



THESSALONIKI MARKET REPORT

Despite the adverse international environment, the Greek economy continues to grow at a steady pace in 2025, demonstrating notable resilience. The annual growth for 2025 is estimated at 2.3% (BoG), significantly exceeding the Eurozone average. Main drivers for the growth remain private consumption, investment and buildup of inventories, while inflation continues to decelerate primarily due to the decline in energy costs. The side-effects of the newly imposed U.S. tariffs, such as global trade slow down, heightened uncertainty and shifts in international investment flows may adversely affect external demand.

Macro Figures

Economic activity continued to expand at a satisfactory pace in Q1-2025 (2.2% y-o-y), outperforming the euro area (1.5% y-o-y), despite the elevated uncertainty despite the elevated uncertainty of the international economic environment.

Greece's GDP increased by 2.2% y-o-y, remaining flat in quarterly terms (+0.04% q-o-q) in comparison with previous quarterly increase of +2.5% in Q4-2024 and annual increase of +2.3% in FY-2024.

Core inflation stood at 3.6% in 2024, down from 5.3% in 2023, remaining though, at elevated levels. In May 2025, core inflation increased to 4.0% from 3.8% in April.

Greek Economy Overview

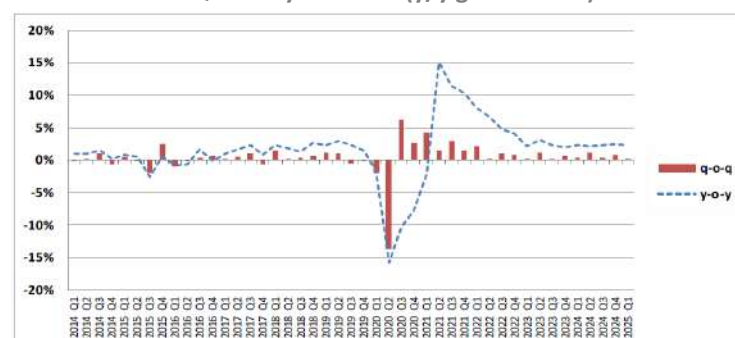
HICP inflation increased to 3.3% in May 2025, a monthly 0.7% increase, mainly because of increases in the inflation rates of food and of non-energy industrial goods as well as due to a less negative rate in energy inflation.

Core inflation (HICP excluding energy and food) is at high levels, 4.0% in May picking up from 3.8% in April, showing a significant deviation from the euro area average and partly reflecting the large positive output gap of the Greek economy. It is expected to decline to 2.2% by 2027, reflecting mainly the easing of non-energy industrial goods inflation.

Indicators	2024	2025	2026
GDP growth (% , y-o-y)	2.3	2.3	2.2
Inflation (% , y-o-y)	3.0	2.8	2.3
Unemployment (%)	10.1	9.3	8.7
General government balance (% of GDP)	1.3	0.7	1.4
Gross public debt (% of GDP)	153.6	146.6	140.6
Current account balance (% of GDP)	-8.3	-8.2	-7.9

Source: ec.europa.eu

Quarterly real GDP (y/y growth rate)



Source: ELSTAT

Private consumption rose by an average pace of 1.9% y-o-y in Q1-2025, remaining the primary factor of growth, contributing 1.3 pps to the annual GDP growth. The average annual increase of labour compensation by 6.4%, the steady drop of the unemployment rate and the solid consumer credit growth reflect the improvement of labour market conditions.

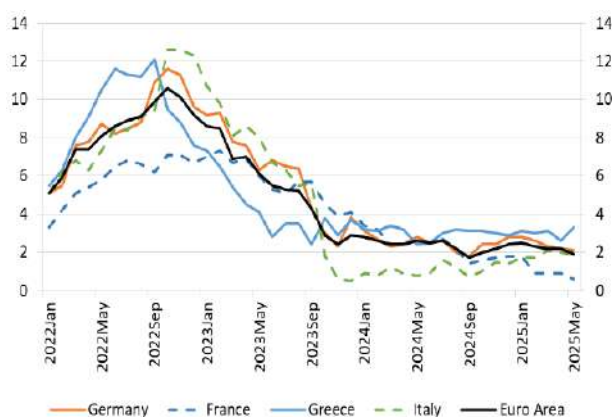
Inventories also played a significant role in shaping GDP levels, contributing 1.6 pps of the annual change, in Q1-2025. Strong demand, shorter inventory cycles, and contingency stockpiling were amongst the main drivers.

