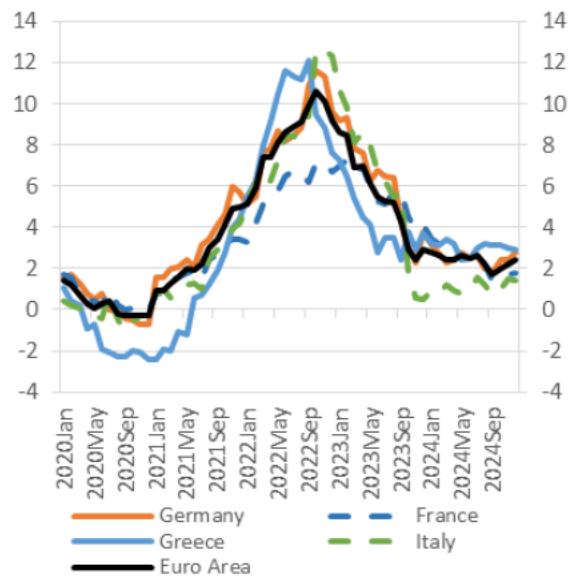


Private consumption increased by a solid 2.1% y-o-y in Q3-2024, buoyed by substantial increases in the compensation of employees (up by +9.1% y-o-y in Q3) reflecting higher real wages, working hours, as well as employment. Labor market trends in the first 10 months of 2024 point to real disposable income growth above 3.5% y-o-y in 2024 following upon a solid 2.2% in 2023.

Going forward, private consumption is set to continue expanding at a robust pace supported by steady real income growth. Investment is forecast to accelerate further, peaking at close to 9% in 2025.

The labour market has been stronger than previously understood as the labour compensation level in the national accounts was revised upwards by 1.6% in 2023 and 3.8% in H1-2024 respectively, above the previous estimates.

Export growth picked up to 3.3% y-o-y (-1.9% in H1-2024), on the back of strong exports of services (+5.1% y-o-y in constant prices terms) and resilient goods exports (+1.2% y-o-y), despite the unfavourable external conditions.

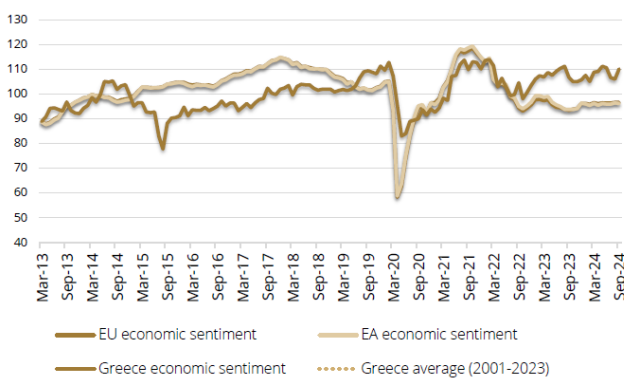


HICP Headline inflation, annual changes %, Source: Eurostat, Latest observation December 2024

Annual HICP headline inflation in the euro area increased to 2.4% in December 2024 from 2.2% in November, due to minor increases in processed food inflation and services inflation and to a significant upward move in the energy inflation rate. Core inflation remained stable at 2.7% for the fourth consecutive month.

Annual HICP headline inflation in Greece ticked down to 2.9% in December 2024 from 3% in November, as further declines in processed food, unprocessed food and non-energy industrial goods, inflation rates were partly offset by the significant pickup in energy inflation. Core inflation in Greece though continues exhibiting a significant positive difference of 1.7 percentage points compared to the euro area. It is expected to decline significantly over the next two years, standing at 3% in 2024, reflecting the sharp decline in energy commodity prices and the de-escalation of food inflation, and by the end of 2026 it will converge towards the 2% mark but will remain slightly above it.

