
Fair Value Valuation Report of

A warehouse with offices, in the area of “Lakka”,
Municipality of Aspropyrgos, Regional Unit of East
Attica, Region of Attica

Valuation date: 31-12-20

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1. Description, statutory and legal aspects

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1.1. Valuer details

The property was inspected on 23-10-20 by Linos Perhanidis MRICS (6581628), MEng Rural and Surveying Engineer, MSc in Real Estate, TCG member (140632) and Nikol Papastefanou APC RICS (6729414), MSc in Construction Project Management and MSc in Real Estate Management and Investment. We were able to inspect the property both externally and internally. Our inspection was limited to those areas that were easily accessible or visible.

The valuation was undertaken by Panagiotis Manoussakis APC RICS (6917494) and reviewed by Dimitris Manoussakis MRICS (1152810), Architect, MSc Econ, TCG member (54167) and Registered Valuer of the Greek Ministry of Finance (57).

1.2. Extent of due diligence enquiries and information sources

According to the agreed Terms of Engagement we have not conducted any legal and technical due diligence, a building survey, any indicative measurements or any enquiries to pertinent Authorities.

The sources of the information we have relied upon for the purpose of our valuation were provide by you and are as follows:

1. Contract number 124/10-06-04 of the Athens Notary Panagiotis Kampolis-Galantomistis for the purchase of a land plot.
2. Contract number 125/10-06-04 of the Athens Notary Panagiotis Kampolis-Galantomistis for the purchase of a land plot.
3. Statement of Law 690/1979 and Law 1221/1981 of the Athens Notary Panagiotis Kampolis-Galantomistis with date 16-09-04
4. Contract number 567/09-12-04 of the Athens Notary Panagiotis Kampolis-Galantomistis for the purchase of a land plot.
5. Contract number 568/09-12-04 of the Athens Notary Panagiotis Kampolis-Galantomistis for the purchase of a land plot.
6. Contract number 569/09-12-04 of the Athens Notary Panagiotis Kampolis-Galantomistis for the purchase of a land plot.
7. Payment of the remaining purchase price of a property with number 609/16-12-04 of the Athens Notary Panagiotis Kampolis-Galantomistis.
8. Contract number 645/23-12-04 of the Athens Notary Panagiotis Kampolis-Galantomistis for the purchase of a land plot.
9. Contract number 646/23-12-04 of the Athens Notary Panagiotis Kampolis-Galantomistis for the purchase of a land plot.
10. Contract number 1158/24-12-04 of the Athens Notary Paraskevis Mourikis for the purchase of a land plot.
11. Lease agreement with number 21935/07-02-08 of the Athens Notary Fotini-Flora Psarri.
12. Amendment of the lease agreement with number 21935/07-02-08 of the Athens Notary Fotini-Flora Psarri.
13. Construction permit no. 334/2004.
14. Construction permit (review) no. 294/2006
15. Topographic site plan, with scale 1:500 of the Civil Engineer Anastasios – Karouboulas with date June 2006
16. Ground floor and Roof floor plan with scale 1:200, by Civil Engineer Anastasios Karaboulas, dated March 2004.
17. Pillar floor plan with scale 1: 200, by Civil Engineer Anastasios Karaboulas, dated June 2004.
18. Section A-A and B-B with scale 1: 200, of the Civil Engineer Anastasios Karaboulas, dated June 2004.
19. South and West view with a scale of 1: 200, by Civil Engineer Anastasios Karaboulas, dated March 2004.
20. North and East view with a scale of 1: 200, by Civil Engineer Anastasios Karaboulas, dated March 2004.
21. Declaration of inclusion in Law 4495/2017 at the Ministry of Environment and Energy with Application ID 11863226 with initial submission date 26-09-20.
22. Declaration of inclusion in Law 4495/2017 at the Ministry of Environment and Energy with Application ID 11863359 with initial submission date 26-09-20.