Strong labor market fundamentals, shaping the unemployment rate at 8.3% in April 2025, approaching the 2008 historical low of 7.8%, with real wage growth projected at approximately 2.5%—combined with increased non-wage income and elevated levels of financial and real estate wealth, is expected to support private consumption growth at around 2.0% for the current year.

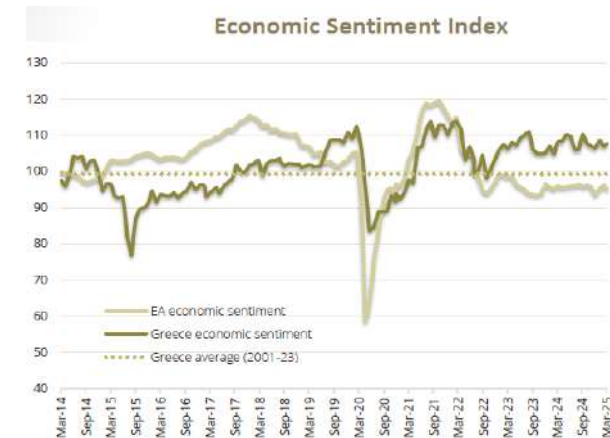
The significant drop in gross fixed capital formation declined markedly, by 6.1% quarterly in Q1-2025, the largest drop after Covid-19 pandemic. This is attributed largely to the fall in other construction investment, partly related to a lag in the implementation of construction projects.

Both housing and commercial property prices (prime office and retail) increased at a strong pace in 2024 and continued on an upward trend in early 2025 due to both external and internal demand. In Q1-2025, apartment prices continued to increase at a strong, though decelerating, rate (6.8% y-o-y). In the commercial real estate sector, prime office prices increased by 6.2% y-o-y in H2-2024, while prime retail prices increased by 9.2% y-o-y over the same period.

The sharp decline in gross fixed capital formation raises legitimate concerns, as it appears inconsistent with other investment-related leading indicators across industry, services, and construction during the same period. Machinery, including defence systems and intellectual property products were the only components of the GFCF that recorded positive annual growth. In contrast, non-residential construction experienced its steepest decline in five years, while residential construction contracted slightly by 0.3% y-o-y. Investments in transportation equipment fell by 3.2%, and ICT equipment saw a sharp decline of 10.2% y-o-y.



HICP Headline inflation, annual changes %, Source: Eurostat, Latest observation May 2025



Source: IOBE, European Commission

The Economic Sentiment Indicator (ESI) averaged 107.2 in April-May 2025, slightly below its Q1-2025 level (107.6), and well below its Q2-2024 average of 109.4.

Total employment growth remained positive, largely due to higher demand for labour in the construction, trade and professional service sectors. The employment rate in Q1-2025 decreased by 1.7 pp y-o-y.

The unemployment rate is estimated to reach 9.4% in 2025, and is expected to decline rapidly as low as 8.2% in 2027, reflective of the projected continued rebound in economic activity over the medium term.

Corporate bank credit expanded significantly throughout 2024 and into the early months of 2025, in line with underlying economic growth and the downward trend in interest rates.

In contrast, household lending continued to contract, primarily due to net repayments of outstanding housing loans. Nonetheless, the negative momentum in housing credit has moderated.

The Greek economy continues to outperform the euro area average, supported by robust corporate credit, rising private consumption, and improving labour market conditions. Consumption, driven by higher real disposable income, is expected to grow at 2.0%, while total investment is projected to rise by 7.5% annually over 2025–2026. Despite declining public investment in 2027, residential investment remains stable, though below pre-crisis levels. Risks include global trade tensions, inflationary pressures, climate-related disruptions, and slower reform implementation. Full utilization of EU Recovery Funds could boost GDP by 7% by 2026. Key policy priorities include inflation control, investment acceleration, labour market efficiency, and maintaining fiscal and debt sustainability.