Economic Sentiment Indicator



Source: IOBE, European Commission

The Economic Sentiment Indicator (ESI) eased to a still solid 106.1, on average, in October-November 2024, compared with 107.6 in Q3-2024, but still exceeds its level in Q4:2023 (105.2), with the industry sector showing the largest y-o-y increase.

Despite a small seasonal pick-up in October, the unemployment rate remained in single-digit territory – at 9.8%, compared with 9.5% in Q3-2024 and 10.8% in October 2023 – corresponding to 67.7K additional employees on an annual basis. On that note, the labour force participation rate increased in October, to 61.2% from 60.5% on average in Q3.

Business turnover increased by 4.2% y-o-y in October, compared with 5.9% in Q3-2024.

The Greek economy has been hit by the sovereign debt crisis after 2008, Covid-19, the war in Ukraine and the energy supply crisis. It has shown resilience but, over the years has not realized its high potential. Implementation of productivity enhancing reform policies are crucial for the economy's long-term prospects. The mix of prudent, while growth enhancing, fiscal and monetary frameworks are prerequisites. An immediate priority for the Greek economy is the specialization of production in areas of high value and innovation which are less vulnerable to international shocks.

With further geopolitical and financial instability regionally and internationally, scenarios of international energy prices escalation, and high deficit in the external balance, the Greek economy should focus on enhancing extroversion, while gradually increasing the domestic value added of exports.



OFFICE MARKET REPORT

New era for the Office Market of Thessaloniki, since the first Green Complex of Building is already completed

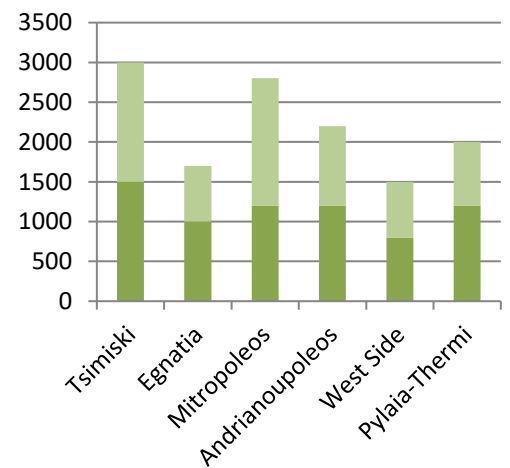
OVERVIEW

The office market in Thessaloniki is diversifying as new developments that meet the requirements of sustainability have now been completed. That fact will have impact to the market and rental values of the offices and also will change the “map” of the demand, from the city center to areas where sustainable constructions are developed.

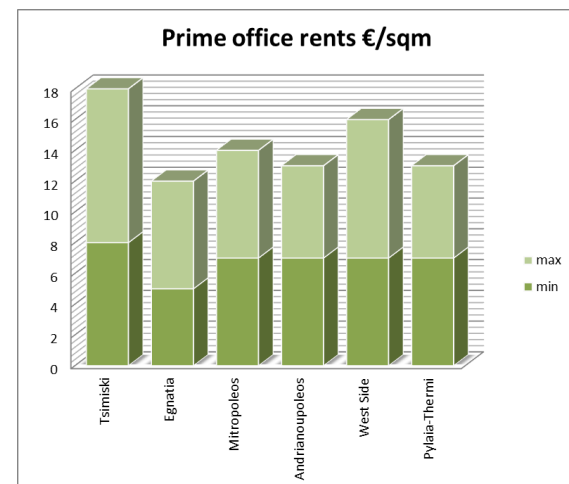
THESSALONIKI OFFICE MARKET

Increased demand for Grade A office spaces and lack of supply leads to the increase of the relevant rental and sale values in the office market.

HUB 26 sets the foundation for a new era at the Western Entrance of Thessaloniki, opening the door for growth and renewal. This modern green office complex has attracted internationally renowned tenants, such as Nasdaq-listed TaskUs, a leading provider of next-generation digital services and customer experience. Starting in the spring of 2025, the business park will also house the new offices of the Black Sea Trade and Development Bank in a privately-owned autonomous building. Other leading financial institutions, such as Alpha Bank and Piraeus, will also establish their new headquarters there.