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23. Declaration of inclusion in Law 4495/2017 at the Ministry of Environment and Energy with s/n 11863492 with date of initial submission 26-09-20.
24. Declaration of inclusion in Law 4495/2017 at the Ministry of Environment and Energy with s/n 11863569 with date of initial submission 26-09-20.
25. Lease Agreement between "Noe Metal Constructions SA" and "Logistics Service Hellas Commercial Company for the Distribution of Third-Party Goods" dated 12-10-04.
26. Lease Agreement between "Noe Metal Constructions SA" and "Traffic SA" dated 29-01-08.
27. Lease Agreement between "Noe Metal Constructions SA" and "Traffic SA" dated 27-01-11.
28. Lease Agreement between "Noe Metal Constructions SA" and "Traffic SA" dated 29-03-12.
29. Lease Agreement between "Noe Metal Constructions SA" and "Traffic SA" dated 29-01-13.
30. Lease Agreement between "Noe Metal Constructions SA" and "Traffic SA" dated 04-03-14.
31. Lease Agreement between "Noe Metal Constructions SA" and "Traffic SA" dated 23-03-15.
32. Lease Agreement between "Noe Metal Constructions SA" and "Traffic SA" dated 09-01-17.

Where reports and other information (i.e. technical drawings etc.) have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.3. Location

The subject property is situated in the Municipality of Aspropyrgos, in the western sector of Attica. The Municipality of Aspropyrgos is located approximately 20-25 km from the historical city centre of Athens, and it borders on the north with the Municipality of Dervenochoria, on the south with the Municipality of Chaidari, on the east with the Municipalities of Fili and Ano Liossia and on the west with the Municipalities of Magoula, Elefsina and the Gulf of Elefsina. According to the 2011 census, the Municipality of Aspropyrgos has a population of 30,251 inhabitants and covers an area of c. 101.9 km².

Aspropyrgos has a mixed planning policy in the uses of land. Except from the residential part that is part of the section between the Athens-Corinth National Road and the 'Attiki Odos' Highway, in Aspropyrgos other uses of land exist, such as industrial. The latter are located in the section of Aspropyrgos that surrounds Nato Avenue and the Athens-Corinth National Road. A significant number of warehouses have been developed with significant intensity during the last 15 years in various parts of Aspropyrgos, mainly in close proximity to 'Attiki Odos' (north and south of it). Although Aspropyrgos is considered one of the most degraded areas of Attica for residential use, as it mainly attracts to industrial uses such as distribution centres, logistics etc. In fact, the area is one of the most attractive areas for such uses, mainly due to the easy accessibility to and from the network of national highways (via 'Attiki Odos') and the port of Piraeus via the new railway line that connects the port with the Thriasio field.

Access to Aspropyrgos is mainly achieved by road and secondarily by the Suburban Railway. Regarding the access, the area is served by main roads of the Attica basin such as 'Attiki Odos', Athens-Corinth N.R, the Egaleo Peripheral road and NATO Av. Furthermore, the area is served by the network of the Suburban Railway (Aspropyrgos station), located at a point in Aspropyrgos close to both 'Attiki Odos' and NATO avenue.

More specifically, the subject property is situated in the area of "Lakka" in Aspropyrgos approximately 1km north of 'Attiki Odos'. The nearest junction of 'Attiki Odos' is the Magoula junction, which is located 4 km far from the premises of the property. Land uses in the surrounding area are mostly for industrial warehousing of both small and large scale.

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We enclose below a map showing the location of the property in its wider context.



1.4. Description

Subject of this valuation is an industrial warehouse comprising of dry storage areas and office space with a total surface of 9,631.34 m². It has been developed on a land plot of a total surface of 24,001.00 m², in the area of Lakka Kamatero of Aspropyrgos Municipality.

The surface of the land plot is sloping and its shape can be characterized as trapezoid.

The wider area has heavy industrial uses, so the necessary infrastructures were developed in previous years. The subject property is currently used as a warehousing facility, constructed by “Noe Metalliki Kataskevai S.A.”. According to information provided to us by our client, the relevant building permit for the commercial warehouse includes the following areas:

Floor	Office (m ²)	Storage (m ²)	Total (m ²)
Ground Floor		8,950.64	8,950.64
Ground Floor L. 4495/2017		275.63	275.63
Loft 1 L. 4495/2017	373.90		373.90
Loft 2 L. 4495/2017	66.99		66.99
Total	440.89	9,226.27	9,667.16

The plot is fully fenced with an anti-burglary fence. At the entrance of the premises, a metal sliding door exists and in the surrounding area of the plot, prefabricated houses exist. Moreover, an ISOBOX hut is located next to the entrance which operates as a security post for the premises, while the rest located in the area operate as a storage for M/E equipment. Within the premises, infrastructures have been made for the internal car circulation. Finally, in the surrounding area there are metal structures for housing parking spaces as well as closed circuit television (CCTV) for the internal security of the premises.

