



ATHENS MARKET REPORT

2021 is considered to be the year of hope and the year that finally we will return to some short of normality after the pandemic. As vaccination programs are racing, governments are trying to ease the restrictions of the COVID-19 pandemic so as to restart the Global economy. 2021 is already considered as the first step to recovery.

MACRO FIGURES

European and Global figures imply that economic impact of COVID-19 has lead the economies to unprecedented economic crisis. Forecasts of 2021 are optimistic and most economists agree that we are headed to a recovery fuelled by the massive vaccination programs across the globe.

Greek Economy Overview

Greece had to face the outcomes of a ten year economic crisis that officially came to an end in 2019. Although 2020 was an unprecedented year because of the pandemic, 2021 is defined as the year of recovery and growth. Growth is expected to be around 4% according to IMF projections and Greece macro figures are expected to perform well in 2021 and the growth is expected to expand through the following years marking a new era for the Greek Economy. Gradually during this year, economy and society will abandon their defence and prepare for the day after. Although trends affecting the global economy will be mixed, the overall effect is expected to be positive.

GD in Volume Terms/Seasonally adjusted figures
(q-o-q) and (y-o-y)



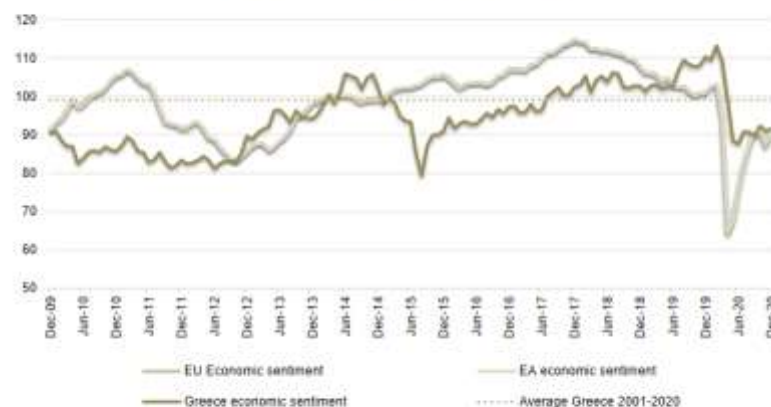
Source: Elstat

EUROPEAN COMMISSION FORECASTS				
ECONOMIC INDICATORS	2019	2020	2021	2022
GDP (%)	1,9	-8,2	4,41	6
Inflation (%)	0,5	-1,3	-0,2	0,6
Unemployment (%)	17,3	16,3	16,3	16,1
Gvnt Balance Sheet (% GDP)	1,1	-9,7	-10	-3,2
Gross Public Debt (% GDP)	180,5	205,6	208,8	201,5

Source: ec.europa.eu

The coronavirus pandemic took a strong toll on the Greek economy. The economy contracted - 8,2% in 2020 as economic activity was constrained to stop the spread of the pandemic. The services sector is hit particularly hard and although international tourism was expected to grow, there is a slight expectations' decrease because of the slow down in vaccinations and the appearance of new COVID-19 Variants. Important clients like the UK have yet to ease travelling restrictions to Greece causing turbulence to the sectors much anticipated opening. The Economic Climate up turn has slowly started by the end of 2020 and is expected to further grow in 2021.

Economic Climate Index

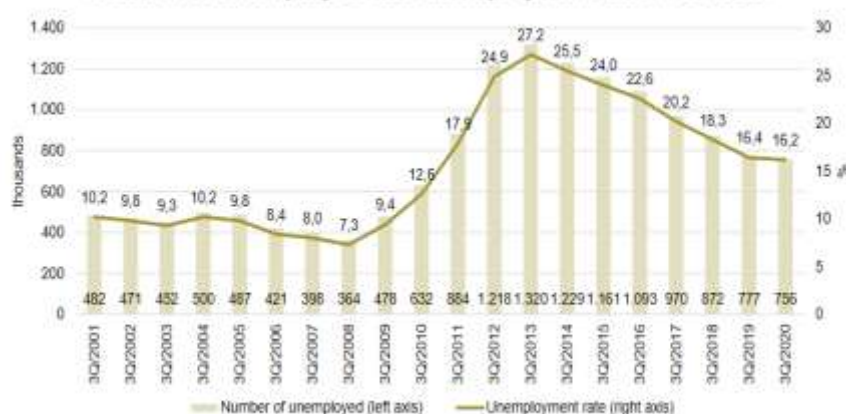


Sources: IOBE, European Commission

On the upside, the support measures adopted at EU level, including Next Generation EU, could significantly support demand in 2021 and strengthen economic fundamentals and resilience going forward. More specifically, the Commission forecast does not incorporate the impact of the Recovery and Resilience Plan as it is still at an early stage of development.

