
Fair Value Report of

A land plot at the area of Palea Sfageia,
Municipality of Lavreotiki, Regional Unit of Eastern
Attica, Region of Attica

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

Table of Contents

1. Description, statutory and legal aspects	1
1.1. Location.....	3
1.2. Description	3
1.3. State of Repair	5
1.4. Statutory Requirements.....	5
1.5. Tenure.....	7
1.6. Environmental Considerations	7
2. Market Commentary & Valuation Advice	9
2.1. Approach to Valuation	11
2.2. Valuation of the part of the land plot that is located within the approved town plan	11
2.3. Land outside the approved Town Plan	15
2.4. Fair value	16
2.5. Valuation	16
3. Appendices	19
3.1. Appendix 1 – Residual Method Calculations	21

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

1. Description, statutory and legal aspects

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

1.1. Location

The subject property is located at the edge of the town of Lavrio approximately 400m from the entrance of the port. The town of Lavrio is located c. 60km south-east of Athens and 7km north of cape Sounio. Lavrio is accessed through Lavriou Avenue that provides direct connection with the Athens International Airport, Athens centre and the municipalities of Eastern Attica, mostly known as Mesogeia.

After the port of Piraeus, Lavrio is the second most important port of Attica with significant effect on the economic development of Eastern Attica. The port has been modernised extensively in the recent past, mainly in view of the 2004 Olympics, while for the same purpose a new marina was developed. In this context, Lavriou Avenue was also upgraded and nowadays the connection of Lavrio with the rest of Attica is much safer and time efficient. In previous years, most of the town's residents were occupied in the local mining industry, but after the closure of the mines the labour force has started being employed at the small industrial units near the town or other industrial zones of the area (i.e. Koropi).

The modern town is built around the port, facing eastwards to the Aegean Sea. Moreover, the marina is operating successfully as it is the only marina that leads directly to the open Aegean Sea, while access to the rest of the marinas in Attica require the circumnavigation of cape Sounio.

Most of the commercial uses in Lavrio are located in close proximity to the port and the central square, while the rest parts of the town have mainly residential uses.

We enclose below a General Location Map showing the location of the property in its regional context.



1.2. Description

The subject property is a land plot that initially had a surface of 39,079.76 m² according to a Site Topographic Plan, dated December 2009, prepared by Kassidis & Co Technical Company, of which an area of 5,955.70 m² was expropriated in order to be used for the construction of new road infrastructures in the area. The remaining area of 33,124.06 m² is the subject of this valuation.

The property is adjacent to a public road that connects the outskirts of the town with the centre and leads directly to the port. The

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica

property has a long frontage on this road and offers view towards the sea. Within the property there is a small number of old, derelict buildings which due to the complete lack of maintenance have almost collapsed.

The ground is mainly rocky and prone and is in need of alterations and landscaping in order to become developable.

During the course of our inspection we observed that there are power lines crossing through the property, something that is also indicated in the aforementioned Site Topographic Plan.

Photographs of the property taken on the date of our inspection are provided below.



View of the property



View of the property



View of the property



View of the property



View of the property

1.3. State of Repair

There are not any structures in the property therefore there is no need to comment on the state of repair. For the purpose of our valuation we take into account the derelict structures only in terms of the relevant cost that is required for their demolition, as the cost of restructuring them would not be cost efficient. We do not take into consideration the value of these old structures, because these are in very poor condition and their value is insignificant.

1.4. Statutory Requirements

As per our instructions, we have not carried out a technical due diligence or any enquiries to the relevant planning or other authorities. Our valuation is solely based on the information provided by our instructor, which is assumed to be complete, accurate and correct, unless otherwise specified in the report.

1.4.1. Planning framework

The following information is derived from the Site Topographic Plan and the Technical Report prepared in December 2009 by Kassidis & Co Technical Company and was provided to us by our instructor.

