Greece investment market overview

Q1-Q3 2026



AVISON YOUNG

Market highlights

Investment trends

Offices

Logistics

Retail

Conclusion



Market highlights

1.8%

The EC forecasts 1.8% GDP growth in 2026, above the EU's 1.1%; Q1 growth was 2.0% year on year.

Growth remains resilient but slower as the energy shock raises inflation. RRF-funded investment and tourism continue to support activity; unemployment fell to 8.0% in June.

€1.03m

Foreign investment in Greek real estate reached €1.03 billion in H1 2026, up 9.5% year-on-year.

Real-estate FDI rebounded in H1 2026, despite an 11.3% decline in Q2. Private capital remains focused on residential and second home assets.

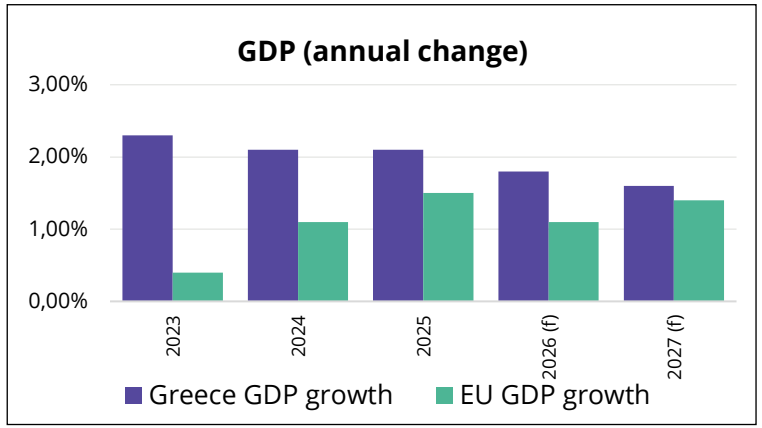
€560m

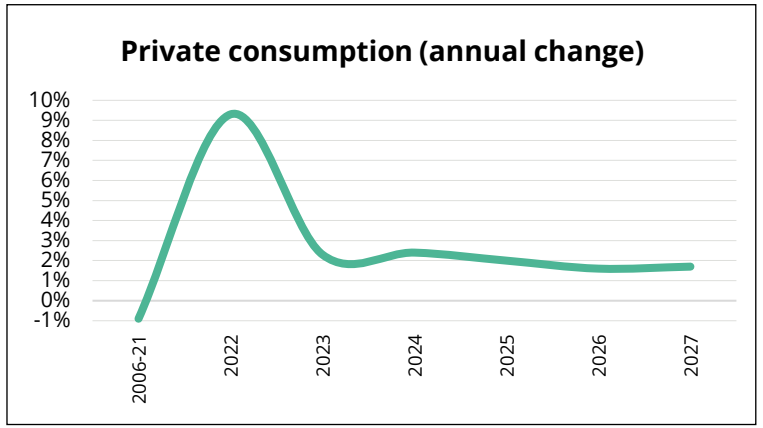
Q1-Q3 2026 commercial investment volume was driven by hospitality and office sectors.

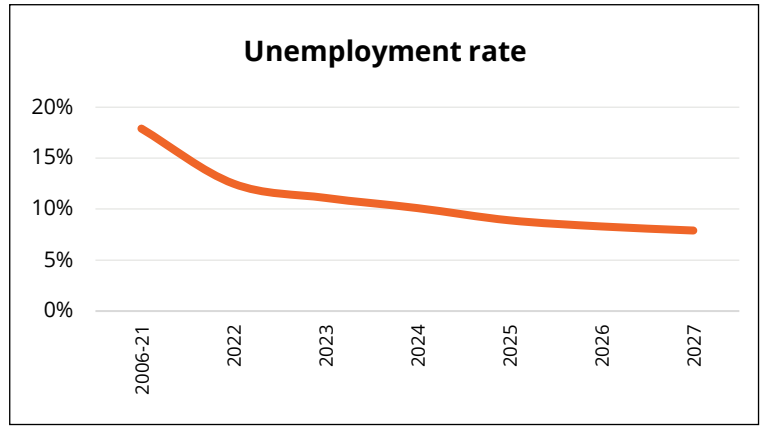
The closed volume of the first three quarters of the year was 32% below the same period in 2025, due to major portfolio transactions that skewed last year's figures. We expect a stronger fourth quarter.

Sources: EC, ELSTAT, Bank of Greece, Avison Young

Economy







Quick snapshot

Growth stays resilient: The EC forecasts 1.8% growth in 2026, above the EU's 1.1%; Q1 GDP expanded 2.0% year on year.

Inflation: The EC forecasts 3.7% in 2026; July CPI was 3.4% year on year.

Fiscal outlook: A 0.8% of GDP surplus and debt ratio of 140.7% are forecast for 2026.

Factors driving growth

EU-funded investment: RRF absorption supports fixed investment, forecast to grow 7.3% in 2026.

Resilient tourist spending: Travel receipts rose 25.8% and inbound flows 20.9% in January-May.

Tight but improving labor market: Unemployment fell to 8.0% in June, supporting household income and consumption.

Factors inhibiting growth

Net exports drag: Investment's high import content keeps net exports a drag on growth.

Labor supply constraints: Skills gaps, planning uncertainty and construction costs limit project delivery.

External risks to tourism/exports: Energy volatility and geopolitical uncertainty remain the main downside risks.

Sources: European Commission Spring 2026 Forecast; ELSTAT; Bank of Greece

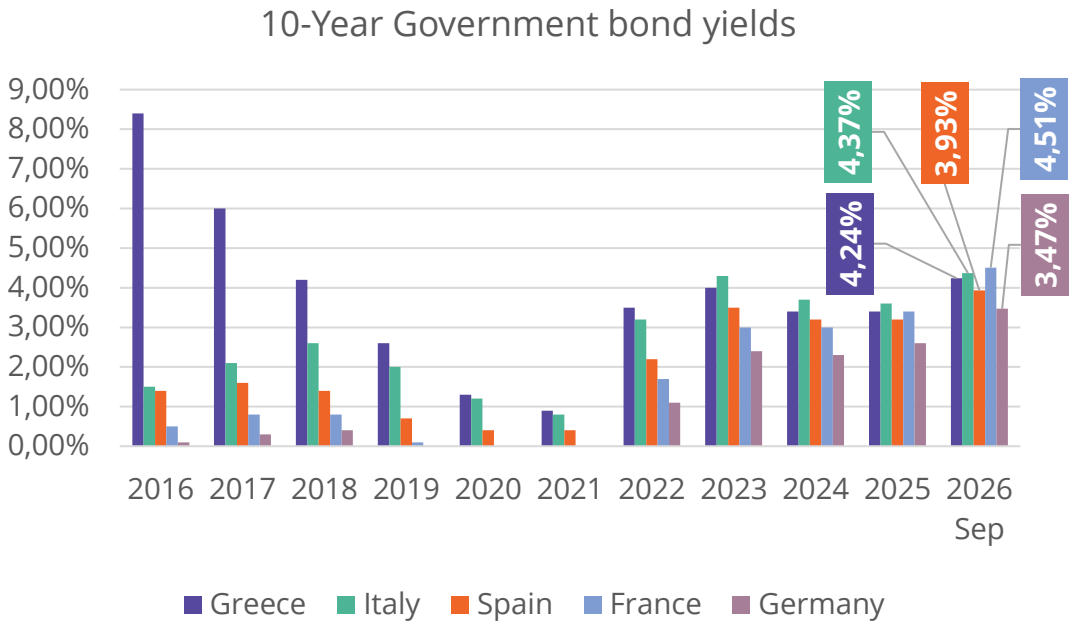
Economy and Financial markets

The Greek economy has regained its investment-grade rating and is growing with above EU average rates. This has restored investor confidence in the market.

-9.4 pps

The highest rate of debt reduction in the EU achieved by Greece in Q1 2026. Debt declined to 143.5% of GDP at €366bn from €360bn in Q1 2025.

Rating Agency	Current Rating	Outlook
S&P Global	BBB	Stable
Fitch Ratings	BBB	Stable
Moody's	Baa3	Positive
DBRS Morningstar	BBB	Positive
Scope Ratings	BBB+	Stable

