GR Research 2025

SPOTLIGHT

Savills Greece Research

Athens Industrial & Logistics Market

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Submarkets ■ Vacancy Rates ■ Rental Levels ■ Investment Market ■ Trends & Challenges

Industrial & Logistics Market Spotlight 2025

Overview

The logistics real estate sector in Attica (Greater Athens area) has emerged as a cornerstone of the region's economic growth, driven by increasing demand for modern, well-equipped, and strategically located logistics facilities.
Over the past few years, the sector has benefited from the stabilization and gradual recovery of the Greek economy, which has bolstered investor confidence and positioned Athens as a compelling destination for logistics operations. This trend is further amplified by the rapid growth of e-commerce, advancements in supply chain management, and the need for efficient warehousing and distribution solutions.

Attica's strategic geographical location in the southeastern Mediterranean, coupled with its robust infrastructure, makes it a critical logistics hub for both domestic and international markets. The Port of Piraeus—one of the largest and most dynamic ports in Europe—as well as Athens International Airport and major highway networks, provides the region with unparalleled connectivity. These assets enable businesses to optimize their supply chains, reduce operational costs, and enhance their market reach.

Looking ahead, the logistics real estate sector in Attica is expected to experience sustained growth, supported by favorable economic conditions, technological advancements, and evolving consumer behaviors.

Key drivers include the continued expansion of e-commerce, the adoption of automation and smart logistics solutions, and the increasing emphasis on sustainability. Additionally, ongoing infrastructure projects, such as upgrades to transportation networks and the development of new logistics parks, are expected to further enhance the region's attractiveness.

Submarkets

1 North Attica

During industrialization period after WW2, this submarket (Lykovrissi, Kato Kifissia, Krioneri, Metamorphosi and Agios Stephanos areas) was considered a great location for warehousing and industrial facilities due to the close proximity to the city of Athens, but more importantly due to its positioning close to E75 National Highway, which connects the capital with Thessaloniki and the rest of mainland Greece. The industrial stock in the area, although considered good in terms of technical specification is obsolete enough, mostly since it was developed in the 70s and 80s.

2 East Attica-Messogeia

This submarket (Spata, Airport, Paiania, Koropi, and Markopoulo areas) boasts its good proximity to the airport of Athens and is a dynamic industrial/warehouse location of Greater Athens. In this context, it offers more competitive rents than Thriassio Pedio and Kryoneri, and it is an upcoming market to alternative investments of industrial nature such as data centers.