According to this, the area of the property was initially 39,079.76 sqm, but was reduced by 5,955.70 sqm under compulsory purchase for the construction of the adjacent road. From the remaining area of 33,124.06 sqm a part measuring 19,191.46 sqm was included in the approved Town Plan, while the remaining 13,932.60 sqm is still out of it.

As regards the part that was acquired by compulsory purchase, we were informed by Pasa S.A. that the Greek State with its application, dated 16 June 2005 which was discussed on 14 April 2006, requested the compensation price to be set at €59.77/sqm of acquired land. Pasa S.A. in turn requested this price to be set at €500/sqm. The court decision has not been issued yet; however, we note that the amount due to Pasa is not taken into account for valuation purposes, as it refers to land that is not part of the subject property anymore. In addition, the court decision cannot be predicted therefore any kind of assumption would carry a level of uncertainty.

According to the aforementioned Technical Report a part of the subject property was included in the approved Town Plan with Government Gazette Issue 844D/92, within the Urban Section "Neochori-Aghia Paraskevi", Sector B. This part will be split in several Urban Blocks according to the approved town plan and the developable parcels will be the following:

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

Block	Area
102	320.27 sqm
103	326.01 sqm
104	342.31 sqm
107	273.01 sqm
108	260.01 sqm
109	353.25 sqm
112	1,970.42 sqm
113	1,040.04 sqm
114	1,092.04 sqm
115, 105, 106	5,169.05 sqm
116	808.33 sqm
117	335.97 sqm
118	375.87 sqm
	12,666.58 sqm

There are also two small parcels of 27.97 sqm and 29.02 sqm respectively that according to the Urban Master Plan are separated from the rest of the property and due to their small size, they cannot be developed; for this reason, these will be incorporated into other properties and the owner will be compensated accordingly.

The permitted use for this part of the subject property is "General Residential", as described in GGI 166D/87, Article 3 and includes the following series of uses:

- Residences
- Hotels and hostels up to 100 beds
- Retail units excluding super markets and department stores
- Banks & public utility companies
- Education
- Restaurants
- Cafés
- Religious buildings
- Social healthcare
- Low nuisance industrial
- Petrol stations
- Sport facilities
- Car parking buildings
- Cultural buildings

The building regulations that are applied in Sector B of the Lavrion General Urban Plan are the following:

- Minimum plot area 300 sqm and minimum frontage on the road 9 m
- For properties existing before 14-08-92: min. area 100 sqm & min. frontage 7 m

- For properties existing before 02-09-70: min. area 60 sqm & min. frontage 6 m
- Plot coverage ratio: 70%
- Building Coefficient: 2.00
- Maximum structure height 14.5m (GGI 473D/01)
- Approval by the 2nd Byzantine Antiquities' Agency and the 1st Newer Monuments' Agency

As already mentioned, there are several derelict structures within the property, but according to GGI 491B/95 none of these are listed and therefore there is no restriction for their removal.

For the purposes of our valuation we assume that there are no pending issues regarding the compliance of the property with the relevant planning legislation and that the property has fully marketable title deeds.

1.5. Tenure

We were not provided with any title deeds that certify the tenure status of the property; however, we understand that it is owned under freehold possession by EMEL S.A. We note that according to our instructor there is an amount due to be received as a compensation for the parts of the initial property that were expropriated for the construction of the new road adjacent to the property. This amount will be decided by the relevant court authority and therefore no allowance will be made in this valuation with regards to it.

For the purposes of our valuation we have assumed that the property is free of any defects, blockages or legal encumbrances that may have an adverse effect on its value and that it has clear and marketable titles.

1.5.1. Occupational Leases

There are not any occupational leases in the property whatsoever.

1.6. Environmental Considerations

As instructed, we have not carried out a soil test or an environmental audit. Based on the general picture of the subject property and the neighbouring area we are of the opinion that it would appear unlikely that land contamination exists. We have also observed that there are not any hazardous or potentially hazardous uses near the property. These comments are subject to the extent of the on-site survey and are made without liability.