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The building is made of metal supportive frame with reinforced concrete foundation and exterior masonry of alfabloc 10 cm with special coating. The roof and side walls consist of thermal insulation panels. The frames are aluminum and have double glazing windows. On the external area of the building, canopies can be observed, along with a PPC substation and a generator.

The subject property consists of both office and storage areas. The office areas expand vertically with the construction of lofts, “Loft 1” consisting of two levels (373.90 m²) which are connected by a metal staircase. The roof is made of suspended ceiling, with aluminum frames and mineral fiber plates (60x60 cm) and lighting luminaires (60x60 cm), while the floor is covered with ceramic tiles. The partition walls are made of colored plasterboard with a metal frame inside. The office areas have DAIKIN heating & cooling system. On the ground floor there is a reception area as well as office and ancillary spaces, while on the 2nd level, 2 office areas exist and one large meeting room.

The storage areas situated on the ground floor, is the main area of operation of the warehouse and is divided into seven compartments with partition walls of fireproof panels and fireproof sliding doors. In these areas, metal structures are placed for storage of goods. In the interior of the warehouse another ISOBX was observed operating as an extra office space. In total there are two office areas on the ground floor along with another one located in “Loft 2” with a surface of 66.99 m². In the main area of the warehouse the ventilation is served through natural circulation (air ducts). The warehouse has 15 loading stations and 5 ramps.

We note that on the roof of the subject warehouse photovoltaic panels exist for electricity generation, but after a written order from our client they are not included in this report.

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



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1.5. State of repair

As per our instructions, we have not carried out a structural survey, nor have we tested any of the services. However, we would comment, without liability, that the premises are at a good state of repair with normal wear and tear, subject to the age of the structure and the use. We have not noticed any signs of poor maintenance. This comment is provided without liability and comes from the macroscopic examination of the premises.



1.6. Statutory requirements

The building has been constructed according to n.334/2004 Building Permit of the Planning Department of West Attica for “New Ground Floor Warehouse” and its revision number 294/2006.

1.6.1. Planning framework

According to document (15) we understand that the land plot is developable and is situated outside the approved town plan. The terms and conditions of the plot are exhibited below:

- Minimum Size: 20,000 m²

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- Building Coefficient: 0.4 for metal construction
- Coverage Ratio: 40% for metal construction
- Max. Height: 11.00 m plus 1.20 m for the construction of the roof
- Distance from plot boundaries: 15.00 m

1.6.2. Compliance

According to documents (21) (22) (23) and (24) we understand that all the illegal constructions of the buildings have been legalized and are in line with law N.4495/17. According to the above, the following areas have been legalized:

- Expansion of ground floor storage area with 5 loading/unloading stations with a total surface of 275.63 m²
- Construction of “Loft 1” on the internal area of the warehouse, comprising two levels for office use with a total surface of 373.90 m²
- Construction of “Loft 2” on the internal area of the warehouse, for office use with a total surface of 66.99 m²
- Construction of prefabricated huts at the outdoor areas of the premises with a total surface of 63.15 m²
- Change of partition from the one provided in the approved plans of the building permit, which has resulted in modification of the fire compartments.
- Change of use from storage to office.
- Different location of parking spaces and non-implementation of all required parking spaces.
- Finally, in the surrounding area, in addition to the building and coverage excesses, and side distances, metal canopies were found, metal structures for housing parking spaces, emergency exit stairs in other places, escalator on the roof of the building, canopies at the entrance of the office space, protrusions, support bases for fire-fighting tanks, support base for air-conditioning units, calculated with a detailed budget, as other violations of art. 100, par. 5 of Law 4495/2017.

In valuing the property, we have assumed that the premises are used in accordance with its present lawful uses and that the structures comply with current planning laws and building regulations, that they are not subject to any adverse proposals or possible enforcement actions and that it has fully marketable titles.

1.7. Tenure

We have not yet received any written form of tenure by our client, but we understand that the subject property is held under freehold possession by PASAL Development S.A.