Once fully specified, adopted and implemented, the reforms and investments implemented under the Plan are expected to have a positive impact on the growth outlook. Greece's fiscal policy is expected to continue to support the recovery throughout 2021. While most of the measures taken in 2020 have targeted the direct impact of the pandemic (health care expenses, support for the lock-down period, tax deferrals etc.), the authorities have extended the measures for 2021 which aim to support the recovery by stimulating demand and employment. In addition to that the Government has successfully issued bonds so as to ensure liquidity in the market and proceed with the investment programs. The strong performance of the bonds has been achieved despite the context of the global crisis.

Number of unemployed and unemployment rate in Greece



Source: ELSTAT

Employment is negatively affected by the crisis, but the authorities have implemented measures to cushion the decline and to facilitate the recovery. Data on hiring and firing from the ERGANI system shows that during the pandemic the labor market remained 'frozen', with very limited hiring and firing taking place.

After a successful management of the health crisis and a meticulously organised vaccination campaign projections surrounding the outlook appear to be very optimistic and show an actual redirection of the Greek Economy to Sustainable development and Digital Transformation. Greece 2.0 comes as a response to the pandemic and the new challenges that the country has to face after the health crisis.



OFFICE MARKET REPORT

Office market has shown resilience to the pandemic and demand remained vivid for Grade A office spaces.

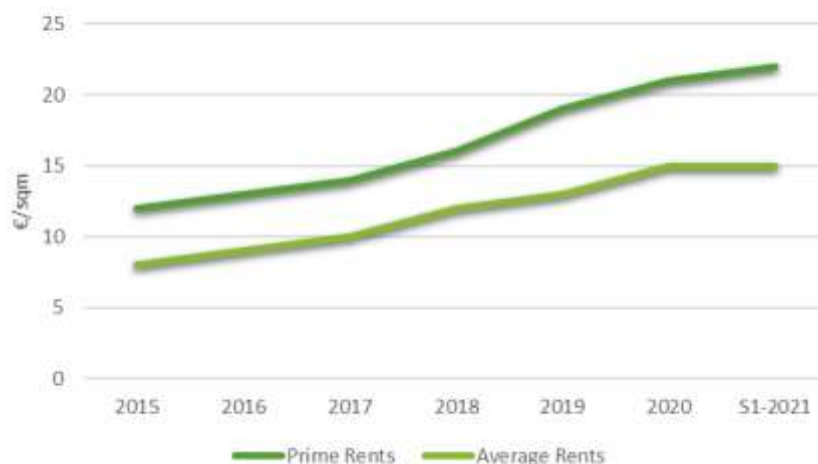
OVERVIEW

Athens Office Market remains in the investor radar despite the pandemic and its outcome in the economy

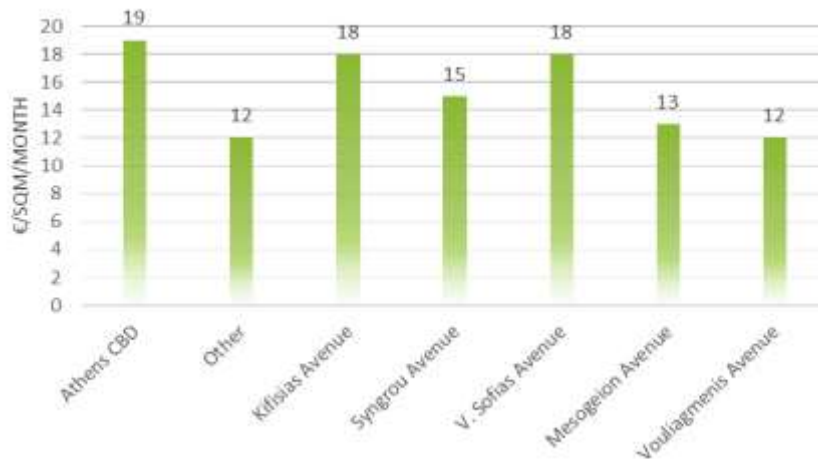
ATHENS OFFICE MARKET

Office market appears to be holding on to performance indicators and opposing to the overall sentiment as a result of the pandemic. The first few months 2021 have been characterized by the pandemic restrictions and working remotely and although occupied, some spaces were barely used. The race to vaccination has set the tone for the remaining of 2021 and the future of the sector. The office market is expected to be influenced by the constant rise of remote working. However, companies will eventually adopt new strategies and office will remain important for the businesses and the employees. The demand for Grade A office space still remains high and many potential investors are focusing on the asset class fueling projects. Athens office market is still at growing stage, trying to find its pace and its prime products. Yields and rental values do not seem to be yet affected, probably due to the lack of quality product.