Since it appears that land contamination is unlikely, we have valued the property on the basis that it has neither suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice.

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

2. Market Commentary & Valuation Advice

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

2.1. Approach to Valuation

In order to value the subject property, we have applied the weighted average of the Comparative Method and the Residual Method (with equal weight) for the part of the property that lies within the Town Plan and the Comparative Method for the remaining part, that lies outside of the Town Plan.

2.2. Valuation of the part of the land plot that is located within the approved town plan

2.2.1. Residual Method

For the land plot that is within the boundaries of the approved Town Plan, we have created a development scenario that assumes the construction of mixed-use buildings with a few ground floor retail units (1,000sqm), basements with car parking and storage areas, outdoor car parking spaces and residential units at the upper floors. Our scenario was developed according to the existing Town Plan terms and limitations (Building Coefficient: 2.00 and Plot Coverage Ratio: 70%).

2.2.1.1. Building Schedule

The following Table shows the Building Schedule of the assumed development scenario.

BUILDING SCHEDULE

Basements	Gross areas		Net areas	
M&E areas	10%	887 sqm	100%	887 sqm
Parking	50%	4,433 sqm	80%	3,547 sqm
Storages	40%	3,547 sqm	85%	3,015 sqm
Ground Floor level	Gross areas		Net areas	
Shops	4%	1,013 sqm	100%	1,013 sqm
Parking	96%	8,512 sqm	85%	7,235 sqm
1st Floor	Gross areas		Net areas	
Semi-open areas	10%	806 sqm	95%	766 sqm
Residences		8,061 sqm	90%	7,254 sqm
2nd Floor	Gross areas		Net areas	
Semi-open areas	10%	806 sqm	95%	766 sqm
Residences		8,061 sqm	90%	7,254 sqm
3rd Floor	Gross areas		Net areas	
Semi-open areas	10%	492 sqm	95%	467 sqm
Residences		4,919 sqm	90%	4,427 sqm
4th Floor	Gross areas		Net areas	
Semi-open areas	10%	328 sqm	95%	312 sqm
Residences		3,279 sqm	90%	2,952 sqm

We note that we assume the construction of semi-open areas that will be 10% of the gross areas. This assumption complies with the relevant legislation that allows the construction of semi-open areas up to 20% of the gross areas of a development.

2.2.1.2. Construction costs

The cost of construction is calculated on the gross areas and is as follows:

COST OF CONSTRUCTION

Basements	Gross area	Building cost	Cost
M&E areas	887 sqm	€ 450/sqm	€ 398,997
Parking	4,433 sqm		€ 1,994,986
Storages	3,547 sqm		€ 1,595,989
Ground Floor level	Gross area	Building cost	Cost
Shops	1,013 sqm	€ 750/sqm	€ 759,995
Parking	8,512 sqm	€ 50/sqm	€ 425,597
1st Floor	Gross area	Building cost	Cost
Semi-open areas	806 sqm	€ 800/sqm	€ 644,844
Residences	8,061 sqm	€ 1,100/sqm	€ 8,866,606
2nd Floor	Gross area	Building cost	Cost
Semi-open areas	806 sqm	€ 800/sqm	€ 644,844
Residences	8,061 sqm	€ 1,100/sqm	€ 8,866,606
3rd Floor	Gross area	Building cost	Cost
Semi-open areas	492 sqm	€ 800/sqm	€ 393,539
Residences	4,919 sqm	€ 1,100/sqm	€ 5,411,163
4th Floor	Gross area	Building cost	Cost
Semi-open areas	328 sqm	€ 800/sqm	€ 262,359
Residences	3,279 sqm	€ 1,100/sqm	€ 3,607,442
			€ 33,872,968

We note that this cost does not include the cost of architectural studies, engineers' fees and contingencies, which we assume to be approximately €500,000 in total. In addition, it does not include the cost of financing the project and the costs of landscaping and demolition.

