MARKETBEAT

GREECE

Industrial Q1 2022

	YoY Chg	12-Mo. Forecast
7.0% Prime yields		
220,000 Take-Up 2021, SQM		
€ 4.50 Prime Rent, PSQM		

ECONOMIC INDICATORS Q4 2021

	YoY Chg	12-Mo. Forecast
+3.1% GDP growth rate 2022(estimation)		
12.8% Unemployment Rate February 2022		
+8.9% Inflation rate March 2022		
57.8 February IHS Markit Greece		
+7.9% March Industrial Production Index Elstat		

ECONOMY: The outbreak of the Ukrainian crisis is fuelling uncertainty.

The projections for the new year, despite the Ukrainian crisis are positive and it is expected that the economy will grow by 3.1% revised downwards. The reforms and investments, implemented under the Recovery and Resilient Plan, as well as the expected increase of tourism and domestic demand, is expected to create a favorable economic environment and attract foreign investment. The outbreak of the Ukrainian crisis has fueled uncertainty, increased price levels and volatility, accelerated inflation, and aggravated supply chain disruptions. However unemployment registered at 12.8 % in February, the lowest since summer 2010 and industrial turnover stayed on a solid recovery path rising by 33.8 % in February, while Consumer Price Index picked up more pace in March, rising by 8.9 % year-on-year.

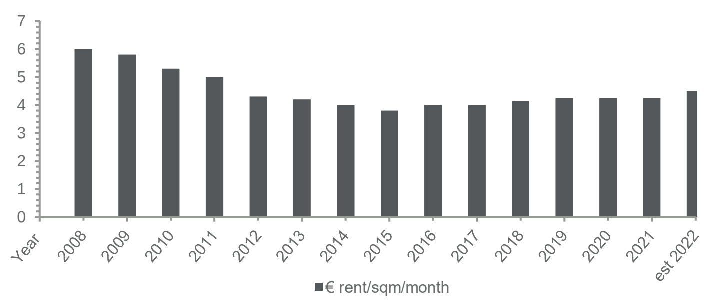
DEMAND: Positive tenant activity recorded.

A series of projects are underway focusing on strengthening Greece's role in the global supply chain. Occupier demand for logistics continues to be particularly strong as e-commerce activity increases (the highest growth rates in e-commerce turnover in Europe according to the European E-Commerce Report for 2021) triggering frantic rates of absorption of quality space, especially in Attica. The pandemic has not only boosted demand but also the whole process of digital transformation of the supply chain.The majority of transactions refer to built-to-suit transactions given the inability of the existing supply to serve the demand which is focused on modern and large-scale space. Thriasio in Western Attica attracts more than 60% of new leases followed by Thessaloniki, Mesoghia and Oinofyta. There is a growing interest of city logistics, in areas closer to the center (eg, Eleonas etc). Stock of logistics facilities is estimated at 2.6 mill sq.m in Attica of which 2 mill sqm are concentrated in Thriassio. The most noteworthy owner occupation transaction announced in the last quarter was the development by Fourlis Group of new logistics at Oinofyta Voiotias to cover the region. s and demand for larger surfaces up to 20.000 sqm in the regions, where 3PL companies are looking to develop new projects (with additional uses with office space). The global ranking of the Port of Piraeus has significantly improved from the 93rd in 2010 to the 25th, becoming one of the fastest growing container ports in the world.

PRICING: Yields tend to further compress.

Prime rents for logistics supply have remained relatively stable with Thriasio zone standing at € 4.50/sq.m/month. Additionally, the urban logistics is growing where rental prices per sqm are higher reaching € 6.0 to 7.0/sq.m/month. Interest in data centres continues to increase as evidenced by the development by Lamda Helix, acquired by Digital Realty's Interxion last year, of the new 8,600 sq.m 20MW centre in Koropi, to the southeast of Athens, of 8,600 sqm facility built to Tier III standards and LEED accredited. While prime rents for large modern assets maintained their 2020 level, yields compressed by 100 bps YoY.

RENT EVOLUTION



YIELD EVOLUTION