Office Market Rental Values



MAIN MARKETS AVRG RENT

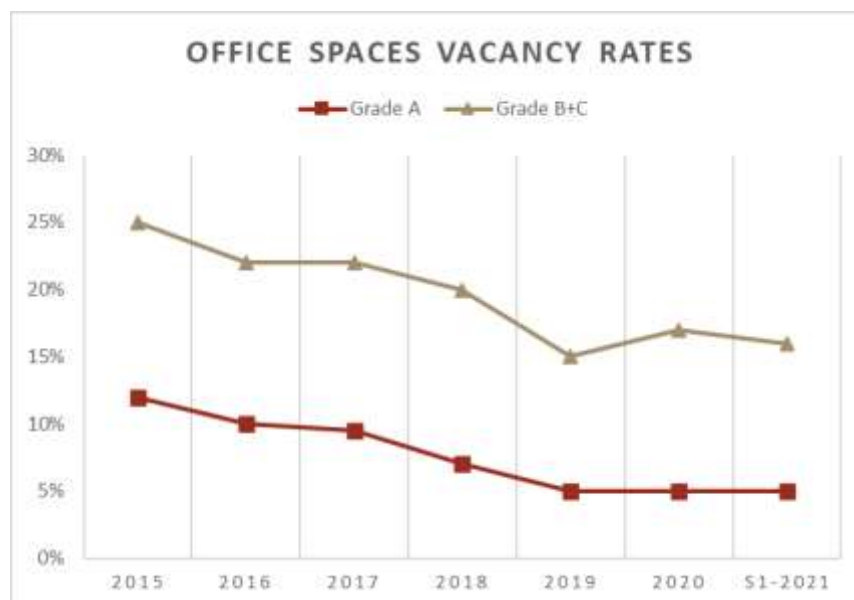


Source: Danos an alliance member of BNP Paribas Real Estate

The lack of Grade A office space still remains an issue to the market supply, since there is lack of quality spaces to meet investor demand, that appears to be persistent despite the pandemic. Athens is a prominent office market since here is room for investor profit compared to other European Office markets. There is a pipeline of new developments for Grade A office spaces, that will partly meet the current demand, however there are optimistic plans for the next 5 years in the sector.

Significant new deals are expected to be finalised in the Office Sector

Investor Profile remains the same, Greek REICs have been playing a major role in local transactions as well as multinationals seeking to relocate in view of future needs and development.



Source: Danos an alliance member of BNP Paribas Real Estate

Yields	Locations
6%-6,5%	Grade A Prime Locations
7%-7,5%	Grade B Prime Locations
8%-8,5%	Grade B Secondary Locations

MARKET TRENDS GRADE A OFFICES	
RENTALS	➔
YIELD	➔
VACANCY RATE	➔
ABSORPTION	➔

KEY FIGURES S1-2021



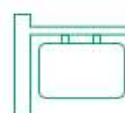
2.582.000
SQM- TOTAL
SUPPLY



42.000 SQM-
NEW OFFICE
SUPPLY



70.000 SQM
UNDER-
CONSTRUCTION



15% AVRG
VACANCY
RATE



€18/SQM
AVERAGE RENTS



RETAIL MARKET REPORT

The Retail Sector has faced a challenge in the previous year as a result of COVID-19 pandemic, prime locations and shopping malls still hold investors interest.

OVERVIEW

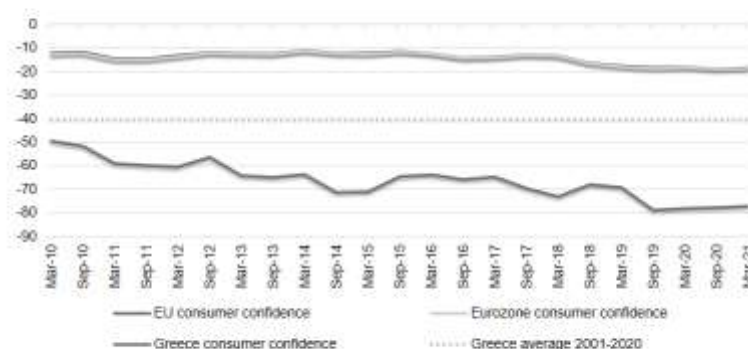
Retail has been challenged in the beginning of 2021. Lockdowns and the spread of the pandemic have largely affected the operation of the retail market, that is now trying to find its way with new rules and adapt in the new norms.

ATHENS RETAIL MARKET

Retail Market is facing a challenge, after having experienced consecutive lock-downs and having missed Christmas season. Frenzy the retail sector is now showing an up turn in income of a level of 18% for the first semester of 2021. Consumer confidence has somehow stabilised in the first quarter of the year and is expected to perform better in the summer months. Bricks and mortar retail has to face e-commerce and its rapid increase during the pandemic. According to the latest numbers the total increase of e-commerce for 2021 continued further at **26%**.