This valuation is conducted under the assumption that the property has fully marketable title deeds and is free of any restrictive covenant, burden or any other defects, blockages or legal encumbrances that could adversely affect its market value.

1.7.1. Occupational Leases

According to document 32 we understand that the premises are fully let to DIAKINISIS S.A. According to the provided data the basic information of the lease agreement are:

Tenant / area	Lease start	Indexation date	Lease expiry	Indexation over CPI	Passing rent (€/month)
Diakinisis S.A	01.12.04	01.01	31.12.29		32,573.37
					32,573.37

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1.8. Environmental considerations

As per the Terms of Engagement, 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 not 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.

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2. Market Commentary & Valuation Advice

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2.1. COVID-19 implications

2.1.1. The international environment

The advent of the COVID-19 pandemic and the global "lock-in" of all economic activity have led to an unprecedented cessation of almost all activities in both Greece and internationally. Having regard to the feedback we regularly receive from market stakeholders, owners and investors, we understand that the effect of the Covid-19 pandemic on the property market is yet to be fully realised on the entire spectrum of the market. This is explained by the fact that the real estate market traditionally is moving at a slower pace in terms of incorporating such large and sudden events, unlike other markets such as stocks and bonds which are immediately hit by shocks in the economic activity. However, as many analysts mention it seems that the pandemic has moved the real estate market in almost all its sectors 5 years ahead.

The most drastic and easily measurable effect was the rent reductions imposed by the government on specific activities, in order to support companies that have lost a major part of their turnover due to the lockdown. Despite this obvious hit in landlords the economic impact of the cessation of the economy has not yet been fully realised, especially not before the magnitude of the decline in tourism is measured, with all the implications that this has conveyed to many other activities of the economic chain related in a direct or indirect form with the tourism industry. There is real danger that this domino effect may cause negative effects to the viability of a large number of suppliers who represent a major part of the domestic economic base, as tourism and related activities represent around 20%-25% of GDP.

In this context, it is a positive development that the European Commission and the European Council reacted promptly and vigorously to the crisis, initially approving a package of € 540 bn in April 2020 to address the immediate economic impact of the coronavirus pandemic, mainly to cover the increased costs of healthcare and support financially the employees and the companies, due to travel restrictions. Then recently, after intense and time-consuming negotiations during the EU Summit, an additional package of loans and transfers was approved with the creation of the Recovery Fund entitled "Next Generation EU (NGEU)", amounting to € 390 bn in transfers and € 360 bn in loans. Through the above mechanisms, Greece seems to secure a package of c. € 70 bn in funding from the European Union to address the economic repercussions of the COVID-19 pandemic.

As always, the property market is slow in reflecting the lockdown shocks, with the main hit being observed so far on the leisure, F&B and hospitality sectors but also increasing concerns have occurred in the office acquisition strategies of many investors. For this reason, market participants argue that what we have seen so far is not representative and that the property market has not yet fully reflected the economic downturn caused by the lockdown and the restriction imposed. Retailers have reacted in lockdown downturns by enhancing their e-commerce channels; nevertheless, the volume of sales is far from reaching normal levels.

Short-term outlook

In the short-term (~next 6 months), we expect that many international investors who had included Greece in their investment strategy, will probably decide to think again in favour of more mature markets; thus, turning their funds in such markets since satisfactory return opportunities may appear again, possibly placing Greece in the background of their investment activity, at least until the first half of 2021. Obviously, this change in strategy will always be affected by the reaction of the other European markets especially after the current second pandemic wave. This positive sentiment of foreign investors towards other markets may not be long lived and at the end of the day this shift of capital may not concern factors limited to Greece only, so a good performance of the Greek economy especially at a macro level but more importantly in the field of structural reforms will convince investors to maintain their interest for our market. However, at this stage it is not easily measurable whether this possible turn may result to

frail demand and lukewarm appetite from the foreign investors side.

On the other hand, the continued interest of domestic players is expected to underpin the market and progressively boost the interest of foreign investors, a situation that is going to become the driver of a new upward circle leading to higher rental levels and to yields compression.