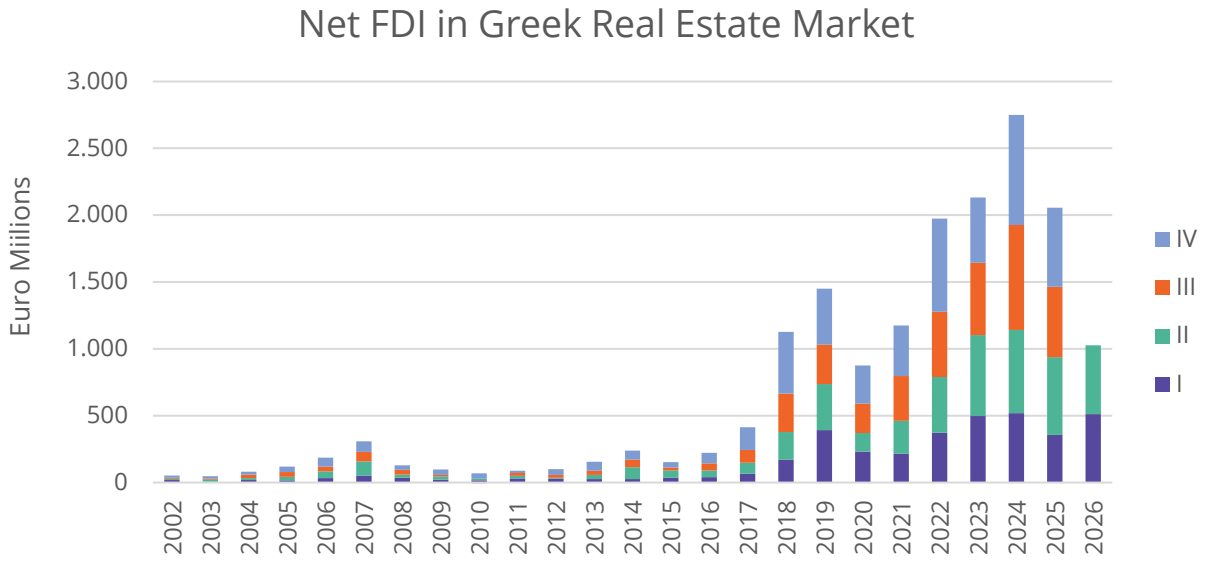


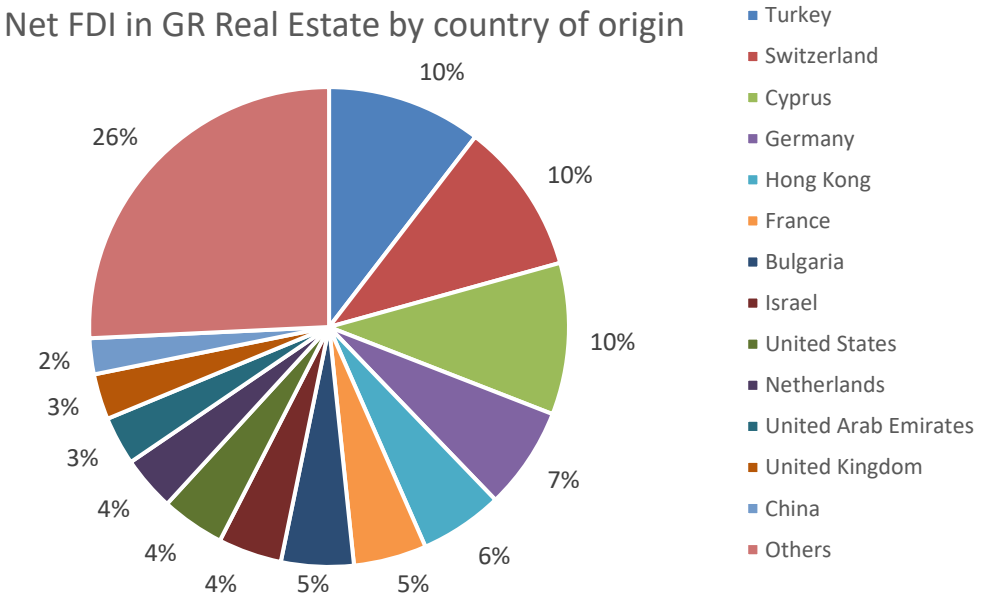
Real estate industry

The Greek real estate market is driven by foreign investors and private-buyers who have been attracted by rising property values, tax incentives and the Golden Visa program.

€1.03m

Net FDI in Greek real estate market in H1 2026 was 9.5% up yoy and almost 120% above the 10-year average.



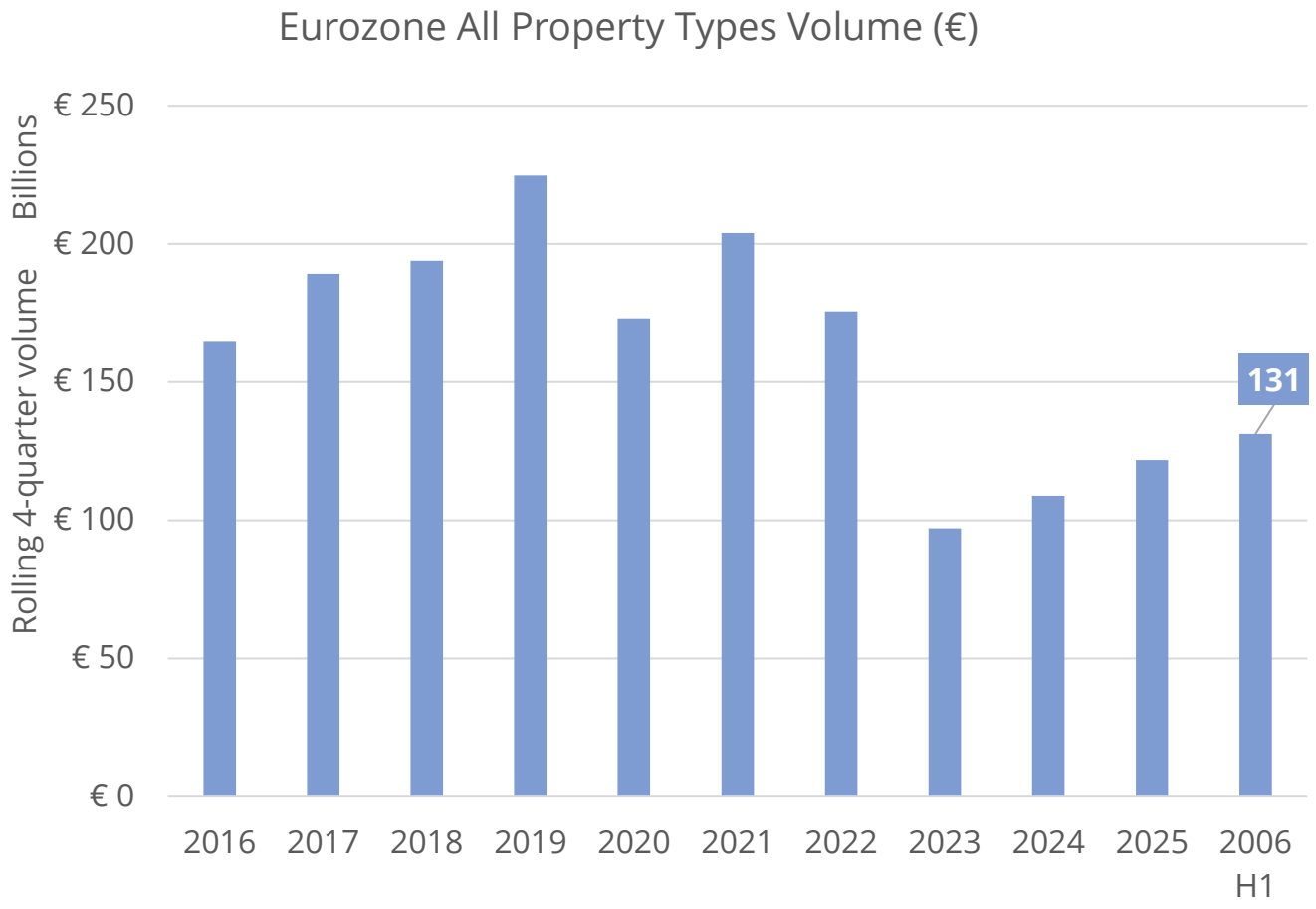


Source: Bank of Greece

Investment trends



European volumes at cyclical low



Source: MSCI/RCA

Key European market trends

Eurozone investment was up 18% yoy in H1 2026, but down 3% qoq, as geopolitical tensions, inflation concerns and renewed interest-rate volatility weakened the recovery that began in late 2025.

- **Q2** investment volume was €30bn.
- Higher **interest-rate** expectations continue to delay transactions.
- **Industrial** volumes fell 28%, reaching their lowest H1 level since 2017.
- **Office** activity remained around half its previous-cycle level.
- **Apartments** were the strongest major sector, rising 15%.
- Competition from **infrastructure** and AI-related investments is reducing allocations to real estate.

