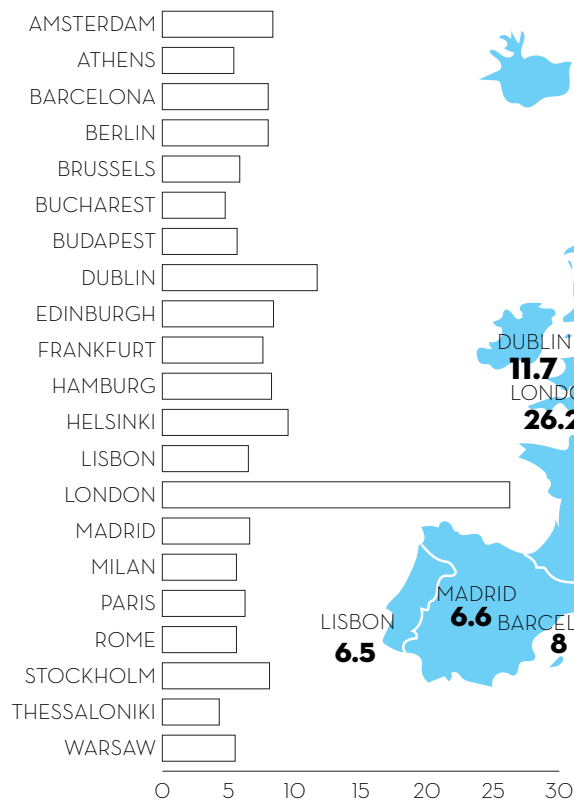


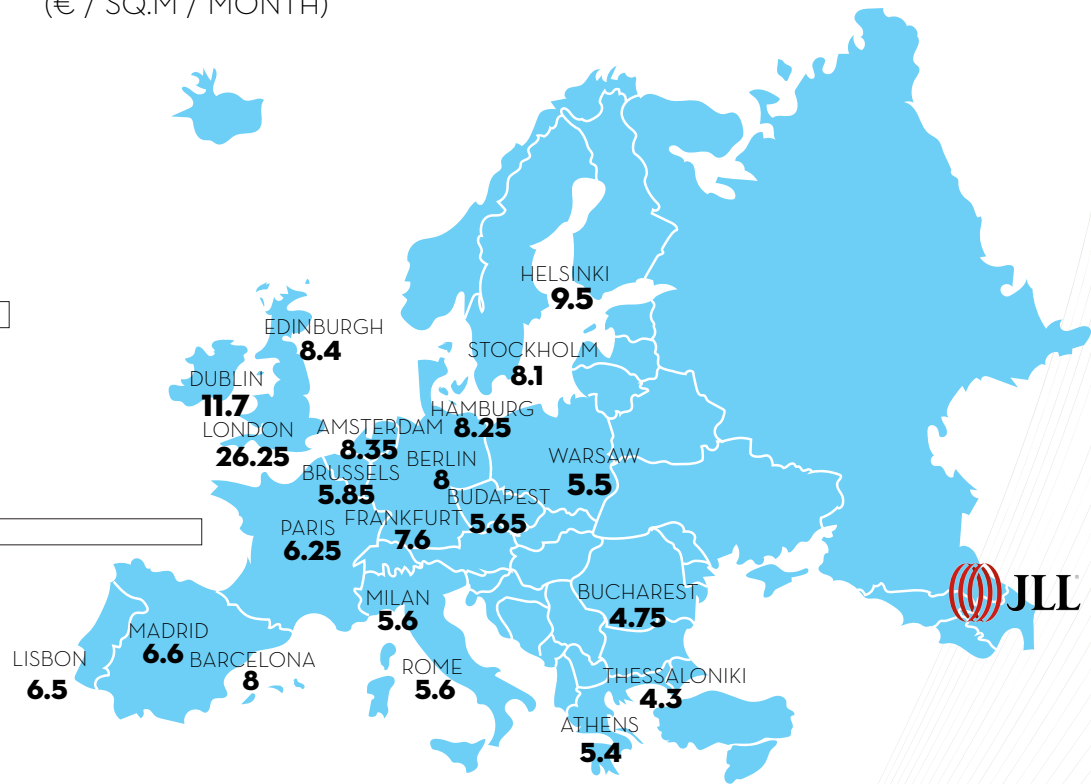


## PRIME LOGISTICS RENTS ACROSS EUROPE

(€ / SQ.M / MONTH)



Source: JLL, ATHENS ECONOMICS



# LOGISTICS **OUTPERFORMED** ALL REAL ESTATE MARKETS



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**GREECE** is firmly on its way to becoming a regional and European transshipment & logistics hub, as M. Giannopoulos, Enterprise Greece CEO recently pointed out. Principle factors underpinning such developments relate to:

- ▶ The country's strategically critical geographical location, in combination with solid output growth and political stability.
- ▶ Its dominant nautical role on a global scale, with Greek vessels accounting for 21% of world sea trade.
- ▶ Infrastructure improvements insofar as both sea and air transport are concerned.
- ▶ The industrial sector's resilience, currently contributing >14% to GDP.
- ▶ Significant construction and investment activity on the logistics front.

More specifically, regarding the real estate side of the logistics sector, key takeaways include:

- Logistics outperformed

all other real estate markets throughout the pandemic and continued to do well during 2022, despite digitization efforts, inflation, and energy costs. Activity in the logistics market continued at a lively pace during 2023, fueled by economic recovery, the rise of exports and e-commerce, with recorded take up in Greater Athens exceeding 200,000 sq m, and more specifically relating to

- ▶ leasing transactions - 133,000 sq m
- ▶ owner-occupation purchases – 76,000 sq m

■ This sub-sector is seriously under-supplied and unable to meet the healthy demand levels we have been witnessing in recent years, partly due to the construction standstill during the financial recession.

■ Indeed, Greater Athens features a severe lack of both modern storage premises and plots suitable for development exceeding

10,000 sq m, while most of old industrial properties which are sold/auctioned do not have the necessary features for reconstruction into new functional storage and distribution spaces, not least because of insufficient internal height.

■ The lack of modern, high-quality spaces capable of meeting the tenant requirements has led to high occupancy rates and a significant increase in rents, a trend that is expected to continue. Rental levels for prime warehousing space in the wider Thriassio continued their upward trend and range between € 4,50–€5,40/sq m/month today (the higher end applies to space with internal height of 14 m, which is what tenants increasingly seek).

■ Similar rents are achieved in the Messoghia area to the north-east of Athens up until the airport, although the offer is much poorer there, mainly due to zoning

issues and the prevalence of agricultural uses.

■ According to recent data from the World Bank, Greece leaped up to 19th place in 2023 from 44th in 2018 in the Logistics Performance Index (LPI), on the back of improved services and facilities; indeed, practically all new logistics construction is nowadays carried out in line with LEED specifications.

■ So, expectations for the logistics sector in the short and medium term are very positive and we are witnessing a surge in developer and occupier interest from domestic and international companies alike.

■ Investment activity also remains strong and prime warehouse yields in Greater Athens continue to harden, ranging today between 7.00 – 8.00%.

■ Overall, across Greece, hitherto recorded industrial acquisitions amounted to almost € 150 ml during 2023 (up from € 113 ml in 2022).