3 West Attica

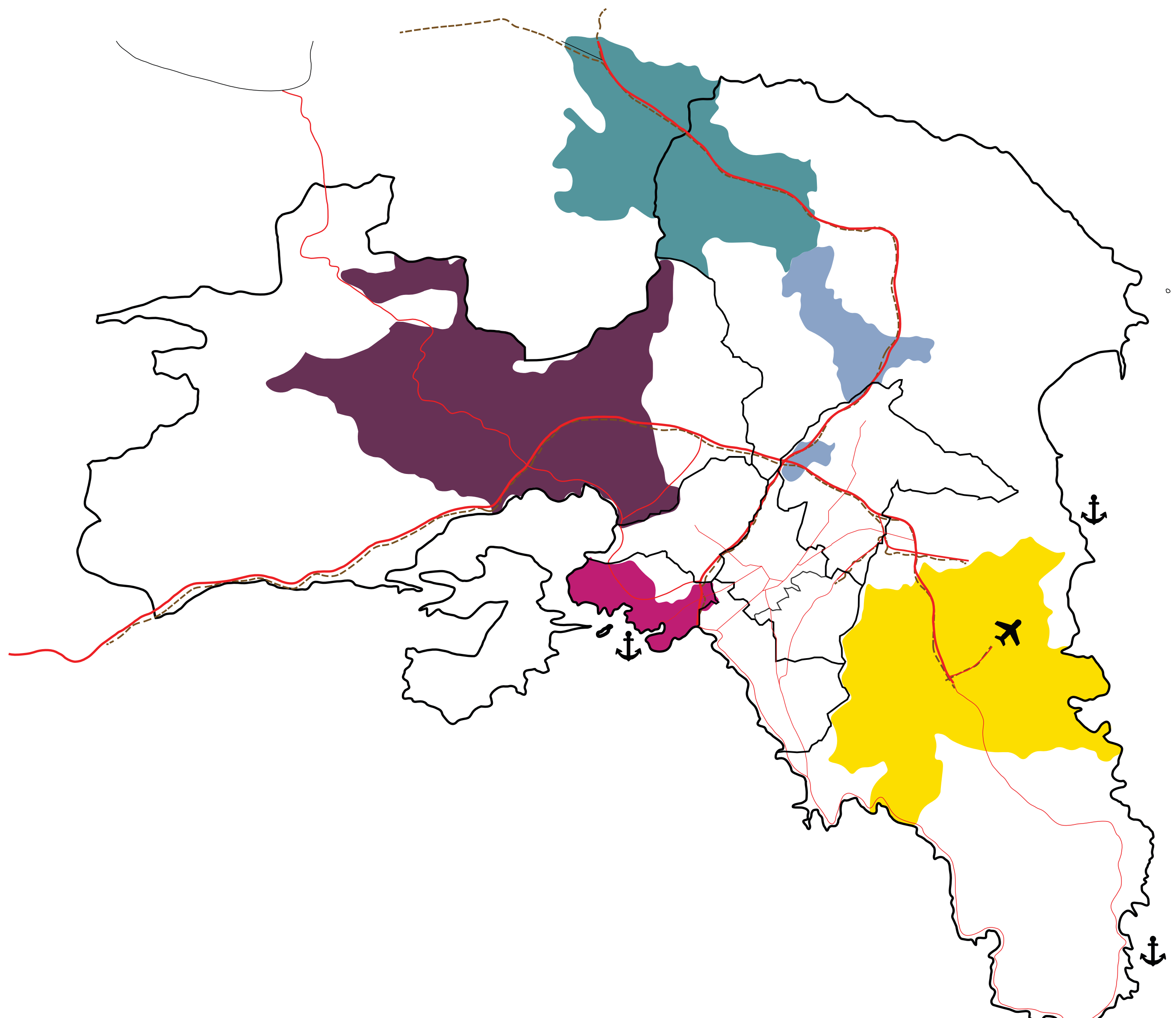
This submarket refers to Thriassio Pedio comprising Mandra, Magoula, Elefsina and Aspropyrgos, all areas with a historically high concentration of industrial uses. Thriassio Pedio is strategically located close to the city of Athens but also close to the port of the capital, Piraeus. The area has obtained appropriate planning terms; thus, demand from both end-users and developers/investors is on high levels. It is noted that most of the state-of-the art facilities that offer the latest technologies in supply-chain operations are found in this submarket.

4 Viotia

Viotia submarket consists of Schimatari, Avlonas and Oinofita areas and is considered as a secondary market. The stock is mainly characterized by modern industrial/logistics units as the majority of supply was developed in late 90s' to early 00s'. It is noted that few investments are recorded in this submarket since most of the investors in the sector are focused on the West Attica submarket due to its closer distance to Athens.

5 South Attica-Piraeus

This submarket (Perama, Agios Ioannis Rentis, Drapetsona and Port areas) is mainly characterized by old warehousing facilities developed in the 60's and 70's albeit with great accessibility to other parts of the city and especially the areas of Thriassio Pedio (West Attica) due to the modern road infrastructure connecting these two parts of the Greater Athens. The proximity to the port and Athens' city center offer great potential especially for last-mile logistics.



Source: Savills Greece Research Department

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Vacancy Rates

The logistics sector in Attica continues to demonstrate strong fundamentals, with vacancy rates reflecting both the evolving demand for modern, ESG-compliant facilities and the challenges associated with aging stock in certain submarkets. The market remains highly polarized, with prime logistics hubs experiencing historically low vacancies, while older warehouse clusters struggle to attract tenants.