Prime retail and hypermarket still gather the interest of investors and it remains to be seen how the prime locations will correspond to these changes combined. In an effort to help the retail sector the government has introduced rent free periods to retailers according to the measures imposed.

Consumer Confidence Index



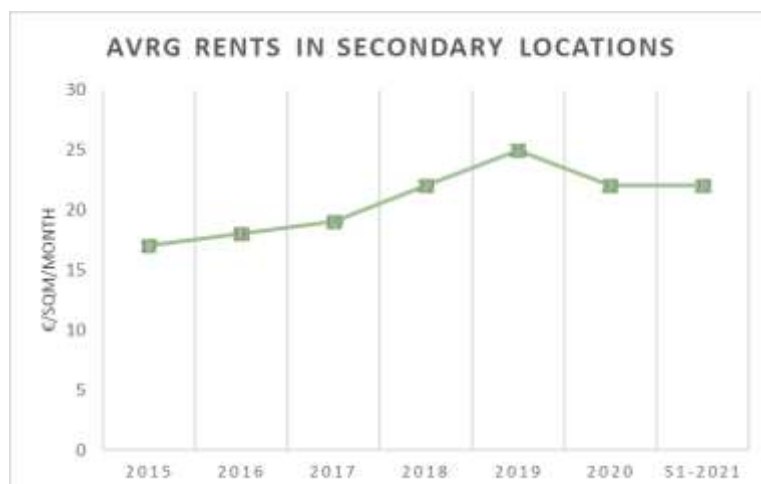
Sources: IOBE, European Commission

RETAIL MARKET VACANCY RATES

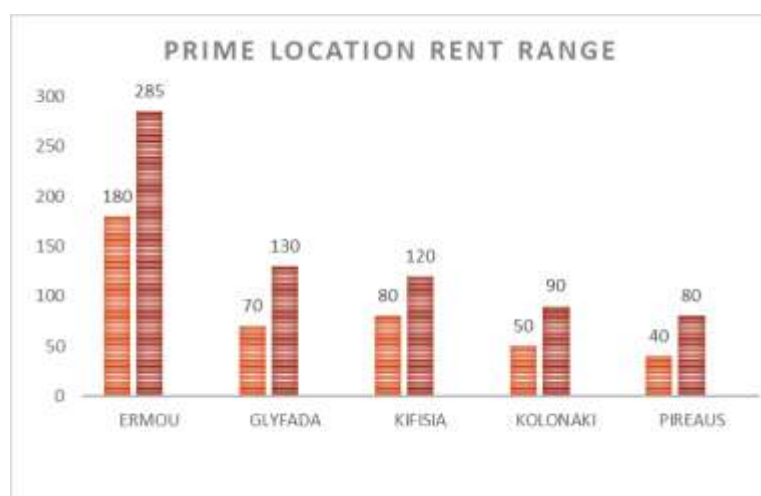


Source: Danos an alliance member of BNP Paribas Real Estate

Shopping Malls seem to be holding on to their former glory and there is still demand by anchor tenants while in many cases there have been take ups during the pandemic. Primary locations like Ermou - Glyfada- Kifissia - Kolonaki and Piraeus have witnessed stability and are still considered as prime retail locations, characterized by lower vacancy rates, and prime tenants, thus gathering investor interest and Greek REICs have proceeded in relevant investments. Peripheral retail markets are experiencing a low down due as a result of the pandemic. For now the market appears to be in a waiting game for the pandemic to end. Services/ banks and hypermarkets appear to expand and proceed to new leases.



MARKET TRENDS PRIMARY RETAIL LOCATIONS	
RENTALS	➔
YIELD	➔
VACANCY RATE	➔
ABSORPTION	➔



Source: Danos an alliance member of BNP Paribas Real Estate

Main yields: The yields in the high streets remained stable for the first half of 2021, with the higher rates in the shopping malls 6,75%-7,75% and the lower rates in Ermou street 5,75%-6%. Is expected to stabilize further in the second half of 2021 although fears for another wave of the pandemic in autumn are prevailing and the trend to e-commerce sales does not appear to be slowing down. Prime locations so far seem to be resilient and show stability in the short term the market will define whether the changes in consumption and retail activity will resume to previous standards.

Transactions: Slow down in lease transactions since the retailers will see the end of the pandemic before they reposition or expand in the market.