OFFICE MARKET REPORT

New era for the Office Market of Thessaloniki, since the first Green Building Complex is already completed

OVERVIEW

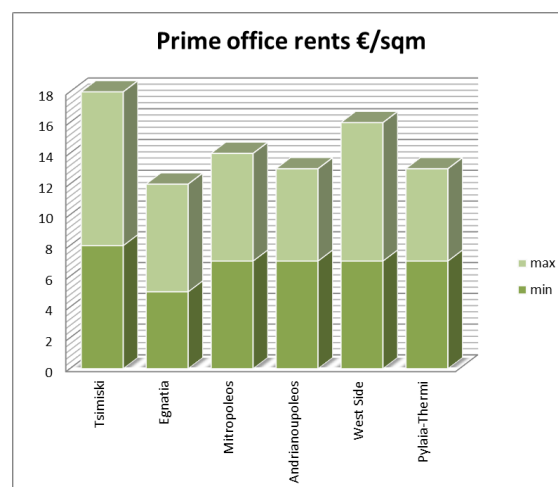
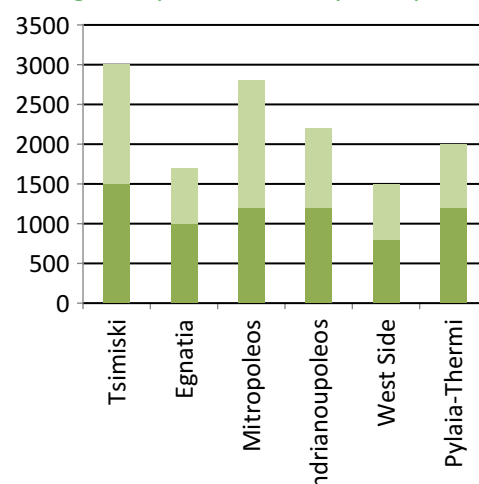
The office market in Thessaloniki is diversifying as new developments, that meet the requirements of sustainability have now been completed. That fact will impact the office market and the relevant rental values and will change the “map” of the demand, from the city center to areas where sustainable constructions are developed.

THESSALONIKI OFFICE MARKET

Increased demand for Grade A office spaces and lack of supply leads to the increase of the relevant rental and sale values in the office market.

TaskUs, has already started operation in HUB26. The company leased a whole building with façade on 26th Octovriou str. and a total area of approximately 7,000 sqm. The ground floor in the subject building will include the food court of the building complex. Coca cola is the second company, that already operates in a two- floor office space, while on H2 2025 Alpha Bank and Piraeus Bank are going to be operational in their autonomous buildings as well.

In the eastern side of Thessaloniki another buildings complex is under reconstruction (developer Thermi Group). The property (named “KOMVOS”) is situated at the junction of Thessaloniki – Chalkidiki and Thessaloniki – Thermi avenues, and includes two office buildings with a total area of 10,000 sqm. The aim of the developer is the renovation of the buildings based on modern sustainability and design principles. This project is one of the most attractive for big international but also local companies.



Source: Danos, an alliance member of BNP Paribas Real Estate

The new office premises, that will soon serve as Deloitte's new headquarters in Thessaloniki, are currently in an advanced stage of construction. The total investment for the reinforcement and conversion of the PAEGA building—located within the land zone of the Thessaloniki Port Authority (OLTH) and the largest structure in the area—into a "green" LEED Gold-certified building is expected to exceed the €20 million mark. The project is scheduled for completion within 2025. Deloitte, through a 12-year lease agreement, will occupy the seafront section of the building.

The rentals for the Green Buildings fluctuate at € 16-18/sqm, depending on the surface and the facilities (auxiliary spaces, parking etc.).

In the same time, the way is opened for the implementation of the redevelopment of the facilities of the former "Fix Brewery" at the western entrance of Thessaloniki, with the issuance of the Presidential Decree (Government Gazette D' 805/2024), where the terms of the urban planning are described. According to DIMAND, owner/ developer of the asset, the project will be concluded by the H1_2028.

The opening of Thessaloniki METRO makes the city center more attractive due to the easiest access from the eastern side. It is expected that the operation of the Metro will increase the demand of office spaces in the secondary areas, as well.