Long-term outlook

The new environment that was created in the office sector due to the pandemic has pushed the business world to start thinking about forms of work that a few months ago were not widespread adopted. The pandemic is expected to lead to a new reality in the way we perceive modern workspace, while our perception about public space has changed in general. At the moment, and as humanity has not yet escaped the danger of the pandemic, it is impossible to predict how the market will shape in the long run and - most importantly - how companies will change their modus operandi by creating more flexible work patterns and different concepts of workspace, which will rely more on digital rather than physical aggregation. We are of the opinion that the need for physical workspace will never stop, while for some business types it may increase (e.g. business outsourcing services). In any case, it is well-accepted that our perception of public space has changed in order to adapt to the new normality, especially in terms of health and safety standards. The use of new materials, new specifications for MEP equipment, more intense use of sustainable design and construction, all are steps that will support the improvement in the operation of the public space.

2.1.2. Greece

After almost 8 years of depression the Greek economy showed the first signs of recovery in 2017 something which was also reflected in the traditional sectors of tourism and real estate. Between 2017-2019 the Greek real estate market performed well due to the improved economic climate and the return in investor's confidence, a situation that progressively led to increasing investment activity. During the whole of 2019 investment activity in almost all real estate sectors continued growing supported by the strong macro-economic performance in Greece and the rest of the Eurozone something that was also reflected in the returns of the 10-year Greek Government Bond (GGB), which plummeted to historic low levels of less than 1.00% (September 2020). The optimism for the growth prospects of the Greek economy pushed investors in a rally to take positions in good quality real estate assets something that compressed yields to pre-crisis levels while the simultaneous increase in occupier's demand for good commercial space had as implication the rapid increase in rents, especially in the prime sub-markets.

This trend continued during the first two months of 2020 with the market being bullish in terms of both occupier's demand due to new expansion or relocation plans of the companies but also because of the high liquidity of investors who were interested to grow and diversify their portfolios with new income producing properties. At the same time many development plans either greenfield or value-add with promising turnaround prospects were in the pipeline by Greek REICs, foreign private equity funds and other investors (e.g. family offices, developers etc), further underpinning the good climate in the real estate market. The increased market activity and the prospects of growth fuelled the interest of foreign investors who started seeking opportunities for an entry in Greece with sectors such as hospitality and offices to lead the way followed by logistics and retail. The sale of NPLs by Greek banks also continued attracting the interest of large foreign investors such as Apollo, Bain, Fortress, Pimco etc. who have acquired portfolios by placing more than €1.5 bn in the market. This was also a sign of their ongoing confidence in the growth prospects of the Greek real estate market.

The COVID-19 outbreak which had as a result the imposition of a lockdown in March and April 2020 impacted the economy in a non-symmetric way and drastically affected the real estate market having as a result investment activity grinding to a halt for the

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rest of H1 since most investors adopted a “wait and see” stance.

So far, although activity has almost ceased for several months, we have not observed major changes in rental levels but on the other hand the number of deals was rather limited since on the occupiers end relocation and or/expansion plans were postponed until decision makers have a clearer view on the situation especially with regards of the financial soundness of the companies and the capacity and speed of businesses to adapt while on the investment end portfolio managers prefer to have a clearer view as to the direction that the market will follow in the main real estate sectors. As a result, comparative transactions are very few and trading is minimal and certainly not adequate to provide us with a clear picture as to the direction and trends that will prevail in the different market sectors. In terms of yields, there is currently no measurable decompression trend in the Greek market despite the negative climate and the increased uncertainty caused by the lockdowns about the duration of the current crisis and its impact on the real economy and the property market.

The logistics sector

The logistics sector is the winner in attracting investment interest during 2020. This is mainly due to the fact that e-commerce surged not only in Greece but across Europe during the lockdown, as it became the safest way of shopping and possibly the only channel for buying non-essential goods. This has led to a dramatic increase in demand for logistics space something which has further enhanced an already existing trend. As a result of this developing trend, we witnessed improved investment volumes especially in H2 2019 and onwards. The Greek logistics market was not an investment priority and therefore did not quite follow the European trend in shifting towards large-scale developments that others countries such as the UK, Romania and Poland witnessed in this sector. Surging online retail sales combined with the fact that consumer footfall still remains markedly down on pre-Covid-19 levels are expected to increase the pent-up investor demand for prime logistics facilities.