Hub 26



Source: Danos, an alliance member of BNP Paribas Real Estate

In the mean time, the way is opened for the implementation of the redevelopment of the facilities of the former "Fix Brewery" at the western entrance of Thessaloniki, with the issuance of the Presidential Decree (Government Gazette D' 805/2024), as the area is activated in terms of urban planning and the possibility of its development is given. According to DIMAND the project will be concluded by the H1_2028.

The Thessaloniki Metro was opened to traffic on 30/11, with Kyriakos Mitsotakis symbolically pressing the button at 13:29, marking the start of its operation. The area of the station is 1,260 sqm, while the archaeological research covered at least 3,500 sqm, bringing to light all of the older building and time phases of Thessaloniki since the Hellenistic years. The construction of the Thessaloniki Metro since 2003 has revealed thousands of ancient artifacts, as well as roads, water and sewage systems, tombs and mosaics.

The opening of METRO in Thessaloniki makes the city of Thessaloniki in general and – more specific the city center more attractive destination for companies which want either to lease or to buy offices in the city center because the access is now easier for the employees and customers as well. It is expected that the operation of the Metro will increase the demand of office spaces in the secondary areas with good access to the Metro stations.

Increased demand for office spaces has boosted construction activity for office buildings and developers are searching either for plots for new developments or for buildings for conversion / upgrade projects. This is the case especially for the buildings in the city center. The most demanded locations remain the city center and the East side of Thessaloniki – next to Mediterranean Cosmos, with the West side gaining attractiveness for such developments too, since the distance from the city center and access is easier.

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

Office Market Trends			
Rentals	Yield	Absorption	Vacancy Rate
			

Source: Danos an alliance member of BNP Paribas Real Estate

- **In the city center** the rents fluctuate at €12-18 / sqm / month for the prime areas (e.g. Tsimiski street) and € 8-11 / sqm / month for the secondary streets (e.g. Venizelou street).
- **In Western Thessaloniki**, the rentals new buildings is approx. at 15/ sqm/ month, plus the parking areas- if needed. For older buildings the range is at 7-12 / sqm / month.
- **In the Eastern Thessaloniki** the rentals for the existing buildings fluctuate at €9-13 / sqm/ month.



Source: Thessmetro.gr

S2 2024 MARKET INSIGHT REPORT



RETAIL MARKET REPORT

In the Retail Market, prime locations and shopping malls remain attractive and hold investors interest. At the same time e-commerce continues to increase its sale ratio.

OVERVIEW

Relocations and new openings were the main characteristics of the retail market in Thessaloniki during the H2 2024, as well as two investments on prime retail properties, in the city center.

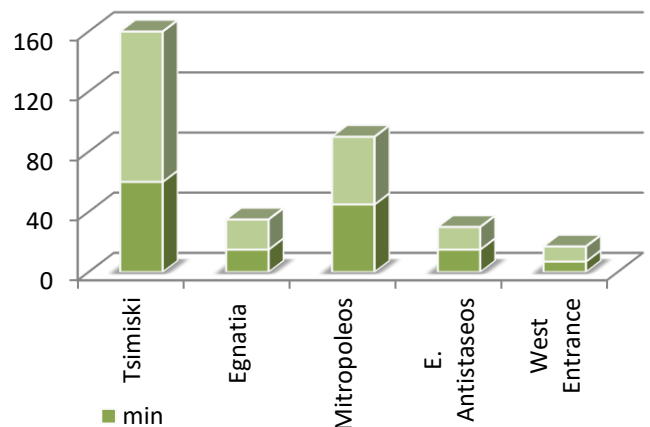
THESSALONIKI RETAIL MARKET

Retail rents in the main commercial streets of the city center, for the 2nd semester of 2024 have been in the same level with the previous semester. In the most attractive part of Tsimiski str., which is limited between Kouskoura and Komnion str., monthly rental prices range from 120-160 €/sqm.