KEY FIGURES S1-2021



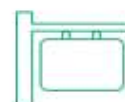
€30/SQM
MALLS
AVERAGE
RENTS



€12/SQM
SUPER
MARKET
AVERAGE
RENTS



€22/SQM
SECONDARY
HIGH STREET
AVERAGE
RENTS



15% AVRG
VACANCY
RATE



€12 MIL
INVESTMENTS
IN 2021



LOGISTICS MARKET REPORT

The industrial/ logistics market has been witnessing an impressive increase in volumes of transactions as well as rental levels. The urge for an organised logistics market has been evident with the increasing numbers of transport services and the impact of the pandemic in consumption.

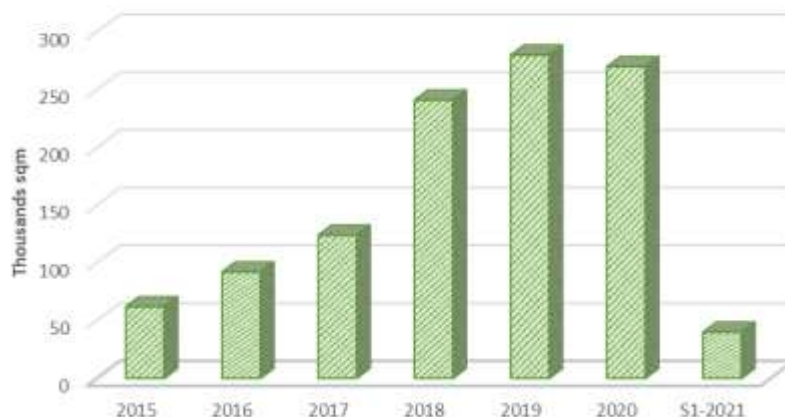
OVERVIEW

Major infrastructure works and the important investments scheduled by COSCO for the Port of Piraeus are creating an environment, where Athens could be placed as an important transit centre in Europe challenged to handle extreme volumes of goods, channelled from the East and Middle East to the EU market.

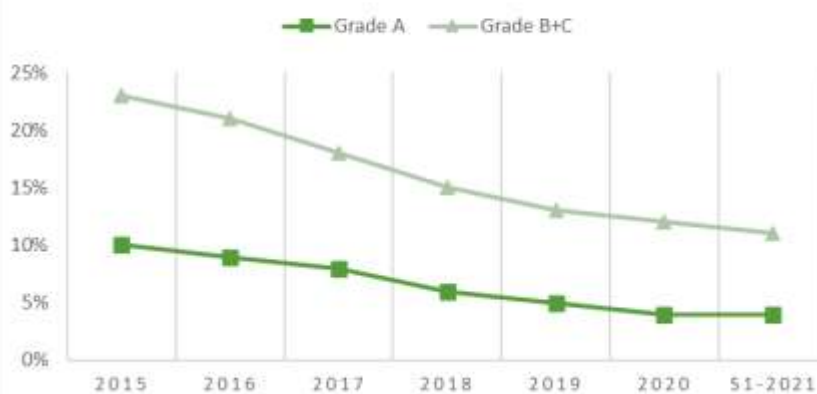
LOGISTICS MARKET

Logistics market is overperforming in the last year and gathers the attention of investors. The lack of supply for modern Grade A logistics is triggering the investors' interest, who are looking to invest in spaces suitable for logistics developments. As far as demand is concerned, there has been significant activity on the market with new lease agreements, with surface sizes for rent ranging between 500-2,000 sqm in relatively urban areas 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). There have been new developments and significant deals finalized in the Logistics sector.

TAKE UP OF INDUSTRIAL PROPERTIES



VACANCY RATES LOGISTICS & INDUSTRIAL SPACES




Source: Danos an alliance member of BNP Paribas Real Estate

The lack of a specialised logistics market was clearly depicted during the boom of e-commerce in the lockdown period and is still an issue since e-commerce is here to stay. Specifically it has been the target of most courier and transport companies to develop adequate logistic centres and last mile logistics. Important investments are expected also by the major transportation firms. Greater EU is also documenting a similar market trend.



Source: Danos an alliance member of BNP Paribas Real Estate

Prime Logistics areas such as Aspropyrgos and Magoula have been gathering the investors' interest and they are already drawing demand expected to increase even further in the coming years and push demand accordingly for secondary locations like Oinofuta and Marko.

