

Review of the property market of Athens

Offices, Retail & Logistics

March 2019

Key performance indicators of the Greek economy

Source:

Focus Economics-
January 2019,
OECD, EL.STAT

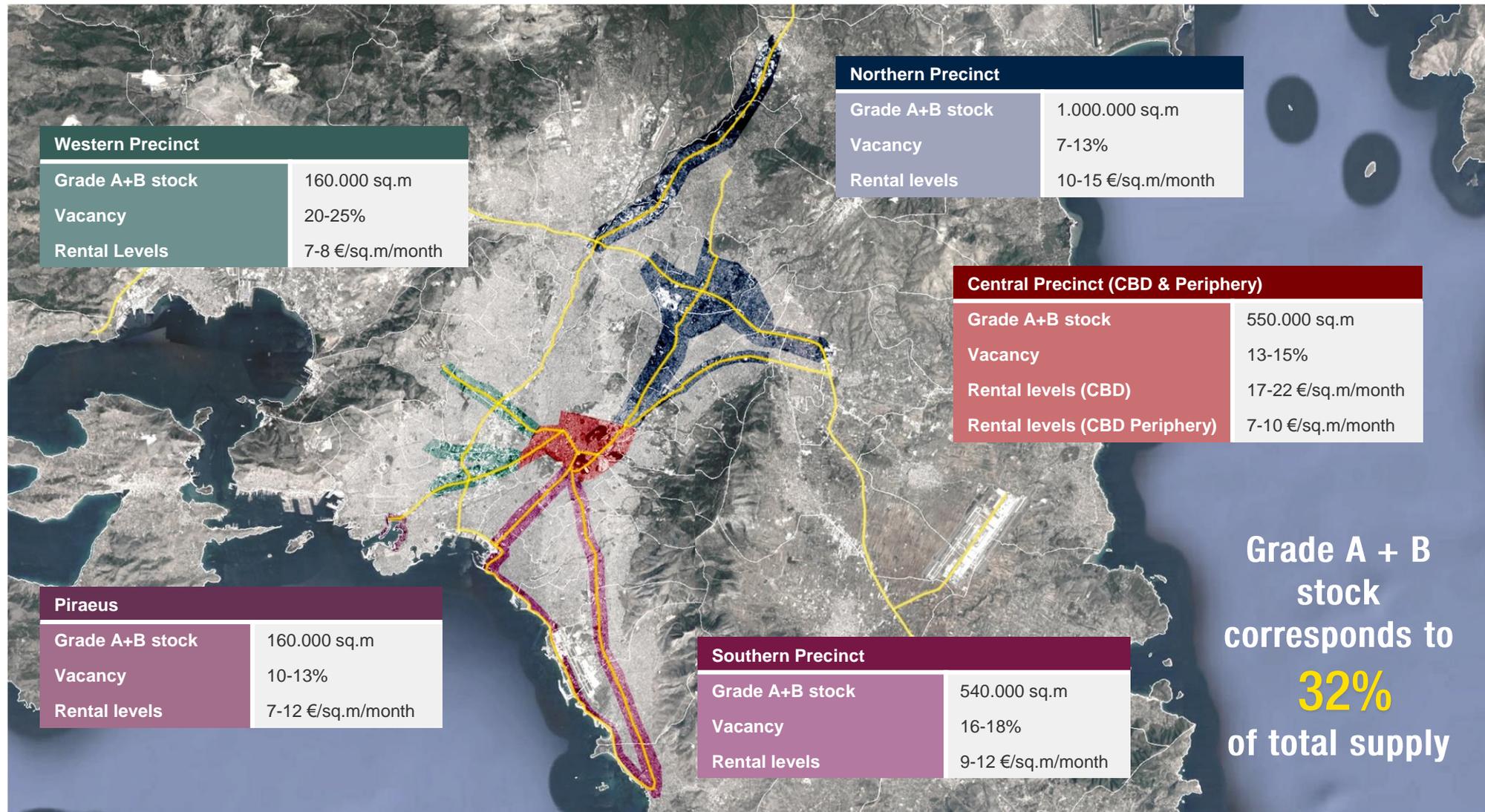
	2015	2016	2017	2018	2019f
GDP (annual change %)	-0.2	0	1.4	2.5	1.9
Private consumption (annual change %)	-0.2	1.4	0.9	0.8	1.0
Exports (annual change %)	-4.8	-1.4	5.7	8.4	8.0
Industrial production (annual change %)	1.0	2.5	1.6	1.4	1.5
Unemployment (% of the active population)	25.0	23.5	20.8	18.7	18.1