The opening of the Metro, reform Egnatias Avenue into a more attractive destination. Companies from retail and food industry are searching for the appropriate spot in the area to develop their business.

HONDOS CENTER opened in the first week of August and in the exact same building on 39, Egnatias Avenue, where the company operated until about a decade ago, it strengthens its presence in Thessaloniki by acquiring its fourth point of sale in the city.

Retail Rental Values - Thessaloniki €/sqm



Egnatia str, Hondos Center

Source: Danos an alliance member of BNP Paribas Real Estate

New Openings & Trends

Another company which decided to lease a shop in Egnatia due to Metro operation, is the Italian brand Tezenis. Thus, the company has started to operate the new shop in 94, Egnatia Avenue. The company has already 17 shops all over Greece and keep expanding. The firm belongs to Calzedonia Group.



Egnatia str, Tezenis

ZARA completed its relocation at 45, Tsimiski str. The new shop promotes clothing, shoes and a wide variety of many products for women, men and children as well. The surface of the property is approximately 3,200 sq m and in the specific shop the customer can walk around and choose the product he wants to buy and then he can pay for it by himself, through the new procedure which has been established in the shop.

Kayak fashion has opened a multibrand store in the city center of Thessaloniki in 13, Karolou Dil street. The specific company first operated in Larissa and has a wide variety of products in footwear, shoes and accessories, both for men and women. The total area of the store, which extends on 4 levels, is approximately 500 sqm.

Lapin House has also completed the relocation from Agias Sofias street to 53, Mitropoleos street.

An emblematic building in Thessaloniki, at 11 Agias Sofias Street, opens a new chapter in its history, hosting Eurobank's new private banking and corporate & investment banking center. This is a listed building of 1,600 sqm that hosts 50-60 employees and has been totally renovated by Eurobank.



EUROBANK, Private banking, 11 Ag. Sofias str.

Investment Retail Properties - Main yields

Shortly before the end of 2024, two significant deals, totaling €8.5 million, were completed in the Thessaloniki real estate market, involving the purchase of two retail stores, both located at the commercial area of the city center. Specifically, the property housing the **Oysho** store, on 84 Tsimiski str., a prime commercial property of 582 sqm, changed hands, while a commercial property of 830 sq m that houses a "Masoutis" supermarket, was also sold, in the Plateia Business Center. These two commercial properties, previously owned by Sunshine Leases, were purchased by Greek companies and Greek investors at a yield that approaches the 6%. DANOS/An alliance member of BNP Paribas Real Estate, participated in the purchase of the store on Tsimiski Street, as one of the two co-exclusive advisor to the owner company.



84, Tsimiski str.



LOGISTICS MARKET REPORT

The logistics market in Greece had impressive growth over the last years, due to the rising demand and the geostrategic position of the country.

OVERVIEW

The industrial / logistics market in Greece is providing a full range of supply chain services, with their main income coming from warehousing and distribution activities and in addition from organization and management of road transportation. Major projects in the country are under development, with Athens and Thessaloniki having the most important logistic markets.

THESSALONIKI LOGISTICS MARKET

Over 2nd semester of 2024 the logistics sector in Thessaloniki kept gathering the interest of investors as in the previous semester, increasing the related figures (surface of buildings and money flows). The demand is basically focused in Western Thessaloniki, where the connection with the port and the railway is immediate.

The demand concerns mainly the area of Kalochori, the road from Sindos to Halastra, as well as Sindos (the Industrial Area of Thessaloniki).

The development of e-commerce, upgraded the role of logistics in Thessaloniki as a transit trade center. It is expected, that the uprise in growth will be continued within the next semester too.



Rentals In Thessaloniki's Logistics Market (€/sqm/month)

	MIN	MAX
GRADE A	3.5	5.00
GRADE B	2.5	3.4

Many of various scales new projects, are either under construction or in the planning phase, as Thessaloniki increases its attractiveness as international logistics hub.