	MARKET TRENDS LOGISTICS			
	RENTS	YIELDS	DEMAND	SUPPLY
GRADE A				
GRADE B				

KEY FIGURES S1-2021



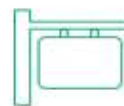
80.000 SQM
UNDER-
CONSTRUCTION



€4,25/SQM
PRIMARY
LOCATION
RENTS



€2/SQM
SECONDARY
LOCATION
RENTS



8% AVRG
VACANCY
RATE



€30 MIL
INVESTMENTS
IN S1-2021

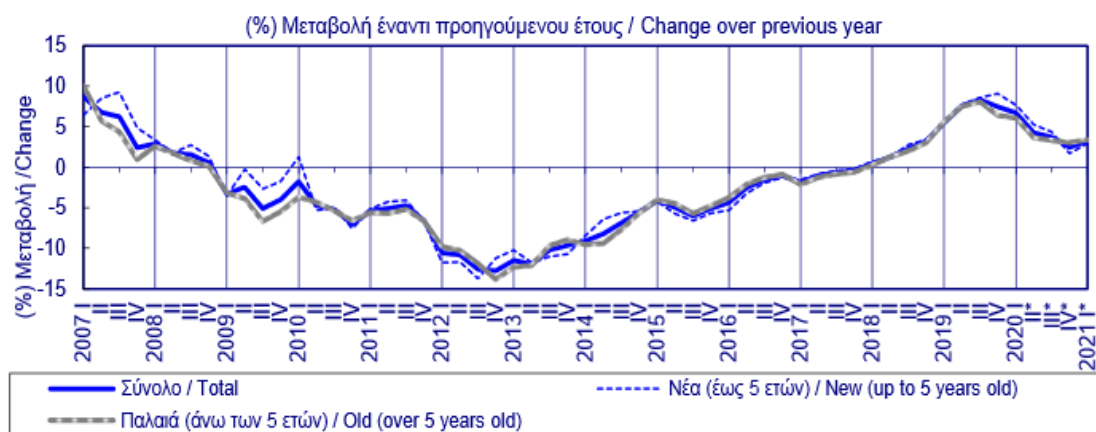


RESIDENTIAL MARKET REPORT

Residential Market has shown resilience to the impacts of the pandemic in Real Estate Sector and in most cases prices and demand have maintained their upward trend.

OVERVIEW

Transactions activity in the Residential Market appeared to be dependent on Airbnb and Golden Visa, both of which have witnessed noticeable decline due the restrictions imposed as a result of the spread of COVID-19. Airbnb has documented a contraction of 30% in its occupancy rates of listed units. However the sector has managed to maintain the assets values and many local players penetrated the market.



Source: Greek Central Bank

ATHENS RESIDENTIAL MARKET

Athens residential market has witnessed subsequent increase in prices both in sales values and rental values for the past years. According to the Bank of Greece real estate prices rose 3,6%, when compared to the prices of the previous year. 2021 so far has proven the resilience of Residential Real Estate, in terms of demand and transactions.

The numbers for 2021 so far show an evident slow down in increase, but still holding a positive trend in the market. Transaction number have downturned, which was expected due to the measures and restrictions, however the prices have not retreated. The increase in construction activity, as presented in previous years, is expected to continue as the pandemic is considered as a short term turbulence, that will not affect long term investment decision making.

Golden Visa has been a significant market driver, that has supported the market for the past three years. Cash injection and direct investment of foreign capital has been important to the market. Local Buyers have also been actively participating in the market especially since banks appear to be eager to finance real estate and inject liquidity in the market.

House prices for sale

Area	Q2 2021 (€/sqm)	Q2 2020 (€/sqm)	Change %
Athens - Center	1,593	1,571	1.40%
Athens - North	2,429	2,250	7.90%
Athens - South	2,766	2,600	6.40%
Athens - West	1,407	1,304	7.90%
Athens - East	1,607	1,528	5.20%
Piraeus	1,540	1,443	6.70%
Piraeus suburbs	1,270	1,154	10.10%
Rest of Attica	1,659	1,622	2.30%

Source: Spitogatos.gr

House prices for rent

Area	Q2 2021 (€/sqm)	Q2 2020 (€/sqm)	Change %
Athens - Center	9.00	9.38	-4.10%
Athens - North	9.17	8.46	8.40%
Athens - South	10.00	10.37	-3.60%
Athens - West	6.92	6.40	8.10%
Athens - East	6.69	6.36	5.20%
Piraeus	7.50	7.65	-2.00%
Piraeus suburbs	6.38	6.10	4.60%
Rest of Attica	7.17	6.43	11.50%

Source: Spitogatos.gr

It has been recently observed that the supply of properties for rent has increased substantially since many units available for short term rentals (Airbnb etc.) are now being marketed for long term rentals since the Tourism sector has been witnessing a downturn because of COVID-19.

Southern Athens Suburbs show resilience to COVID-19 and in view of major investment projects, like Hellinikon, have managed to perform in 2021 with positive results. Hellinikon development appears to have exceeded the pricing expectations and deals in Residential Real Estate finalise at price reaching up to €15.000/sqm, while pre sales have reached up to 700 mil € and are expected to be around 1,2 billion € by the end of 2021.