2.2.1.3. Value of scheme

The calculation of the development value is based on comparable that refer to asking prices for newly built apartments. The comparable that are shown in the following Table are properly adjusted in order to reflect the characteristics of the development like its location close to the town centre, its good accessibility and more importantly the unobstructed views towards the sea that it offers:

s/n	Description	Surface (m ²)	Price (€)	Price (€/m ²)	Asking	Location	Size	Characteristics	Adjusted price (€/m ²)
	Subject property			2,455					2,028
1	Lavrio, 4th floor apartment with a total surface of 105sq.m. It enjoys views to the sea. It was developed in 2012 and disposes of car parking	105.0	210,000	2,000	-15%	+5%	0%	0%	1,785
2	Lavrio, apartment, 4th floor, with a total surface of 217 sq.m, built in 2008, with 3 bedrooms and 2 bathrooms.	217.0	450,000	2,074	-15%	+5%	0%	0%	1,851
3	Lavrio, apartment 2nd floor, with a total surface of 50 sq.m, built in 1999.	50.0	100,000	2,000	-15%	+10%	0%	0%	1,870
4	Lavrio, apartment, ground floor, with a total floor area of 173 sq.m, built in 1965.	173.0	350,000	2,023	-15%	+5%	0%	0%	1,806
5	Lavrio, apartment, ground floor, with a total floor area of 74 sq.m, built in 1965.	74.0	170,000	2,297	-15%	+5%	0%	0%	2,050
6	Lavrio, apartment, 2nd floor, with a total floor area of 84 sq.m, built in 2004	84.0	200,000	2,381	-15%	+5%	0%	0%	2,125
7	Lavrio, apartment, 1st floor, with a total floor area of 67 sq.m, with parking space and sea views.	67.0	230,000	3,433	-15%	-5%	-5%	-10%	2,370
8	Lavrio, apartment, 1st floor, with a total floor area of 70 sq.m, built in 1980 with sea views	70.0	240,000	3,429	-15%	-5%	-5%	-10%	2,367

From the comparables we understand that asking prices for newly built apartments at Lavrio range between € 1,800/m² and € 2,370/m² approximately; however we must note that there are very few properties built after 2010 due to the economic crisis that was already present by that time, thus 'newly built' means apartments of 5-8 years of age. Prices at the lower end of this range refer to properties located inland, while the higher ones refer to top floor properties that offer sea view. Based on the characteristics of the assumed development, the good location and the unspoiled sea view we apply prices that range between € 2,100/m² and €2,250/m².

As regards the retail element of the development we have identified the following comparables regarding retail units for sale in Lavrio:

s/n	Description	Surface (m ²)	Bldg. Coef.	Price (€)	Price (€/m ²)	Floor (Tax Val.)		Asking	Location	Size	Characteristics	Adjusted price (€/m ²)
	Subject property				1,786	0	0%					1,634
1	Lavrio, retail unit, built in 1975, refurbished in 2014, ground floor, with a total surface of 53 sq.m	53.0		85,000	1,604	0	0%	-15%	+10%	+15%	-5%	1,638
2	Lavrio, retail unit, ground floor, with a total surface of 155 s.m.	155.0		260,000	1,677	0	0%	-15%	+10%	+10%	-5%	1,639
3	Lavrio, retail unit, ground floor, with a total surface of 32 sq.m, built in 1970.	32.0		75,000	2,344	0	0%	-15%	+10%	-5%	-5%	1,978
4	Lavrio, retail shop, ground floor, built in 1950, with a total surface of 56 sq.m.	56.0		85,000	1,518	0	0%	-15%	+10%	-5%	-5%	1,281

From the comparables we understand that asking prices for retail stores at the centre of Lavrio range from € 1,280/m² to € 1,980/m² approximately with some specific cases attracting higher prices than that range. Prices depend mainly on the position of the property due to significant variations in the promotion, and therefore the marketability, of a property. We are of the opinion that an average price of €1,600/m² for the retail areas of the proposed development reflect the current economic conditions of the small scale retail sector in the area, but at the same time show the good potential that these units have as they will service a relatively large number of households.