Demand drivers remain the expansion of logistics firms into Grade A properties, which offer superior locations, modern specifications, and energy-efficient designs, along with accessibility to motorways, rail networks, and ports, as they enable efficient distribution and reduce operational costs. Moreover, the growing trend for larger, more efficient spaces reflect 3PL companies need to accommodate expanding operations and advanced supply chain technologies. Thus, vacancy rates across submarkets vary significantly, reflecting differences in the quality of stock, compliance with modern standards, and proximity to key transportation nodes.

West Attica (Thriasio Pedio) remains the prime logistics hub in Attica, with the lowest vacancy rate, standing at 5%. Proximity to Athens and the direct access to major road networks and the railway infrastructure are shaping the submarket's attractiveness to occupiers. The low vacancy rate suggests new or well-maintained - and largely ESG-compliant - developments, aligning with the evolving needs of modern supply chain operations. Investors and developers have successfully addressed market demand by delivering high-quality assets that appeal to long-term occupiers.

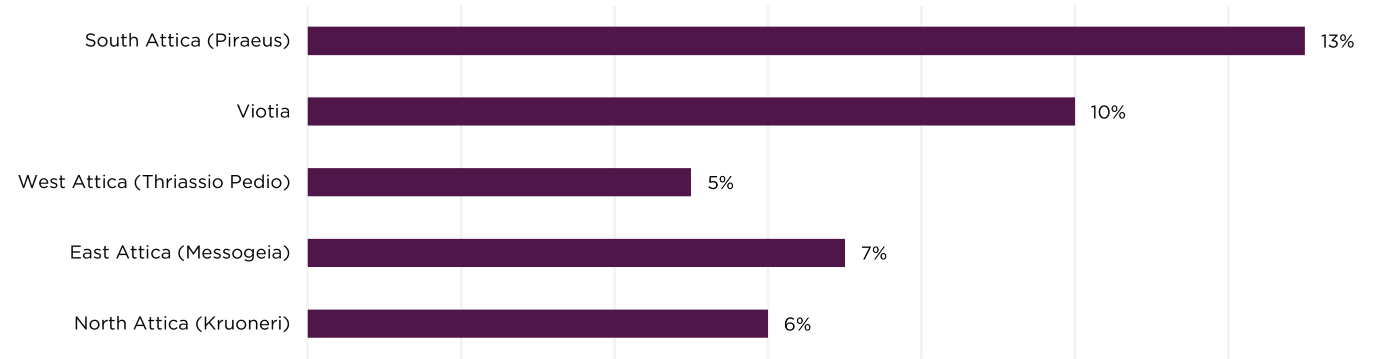
The submarket of East Attica (Mesogeia) and North Attica (Kryoneri) exhibit moderate vacancy rates of 7% and 6%, respectively, signaling steady but selective demand. These submarkets offer a mix of older and newer stock, with tenants gravitating toward facilities that meet modern operational requirements, particularly when ESG-compliant and modernized facilities are available. the relatively lower vacancy is mainly attributed to the proximity to both the city of Athens and the National Highways. It is noted that older, non-compliant facilities face leasing challenges, highlighting the need for redevelopment to meet modern standards. However, the limited availability of new developments could constrain future growth if demand continues to outpace supply. Notably, Mesogeia is increasingly attracting interest from data center operators, a trend that could put downward pressure on vacancy rates in the coming years.

South Attica (Piraeus) recorded the highest vacancy rate at 13%, underscoring the aging warehouse stock, much of which fails to meet modern operational and sustainability standards, which is a key deterrent for occupiers who prioritize energy efficiency, automation, and sustainable design. Additionally, the high rental costs associated with port proximity further discourage demand, as logistics operators increasingly prioritize cost-effective and ESG-compliant alternatives in other submarkets. It is noted that substantial refurbishment or redevelopment of logistics facilities, could lead to lower vacancy levels in Piraeus.