The global pandemic has created new opportunities and a shift in demand towards the logistics sector as investors are looking for both warehousing space and distribution centers in prime industrial areas of Athens and Thessaloniki. In this context Trastor REIC closed two transactions in Aspropyrgos when acquired two logistics buildings for a total amount of c. €4.2 mn. We expect that 2020 will end with increasing transactional volumes in the logistics sector compared to 2019 and 2018 respectively. This is also proven by the latest announcements of Pasal and BriQ who have announced the acquisition of large distribution and logistics centres in Aspropyrgos and Mandra respectively, placing more than €65 m in this sector with other established players to follow with investments of similar size. From our market intelligence, we know that both domestic and international real estate investment companies have set new investment strategies focusing on logistics units, situated in industrial zones of Attica. Currently, more than 90,000 m² of Grade-A modern warehousing space are under development with at least 35,000 m² of additional space being in the pipeline and on the final stage of negotiations; thus, making the investment volume for acquisition and development to approach more than €150 mn during 2020.

2.2. Approach to valuation

For the calculation of the Fair Value we have used the Income Approach (Investment) and more specifically the Discounted Cash Flow (DCF) method. According to this method, the value of the property is determined by the income that it will or is expected to produce in the future, subject to several assumptions. We then discount the annual income stream with an appropriate discount rate, which is set in order to reflect a number of factors such as the state of the economy and the general level of interest rates, the type and the location of the property, its future rental growth expectations, the security of the income, the size of the investment and the life and obsolescence of the property.

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2.2.1. Rental comparables

We have surveyed the local market in order to identify comparable evidence that refer to lettings. Our findings, as well as the relevant adjustments are shown in the following table:

Lettings													
s/n	Description	Surface (m ²)	Rent (€/month)	Rent (€/m ² /month)	Floor (Tax Val.)	Age (Tax Val.)	Asking	Location	Size	State of Repair	Other	Adjusted rent (€/m ² /month)	
	Subject property			4.0	0	0						4.1	
1	Elefsina, dry storage warehouse, 35,000 m ² , in good condition.	35,000.0	125,000	3.6	0%	0%	0%	+5%	+5%	-5%	-5%	3.6	
2	Aspropyrgos, dry storage warehouse, 4,000 m ² , in excellent condition	4,000.0	16,000	4.0	0%	0%	-10%	0%	-5%	+5%	+10%	4.0	
3	Aspropyrgos, dry storage warehouse, 13,000 m ² , in good condition.	13,000.0	52,000	4.0	0%	0%	0%	0%	+5%	0%	0%	4.2	
4	Aspropyrgos, near NATO av., dry storage warehouse, 7,600 m ² , 9m height, in good condition	7,600.0	33,000	4.3	0%	0%	-10%	0%	0%	0%	+10%	4.3	
5	Aspropyrgos, Industrial warehouse with a total surface of 7,348 sq.m, in good condition	7,348.0	29,400	4.0	0%	0%	0%	0%	+5%	0%	0%	4.2	
6	Aspropyrgos, dry storage warehouse, 16,700 m ² , in good condition.	16,700.0	72,000	4.3	0%	0%	0%	0%	+5%	0%	0%	4.5	

According to the above findings, the observed adjusted rent prices for industrial warehouses with similar characteristics to the subject property range between €3.6/m²/month and €4.5/m²/month. The subject property is located in a privileged location in close proximity from “Attiki Odos” with good accessibility, and it features good construction characteristics, high height, 10 loading/unloading ramps, and its size could be described as average for the area. We believe that an appropriate rental value is in the order of €4.25/m²/month for all leased areas (warehouse and offices).

With regards to the above information, we calculate the rental value of the property as exhibited below:

Tenant / area	Passing rent (€/month)	ERV (€/month)
1 Diakinisis S.A	32,573	41,085
	32,573	41,085

2.2.2. All Risks Yield

Comparing similar properties available in the market, we believe that the Exit Yield should be in the order of 8.25% which we consider to be appropriate. Most transactions of similar industrial units in the market reflect to an Initial Yield in the range of 8.00%-8.50%.

2.2.3. Discount Rate

Taking into consideration the characteristics of the subject property, the current market trends the future prospects (supply & demand), the financial adequacy of the tenants to pay the agreed rents (tenant covenant), the rems of existing leases and the fact that the current rents are at the market level or even lower, which provides security for the tenant's stay, we are of the opinion that the discount rate should be in the order of 9.50%, which we believe is reasonable and fully reflects the prospects and risks of the Investment.