KOMVOS Offices – Thermi Group

Yields	Locations
6%-6,5%	Grade A Prime Locations
7%-7,5%	Grade B Prime Locations
8%-8,5%	Grade B Secondary Locations

Office Market Trends			
Rentals	Yield	Absorption	Vacancy Rate
			

Source: Danos an alliance member of BNP Paribas Real Estate

- **In the city center** the rents fluctuate at € 12-16 / sqm / month for the prime areas (e.g. Tsimiski street and/or the new green developments) and € 8-11 / sqm / month for the secondary streets (e.g. Venizelou street).
- **In Western Thessaloniki**, the rentals new buildings is approx. at 16 / sqm / month, plus the parking areas- if needed. For older buildings the range is at 7-12 / sqm / month.
- **In the Eastern Thessaloniki** the rentals for the existing buildings fluctuate at € 9-15 / sqm / month.



Part of PAEGAE Building – Designed by Deda & architects



RETAIL MARKET REPORT

Prime locations and shopping malls remain attractive and hold investors interest. At the same time e - commerce continues to increase its sale ratio.

OVERVIEW

Relocations and new openings were the main characteristics of the retail market in Thessaloniki during the H1 2025.

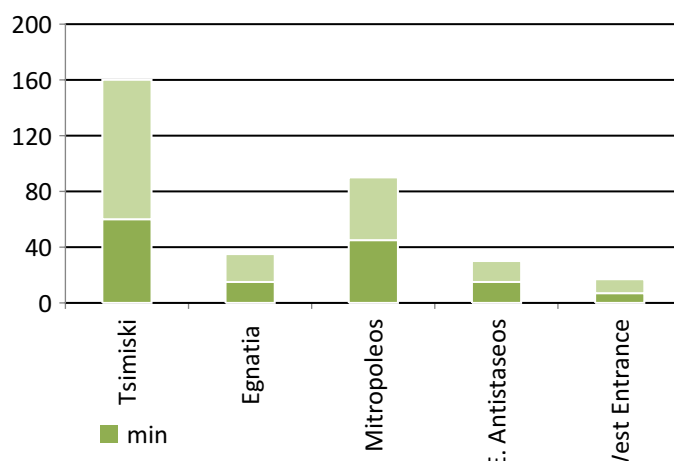
THESSALONIKI RETAIL MARKET

Retail rents in the main commercial streets of the city center, for the 1st semester of 2025, have been in the same level with the previous semester. In the most attractive part of Tsimiski str., which is limited between Kouskoura and Komnion str., monthly rental prices range from 120-160 € / sqm.

The opening of the Metro reforms Egnatias Avenue into a more attractive destination, basically for companies, that operate in the F&B industry.

In a very attractive location, in Aristotelous Square, Brooks Brothers opened the first shop in Thessaloniki, having leased part of the ground floor in the well known 5* star hotel – Electra Palace. Brooks Brothers was operating until now as a Shop in Attica department stores.

Retail Rental Values - Thessaloniki €/sqm



Brooks Brothers Mitropoleos str,

Retail Market Trends

Rentals Yield Absorption Vacancy Rate



New Openings & Trends

The well-known company **MICHAEL KORS** decided to expand its operation in Thessaloniki, leasing a shop in the Agias Sofias street at number 12.

Holland & Barrett opened, approximately 3 months ago, its new shop in Thessaloniki in Mitropoleos street at number 45. Thus, the well known multinational chain of health food goods has now a second selling point in Thessaloniki (the first is in Pylaia – within the AB Vasilopoulos hyper market).

Mayoral has opened another store in the city center of Thessaloniki in 52, Mitropoleos street. DANOS, an alliance member of BNP Paribas Real Estate, was advised/supported Mayoral for the subject lease. This is the first store, Mayoral opened in a Thessaloniki's high street, because till know Mayoral focused its operation in the shopping malls of Thessaloniki.

Another opening that is expected is by **Jackaroo**. The company leased a very well located store at the junction of Agias Sofias and Mitropoleos street.

Procredit Bank will soon operate in the new store, in the city center of Thessaloniki, next to Aristotelous square, as soon as the renovation of the property will be completed. DANOS, an alliance member of BNP Paribas Real Estate, was advised/supported Procredit for the subject lease.

Another well located retail store, at the junction of Tsimiski and Aristotelous str, is expected to be leased through a currently undergoing tender progress from the store's owner, the Papageorgiou foundation.

Finally, **Butlers** completed its relocation at Plateia commercial and business center, in Tsimiski str. The international company has operated for many years in another shop which is also located in the city center at Agias Sofias str. number 28.