Viotia's vacancy rate stands at 10%, reflecting an oversupply of outdated logistics assets. Many facilities in this area lack ESG compliance and modern amenities, reducing their appeal to tenants. The area has seen a mismatch between supply and demand, with older facilities struggling to attract tenants due to the poor specifications and inefficiencies in layout and design. The relatively high vacancy also suggests that new developments may have outpaced current demand, leaving a significant portion of the stock vacant. Future absorption will depend on targeted redevelopment efforts and the ability to align new stock with modern occupier requirements.

Overall, vacancy dynamics in Attica's logistics market highlight the increasing bifurcation between modern, institutional-grade facilities and outdated stock that requires significant upgrades. As occupiers prioritize sustainability, energy efficiency, and automation-ready spaces, the pressure on older, non-compliant warehouses is expected to grow, making redevelopment a key strategy for investors looking to remain competitive in the sector.

Vacancy rate for Grade A & B warehouses in Attica's major submarkets



Source: Savills Greece Research Department

Rental Levels

The logistics real estate market in Attica has seen significant rental growth in 2024. Robust demand – fueled by the rise of e-commerce, third-party logistics (3PL) providers, and retailers expanding their distribution channels – is driving rents upward amid limited modern warehouse supply. New Grade A facilities command substantially higher rents than older Grade B stock. Industrial and logistics rents in Attica vary by submarket, reflecting differences in location, facility quality, and supply constraints.

A particular rise in more bespoke occupier requirements coming to the fore is noted, therefore significantly influencing rental levels across all submarkets, with prime logistic hubs experiencing steady growth. Thus, the West and North submarkets have seen sharp rental increases for top-tier facilities as companies seek state-of-the-art warehouses with lower operating costs, advanced infrastructure, and proximity to key transportation routes. The overall rise in demand, coupled with limited availability of high-spec logistics space, has contributed to a sustained increase in rental prices of both prime and secondary facilities, reflecting the evolving needs of occupiers.

West Attica (Thriasio Pedio) remains at the forefront of occupiers' interest attracting most of the new developments, thus driving premium rental rates. Prime Grade A facilities have experienced continued strong demand, resulting in a persistent increase in rental levels, reaching €5.50/sqm/month, a peak figure in the last decade, while secondary facilities in well-located areas are also benefiting from rising demand and limited availability of modern stock, with rents exceeding €4.20/sqm/month in some cases.

North Attica (Kryoneri) continues to attract strong demand from the retail, supermarket, and healthcare sectors, as well as 3PL providers. Quality warehousing facilities have seen a moderate increase in prime rents, reaching approximately €5.40/sqm/month, while the secondary market has also benefited from rising demand, with top rents for well-located facilities reaching approximately €4.00/sqm/month. Although rental levels are slightly below those in West Attica, they are also reflecting significant growth over the last 4-5 years.