The value of the closed parking spaces is set to be at the level of € 5,000/space and is in line with parking space prices in Lavrio.

Based on these figures the value of the development is calculated as follows:

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

VALUE OF SCHEME

Basements	Net area	Selling price	Value
M&E areas	887 sqm	€ 0/sqm	€ 0
Parking	3,547 sqm	€ 5,000/space	€ 705,000
Storages	3,015 sqm	€ 0/sqm	€ 0
Ground Floor level	Net area	Selling price	Value
Shops	1,013 sqm	€ 1,600/sqm	€ 385,600
Parking	7,235 sqm	€ 0/space	€ 0
1st Floor	Net area	Selling price	Value
Semi-open areas	766 sqm	€ 0/sqm	€ 0
Residences	7,254 sqm	€ 2,100/sqm	€ 15,234,441
2nd Floor	Net area	Selling price	Value
Semi-open areas	766 sqm	€ 0/sqm	€ 0
Residences	7,254 sqm	€ 2,150/sqm	€ 15,597,166
3rd Floor	Net area	Selling price	Value
Semi-open areas	467 sqm	€ 0/sqm	€ 0
Residences	4,427 sqm	€ 2,200/sqm	€ 9,740,093
4th Floor	Net area	Selling price	Value
Semi-open areas	312 sqm	€ 0/sqm	€ 0
Residences	2,952 sqm	€ 2,250/sqm	€ 6,640,973
			€ 48,303,273

2.2.1.4. Residual Method calculations

- Demolition costs €20,000
- Professional fees €500,000
- Period prior to start of works 4 months and void period after the completion of the construction works 6 months
- Duration of construction 32 months
- Developer's profit 12% of scheme's value
- Financing costs 5.50%
- Acquisition costs 1% in total

The detailed calculations are attached as Appendix 1 of this report, below.

The value of the land plot after the application of the residual method for the part of the land plot that is located within the approved town plan is estimated in the order of € 1,207,805. The full Residual calculation is presented as Appendix to this report.

2.2.2. Comparative Method

For the application of the comparative Method we have collected and analyzed comparative evidence regarding the approved town plan land plots available for sale in the town of Lavrio. The outcome of our survey is presented in the matrix that follows:

Land Plot Sales

s/n	Description	Surface (m ²)	Bldg. Coef.	Price (€)	Price (€/m ²)	Asking	Location	Size	Characteristics	Adjusted price (€/m ²)	Adjusted buildable (€/m ²)
	Subject property				482					327	209
1	Lavrio, Aghia Paraskevi, Nichtochori, in the approved town plan land plot with a total surface of 338 m ² . It has building coefficient 2.	338.0	2.00	200,000	592	-15%	+10%	-25%	-5%	394	197
2	Lavrio, Panoirmos, in the approved town plan land plot with a total surface of 1,870 m ² . It has building coefficient of 1.3.	1,870.0	1.30	1,000,000	535	-15%	+10%	-15%	-5%	404	311
3	Lavrio, in the approved town plan land plot with a total surface of 200 m ² . It has building coefficient 2.	200.0	2.00	90,000	450	-15%	+5%	-25%	-5%	286	143
4	Lavrio, in the approved town plan land plot with a total surface of 428 m ² . It has building coefficient of 1.2.	428.0	1.20	150,000	350	-15%	+5%	-25%	-5%	223	186

From the matrix above with the comparative evidence we understand that asking prices for mainly small-scale land plots in good locations of Lavrio range between € 350/m² to € 595/m² depending on the specific characteristics of each available plot. For the more detailed analysis of the comparative evidence we have proceeded with all the adjustments that we consider as necessary and relate to factors such as asking price, location, size and characteristics.

Based on the above collected and analyzed comparative evidence as well as the specific characteristics of the subject asset we consider reasonable to apply a land price of € 200/buildable m² which corresponds to € 400/m² of land. We need to mention that the subject plot benefits from the fact that it is located next to the sea and enjoys unobstructed views to the sea.

