

# Office Market Report

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Athens  
**Office**



## Demand

Demand for office spaces, particularly of high-quality and large surface areas, remained steady throughout 2023. Users continued to reassess their office space requirements, exploring hybrid work models and compliance with ESG standards, resulting in the pursuit of sustainable and wellness features. In many cases, CapEx was noted for the upgrade of office spaces with sustainable and wellness features, enhancing efficiency and cost management.

The majority of the demand focused on office spaces ranging from 700 sqm to 1,000 sqm and 8,000 sqm to 12,000 sqm, representing a 15% increase in surface area needs, compared to the previous year's average.

Regarding areas with the highest demand, the market in Marousi dominates, especially along Kifisias Avenue, followed by the areas of downtown Athens' commercial center. Increased levels of demand were also recorded along Piraeus Street, the E75 National Highway specifically from Metamorfosi to Kaliftaki junction in Kifisia, and in the wider Piraeus area. Demand for office spaces is expected to continue, primarily for Class A properties, due to the lack of quality spaces and the depleted stock.

# Supply

The limited construction activity over the past decade has resulted in a scarcity of prime properties and a high uptake of high-spec office spaces. In many instances, demand surpasses the supply of office spaces, leading to increased absorption of projects under development and a rapid escalation in prices.

A significant number of new construction projects and reconstruction/upgrading of existing office buildings are underway in Attica and Thessaloniki. A significant increase in newly built stock is expected in North Athens in the coming years due to the number of projects already underway.

230,000 sqm of offices are currently under construction, which are expected to be completed in the next two years, and 232,000 sqm are in the planning process, which means at least 460,000 sqm of office spaces will come on the market in the coming years.



# Rents & Yields

Main Office Markets	Rents (Prime)	Yields (Prime)
	(€/sqm/month)	(%)
Central Athens (CBD)	29.00 €	5.75%
Northern Suburbs (Kifisias Avenue, Attiki Odos)	30.00 €	6.00%
Northern Suburbs (E75 Kifisia - Kaliftaki)	16.00 €	7.00%
Southern Suburbs (Syngrou Avenue, Vouliagmenis Avenue)	23.00 €	6.25%
Piraeus (Akti Miaouli)	18.00 €	6.75%

Modern companies primarily seek "green" buildings and therefore prices of these offices are rising, increased demand is sustained, yields are shrinking, and occupancy is assured. Consequently, the gap widens between Class B or C stock and modern offices.

There is strong growth in prime rents with their average rising to €29 per sqm/month, with some deals breaking the €30/sqm/month. In the old but renovated offices located on central roads, the rents range from €15-€20/sqm/month while in the older or unrenovated offices at €10/sqm/month in secondary locations in the center of Athens. Rental prices are expected to increase slightly further for prime properties entering the market in 2024.

A table is presented featuring the main office markets, the prime rents of properties (Category A), as well as their respective yields.



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