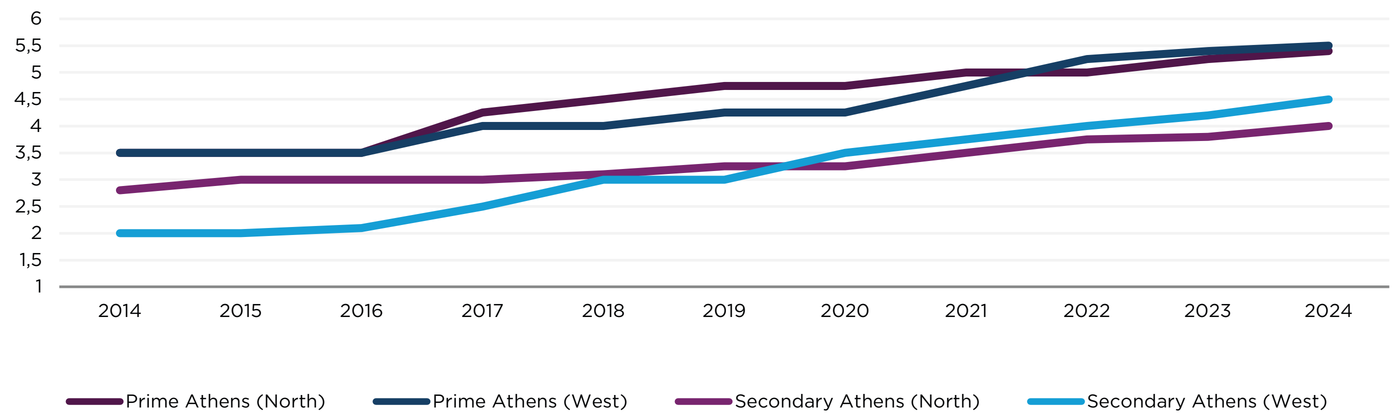
East Attica (Mesogeia) has seen increased interest from the retail and supermarket sector, as well as 3PL providers, with many prime facilities being owner-occupied. Increased interest has pushed prime rents in the area to reach €5.00/sqm/month by the end of 2024. This upward rental movement is driven by demand for new developments. At the same time secondary stock has remained stable due to low occupier interest, with rental levels being stabilized at around €3.50/sqm/month. The area is expected to experience future rental growth, particularly due to increasing interest in data center developments.

Despite its strategic location near the Port of Piraeus, South Attica continues to underperform due to its aging warehouse stock. Prime rents for relatively outdated facilities currently stand at €4.00/sq.m/month, significantly lower compared to the core submarkets. This area continues to lag behind in adopting the latest logistics trends due to the fact that it is not easy to refresh the stock, something that hinders occupiers looking for sizeable, modern warehousing space to select this area. Unless significant redevelopment efforts take place, Piraeus is likely to remain a secondary choice for occupiers, despite the synergies with the port facilities.

Viotia remains a secondary logistics market largely due to its distance from Athens and Piraeus, with rental levels for prime Grade A facilities standing at €3.75/sq.m/month and Grade B stock at €2.50/sq.m/month. Lower demand in this submarket is largely driven by occupiers prioritizing locations closer to the city fringe or key transport hubs like the port Piraeus. The area's outdated stock and limited development activity have constrained rental growth, though redevelopment initiatives could improve its appeal in the medium term especially when rents and land prices make Thriassio a very expensive option for occupiers and developers respectively. Without significant infrastructure improvements or a shift in occupier preferences, Viotia is expected to maintain its position as a cost-effective, yet lower-demand, logistics location.

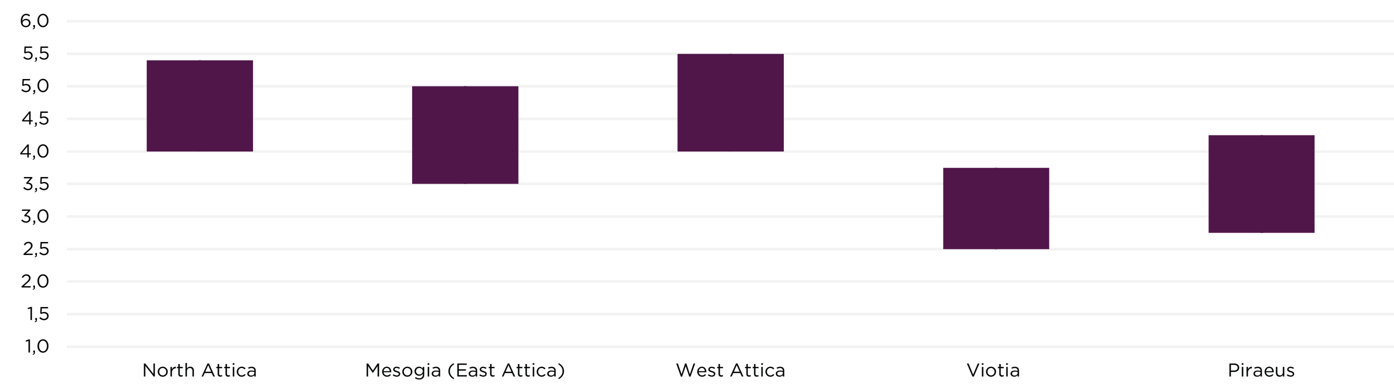
As observed, rental levels for cold storage units' range approximately 40%- 50% higher than the above ranges referring to ambient warehouse facilities in each submarket.