Fair Value Valuation Report of

A warehouse with offices, in the area of “Lakka”,
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Region of Attica

Valuation date: 31-12-20



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2.2.4. Valuation assumptions

For the calculations of our model, we have used the below:

- Market Growth: 1.5% per annum
- As Consumer Price Index (CPI) projection we have used the average of the projections of Oxford Economics and IMF respectively, which are shown in the following table. Any related figures are calculated accordingly.

	2021	2022	2023	2024	2025	2026	2027	2028	2029
Oxford Economics	+0,80%	+1,90%	+1,60%	+1,50%	+1,50%	+1,70%	+1,90%	+2,00%	+2,00%
IMF	+0,70%	+0,90%	+1,00%	+1,60%	+1,80%	+1,80%	+1,80%	+1,80%	+1,80%
Average	+0,75%	+1,40%	+1,30%	+1,55%	+1,65%	+1,75%	+1,85%	+1,90%	+1,90%

- Management costs: 2.0% of the total income
- Vacancy after lease end: 2 months
- Leasing Agency Fee: 1 monthly rent
- Sale costs: 2.0% of the gross selling price

2.3. Valuation

Having carefully considered the property, as described in this report, we are of the opinion that as at 31-12-20 the Fair Value of the freehold interest, subject to and with the benefit of the current lease agreements is € 5,387,010 which is rounded to **€ 5,400,000** (Five Million Four Hundred Thousand Euros).

The detailed cashflow projections are shown in Appendix 3.1 below.

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3. Appendices

Fair Value Valuation Report of

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3.1. Appendix 1

Lakka	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
For the Years Ending	<u>Dec-21</u>	<u>Dec-22</u>	<u>Dec-23</u>	<u>Dec-24</u>	<u>Dec-25</u>	<u>Dec-26</u>	<u>Dec-27</u>	<u>Dec-28</u>	<u>Dec-29</u>	<u>Dec-30</u>
Rental Revenue										
Potential Base Rent	390,880	390,880	390,880	390,880	390,880	390,880	390,880	390,880	390,880	563,720
Free Rent	0	0	0	0	0	0	0	0	0	-93,953
Scheduled Base Rent	390,880	390,880	390,880	390,880	390,880	390,880	390,880	390,880	390,880	469,767
CPI Increases	3,909	7,857	11,844	15,871	19,939	24,047	28,196	32,387	36,620	0
Total Rental Revenue	394,789	398,737	402,725	406,752	410,819	414,927	419,077	423,268	427,500	469,767
Total Tenant Revenue	394,789	398,737	402,725	406,752	410,819	414,927	419,077	423,268	427,500	469,767
Potential Gross Revenue	394,789	398,737	402,725	406,752	410,819	414,927	419,077	423,268	427,500	469,767
Effective Gross Revenue	394,789	398,737	402,725	406,752	410,819	414,927	419,077	423,268	427,500	469,767
Operating Expenses										
Management costs	7,896	7,975	8,054	8,135	8,216	8,299	8,382	8,465	8,550	9,395
Total Operating Expenses	7,896	7,975	8,054	8,135	8,216	8,299	8,382	8,465	8,550	9,395
Net Operating Income	386,893	390,762	394,670	398,617	402,603	406,629	410,695	414,802	418,950	460,371
Leasing Costs										
Leasing Commissions	0	0	0	0	0	0	0	0	0	46,977
Total Leasing Costs	0	0	0	0	0	0	0	0	0	46,977
Total Leasing & Capital Costs	0	0	0	0	0	0	0	0	0	46,977
Cash Flow Before Debt Service	386,893	390,762	394,670	398,617	402,603	406,629	410,695	414,802	418,950	413,395
Cash Flow Available for Distribution	386,893	390,762	394,670	398,617	402,603	406,629	410,695	414,802	418,950	413,395
Property Resale @ 8.25%										6,796,757
PV of Cash Flow @ 9.50%										2,742,588
	371,257	342,438	315,856	291,337	268,722	247,863	228,622	210,875	194,506	172,946
Total Unleveraged Present Value	5,387,010									

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