The size of the Greek CRE market is small



Source: MSCI/RCA

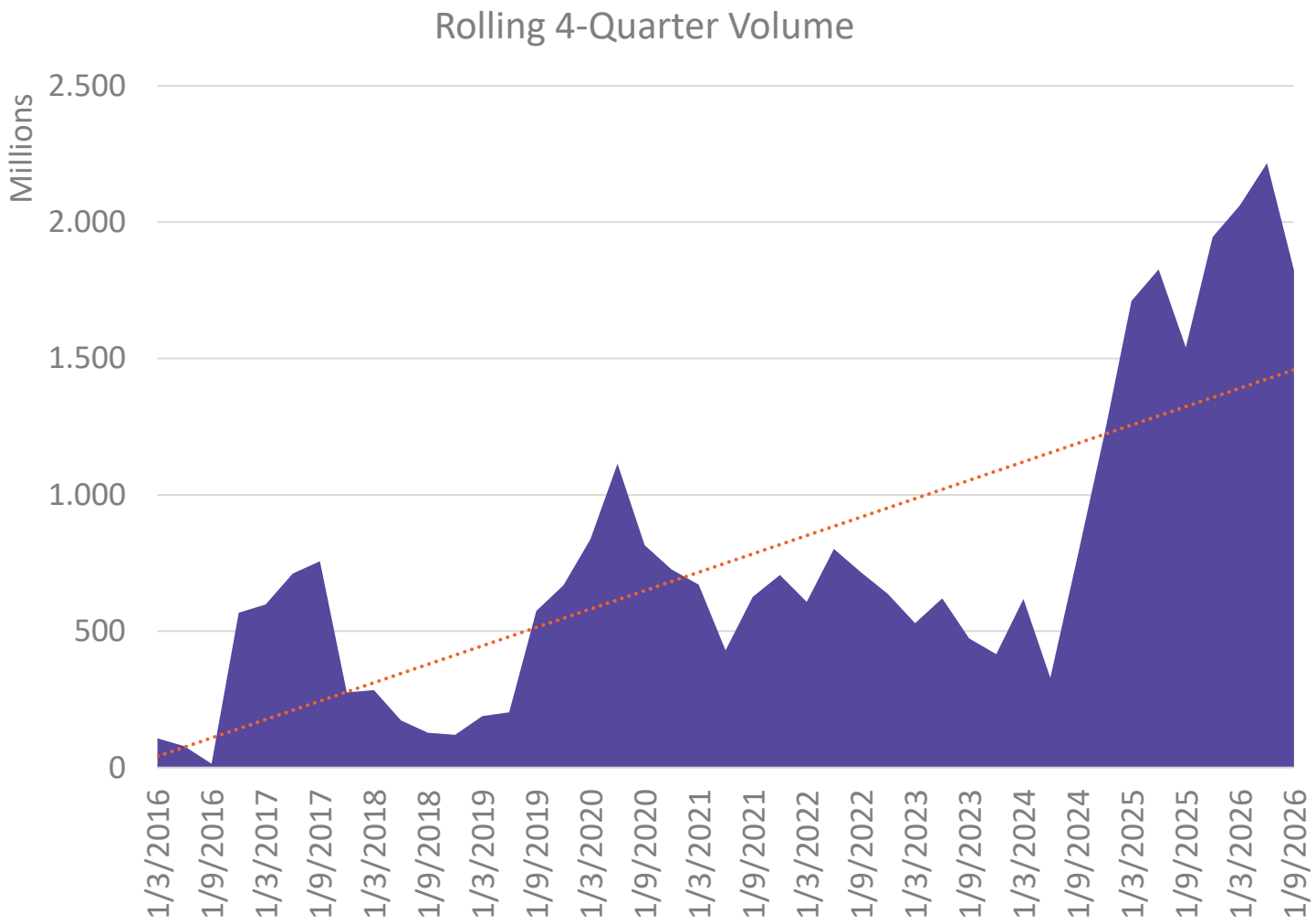
Key sectors of growth

Greece remains small by European standards, but the prolonged decline in development has created a structural shortage of modern, institutional-grade assets. Recovering prices, economic growth and rising international interest are creating opportunities across key sectors:

- **Tourism**: hotels, resorts and branded residences
- **Education**: student accommodation and related infrastructure
- **Residential** and **logistics**: demand exceeds modern supply
- **Data centres**: Greece's strategic geographic position attracts investment, although electricity availability and grid capacity remain key constraints
- **Energy**: renewables and energy-efficient buildings

The principal challenge remains creating sufficiently large, investment-grade assets and scalable portfolios.

Investment activity shows a positive trajectory

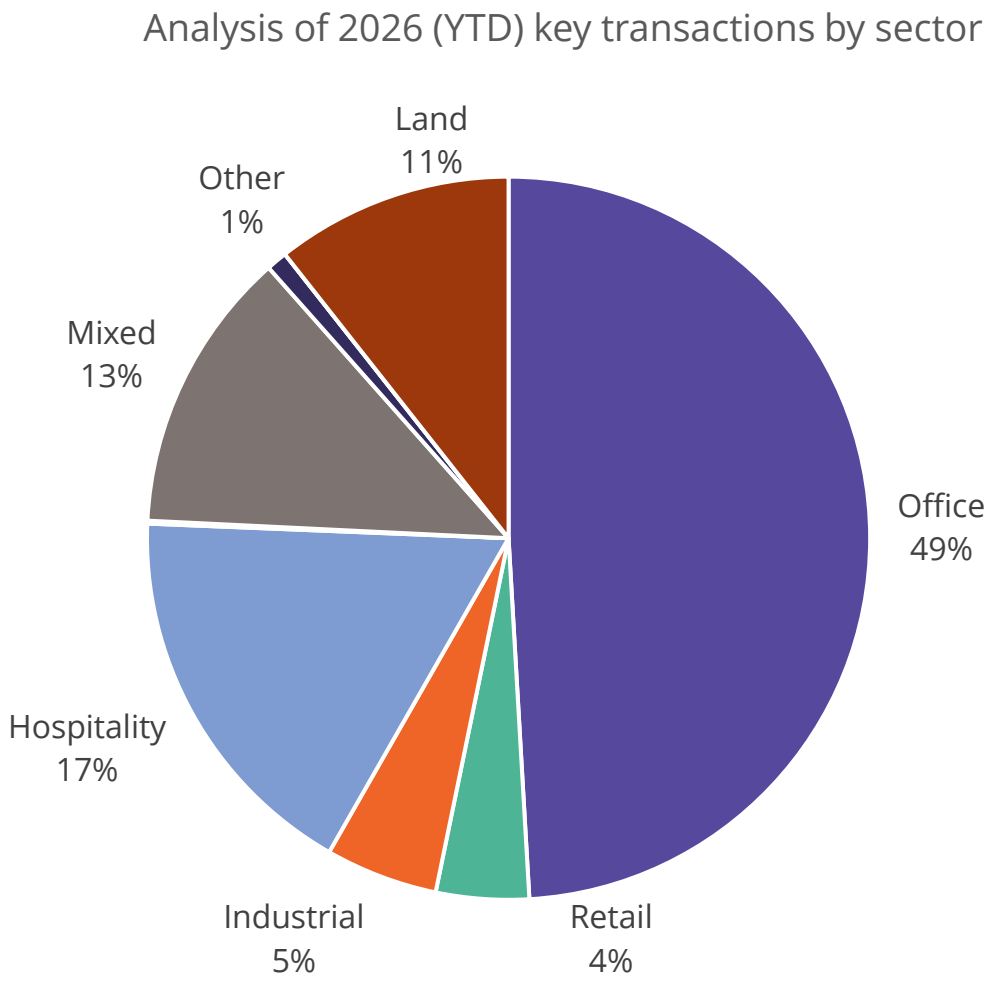


Source: MSCI/RCA, Avison Young

Investment volume

- Commercial investment volumes in the first three quarters of the year were in line with the long-term quarterly average of around €190m, bringing the total **Q1-Q3 (YTD) total transaction volume to around €560m** (transactions>€10m, excluding Residential and with restricted price evidence in Hospitality).
- **Q1-Q3 total was 32% down** compared to the same period last year, due to the **lack of portfolio transactions**.
- The **average size** of deal has dropped to €22m vs €26m over the same period last year.