Historic prime & secondary rental growth (€/sqm/month)



Source: Savills Greece Research Department

Rents for Grade A & B warehouses, Attica 2024 (€/sqm/month)



Source: Savills Greece Research Department

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Investment Market

The industrial and logistics real estate sector in Greece continued to demonstrate resilience and growth in 2024, despite global economic headwinds such as high interest rates and inflationary pressures. While the officially announced total investment volume in 2024 decreased to €150 million—a significant drop from the record €305 million in 2023—this decline is primarily attributed to the limited availability of assets for sale rather than a lack of investor interest. The sector remains a focal point for both domestic and international investors, driven by Greece's strategic position as a logistics hub, attracting significant capital, particularly for high-quality, strategically located assets.

West Attica (Thriassio Pedio): Prime Grade A logistics assets in Thriassio Pedio witnessed further yield compression of-15 bps, with prime yields now averaging 7.00% at year-end. Some built-to-suit developments have been transacted at yields below this level, reflecting strong demand for high-quality, specialized warehousing spaces that appeal to long-term occupiers. Grade B assets in well-located areas experienced even more aggressive yield compression of -25 bps year-on-year, driven by their proximity to key transportation routes along with increased demand and limited availability of new stock.

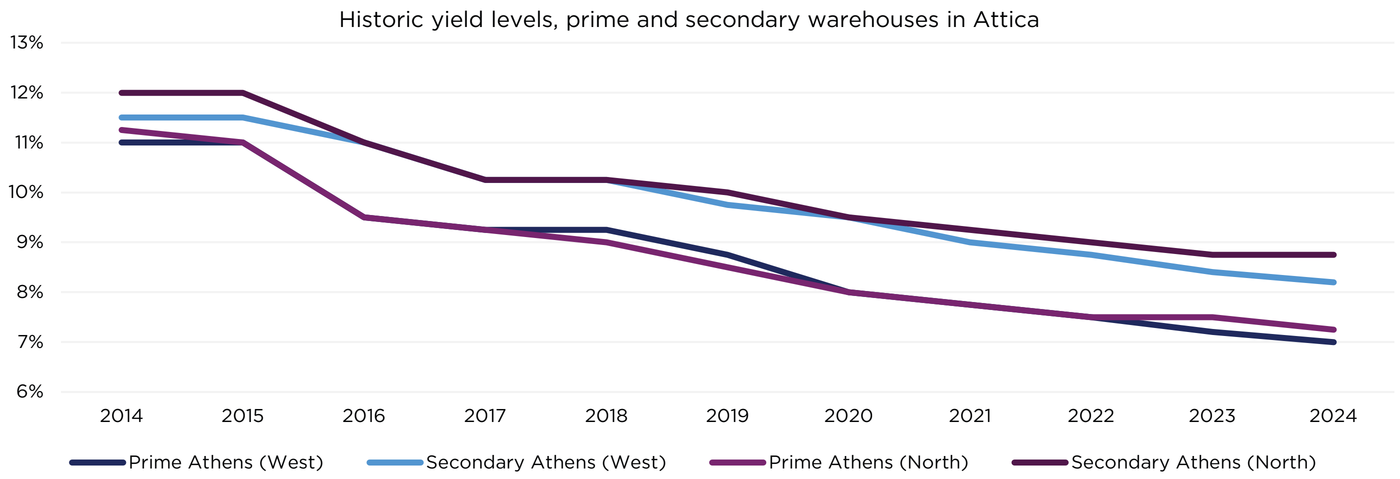
North Attica (Kryoneri): The North submarket maintained stable investor interest, primarily from domestic players. Prime Grade A properties experienced a modest yield compression of-10 bps, while secondary (Grade B) assets remained stable at 8.25% due to lower investor interest, reflecting limited demand for older, lower-quality facilities.