SPI - Residential properties for sale, Athens - South
Annual changes



Source: Spitogatos.gr



HOTEL & TOURISM MARKET REPORT

Tourism Industry has been one of the worst affected industries from the pandemic. 2021 was expected to be a year, that tourism activity would resume, however the spread of the Delta Variant and the slow down in vaccinations have created uncertainty in the market.

OVERVIEW

Tourism has always been one of the pillars of the Greek Economy with an important contribution to the country's GDP and macro figures. The industry has suffered tremendous losses exceeding 60% in occupancy rates and 65% in REvPar over 2020. Year 2021 so far appears to be performing better than 2020 with increases in the volumes of passengers, especially in the second quarter. Compared to 2020, 2021 looks much better in terms of the volumes of travelers (foreign and domestic), however when compared to 2019 the difference remains at very high levels. Although most of the sector specialists were optimistic about bouncing back the travelers' volumes in 2021, it appears, that the pandemic is resilient and the delays in vaccinations create a rather pessimistic environment. Delta variant is expected to spread further in the coming months and the projections are based on day to day data rather than longer periods due to insecurity and the dynamic evolution of the pandemic.

PASSENGER TRAFFIC	Domestic				International				Total			
	2021	2020	%2021/ 2020	%2021/ 2019	2021	2020	%2021/ 2020	%2021/ 2019	2021	2020	%2021/ 2020	%2021/ 2019
January	110,722	433,964	-74.5%	-75.4%	122,633	1,038,772	-88.2%	-87.0%	233,355	1,472,736	-84.2%	-83.2%
February	101,741	423,501	-76.0%	-77.0%	96,112	941,130	-89.8%	-89.1%	197,853	1,364,631	-85.5%	-85.1%
March	120,697	207,955	-42.0%	-76.6%	119,963	431,826	-72.2%	-89.4%	240,660	639,781	-62.4%	-85.4%
April	159,166	11,917	1235.6%	-72.2%	158,815	11,411	1291.8%	-88.8%	317,981	23,328	1263.1%	-84.0%
May	275,039	58,293	371.8%	-60.8%	304,383	25,728	1083.1%	-80.8%	579,422	84,021	589.6%	-74.6%
June	454,553	195,826	132.1%	-42.8%	638,184	119,823	432.6%	-64.9%	1,092,737	315,649	246.2%	-58.2%
Year-to-date	1,221,918	1,331,456	-8.2%	-64.9%	1,440,090	2,568,690	-43.9%	-81.5%	2,662,008	3,900,146	-31.7%	-76.4%

Source: AIA

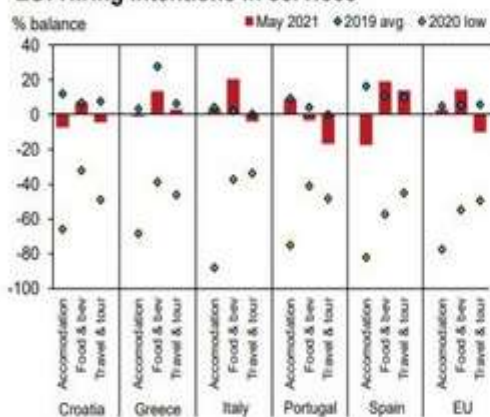
Athens Hotel & Tourism Market

The faster-spreading [Delta Variant](#) has put Greeks' holiday plans **on hold** with one in two opting to stay put, according to a nationwide study released by the Association of Business and Retail Sales of Greece (SELPE). Carried out in collaboration with ELTRUN, the E-Business Research Center of the Athens University of Economics and Business, the study found that **eight in 10 (83 percent)** people surveyed believe the economic impact of the pandemic will continue into 2022.

According to the **new EU Tourism Tracker**, tourism in Europe is gathering speed, up by 20 percent against 2020 levels and by as much as 36 percent at popular European destinations, mostly in Southern Europe. In June, estimates see total overnight stays in the EU coming to around 45 percent of pre-crisis levels and could reach around 75-85 percent in August, which translates into more than 60 percent against the same month last year. Oxford Economics analysts are quick to point out, however, that **tourist numbers will not reach pre-COVID-19 levels in 2021**, adding that **employment** in tourism hotspots such as Greece, Portugal, Spain, Italy, and Croatia will still be slow this year.