Current situation and outlook

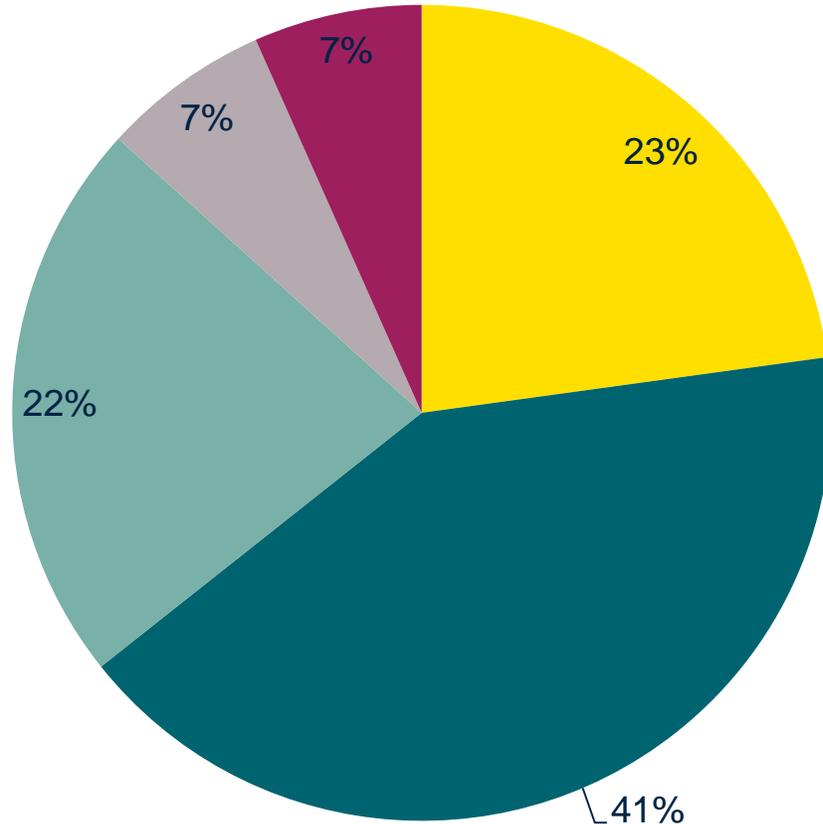
- The Greek economy has regained its development pace in Q3 of 2018, presenting the fastest growth rate since Q3 of 2007. GDP increased (**2,4%**) during the 3rd quarter (y-o-y), in comparison to the lower **+1.5%** of the 2nd quarter. GDP in 2018 prices reached the level of €184.7bn in comparison to €180.2bn in 2017 showing a growth of **2,5%**.
- The fiscal condition is improving, while the country is trying to regain stability in a progressive way after completing its program with obvious target to achieve full recovery.
- In this context, Greece has taken the step for the first time after almost 9 years to issue a 10-year bond with a 3.90% yield, something which is a positive signal from the markets.
- The acceleration of the procedures for the gradual disengagement of the systemic banks from the NPLs, features positive conditions for the viability of the banks and is expected to refresh the economy.
- It is worth noting the performance of EBRD which operates in the Greek market for a limited and pre-defined period until the Greek economy and the banking system are fully recovered. EBRD already has a loan portfolio exceeding €2.5bn and will soon open a branch in Thessaloniki.