More specifically the most important new projects are the following:

Ex Gonou – In the former Gonou military camp in Thessaloniki a commercial / logistics center will operate. There are already four groups who are interested for the project:

1. Goldair Cargo – Aktor Group of companies
2. Association of Legal Entities Trade Logistics SA (Fournalis Group) – INTEPKAT SA
3. Noval Property SA
4. Organismos Limenos Thessalonikis SA (OLTH).

The procedure is in progress and consists of 2 phases. The specific project will open the gates of the Greek market in the Balkans and highlight both the city and more broadly, Northern Greece as international transit trade hub. The total surface of the ex military camp is 672 acres. The total investment will be approximately 200 millions and will create 3.000 new job opportunities.

DIMAND (Ex Balkan project)- A new logistic center will be created in the western part of Thessaloniki on a plot of 355 acres (former Balkan Export). Dimand will develop a logistics center in a distance of 23 km from the center of Thessaloniki and 16 km from the port of the city. The company plans to develop the project in two phases. The total area of the developments is approximately 120,000 sqm. The total investment will be approximately €160 million. The project is expected to create 150 new jobs.

Expansion of OLTH - At the beginning of 2025 – and more specifically by February - the Presidential Decree (DP) is expected to be issued that that will "unlock" the extension of the 6th pier of the port of Thessaloniki, Thessaloniki, giving the kick-off for the start of a long-awaited project, which means that ships of main lines will be able to dock at the port. This project will create approximately 4.000 new jobs. The project will be completed within 3,5 years The operation of the upgraded pier will double the container handling capacity.

Logistics areas such as Kalochori and Sindos are already under the investors interest, this trend is expected to be continued in the H1 2025.



MARKET TRENDS LOGISTICS				
	RENTS	YIELDS	DEMAND	SUPPLY
GRADE A	➔	➔	➔	➔
GRADE B	➔	➔	➔	➔

The industrial market has been witnessing an impressive increase in volumes of transactions as well as rental levels. This trend is expected to continue throughout 2025.



RESIDENTIAL MARKET REPORT

The increase of Residential Market performance has continued in the second semester of 2024.

The new housing policy program "My Home II" begins in January 2025, which enables approximately 20,000 beneficiaries to acquire their own home.

OVERVIEW

Transactions activity in the Residential Market boosted by Airbnb projects (in many cases flats have been bought and renovated in order to be promoted for short term lease. Also, the interest for properties for Golden Visa, was high during the 2nd semester of 2024 due to the fact that the prices have already increased, for someone who wants to get Golden Visa in Greece.



THESSALONIKI RESIDENTIAL MARKET

The prices of residential units in Thessaloniki area remained on a rising path for the 2nd semester of 2024.

The announcement of the "My House II" program appears to have boosted demand for homes for sale in many areas of the country..

"My Home 2" will concern all citizens up to the age of 50. It is noted that in the previous program the age limit was 39 years.

According to October 2024 data, 43% of the housing supply for sale in Greece meets the criteria announced under the "My Home II" program, while its new criteria expand the housing supply by 16% compared to the supply based on the criteria of the previous program. According to this program The value listed in the contract should not be greater than 250,000 euros, the house should be up to 150 square meters and have been built by 2007.

