office spaces in Syntagma and the adjacent locations ranging between €14 and €18/sqm/month, while rents for lower specification or inferior location spaces were in the range between €10 and €13/sqm/month. On Vassilissis Sofias Avenue rent for prime office ranging between €13 and €17/sqm/month. For offices of inferior characteristics but still competitive in many respects, rents could be found at considerably lower levels with a many cases ranging between €10 and €13/sqm/month.

Source: Eurobank

TRUNSACTIONS FOR OFFICES ON KIFISIAS AV.

- NBG Pangaea reic acquired office spaces in 2017 located on 44 Kifisias Avenue, Marousi area, in the 1st floor, of 742,72 sqm with underground parking spaces for 797.686,78 € - 1.074 € / sqm (the tenant is CISCO SA)
- NBG Pangaea reic acquired office spaces in 2017 located on 7 Kifisias Avenue, Ampelokipoi area, in the 1st floor, of 2.359 sqm with underground parking spaces for 2.230.012,58 € - 945,32 € /sqm (the tenant is E-Travel SA as well as Greek Research & Technology Network S.A)

Rents of Marousi area



Source: GLP Values, a member of GVA Worldwide

YIELDS

The Greek economy has not yet fully recovered from the crisis, so investments in office real estate are risky. Such investments are often chosen by local institutional investors, who focus on quality properties in the Athens CBD.

In CBD, yields for prime properties in high visibility locations were between 7.50% and 8.00% during the year.

In North Athens such as Kifissias Avenue, it should be noted that increasing interest for high-end properties led, according to our data, grade A property yield ranges from 8,00% – 9,00%, whereas for grade B property ranges from 9,00% – 9,75%.

Grade A are considered newly built or recent thoroughly refurbished areas whereas grade B are between 10 to 25 years (partly refurbished)

Finally, also the year 2017 were still in favor of buyers, since most of the transactions which took place were either related to distressed loans or for properties in need of upgrades.

Source: Eurobank