

Office Market Report

Greece 2025

June 2025

Compiled by Synergy Engineering Property | Market Research Department

ENERGY

SYNERGY ENGINEERING PROPERTY

Athens
Office

Demand

The Athens office market maintained **strong momentum throughout 2024**, driven by companies' need to align with **ESG standards**. Demand focused on **high-specification spaces** with energy efficiency, smart technologies, and **flexible layouts** supporting hybrid work models.

Demand remains concentrated in the **historic center** and **Kifisias Avenue corridor (Marousi)**. Major corporate relocations include the **Big Four firms (PwC, EY, Deloitte, KPMG)** moving to new certified buildings in **Athens' northern suburbs**, representing the **most significant investments** in the sector.

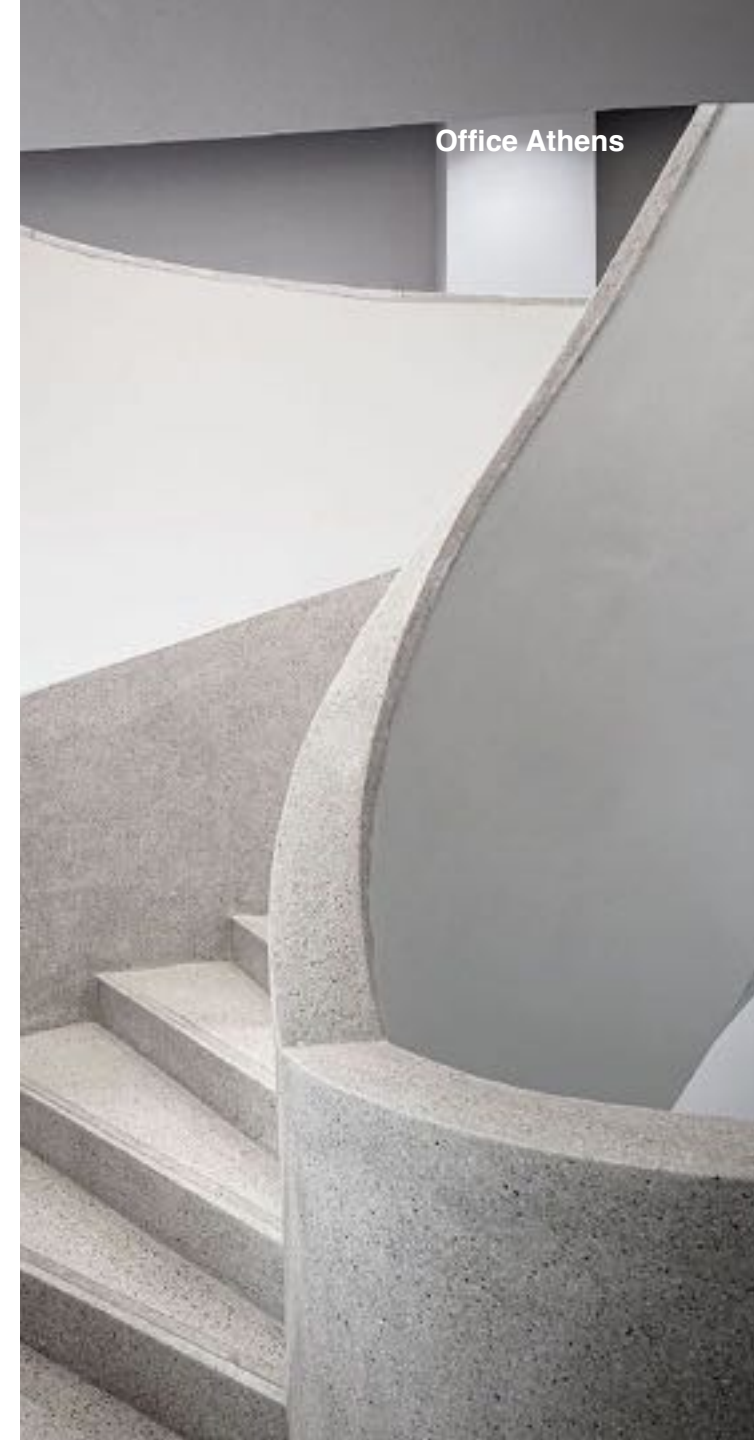
Systemic banks are also relocating to modern buildings along **Stadiou Street**, contributing to the **area's revitalization** as a business hub after years of financial crisis divestment.



A key driver of the shift toward "green" buildings is the **reduction in operating costs**. Energy savings through enhanced insulation, automation, and building management systems (BMS) make these spaces more cost-effective over time, especially for large occupiers with high energy demands.