Investment Retail Properties - Main yields

The yields, for the 1st semester of 2025, for high street retail units, remains at the level of approximately 5.50 % - 6.00%, while for the secondary markets in Thessaloniki, such as, Kalamaria / Pylaia / west areas, the yields range from 7.00% - 8.00%.



Michael Kors, Agias Sofias str.



Procredit Bank, Mitropoleos str,



Mayoral, Mitropoleos str.



Holland & Barrett, Mitropoleos str.



LOGISTICS MARKET REPORT

Thessaloniki is rapidly establishing itself as an international logistics hub thanks to its proximity to the port, railways, and road network. This growth is substantially driven by rising e-commerce demand and transit trade.

OVERVIEW

The industrial / logistics market in Greece is providing a full range of supply chain services, with their main income coming from warehousing and distribution activities and in addition from organization and management of road transportation. Major projects in the country are under development, with Athens and Thessaloniki having the most important logistic markets.

THESSALONIKI LOGISTICS MARKET

Over the 1st semester of 2025 the logistics sector in Thessaloniki kept gathering the interest of investors as in the previous semester, increasing the related figures (surface of buildings and money flows). The demand is basically focused in Western Thessaloniki, where the connection with the port and the railway is immediate.

One of the few large properties available in the Kalochori area, measuring 64 acres, is available for sale. The property is a vacant industrial complex – former textile dyeing /finishing unit. The complex is developed on a corner plot of 64.051 sqm. in the industrial zone of Kalochori area in the municipality of Delta, in Thessaloniki. It is a uniquely sized and located property that can be developed for a range of permitted uses of the area.



Kalochori, TEXAPRET

Rentals In Thessaloniki's Logistics Market (€/sqm/month)

	MIN	MAX
GRADE A	3.5	5.00
GRADE B	2.5	3.4

Source: Danos an alliance member of BNP Paribas Real Estate

Many of various scales new projects, are either under construction or in the planning phase, as Thessaloniki increases its attractiveness as international logistics hub.

More specifically the most important new projects are the following:

a) In the former **Gonou** military camp in Thessaloniki a commercial / logistics center will operate. There are already four groups who have shown initial interest for the project:

1. Goldair Cargo – Aktor Group of companies
2. Association of Legal Entities Trade Logistics (Fourlis Group) – INTERKAT
3. Noval Property
4. Thessaloniki's Port Authority

The procedure is in progress and consists of 2 phases. The specific project will open the gates of the Greek market in the Balkans and highlight both the city and more broadly, Northern Greece as international transit trade hub. The total surface of the ex military camp is 672 acres. The total investment will be approximately € 200 – 250 millions and will create 3,000 new jobs. With the subject development in the former Gonou camp, Northern Greece will gain a modern logistics park, that will upgrade the combined transport industry, with substantial benefits for the local community and the national economy. The new logistics park is located at a strategic point between the port of Thessaloniki, the country's national railway and road network and it is close to the borders with Greece's northern neighbors and Central Europe.

b) **DIMAND (Ex Balkan project)** - A new logistic center will be created in the western part of Thessaloniki on a plot of 355 acres (former Balkan Export), in a distance of 23 klm from the center of Thessaloniki and 16 klm from the port of the city. DIMAND is planning to develop the project in two phases. The total area of the development is approximately 120,000 sqm. The total investment will be approximately € 160 millions and the project is expected to create 150 new jobs.

c) **Expansion of ThPA (Thessaloniki Port Authority)** - The Presidential Decree (DP), approving the Development Program and the Management Study (Master Plan) of the port of Thessaloniki, was published in the Government Gazette. That will "unlock" the extension of the 6th pier of the port of Thessaloniki, giving the kick-off for the start of a long-awaited project, which means that ships of main lines will be able to dock at the port. The project will be completed within 3,5 years. The operation of the upgraded pier is expecting to double the container handling capacity.

Thessaloniki is poised to become Northern Greece's flagship logistics hub. Continued investments in property, digital supply chains, and expanded linkages (port, rail, road) will further enhance its position.

MARKET TRENDS LOGISTICS

	RENTS	YIELDS	DEMAND	SUPPLY
GRADE A	→	→	→	→
GRADE B	→	→	→	→





RESIDENTIAL MARKET REPORT

The increase of Residential Market performance has continued in the first semester of 2025.