Office Sector

Basic Athens sub-markets



Office stock allocation (% sq.m)



- Central Precinct (CBD + CBD Periphery)
- Northern Precinct (Athens' North + Attica Road & E75)
- Southern Precinct
- Western Precinct
- Piraeus



The total office stock for Grade A & B buildings is approximately **2.4 m sq.m.**

Demand - Supply

Demand comes from:

- **Corporate Relocation** in prime assets (Grade A) in terms of location as well as in terms of specification which is combined with the rationalization of corporate expenses since rents are still at attractive levels.
- **Rationalization of corporate activities** through concentration of activities which are spread in many different locations under the same office accommodation. The target is to further rationalize costs.
- **Gradual increase in demand:** Demand is focused on Grade A offices; however demand for Grade B offices are in continuous decline. On the other hand due to lack of development since 2010, it is not easy to find large scale and modern (Grade A) office buildings. This situation has resulted to the development of a trend towards the production of high quality new office stock.
- Demand is mainly for offices ranging between 500 – 750 sq.m with the cases of corporations looking for office space exceeding 1,000 sq.m to be increasingly important.

Sub-markets of significant interest (1)

The **Northern Precinct** (Kifissias Av., Soros, Paradeisos, Mesoghion Av., Attiki Odos) is the most popular office sub-market in terms of size and quality of offer. Since the beginning of the crisis rents have been significantly compressed; however from 2017 but more intensively during 2018 a boost in rental levels is noticeable, especially for Grade A offices.

Rental levels which are mostly quoted by landlords range between **10€/sq.m./month - 15€/sq.m./month**, whereas, though there are cases of high quality Grade A buildings which exceed **16€/sq./month**.

On the other hand, there are older offices with some lower level of specification that rental rates are not easy to exceed **10€/sq.m./month**.

	2017	2018
Vacancy Grade A & B Stock	7-13%	7-11%
Vacancy Grade A & B Stock	2-4%	2-4%
Vacancy Grade A & B Stock	12-14%	10-12%



Sub-markets of significant interest (2)

The second most popular office sub-market is the **Historic Centre of Athens**. The majority of the stock is Grade B since most of the buildings have been developed during the 70s and the 80s.

Vacancy on Grade A & B office stock varies between **13%-15%** due to the social problems that the historic centre is currently facing but also due to the age of the buildings.

- Vacancy of Grade A offices: **<5%**
- Rents of Grade A offices: between **17€/sq.m./month** and **22€/sq.m./month**.
- Vacancy of Grade B offices: **<15%**
- Rents of Grade B offices: between **6€/sq.m./month** and **8€/sq.m./month**.

In areas which form the city fringe (Michalakopoulou Street, Alexandras Av. Etc.) rents for modern offices range between **12 €/sq.m./month** and **14 €/sq.m./month**.



Sub-markets of fair interest (1)

The basic traffic thoroughfares of **Southern Athens** (Syngrou, Poseidonos and Vouliagmenis) have some relatively improved performance due to the interest shown on existing buildings.

Many office buildings of the Southern Precinct are owner-occupied, such as, buildings owned by insurance companies and shipping companies, with the investment product being limited.

Only on Syngrou Av. And its surroundings, interest is focused on Grade A offices where take up is improved. Rental levels range between **10-13 €/sq.m./month**.

Vacancy rates on Grade A & B offices situated in the Southern Precinct have been reduced during the last 12 months and are set at approximately 15%.

Vacancy of Grade A offices:

- Syngrou Avenue \cong **5%**
- Poseidonos Avenue \cong **5%**
- Vouliagmenis Avenue \cong **13%**



Sub-markets of low interest (1)

In general performance remains similar to that of 2017 in all basic thoroughfares of the **Western Precinct** (Athinon Av., Kifissou Av., Petrou Ralli etc.).

