

Retail Market Report

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Retail

Athens





Demand

The retail sector is undergoing transformation, with e-commerce reshaping consumer behavior and preferences.

The pandemic of COVID-19 significantly altered consumer practices, leading to increased reliance on e-commerce. This shift in consumer behavior, favoring the convenience and accessibility of online shopping, has resulted in a reduced demand for physical retail spaces outside of prime locations. Retailers are adapting by investing in experiential stores and omnichannel strategies, driving demand for well-located retail spaces in prime locations.

In recent years, shopping centers have witnessed remarkable growth rates, emerging as safe and protected havens from environmental conditions where consumers can fulfill their needs comprehensively because beyond mere shopping, consumers often view these spaces as hubs for entertainment and leisure activities, making them integral parts of their social and recreational routines.



**€200 million
investments**

Supply

Development activity in the retail sector remains inactive, with the Ellinikon project being practically the only large-scale project underway, including three shopping centres in its development plan. Apart from Ellinikon, investor interest in recent years has been mainly focused on the shopping centre sector. Interest in the development of individual commercial sites has been significantly limited, in contrast to shopping centres, where 109,000 sqm is expected to be added to the existing stock. After conducting a thorough examination of significant retail investments in the Central and Northern areas of Athens, it becomes apparent that the total value of these investments surpasses €200 millions.

Rents & Yields

Main Markets Retail Shops	Rents (Prime)	Yields (Prime)
	(€/sqm/month)	(%)
Athens Center (Ermou)	290.00 €	5.25%
Athens Center (CBD)	180.00 €	5.50%
Athens Center (Kolonaki)	105.00 €	6.50%
Northern Suburbs (Kifisia Avenue)	110.00 €	6.50%
Southern Suburbs (Glyfada)	145.00 €	6.25%
Piraeus (center)	90.00 €	6.50%

Given the supply and demand imbalance witnessed in the retail of high street markets, prime rents are reporting upward pressure. The first quarter of 2024 confirmed the favorable outlook noticed in 2023 in terms of activity albeit challenges and uncertainty sourced by the inflation hikes and soaring prices and geopolitical risks. Rental prices have also been on an upward trajectory over the past two years, particularly concerning the most commercial locations.

Based on the 33rd edition of Cushman & Wakefield's Main Streets Across the World, the flagship commercial thoroughfare of Athens City Centre, Ermou str., maintains its 15th position in the ranking this year (as in 2022) with average rents averaging €3,480 per sqm annually (marking a 5% increase on an annual basis).

The yields in the high streets remain stable, with the higher rates in the shopping malls 6.75%- 7.50% and the lower rates in Ermou street 5.25%-5.75%. Prime locations so far seem to be resilient and show stability in the short term.

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

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