The launch of the Metro (November 2024) has boosted property prices by up to 30% around stations

OVERVIEW

The residential market of Thessaloniki is a rapidly heating market driven by metro access, infrastructure upgrades and foreign investment. Prices continue to rise, with projected annual increases of 5–7%.

In Northern Greece, there are diverse dynamics, as the tourist areas (Chalkidiki, Pieria) follow Thessaloniki's trend, while others experience more conservative growth.



THESSALONIKI RESIDENTIAL MARKET

The conclusion of the Metro, the expansion of the port, the airport upgrade and the new road connections have further supported growth, with prices around the metro zones rising by around 30%. Foreign investors (mainly from Israel, Germany, the Balkans) now account for over 30% of transactions. The foreign investors are targeting €250,000 value units, in order to maximize yield, while avoiding the Golden Visa new threshold (€800,000) in Athens and Thessaloniki.

Inventory levels remain relatively tight. While new developments are underway in areas such as Kalamaria and Thessaloniki, central zones are largely reliant on resale stock—much of which requires renovation. This imbalance has led to upward pressure on prices and competition for move-in-ready properties.

New supply will remain modest. While developers are expanding in outer districts like Themi and Oreokastro, construction timelines and zoning restrictions continue to limit large-scale delivery in central Thessaloniki. This dynamic will likely preserve price strength in established neighborhoods.

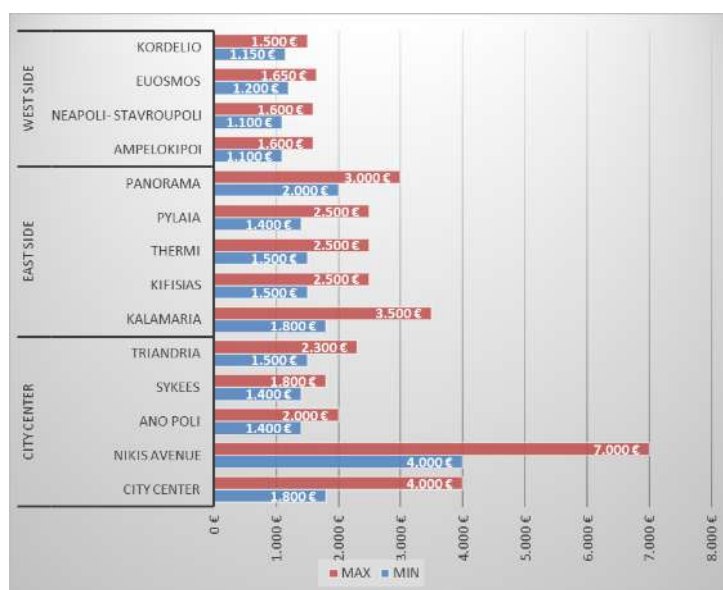
From the other hand the **Council of State (CoS)** struck down several NOK (Building Regulation) provisions, which allowed increased **building coefficients, height bonuses** and/or other construction incentives (like internal balconies, rooftop gardens, pools) in exchange for urban or environmental upgrades.

The impact for new construction are:

- **Tourist Areas (e.g. Chalkidiki, Pieria)**
 - ✓ High demand for vacation homes continues.
 - ✓ Projects that relied on NOK bonuses were frozen or canceled, creating a temporary **shortage in supply** — potentially pushing **land and housing prices up** in 2025–2026.
- **Urban Zones (e.g. Thessaloniki, Veria, Kavala)**
 - ✓ Disruptions affected mid-sized residential projects (mostly small apartment blocks).
 - ✓ Permits approved and **construction started before Dec 2024** are proceeding normally.
 - ✓ New or revised plans must remove the bonus features, affecting buildability, height and profitability.

Residential market trends

	SALE	RENT
NEW CONSTRUCTIONS	↗	↗
OLD CONSTRUCTIONS	↗	↗



Source: Danos an alliance member of BNP Paribas Real Estate





TOURISM & HOTEL MARKET REPORT

The data so far indicate a great 1st semester 2025 for tourism, with significantly better results than the previous semester. There is a gradual improvement in consumers confidence and an increased willingness to travel internationally, despite the contractionary effect of inflation on disposable income.

OVERVIEW

The first forecasts for this year's tourism performance imply growth at the specific sector, as the number of international passengers (air arrivals) increased by 8.6%.