Offices captured almost half of the investment

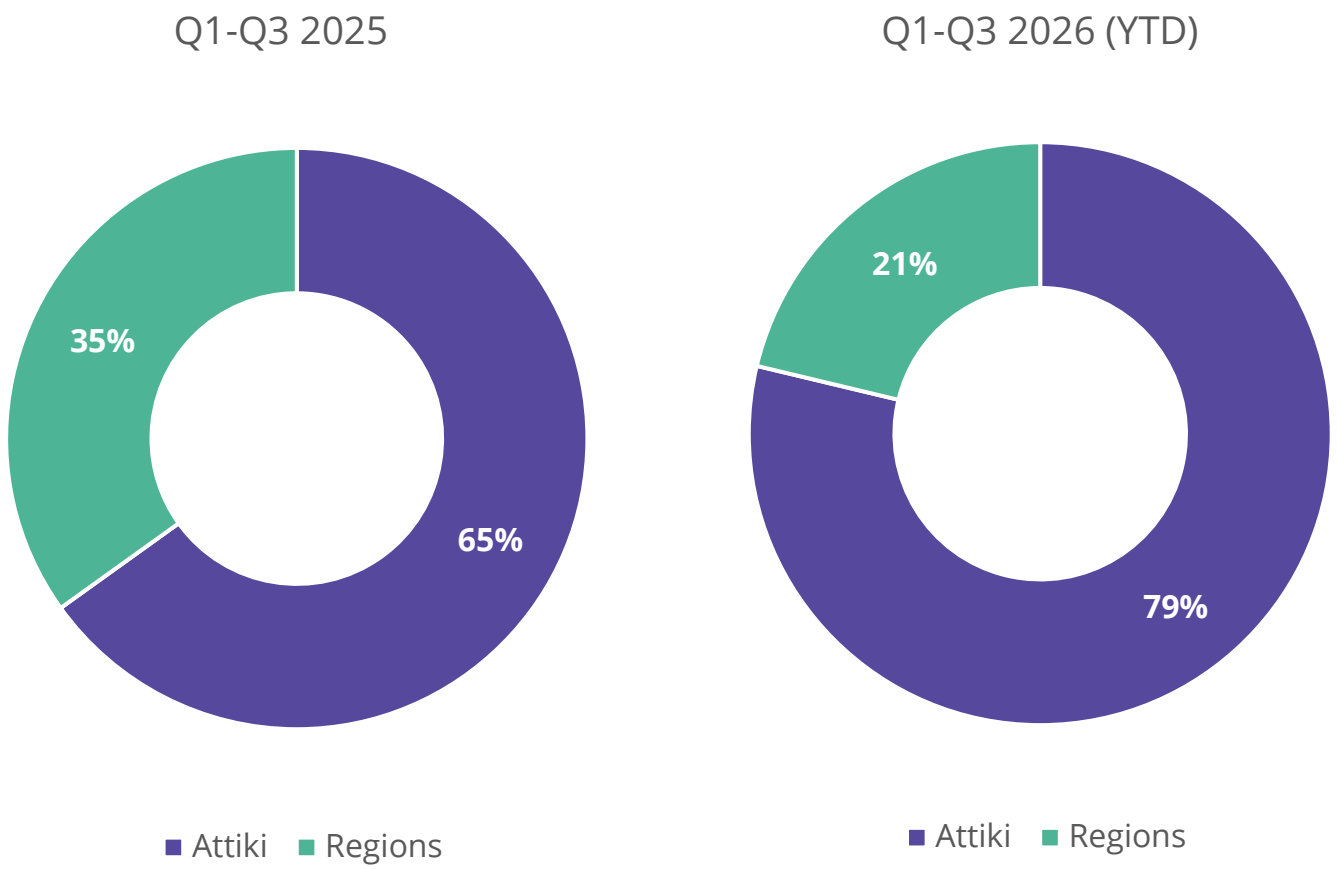


Source: Avison Young

Investment by sector

- Two major owner-occupier deals by public sector institutions (DEDDHE and “Athena” Research Centre) underpinned the **share of office sector** in the first three quarters of the year, which reached 49% of the total.
- Investor interest in **hospitality sector** remained strong (17%), although suitable investment opportunities has been harder to identify. **Mixed use buildings** such as the repositioned old Minion Department store (living and retail) contributed to the 13% share of this type of asset.
- **Land acquisitions**, such as Intracom/Ten Brinke entry in Elliniko, have contributed to the 11% share of the total.

Most activity concentrated in Athens

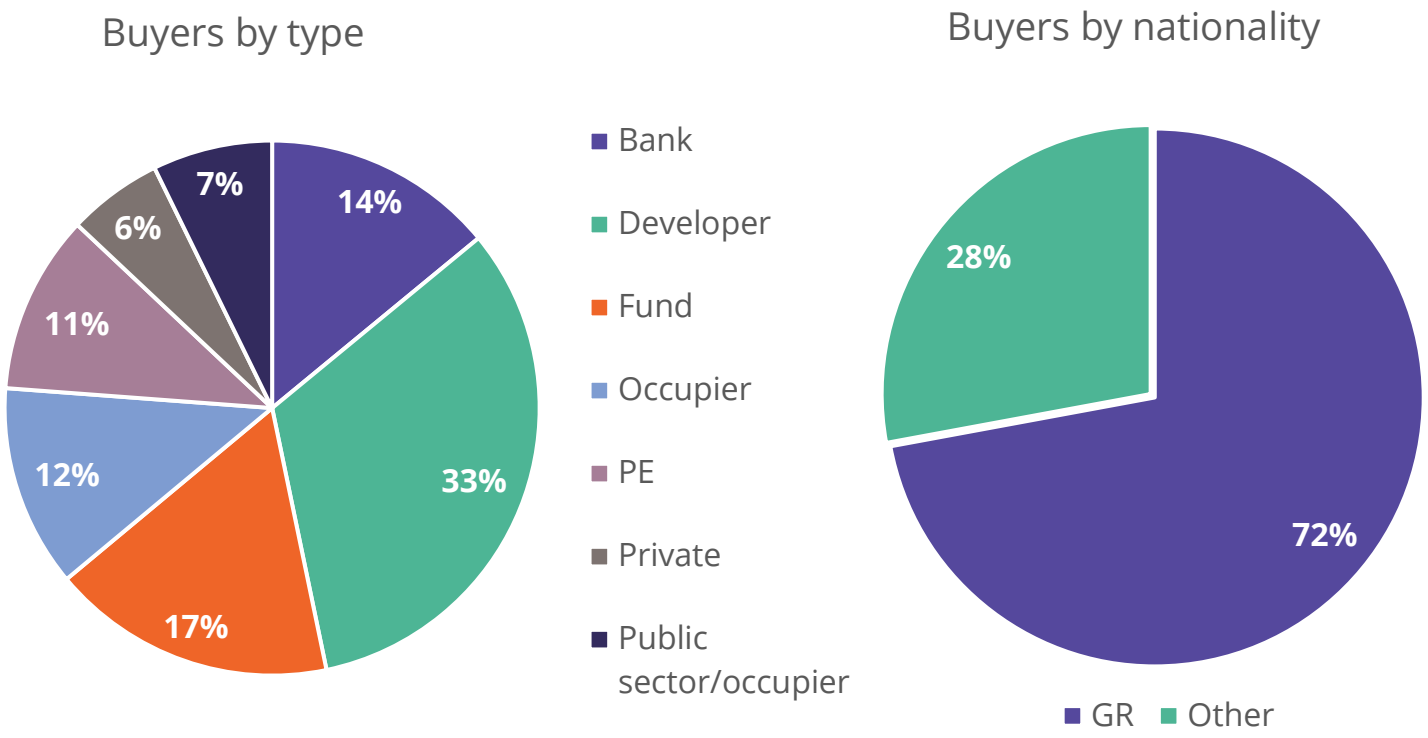


Source: Avison Young

Investment by region

- Excluding portfolio transactions, the majority of investment activity is concentrated in **Attiki region (79%)** essentially the Metropolitan area of Athens. The pattern has remained the same compared to last year.
- **Office and retail accounted for 53%** of deals in Q1-Q3 2026, and these type of assets are predominantly located in the business areas and retail hubs of the capital city.
- The regions are driven mainly by **hospitality investments** in the Islands and Chalkidiki, as well as supermarket and logistics deals.

Greek institutions and developers dominate



Source: Avison Young

Buyer composition

- **Greek investors** have dominated the market in the first three quarters of the year.
- Some **major occupiers** from the retail (Lidl, Dedeman) and public sectors (DEDDHE) acquired large-scale buildings.
- **Developers and Property companies** (Dimand, Ten Brinke, Intracom, Ellaktor) make acquisitions in major development and redevelopment projects in and around the capital.
- The real estate arms of **Banks and REICS,** have adjusted their investment strategies shifting towards hospitality and living sectors.
- **International capital**, targets mainly the hospitality sector and enters the market either directly or via Greek listed companies (eg Nordic Leisure Travel Group /Premia – Hospitality focus, LGT Capital Partners /Prodea Investments – Logistics focus).

Narrow range of prime achievable (gross) yields

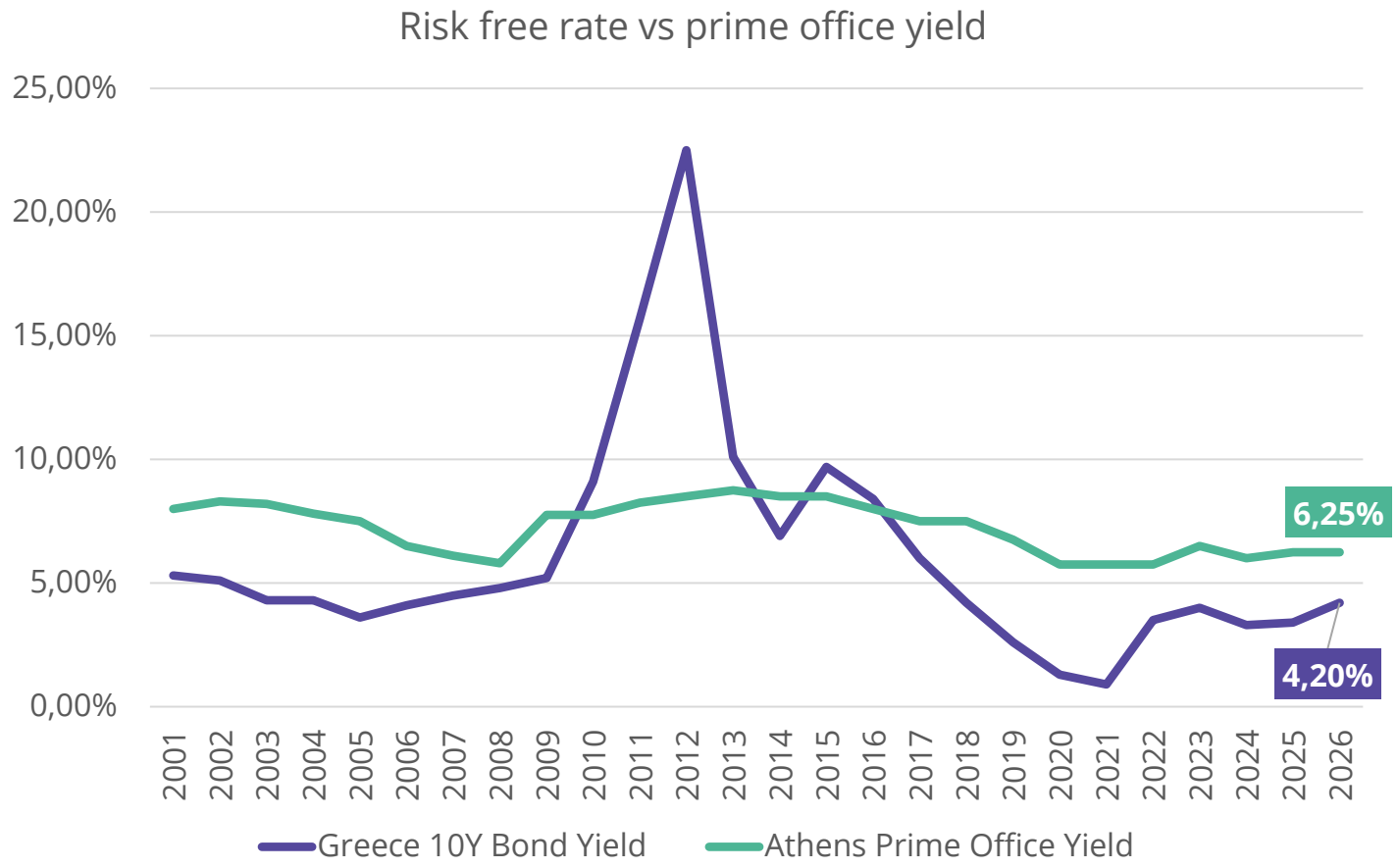


Source: Avison Young

Prime achievable yields

- **Prime achievable gross yields** have converged to around **6.25% (gross)** across most market segments.
- Achievable prime yields have **moved out** by 25bps on a quarterly basis, due to rising geopolitical uncertainty and the implications on interest rates.
- Nevertheless, they are **unchanged** compared to Q3 2025 levels.
- Lack of available prime assets on the market persists.