East Attica (Mesogeia): Mesogeia continued to perform well, with increased investor interest in data center operations and domestic third-party logistics (3PL) providers. The submarket's appeal for owner-occupation purposes has further strengthened its position as a key logistics hub.

South Attica (Piraeus): Despite its strategic location near the Port of Piraeus, this submarket has underperformed due to its aging stock and poor investor interest. These challenges have hindered new investment and occupier demand, keeping yields stagnant for the limited prime stock in this area.

Approximately 400,000 sqm of new modern warehousing space is expected to be delivered in the Athenian market over the next two years, driven by investments from domestic REICs and private equity funds. Notably, 40% of this space is already pre-let, underscoring the strong demand for certified storage facilities. It is also noted that investors who entered the market in previous years are now focusing on deploying capital for the development and expansion of large-scale warehousing facilities, typically exceeding 10,000 sqm. With limited land available for development, particularly in the West submarket, the trend of acquiring older stock for refurbishment and repositioning as Grade A product is expected to gain momentum in the coming years.

Moreover, after years of delays, the Hellenic Railway (OSE) logistics park in Thriassio Pedio is progressing, with c. 300,000 sqm of modern logistics space under development. This project, following the amendment of the agreement between GAIAOSE and the concessionaire, is set to become a major logistics hub in the region. Moreover, the American fund HIG has acquired the former "Steel Industry of Greece" site in Thriassio Pedio, with plans to transform it into a state-of-the-art distribution and logistics hub. The project, which includes a private port, will comprise 120,000 sqm of high-tech warehousing facilities and represents a total investment of €400 million. This development has been classified as a strategic investment, highlighting its significance for the Greek logistics sector.



Submarket	Prime Yield (Grade A – B)
West	7.00% - 8.20%
North	7.20% - 8.50%
East	7.50% - 8.50%
Piraeus	7.75% - 8.75%
Viotia	8.25% - 9.00%

Source: Savills Greece Research Department

Comparison with European Logistics Markets

Attica's logistics rents are rising quickly on the back of strong demand and scarce supply, yet in absolute terms they remain lower than in London, Paris, or German hubs. This means Athens can be seen as a cost-effective location for regional distribution relative to Western Europe, while landlords can expect continued rental growth. More specifically, Attica's prime rents (approximately €5.25/sqm/month) are comparable to the Southern European market, e.g. Rome (about €5.25/sqm/month) Madrid (€6.25/sqm/month). The prime logistics rents compared to Central-Eastern Europe highlight that Athens has transitioned from a low-cost logistics location to a mid-tier European level in recent years. In fact, the annual rental growth in Athens (10%+ in 2023) outpaced many European markets, which on average saw +6.2% year-on-year rent growth. From an investor perspective, Attica's logistics rents offer both upside potential and relative value. They are sufficiently high to generate solid income (and have proven resilience, with rising trajectories), yet they are still below Western European benchmarks, indicating room for further growth as Greece's economy and logistics sector mature. Market forecasts indeed anticipate Athens prime rents will continue climbing – projections for 2025 suggest averages exceeding €5.5/sqm/month for prime space. Moreover, prime yields in Athens (around 7.00%) are higher than in Western Europe (around 4–5%), which, coupled with rising rents, makes the risk/return profile attractive to investors. The European context underscores the significant growth Attica has undergone· a few years ago, prime rents in Athens were barely €3.5–4.0, but today they rival those of some more developed markets. This convergence, driven by e-commerce and 3PL demand and the pursuit of modern facilities, validates Attica's emergence as a key logistics market in its region.