For the same period the number of domestic passengers increased by 4,5%. In total, for international and domestic passengers in Thessaloniki Airport "Makedonia" the increase for the year 2024 was 7.1%.

THESSALONIKI AIRPORT "MAKEDONIA" - 2025 vs 2024

Passengers	Domestic			International			Total		
Month	2025	2024	%Δ	2025	2024	%Δ	2025	2024	%Δ
JANUARY	179.309	164.350	9,1%	260.645	242.005	7,7%	439.954	406.355	8,3%
FEBRUARY	178.219	171.559	3,9%	245.834	215.861	13,9%	424.053	387.420	9,5%
MARCH	195.510	185.372	5,5%	316.265	289.534	9,2%	511.775	474.906	7,8%
APRIL	202.244	191.290	5,7%	425.033	388.397	9,4%	627.277	579.687	8,2%
MAY	204.598	206.367	-0,9%	507.730	480.270	5,7%	712.328	686.637	3,7%
TOTAL SKG	959.880	918.938	4,5%	1.755.507	1.616.067	8,6%	2.715.387	2.535.005	7,1%

Source: FG Traffic Data Management-Fraport Greece

New Hotel Openings

Fattal is the owner of the new 130 rooms 'NYX Thessaloniki' 5* hotel, at the corner of 1, Tsimiski and Katouni streets. Its renovation is under progress, being in the last stage. The total investment will be approximately € 22 millions.

Olympic Hotel, which is located at 25, Egnatia street, was bought by Gil Hirschmann. The renovation has been completed and the hotel started to operate at the 15th of May. It is renamed "Olympic Oscar Hotel" and includes 47 rooms and a restaurant – bar at the roof named "22 25 Rooftop".

The ex Nikopolis hotel operates again, under the management of Hotel Brain, as a 5* hotel, with the new name September City Resort hotel.

By the end of 2026 a new luxury hotel unit, with a total investment of approximately € 30 millions will be added to the existing pipeline and will upgrade the tourist infrastructure of Thessaloniki. The Electra group, is proceeding with the construction of a new 5-star unit, an 11-storey hotel with 165 luxury rooms and a total built-up area of around 6,500 sqm., on a land plot at the junction of Tsimiski and Ethnikis Amyntis streets. The Electra group has leased the property, winning a tender process, organized by the Church of Greece, who is the owner of the property. This will be the 7th hotel under the operation of Electra group.

Halkidiki remains at the top choices of foreign visitors, investors and tourists. On April the Sani – Ikos Group bought from Goldman Sachs the following 3 hotels, which are located in Kassandra in Halkidiki:

- The former 4* Pallini Beach with 485 rooms and bungalows, the 4* Athos Palace Hotel with 413 rooms and the 5* Theophano Imperial Palace with 151 rooms

The three hotels will be fully renovated in order to be upgraded to luxury units. The whole investment will exceed the € 400 millions mark.

Meanwhile, investments are also progressing at **Sani Resort**, following the acquisition of an adjacent 270-acre property, as well as a coastal area located between Sani Dunes and Sani Club, which was previously known as Blue Dream Camping. Renovation and expansion works are also underway at **Sani Asterias** and **Sani Club**, both of which are expected to be completed in the coming weeks. Additionally, the **renovation of Sani Beach** is scheduled to take place in **two phases**, with full completion expected by **April 2028**.



Oscar Olympic, Egnatias



Tsimiski NYX



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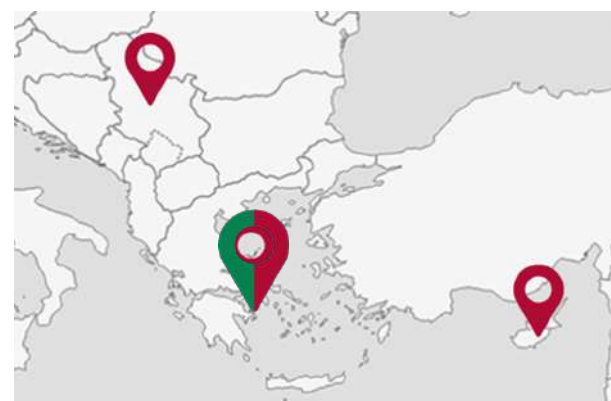
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