The property risk premium in Greece has narrowed

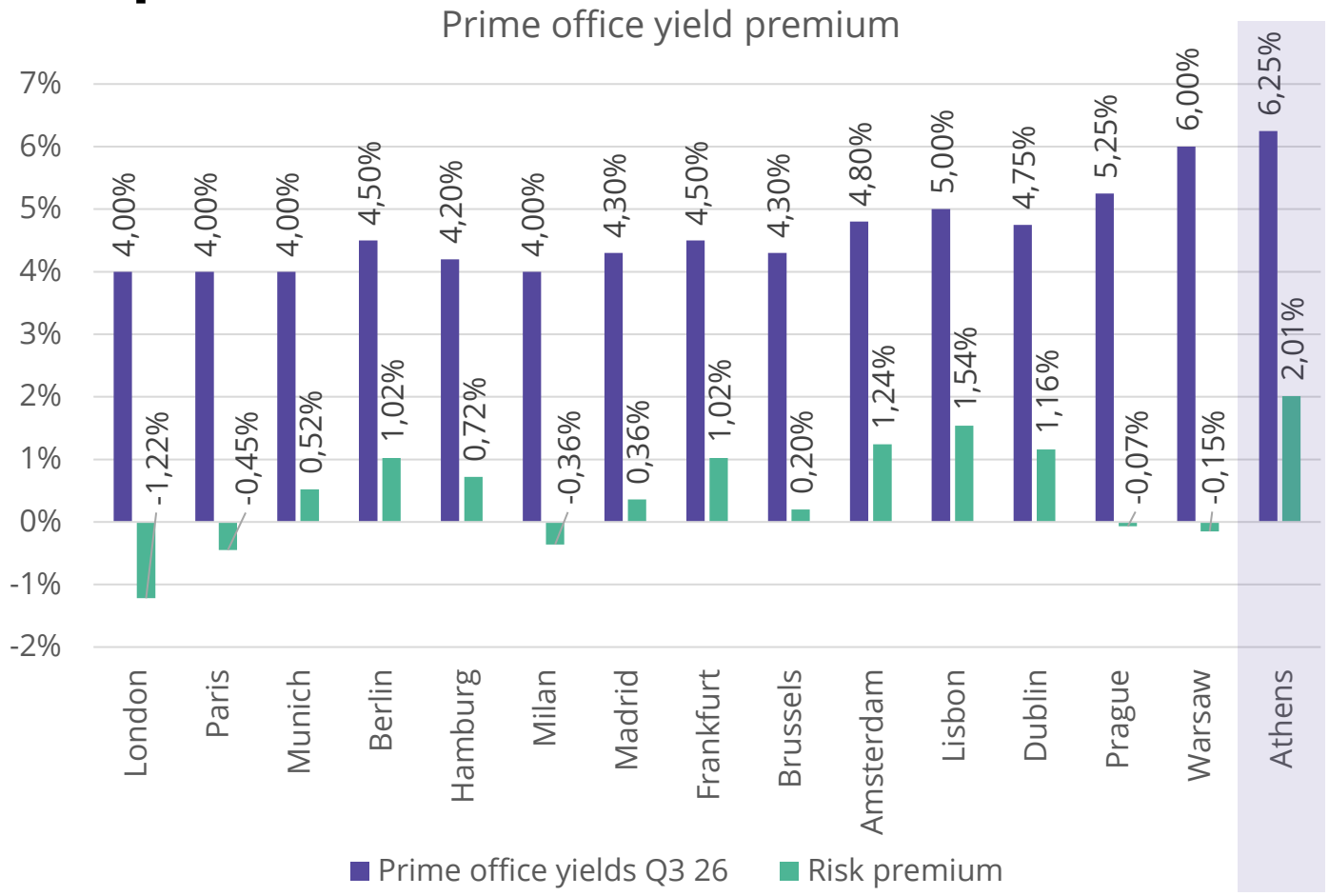


Property risk premium

- In Greece the **10-year bond yield** has dropped significantly reflecting investor confidence in the country's fiscal ability.
- Recently it has increased slightly due to the energy crisis and inflationary pressures but is lower than Italy and France (Sep 2026).
- **Prime real estate yields** have been less volatile over time, given that supply of prime product has always been limited.
- The **real estate risk premium** is at 200bps compared to a historic low of 100 bps in 2008.

Source: Avison Young, National Central Banks

Nevertheless, remains the highest in Europe



Source: Avison Young, Various

European comparison

- **EU average risk premium** is at around 49bps on average. Due to recent rises in 10-year bond yields the spread is even negative in some markets.
- **Greece has the highest spread** over the risk-free rate at 201 bps, as property yields remain higher compared to other European markets.
- However, the spread between prime European and Greek property yields has narrowed compared to the long term-trend as EU yields have softened along with rising interest rates in the past years.

Outlook Investment

Investment activity: There is solid **demand** for good quality property assets that offer secure, **inflation hedged income streams**, however the supply of such product remains **limited**. Greek institutions, cross-border hotel capital and private buyers will remain the key players in the market.

Supply: Limited institutional-grade stock and the **bid-ask price gap** will keep timing uneven; portfolios and turnkey developments offer scale.

Yields: Prime yields should remain broadly **stable**, although it remains to be seen how rising inflationary pressures will impact interest rate policy and how this may impact pricing. **Domestic capital** may continue to outbid international investors on smaller assets.

6.25%

Prime office gross yield
(Kifissias Avenue)

6.35%

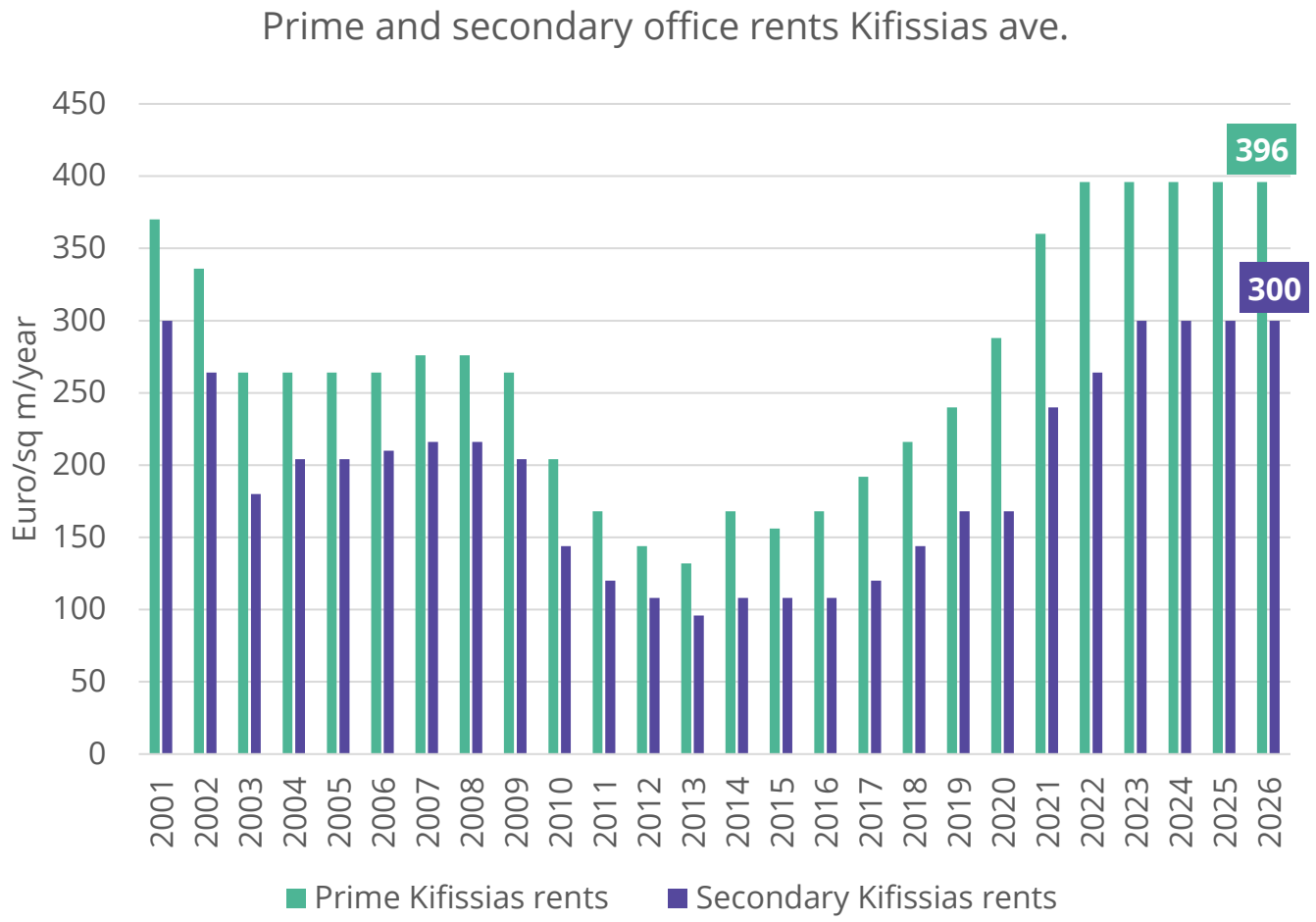
Prime logistics gross yield
(Athens West)