Figure 15: Hiring intentions in hospitality are improving, but mostly remain below 2019 levels

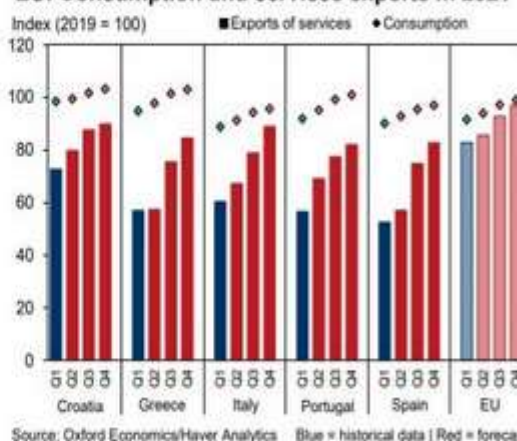
EU: Hiring intentions in services



Source: Oxford Economics/Haver Analytics

Figure 16: Consumption and services exports will see a solid rebound in 2021

EU: Consumption and services exports in 2021



Source: Oxford Economics/Haver Analytics

Blue = historical data | Red = forecast

New Hotel Openings

The expectations in the market remain high and there is vivid activity in the sector with new openings:

- ✓ «Lighthouse» by Brown Hotels recently opened with 220 rooms very close to Omonoia Square and the city Center.
- ✓ “Athens Ikon,” a boutique hotel with 2 luxury suites and 45 rooms which welcomes visitors to 21 Mitropoleos Street, next to Syntagma Square and Plaka and Ermou streets.
- ✓ “The Modernist” in Kolonaki located in the former Canadian Embassy and within 600 of Museums and amenities, recently opened with 43 rooms.
- ✓ Utopia residencies with 28 rooms have recently opened on Ermou street.
- ✓ Conversion of the old District Court in Omonoia to a new modern hotel by Prodea Investments.
- ✓ Extension of Grand Hyatt Hotel in Syggrou by Hines.
- ✓ NLH Monastiraki with 36 rooms and a short distance from Monastiraki and Acropolis.

MAJOR RE TRANSACTIONS S1-2021

Buyer	Asset - Description	Price (in million €)	Date
Brooklane & Noval	Land Plot 16.900 sqm - Maroussi	28,5	February 2021
Peugeot Automotivo	Office Building 3.900 sqm - Chalandri	5,05	April 2021
Trade Estates	Land in Hellinikon Project 30.000 sqm	55	June 2021
Plaisio	Logistics 6.300sqm- Magoula	2,9	June 2021
Trastor	Logistics 11.630 sqm- Aspropyrgos	6,9	March 2021
ICI	Office Building	12,05	February 2021

Overall, in S1 2021: around €300 million deals finalised with significant size/ deals pending are expected to be finalised in Commercial Real Estate



Source: Danos an alliance member of BNP Paribas Real Estate

COVID-19 impact in the market has been prolonged due to Delta Variant and delays in vaccination. Real Estate is in a changing process, new trends emerge, and new challenges are faced, the Greek RE market, however, shows signs of resilience and adaptability.

GREECE

ATHENS OFFICE

15, Vouliagmenis Ave
Tel.: +30 – 210 7 567 567
Fax: +30 – 210 7 567 267
E-mail: office@danos.gr

THESSALONIKI OFFICE

4, Ionos Dragoumi Str., 54624
Tel.: +30 – 2310 244 962
Fax: +30 – 2310 224 781
E-mail: info.thes@danos.gr

CRETE - CHANIA OFFICE

3, Iroon Polytechniou Str., 731 33
Tel: +30 – 28210 50900
Fax: +30 – 28210 59700
E-mail: info.crete@danos-melakis.gr

CRETE - HERAKLION OFFICE

7, D. Beaufort Str., 712 02
Tel.: +30 2810 282822
Fax: + 30 2810 282822
E-mail: info.crete@danos-melakis.gr

www.danos-group.com

CYPRUS

NICOSIA OFFICE

35, I. Hatziosif Av.,
2027 Nicosia
Tel.: +357 – 22 31 70 31
Fax: +357 – 22 31 70 11
E-mail: sales@danos.com.cy

LIMASSOL OFFICE

69, Gladstonos Str.,
3040 Limassol
Tel.: +357 – 25 343934
Fax: +357 – 25 343933
Email: limassoldanos@danos.com.cy
www.danos.com.cy

SERBIA

BELGRADE OFFICE

Milutina Milankovica Str. 9z/I,
11070 New Belgrade
Tel.: +381 0 11 2600 603
Fax: +381 0 11 2601 571
E-mail: office@danos.rs
www.danos.rs

www.danos-group.com

TRANSACTIONS | VALUATIONS | CONSULTANCY | INVESTMENT MANAGEMENT | PROPERTY
MANAGEMENT | RESEARCH

DISCLAIMER

This report is published for general information only. Although high standards have been used in the preparation of the information, analysis, view, and projections presented in this report, no legal responsibility can be accepted by DANOS or BNP PARIBAS RE for any loss or damage resultant from the contents of this document. As a general report this material does not necessarily represent the view of DANOS or BNP PARIBAS REAL ESTATE in relation to particular properties or projects. Reproduction of this report in whole or in part is allowed with proper reference to DANOS Research.