Furthermore, the positive macroeconomic environment and increasing growth rates have strengthened domestic investor interest, creating favorable conditions for the steady absorption of quality office spaces. According to data from the Bank of Greece, offices remained the **dominant asset type** in investment transactions in 2024, accounting for **37.4% of the total transaction value** in the sector. However, the outlook for **2025** appears to be marked by **caution**, due to global geopolitical instability, political developments in the United States, persistent inflation, and changing credit conditions. Additionally, the slowdown of the European economy and the subsequent decline in office values across mature markets create **entry opportunities for investors at lower valuations**.

Nevertheless, demand for **high-quality and environmentally certified office spaces** is expected to persist into 2025, further **widening the gap** in both pricing and availability compared to older, lower-specification assets.



Supply

The availability of quality office spaces in Athens remains **limited**, despite gradual construction increases following the financial crisis decline. Investment interest is concentrated in **Marousi and the commercial center**, with high-spec developments meeting evolving user needs.

Large-scale developments are emerging in **alternative submarkets like Votanikos and Piraeus**, as investors seek **lower land costs** compared to established high-demand zones.

Growing interest in "**green retrofit**" projects aligns with European trends anticipating **regulatory changes enforcing minimum energy standards by 2030**. This trend is supported by favorable green financing, limited prime land availability, and lower investment costs versus new builds.

Institutional capital participation, particularly through **REICs**, remained high. According to the Bank of Greece data, commercial building activity rose **3.0% in 2024**, though office permits decreased **14.5%** (contrasting with **24.4% increase in 2023**). However, gross office volume under permit surged **108.1%**, indicating a shift toward **fewer but larger-scale projects**.

The total pipeline of office space in planning or development is estimated to exceed **300,000 sqm**. Most developments are modern, high-spec buildings with **sustainability certifications (LEED and BREEAM)**. Due to limited supply and strong demand, many properties secure **lease agreements during design or construction phase**.

Despite the new supply pipeline, vacancy rates for high-spec office spaces remain low in the primary markets, while they are significantly higher in secondary locations dominated by older, less competitive stock. Indicatively, prime office **vacancy rates** in core submarkets are as follows:

- Kifisias Avenue: 4.7%
- Athens CBD: 5.2%
- Syngrou Avenue & CBD periphery: 8% – 10%

However, the development environment remains challenging. Rising construction costs, labor shortages (both skilled and unskilled), and regulatory uncertainty deter many investors and slow the delivery of new quality assets to the market.

Values, Rents & Yields

Due to heightened market activity and large-scale developments, the Bank of Greece's office price index shows significant increases. In Athens, the index recorded +6.6% annual rise in **H1 2024**, with a **cumulative increase of 44.6% from its 2017 historic low**, confirming ongoing recovery in office values.

Office rents showed **+4.5% annual increase in H1 2024** (compared to **+6.3% in 2023**) and **+2.9% semi-annually** versus H2 2023. Despite continued upward trends, rents remain **approximately 20% below their 2008 peak**. Highest rental prices are in prime locations like **Syntagma Square, Vasilissis Sofias, and Kifisias Avenues in Marousi**. More competitive rates are offered by older properties or locations outside core business districts.

Strong demand for top-tier spaces, coupled with **limited new supply**, is expected to maintain **upward pressure on rents**. Gradual decline in prime space availability and project delays further tighten supply.

Office yields in Athens remain **significantly higher than most European markets** (where yields are **below 5%**), making Athens attractive for **value-add and opportunistic strategies**. Anticipated **interest rate declines in 2025** may accelerate **yield compression**, especially for prime properties.

Prime rents and corresponding yields are summarized below:

- Athens CBD: €18 – €31/sqm/month | Yield: 5.65% – 6.50%
- Kifisias Avenue (Marousi): €22 – €30/sqm/month | Yield: 6.00% – 7.00%
- Syngrou Avenue: €13 – €24/sqm/month | Yield: 6.30% – 7.50%
- Athens–Lamia National Road: €13 – €16/sqm/month | Yield: 7.00% – 8.00%
- Piraeus (Akti Miaouli): €14 – €18/sqm/month | Yield: 6.90% – 8.00%

Key Office Markets	Prime Rents	Prime Yields
	(€/sqm/month)	(%)
Athens City Center (CBD)	31,00 €	5,65%
Northern Suburbs (Kifisias Avenue)	30,00 €	6,00%
Northern Suburbs (Athens–Lamia National Road)	16,00 €	7,00%
Southern Suburbs (Syngrou & Vouliagmeni Avenues)	24,00 €	6,30%
Piraeus (Akti Miaouli)	18,00 €	6,90%

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