Offices



Prime rents have peaked

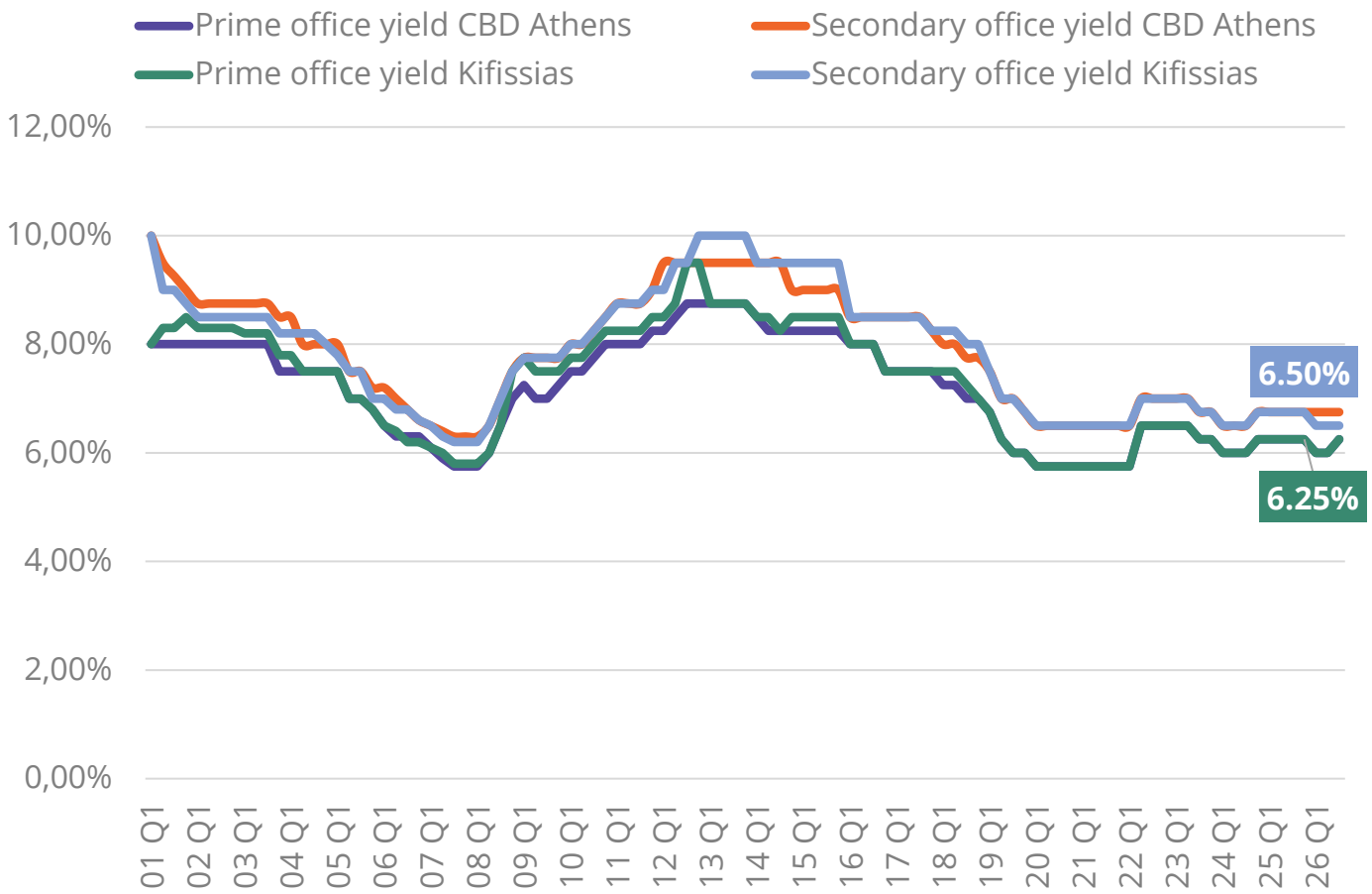


Source: Avison Young

Office demand and supply trends

- **Occupier demand** is concentrated in areas with good accessibility, public transport links and established business hubs, mainly in Athens North.
- **SME's** are struggling with the high level of prime asking rents and compromise in secondary buildings and locations at around €20-25/sqm/month.
- **Requirements** are driven by the need for upgrading and rationalization strategies, with new demand and expansion coming from growing sectors such as tech, education, energy.
- **Developers** are looking for refurbishment and redevelopment opportunities but rising construction costs create uncertainty around budgeting and affordability.

Prime yields are stable compared to 2025



Source: Avison Young

Office pricing trends

- **Achievable prime office rents** are around €33/sq m/month, although asking prices can be much higher. They have not changed since last year.
- **Occupiers** have become more cost sensitive given higher energy prices and inflation.
- **Prime office buildings**, with ESG credentials, close to public transport hubs and good lease terms command prime yields around 6.25%.
- **Secondary yields** can be 50-75bps higher if they concern buildings that do not require significant CAPEX and are in areas with occupier demand.
- Both prime and secondary yields have remained **stable** compared to Q3 2025.

Outlook Offices

Demand: Take-up will be driven by larger occupier **pre-lets**. **Relocation** activity will be dependent on the availability of suitable modern space.

Supply: Limited supply of quality space will support **redevelopment**, while geopolitical uncertainty and **rising costs** may delay new projects and constrain the possibilities of the development of affordable office space.

Rents: Prime rents are expected to remain broadly **stable** as tenant affordability comes under pressure.

Investment demand: Activity will be led by cash-rich investors seeking **attractive real estate returns** relative to other asset classes.

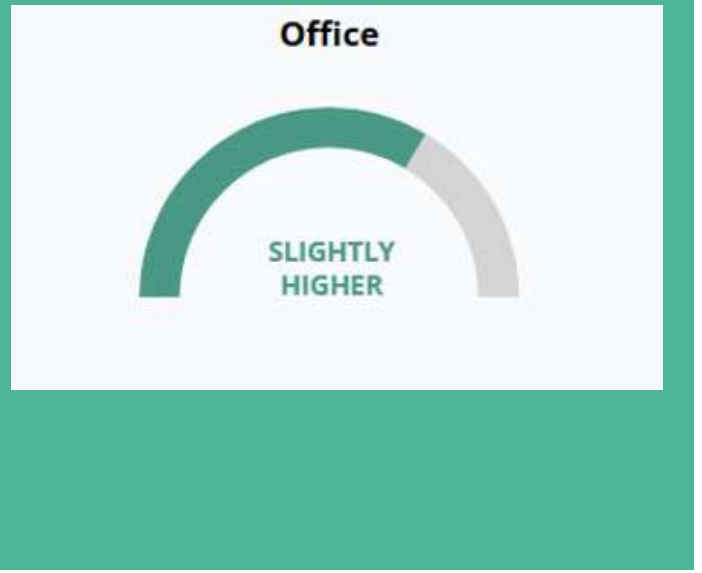
Yields: Prime yields are likely to stay around 6.25% for standalone assets with **strong covenants and long lease terms.**