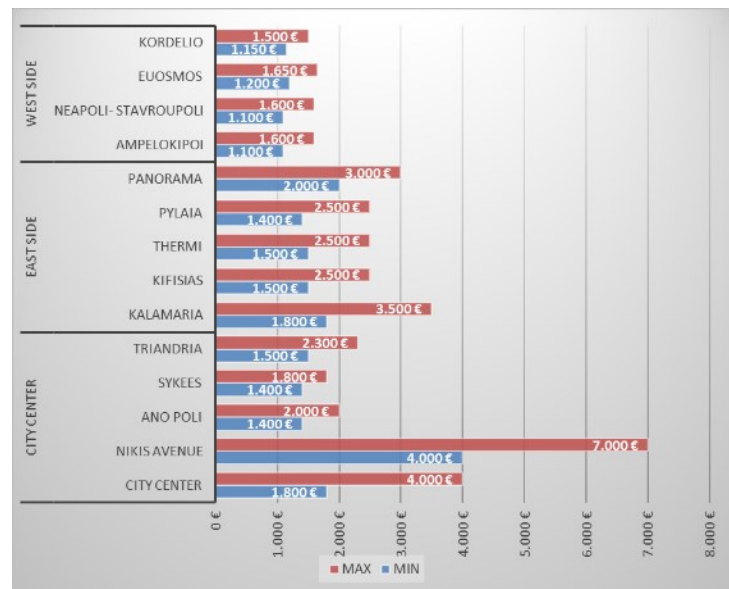
One of the main changes on the residential market during H2 2024 is related to the Golden Visa. The government has made changes related to investment limits in the Golden Visa.

Parliament passed the amendment with the new limits in the Golden Visa program, which rise to 800,000 euros, from 500,000 euros, in Attica, Thessaloniki, Mykonos, Santorini and the islands with a population of more than 3,100 inhabitants, while a ceiling is also introduced in area, since now, in order to get the Golden Visa, the surface of the property must be at least 120 sq.m. and concern a unique property. Thus, the interested for Golden Visa has reduced.

So the reduce of the volume of investments from abroad will normalize the sale and rental prices of houses in large urban centers such as Thessaloniki.

In Thessaloniki the main interest from the local buyers and young couples and families focus in the eastern suburbs of Thessaloniki and the Municipality of Thessaloniki.

In some areas the construction companies develop many new flats and houses, despite the increasing construction cost. The reason is the increasing demand basically from locals who want to buy their own property. For example, in Konstantinopolitika area in Municipality of Pylaia more than 18 buildings are in the final stage of construction and will be concluded within the next 6 months.



Source: Danos an alliance member of BNP Paribas Real Estate

The trends and expectation for the residential market

There is a balance, as construction activity has increased significantly, while demand is expected to increase with the new motivation measures expected from the Government.

The foreign investments especially from Israel and Turkey remain high, even after the war and is not expected to change.

Residential market trends

	SALE	RENT
NEW CONSTRUCTIONS	↗	↗
OLD CONSTRUCTIONS	↗	↗



TOURISM & HOTEL MARKET REPORT

The data so far indicates, that the first semester of 2024 was a great semester for tourism, with significantly better results than the previous semester. There is a gradual improvement in consumer confidence and an increased willingness to travel internationally, despite the contractionary effect of inflation on disposable income.

OVERVIEW

The first forecasts for this year's tourism performance imply, that the revenue will be more, not only compared to last year, but also to the record year of 2019. For the year 2024 (January – December) of 2024, the number of international passengers (air arrivals) increased by 4.1%.

For the same period the number of domestic passengers increased by 6,8%. In total, for international and domestic passengers in Thessaloniki Airport "Makedonia" the increase for the year 2024 was 5.0%.