Source: Savills Hellas Research

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Trends & Challenges

Infrastructure Development: The ongoing expansion of the Port of Piraeus, which handled over 5.6 million TEUs in 2023, is expected to further boost its capacity in 2025. This development, coupled with upgrades to the Athens-Thessaloniki highway, is enhancing Attica's connectivity and making it a more attractive logistics hub. The completion of the Elefsina Shipyard redevelopment project is also anticipated to create new opportunities for logistics and industrial activities.

E-commerce Expansion and 3PL Providers: The rapid growth of e-commerce continues to be a primary driver of demand for logistics real estate in Attica, significantly driving demand for logistics real estate. Greece is the 29th largest market for eCommerce with a predicted revenue of US$10,643.3 million by 2025, expected to show a compound annual growth rate (CAGR 2025-2029) of 9.4% (ECDB, 2023). Thus, the need for last-mile logistics facilities is expected to intensify, particularly in urban areas like Athens, where delivery speed is critical. As consumers increasingly shift to online shopping, businesses are seeking larger, more modern warehouses and distribution centers to handle higher volumes of goods. Thus, major e-commerce players and local platforms (e.g. "Skroutz") are expanding their operations, requiring additional warehouse space and distribution centers. Moreover, the increasing reliance on 3PL providers is reshaping the logistics real estate market. These providers require flexible, scalable, and well-located facilities to meet the diverse needs of their clients. This trend is driving demand for multi-tenant logistics parks and customized warehouse solutions.

Sustainability and Green Logistics: Environmental sustainability is becoming a key priority for both tenants and investors. It is projected that the majority of new logistics developments in Attica will include green building certifications, such as LEED or BREEAM by the end of the year. There is growing demand for energy-efficient buildings equipped with solar panels, energy management systems, and sustainable construction materials. The push for green logistics is also driving the development of facilities that minimize carbon footprints, aligning with global environmental, social, and governance (ESG) standards. Additionally, the Greek government's commitment to reducing carbon emissions by 55% by 2030 is driving investment in green logistics solutions.

Limited Availability of Prime Land and Zoning Complexities: The scarcity of available land in prime locations, particularly near major transportation hubs and urban centers, is a significant challenge. This limitation is driving up land prices and making it difficult for developers to meet the growing demand for logistics spaces. Furthermore, navigating the regulatory landscape in Greece remains a challenge for developers and investors. Zoning restrictions, permitting delays, and bureaucratic hurdles can complicate the development process and increase project timelines, although the Greek government is working on streamlining the permitting process.

Energy and Sustainability Pressures and Rising Construction Costs: While sustainability is a growing trend, it also presents challenges. Meeting the demand for energy-efficient buildings requires significant investment in new technologies and construction practices. Additionally, stricter environmental regulations may increase compliance costs for developers and operators. Moreover, increasing costs of construction materials and labor are impacting the development of new logistics facilities. It is noted that construction costs have increased by approximately 30% during the last two years. These rising costs could slow down the pace of new projects and affect the overall supply of modern warehouses in the region.

Economic Uncertainty and Labor Shortages: Despite the overall positive economic outlook, global economic uncertainties, such as high public and private debt, geopolitical tensions, and supply chain disruptions, could impact investor confidence and slow down market activity. Moreover, the significant growth of operations, transportation, warehousing and other 3PL services has led to a significant increase in the number of workers in the logistics industry (13.7% in 2023), thus facing a shortage of skilled labor, particularly in areas such as warehouse management and technology integration. This challenge could hinder the efficient operation of logistics facilities and increase operational costs.

Besides rising construction costs, limited availability of prime land, and regulatory complexities, the logistics real estate sector in Attica is set to remain a dynamic and integral part of the region's economy in 2025. With its strategic advantages, robust infrastructure, growing demand, and the need for energy-efficient and environmentally sustainable facilities becoming a priority for both tenants and investors, further reflecting broader global trends in the logistics real estate market, Attica is well-positioned to attract further investment and solidify its role as a key logistics hub in Southeast Europe. Investors and stakeholders who navigate these challenges effectively will be well-placed to capitalize on the sector's growth potential.

Savills Hellas

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