€ 33 / sq m

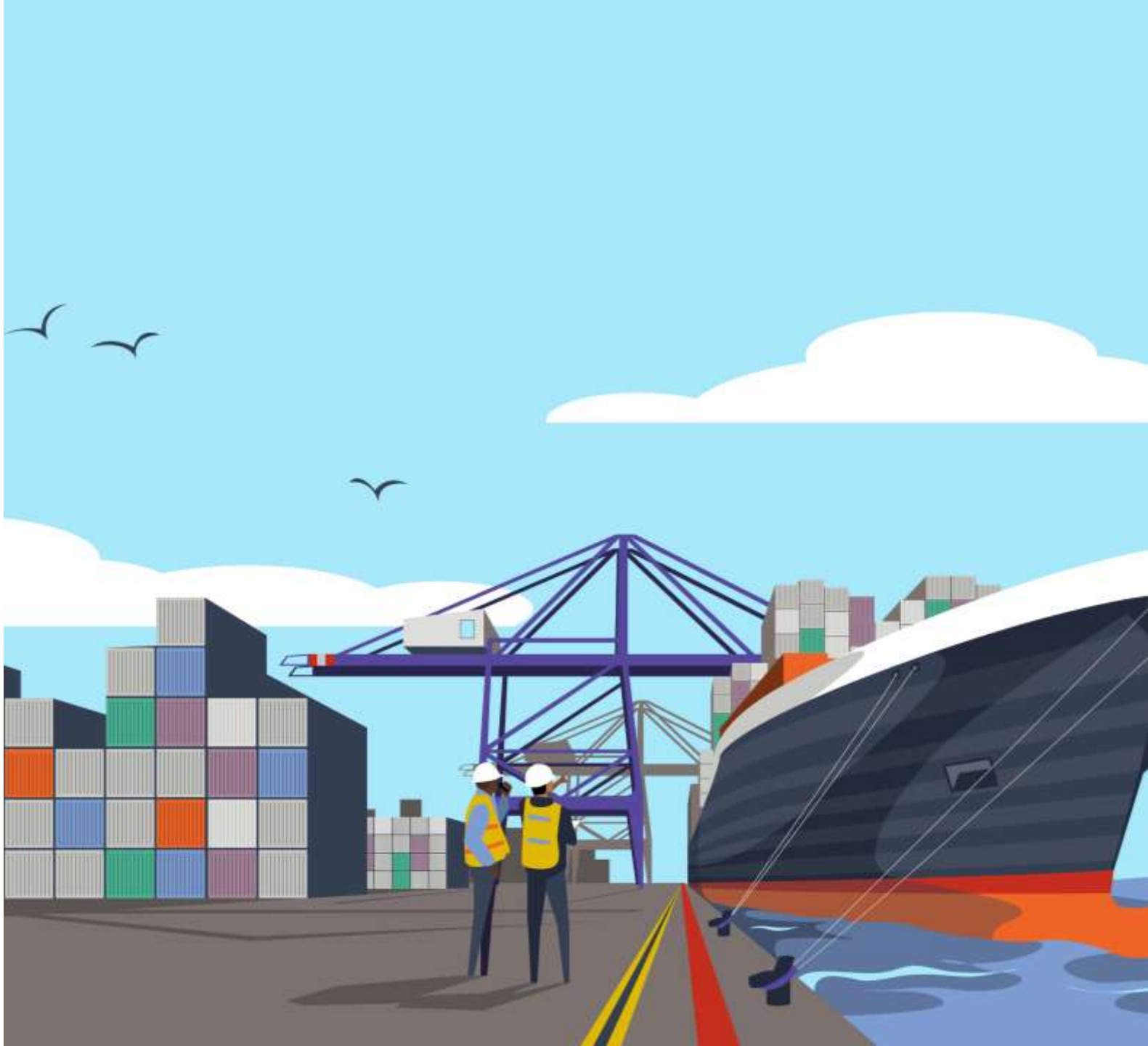
Prime monthly achievable office rent (Kifissias Avenue) Q3 2026

6.25%

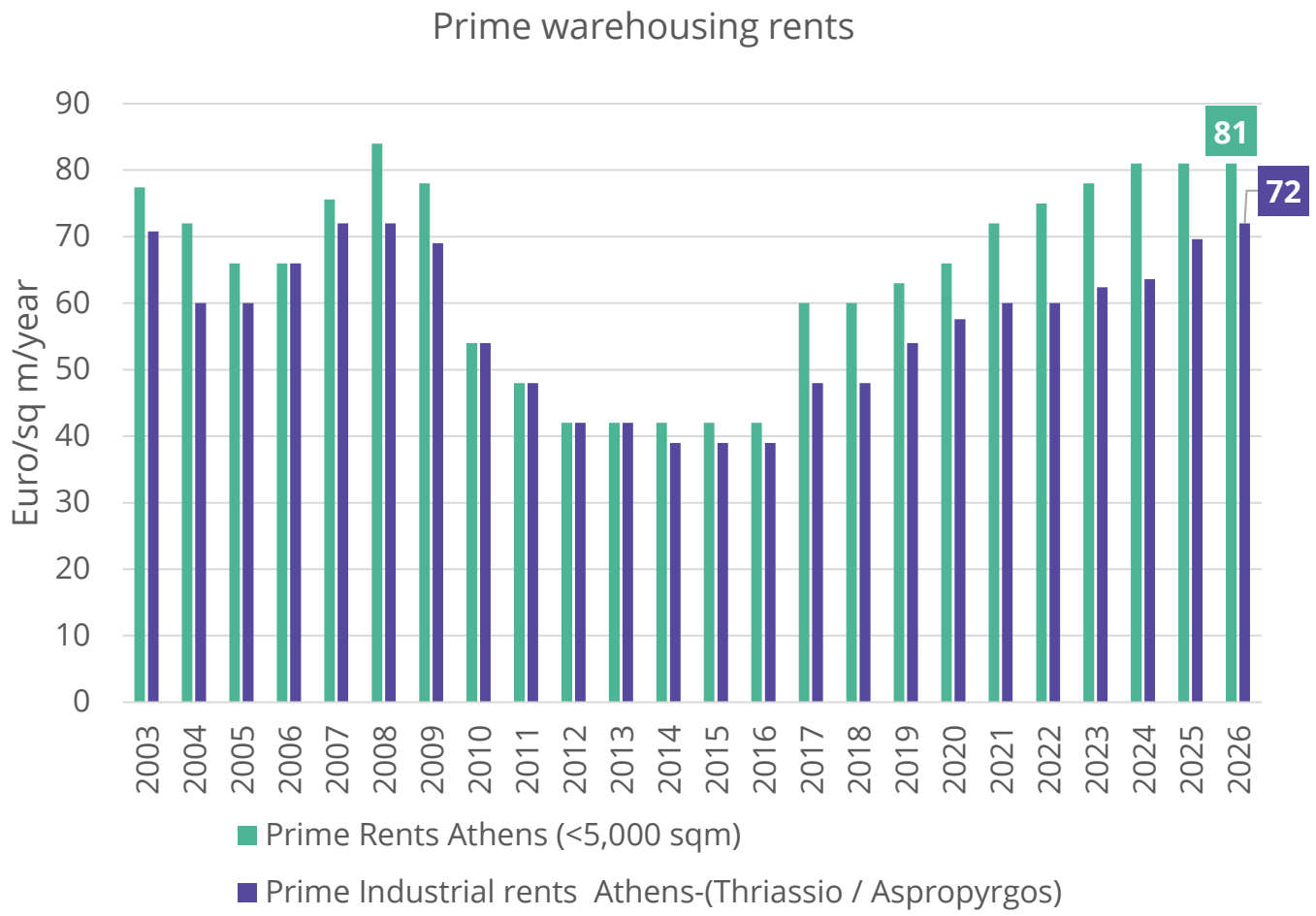
Prime achievable office gross yield (Kifissias Avenue) Q3 2026



Logistics



Demand and supply imbalance drives rents

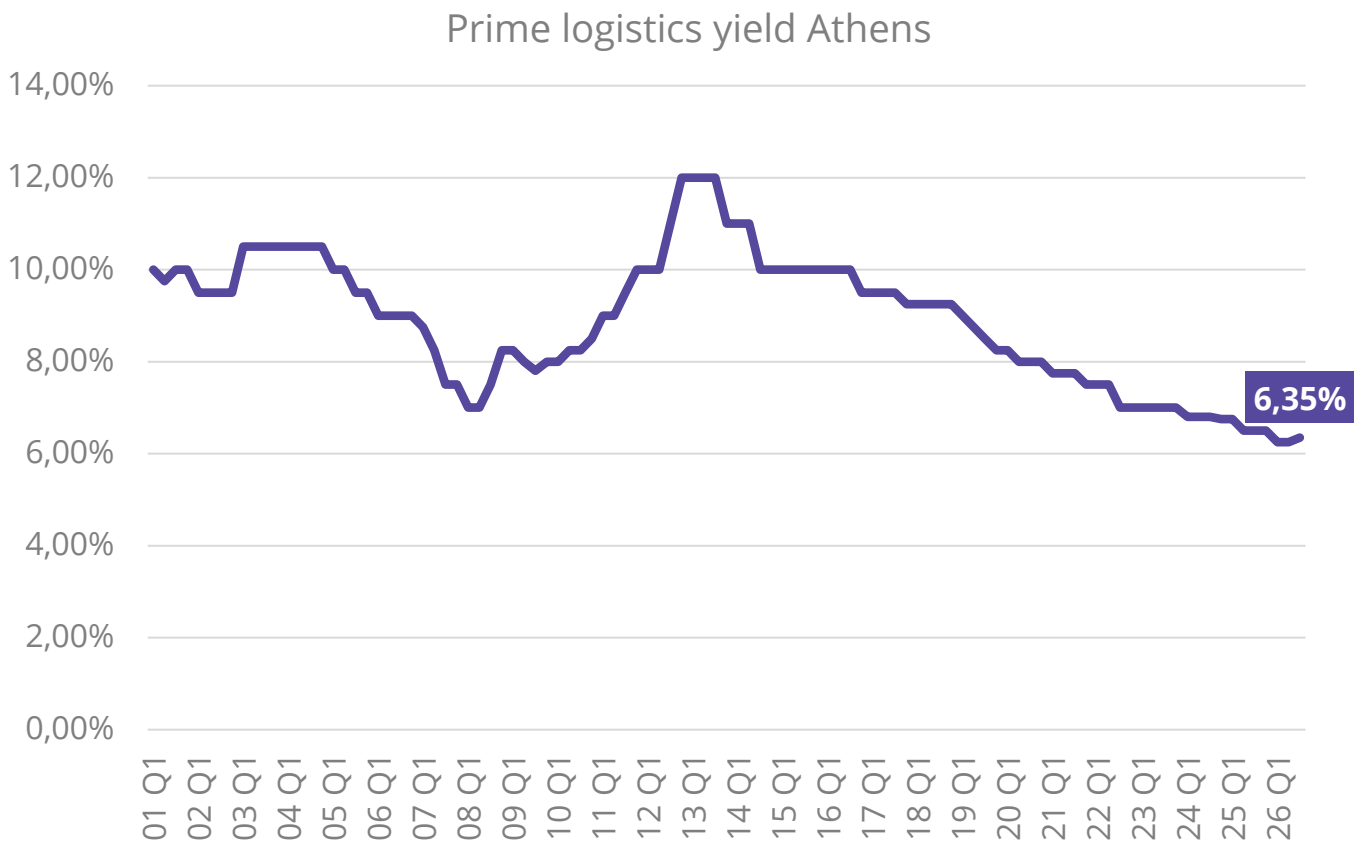


Source: Avison Young

Warehousing demand and supply trends

- **Demand** is driven by expanding retail networks, e-commerce, food distribution and the outsourcing of supply chains to third-party logistics providers.
- **Occupiers** increasingly require larger, energy-efficient warehouses with greater clear heights, automation capacity and modern fire-safety systems.
- Retailers, supermarkets and e-commerce platforms require **last-mile logistics** warehouses and dark stores close to their markets.
- **Limited availability** of modern space encourages build-to-suit developments and early tenant commitments.