THESSALONIKI AIRPORT "MAKEDONIA" - 2024 vs 2023

Passengers	Domestic			International			Total		
	Month	2024	2023	%Δ	2024	2023	%Δ	2024	2023
JANUARY	164.350	153.303	7,2%	242.005	219.230	10,4%	406.355	372.533	9,1%
FEBRUARY	171.559	154.846	10,8%	215.861	197.237	9,4%	387.420	352.083	10,0%
MARCH	185.372	175.983	5,3%	289.534	244.212	18,6%	474.906	420.195	13,0%
APRIL	191.290	184.841	3,5%	388.397	387.962	0,1%	579.687	572.803	1,2%
MAY	206.367	182.933	12,8%	480.270	446.195	7,6%	686.637	629.128	9,1%
JUNE	215.002	202.538	6,2%	503.821	499.573	0,9%	718.823	702.111	2,4%
JULY	241.207	226.561	6,5%	576.717	596.840	-3,4%	817.924	823.401	-0,7%
AUGUST	225.368	208.225	8,2%	609.406	625.617	-2,6%	834.774	833.842	0,1%
SEPTEMBER	225.723	216.055	4,5%	549.248	542.090	1,3%	774.971	758.145	2,2%
OCTOBER	216.191	199.231	8,5%	472.711	458.759	3,0%	688.902	657.990	4,7%
NOVEMBER	198.585	185.676	7,0%	287.912	245.654	17,2%	486.497	431.330	12,8%
DECEMBER	192.472	189.131	1,8%	331.696	287.265	15,5%	524.168	476.396	10,0%
TOTAL SKG	2.433.486	2.279.323	6,8%	4.947.578	4.750.634	4,1%	7.381.064	7.029.957	5,0%

Source: FG Traffic Data Management-Fraport Greece

The tourism and hotel sector in Halkidiki and Thessaloniki remained in the radar of foreign investors, as it is providing interesting investment opportunities and competitive advantages.

New Hotel Openings

Fattal is the owner of 'NYX Thessaloniki' 5-star hotel, at the corner of Tsimiski 1 and Katouni streets. Its renovation is under progress, and is expected to be completed very soon. The total investment will be approximately €22 mil. The hotel has 130 rooms.

Olympic Hotel, which is located in Egnatia street number 25, was bought by Gil Hirschmann. He began its complete renovation which will be completed within next months. The new name of the hotel is Oscar Olympic and the total investment in this project is approximately €4,000,000. The building has 7 floors and its total area is 1,900 sqm. It will be a 4-star hotel and is expected to open by May 2025.

By the end of Q1 2025 the ex Nikopolis hotel will operate again and the new name will be **September** hotel. The 5* hotel will be operated by Hotel Brain.

By the end of 2026 a new luxury hotel unit, with a total investment of approximately €30 mil will be added to the existing pipeline and will upgrade the tourist infrastructure of Thessaloniki. The Electra group, is proceeding with the construction of a new 5-star unit, an 11-storey hotel with 165 luxury rooms and a total built-up area of around 6,500 sqm. on a land plot at the junction of Tsimiski and Ethnikis Aminis streets. The Electra group has leased the property, through the specific procedure, from the Church Of Greece, who is the owner of the property. This will be the 7th hotel which will operate Electra group.

The renovation of the Emporikon Hotel is in progress and it is expected to open by July 2026. The hotel, which is located at the junction of Egnatia and Syggrou streets, will be called Green Bottle and belongs to the group that has also White Bottle Apartments and Blue Bottle Boutique Hotel.

The hotel located at the junction of Mitropoleos street and Komninos street, which used to be called Turist, will be completely renovated. The particular investment will cost approximately 5 million euros. A 5-star hotel will operate on this property.

Halkidiki remains at the top choices of foreign visitors, investors and tourists. By the end of 2025, the new hotel of Happy Holidays S.A., in the area of Sarti, is expected to open, which will be managed for the next 20 years by the Mitsis Hotels group. This is an investment of approximately 20 million euros. The complex will consist of two luxury units, a 52-room boutique hotel and a 98-room all-suites hotel. There will also be a wellness & spa center with gym and a 150-person conference center.

Finally, by the end of 2025, the renovation of the three hotels bought by Goldman Sachs Asset Management from the Ghotel Group, is expected to be completed. They will be upgraded to luxury units, the former Pallini Beach 4 stars with 485 rooms and bungalows, Athos Palace Hotel 4 stars with 413 rooms and Theophano Imperial **Palace 5** stars with 151 rooms. The investment exceeds €100 million.



Egnatia str, Green Bottle



Tsimiski NYX



Egnatia str, Oscar Olympic

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