The calculation of the Market Approach is shown below:

Use	Surface (m ²)	Price (€/buildable m ²)	Building Co.ef	Price (€/m ²)	Value (€)
Land plot	12,666.58	200.00	2.00	400	5,066,632
	12,666.58				5,066,632

2.2.3. Fair Value of the part of the land plot lying within the approved town plan

As discussed above the Fair Value of the above element of the total land plot is calculated as being the weighted average with equal weight (50%) of the two above analyzed methods (Residual Method and Market Approach) and has as follows:

Method	Total	Weight	Weighted
Comparative	€ 5,066,632	50%	€ 2,533,316
Residual	€ 1,207,805	50%	€ 603,902
		100%	€ 3,137,218
			Rounded € 3,140,000

2.3. Land outside the approved Town Plan

For the calculation of the value of the part of the property that lies outside the approved Town Plan we used the Comparative method. We conducted a survey in the greater area that surrounds the subject property and we could identify the following comparables regarding out of the approved town plan land plots:

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica

Sales

s/n	Description	Surface (m ²)	Price (€)	Price (€/m ²)	Asking	Location	Size	Characteristics	Adjusted price (€/m ²)
	Subject property			49					37
1	Lavrio, land plot, with a total surface of 16,000 sq.m.	16,000.0	800,000	50	-15%	+10%	-10%	0%	42
2	Lavrio, land plot, with a total surface of 6,000 sq.m	6,000.0	400,000	67	-15%	-5%	-20%	0%	43
3	Lavrio, land plot, with a total surface of 6,000 sq.m.	6,000.0	200,000	33	-15%	+5%	-20%	0%	24
4	Lavrio, land plot with a total surface of 7,202 sq.m, with view to the sea	7,202.0	375,000	52	-15%	-5%	-10%	0%	38
5	Lavrio, land plot with a total surface of 85,000 sq.m	85,000.0	3,500,000	41	-15%	+5%	+5%	0%	39

Asking prices for land plots in areas outside the approved town plan but near the town of Lavrio range from € 24/m² to € 43/m² approximately. We note that there are cases of properties far from the town or the main roads with asking prices at the level of €10/sqm, while in other cases with better access there are asking prices exceeding €100/sqm. In the table above we have included comparables that we are of the opinion that have more similar characteristics with the subject land parcel and are offered at price levels that can be supported by the market.

Based on the characteristics of the subject land plot (exact location, surface, development potential, views etc.) we apply a price of € 40/m² for the subject property.

Plot surface	13,932.60 m ²
Land price	€40/m ²
Price on GBA	€0/m ²
Land value	€ 557,304

2.4. Fair value

The fair value of the property is the aggregation of the values of the two parts that comprise the entire subject property. The calculation is as follows:

In the approved town plan	€	3,137,218
Out of the approved town plan	€	557,304
Total	€	3,694,522

2.5. Valuation

Having carefully considered the property, as described in this report, we are of the opinion that the Fair Value of the freehold interest as at the date of valuation is € 3,694,522, which is rounded to **€3,695,000** (Three Million Six Hundred and Ninety Five Thousand Euros).

2.5.1. Market Value under the special assumption of - 3-month marketing period

According to our instructions we have been asked to provide our client with the Market value of the property assuming a restricted marketing period of three (3) months. It is noted that the valuation is provided on the special assumption that the constraint had arisen at the valuation date.

The 3-month (3-month) marketing period, practically constitutes the time constraint on which our client has requested this asset's valuation. Hence, in other words, our client has requested this valuation on the basis of a specified marketing restriction which, in turn, coincides the time limit of the asset's disposal.

However, the aforementioned marketing constraint should not be confused with a forced sale as it is assumed to exist without compelling the owner to sell. The fact that a sale is 'forced' means that the vendor is subject to external legal or personal commercial factors, and therefore the time constraint is not merely a preference of the vendor. To this end, in terms of our special assumption, it is assumed that the time constraint is merely a preference of the vendor.