Prime gross yields



Source: Avison Young

Warehousing pricing trends

- **Prime achievable warehouse rents** continue to rise. In Q3, rents in Aspropyrgos, Thriassio and Oinofita increased by 3% year-on-year, while Kryoneri recorded 5% growth, reflecting the shortage of modern warehouse space.
- **Prime logistics rents** stand at approximately €6.0–€6.3/sq m/month, broadly in line with other Southeast European markets.
- High-quality assets with strong covenants and long leases can trade at gross yields of approximately **6.35–6.5%.**
- **Prime logistics yields** in Athens are lower than in some Southeast European markets, including Romania and Hungary, broadly aligned with Poland, but higher than in most Western European markets.

Outlook Logistics

Demand: Tenants increasingly favour larger, energy-efficient facilities with automation capacity.

Supply: Limited serviced land, planning delays and high construction costs will constrain speculative supply, while older urban industrial assets may be upgraded for last-mile use. LEED certifications are becoming a prerequisite.

Investment demand: Limited investment-grade stock will restrict transaction volumes and support forward-funding, development partnerships and sale-and-leaseback deals.

Rents: Prime rents should remain stable, supported by the limited availability of modern Grade A space. Secondary buildings may face greater pressure as occupiers focus on quality and operating efficiency.

Yields: Prime logistics gross yields should remain broadly stable at approximately 6.35-6.5%, with potential compression reserved for exceptional assets offering secure income and strong ESG credentials.

€ 6.0 / sq m

Prime monthly logistics rent (Athens West)

6.35%

Prime logistics gross yield (Athens West)



Retail



AVISON YOUNG

Shopping centre rents are at historic high

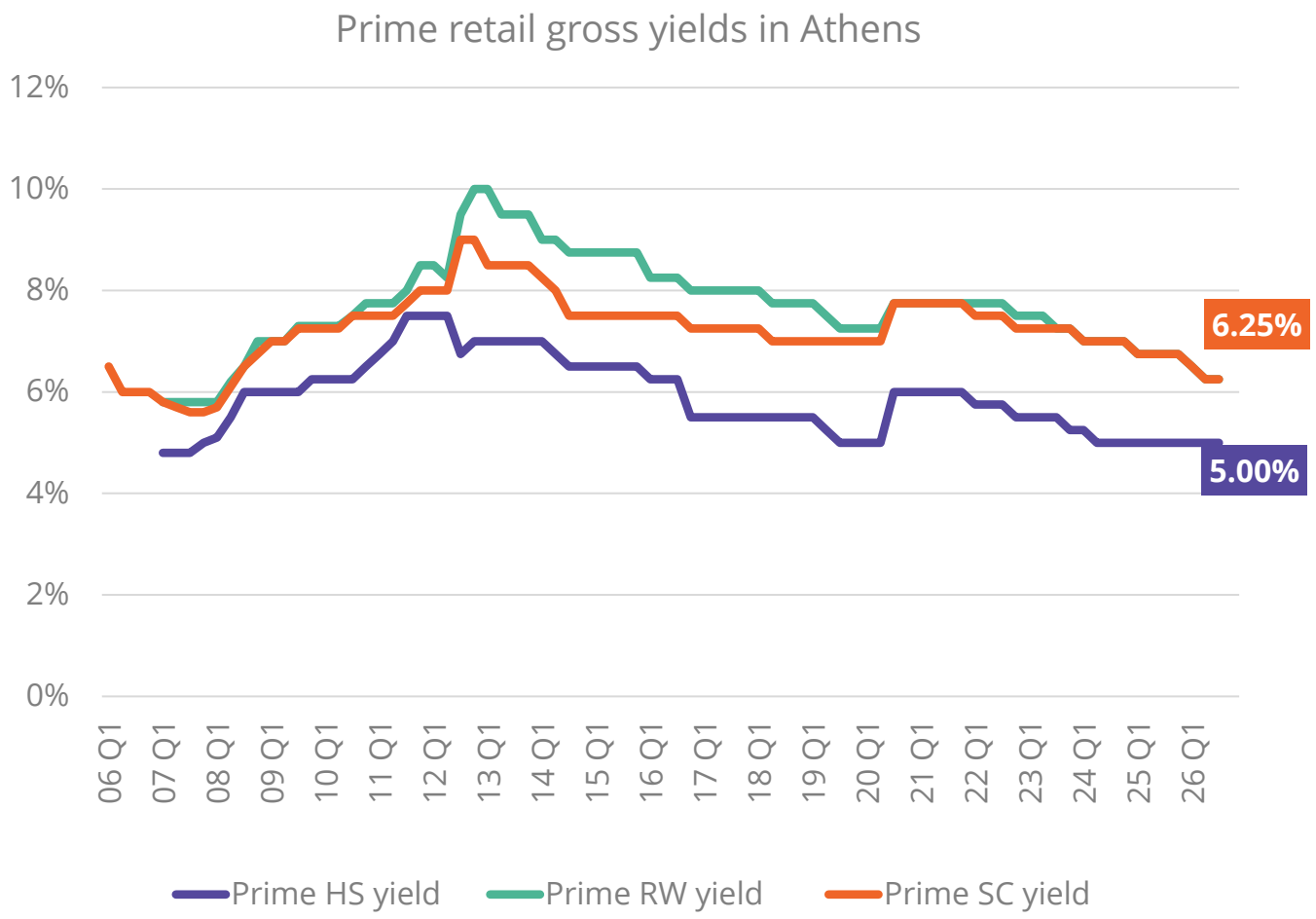


Source: Avison Young

Retail and consumer trends

- **Private consumption** and **retail sales** remain supportive of growth, although momentum is expected to moderate. Retail sales volumes increased by approximately 3.2% year-on-year in the first half of 2026, with June volumes 1.9% above the previous year.
- Athens' **prime shopping-centre stock** is below 300,000 sq m, making it one of Europe's most undersupplied markets, **at 79 sq m per 1,000 inhabitants.**
- Consequently, prime schemes record **improving performance** and strong retailer demand, supporting rental growth.

Prime retail assets have strong fundamentals



Source: Avison Young

Retail pricing trends

- Competition for **prime high-street** units in tourist destinations and shopping streets with large catchments continues to drive rental growth.
- **Strong retailer demand** and rising domestic and tourist consumption support retail investment fundamentals.
- **Prime high-street yields** in Athens' and Thessaloniki's main shopping hubs—Ermou and Tsimiski—can reach 5.0%, supported by private-capital demand.
- Although no large **shopping centres** have traded recently, we estimate prime achievable gross yields at around 6.25%, reflecting strong performance.
- Institutional and private demand for convenience retail, particularly **supermarkets**, indicates that prime assets can achieve yields below **6.5%**.
- Prime retail yields nevertheless remain approximately 65 bps **above their previous cyclical low**.

Outlook Retail

Demand and supply: The European Commission forecasts consumption growth of 1.6% in 2026 and 1.7% in 2027, supported by easing inflation, improving household incomes, tax reductions, and wage and pension increases.

This will continue to drive the expansion of value and convenience retail concepts, which require sizeable units at low rental levels in locations in densely populated neighbourhoods.

Rents: Prime rents should remain stable or record modest growth, in the most desirable spots.

Investment: Demand for high street retail assets will continue to be driven by private capital, while institutional capital is likely to chase retail assets with defensive characteristics, such as supermarkets.

Yields: Prime achievable retail yields should remain broadly stable with potential compression for assets in unique locations and exceptional operational performance.

€ 80 / sq m

Prime monthly shopping centre rent (100 sqm)

6.25%

Prime retail gross yield (Large-scale retail formats)



The Greek real estate market retains a **positive outlook**. Economic growth and changing business needs continue to generate demand for modern space, while the limited supply of high-quality assets supports investor interest.

The next phase will require **greater selectivity**. Construction costs, financing conditions and geopolitical uncertainty make disciplined pricing and effective delivery increasingly important.

The strongest opportunities will emerge where **investment meets real demand**: upgrading existing buildings and creating functional, energy-efficient spaces that occupiers can afford.

This is where we can **create lasting value for investors, businesses and our cities**.



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