Although the economic climate has significantly improved in the course of the last months, the current market conditions with regards to the Greek Real Estate market suggest that the hospitality market indicates a remarkably upward trend, though the latter is struggling in less touristic locations, in terms of occupancy, ADRs or transaction activity. The continuously increasing management of corporate non-performing loan portfolios, with hotel assets as collaterals, might be an opportunity for change of ownership, reinvestment and repositioning. In this case and in the course of Market Value (MV) we note that the current "proper marketing period" is, in most cases, longer compared to the historic marketing periods which were noticed in the years before the Greek crisis. To this end, at the current market conditions a proper marketing period equals or exceeds one year for a transaction which is made between a willing buyer and a willing seller who both act knowledgeably and without compulsion. Therefore, the owner might accept a lower sale price so as the property become more attractive to the market and therefore be sold in 6 months. Based on the above, the applied special assumption is considered reasonable given the structural constraints of the hospitality sector.

We have approached the aforementioned restricted marketing period value by applying a discount to the Market Value. It has to be noted that this discount is not a single figure which is used for every property across the Greek property market but it depends strongly on the characteristics of the property (type, physical characteristics, location, etc.) and the dynamics of the local property market.

To this end we have applied a discount of 50% to the property's market value. The calculation is as follows:

$$€ 3,694,522 \times 50\% = € 1,847,261$$

Thus, the Market Value under the special assumption of 3-month marketing period is € 1,847,261 which is rounded to **€ 1,850,000 (One Million Eight Hundred and Fifty Thousand Euros)**.

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

3. Appendices

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

Fair Value Report of

A land plot at the area of Palea Sfageia, Municipality of Lavreotiki,
Regional Unit of Eastern Attica, Region of Attica



An International
Associate of
Savills

3.1. Appendix 1 – Residual Method Calculations

A. GROSS VALUE OF SCHEME						
A1. Gross Development Value						
Level	Surface	Rent	Initial Yield	Value (€/m ²)	Total	
						€ 48,303,273
A2. Marketing, Letting & Sales Fees						
		Lump Sum	%			
Marketing over Capital Value				€ 0		
Letting Fees over Income				€ 0		
Selling Fees over Capital Value			1.00%	€ 478,250		(€ 478,250)
B. NET VALUE OF SCHEME						€ 47,825,023
C. COSTS OF SCHEME						
C1. Building Costs						
Level	Surface	Net:Gross Ratio	Building Cost (€/m ²)	Total		
						(€ 33,872,968)
C2. Ancillary Costs						
Access roads, landscaping, services etc				€ 150,000		
Demolition				€ 20,000		(€ 170,000)
C3. Contingencies						
			3.00%	€ 1,021,289		(€ 1,021,289)
C4. Professional Fees						
		Lump Sum	%			
Architects			5.00%	€ 1,753,213		
Quantity Surveyor				€ 0		
Structural Engineers				€ 0		
M&E Engineers				€ 0		
Project Managers				€ 0		
Others				€ 0		(€ 1,753,213)
C5. Short Term Finance						
On total costs for 1/2 building period	16 months	5.50% p.a.		Interest charged 1 time p.a.		(€ 2,724,402)
Assuming	6 months			of void period after completion		(€ 1,072,847)
D. RETURN FOR RISK AND PROFIT						
Over Capital Value			12.00%	€ 5,739,003		(€ 5,739,003)
E. TOTAL EXPECTED COSTS						(€ 46,353,722)
F. CALCULATION OF SITE VALUE						
Void period prior to the beginning of works	4 months					
The future value of the site in	42 months			is calculated at	€ 1,471,301	
The Present Value of the site for	42 months			@ 5.50% is	€ 1,219,883	
Less Acquisition costs @	Notary		0.50%			
	Legal Agents		0.50%			
	Total Costs		1.00%			(€ 12,078)
G. VALUE OF THE SITE						€ 1,207,805