Before the crisis, and with the relocation of the Athens Stock Exchange to new offices on Athinon Avenue, this part of Athens had appeared as an alternative office location of significant scale.

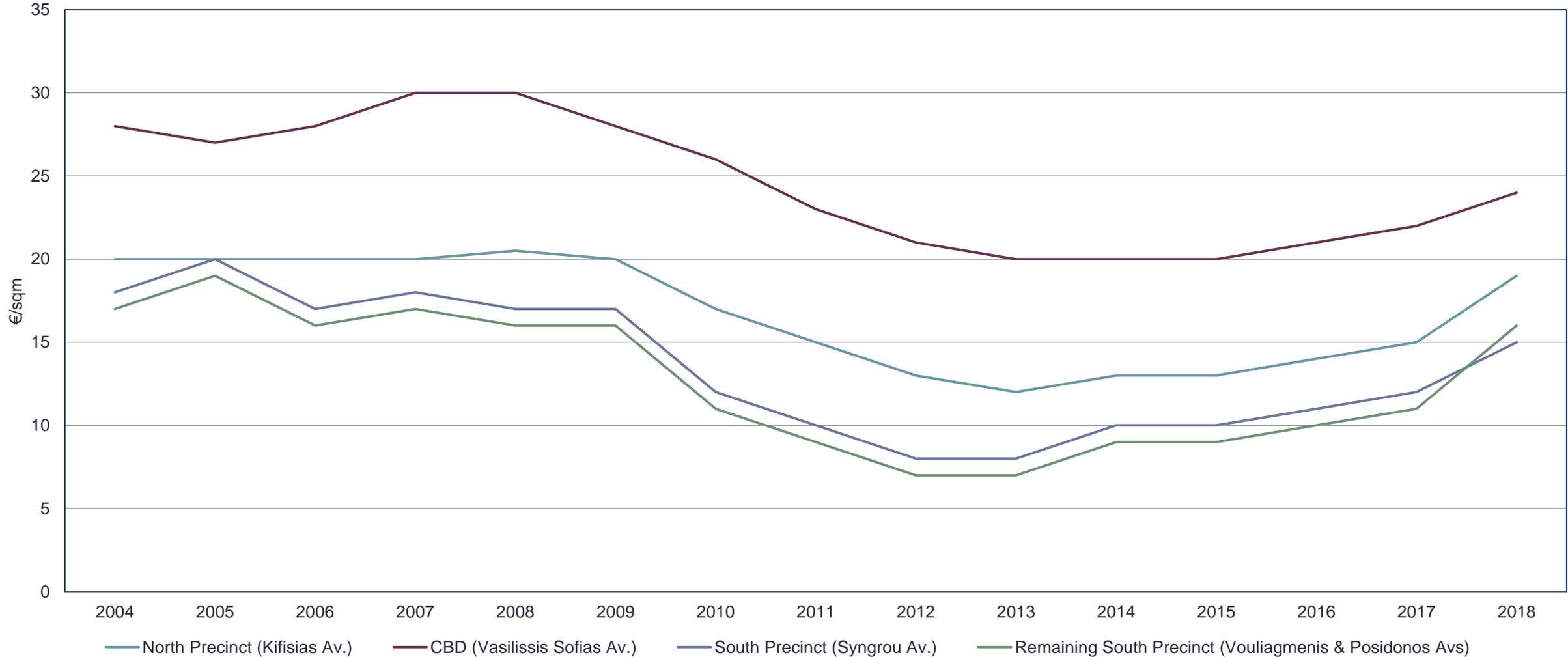
The current levels of demand for modern offices in this area have been significantly reduced, with most of the developments in the pipeline to be postponed.

We are of the opinion that this sub-market will get a rebound in the longer run due to its potential to support the development of large scale assets; however this trend is expected to take place progressively and most probably after the traditional office sub-markets of Athens reaching a saturation point.



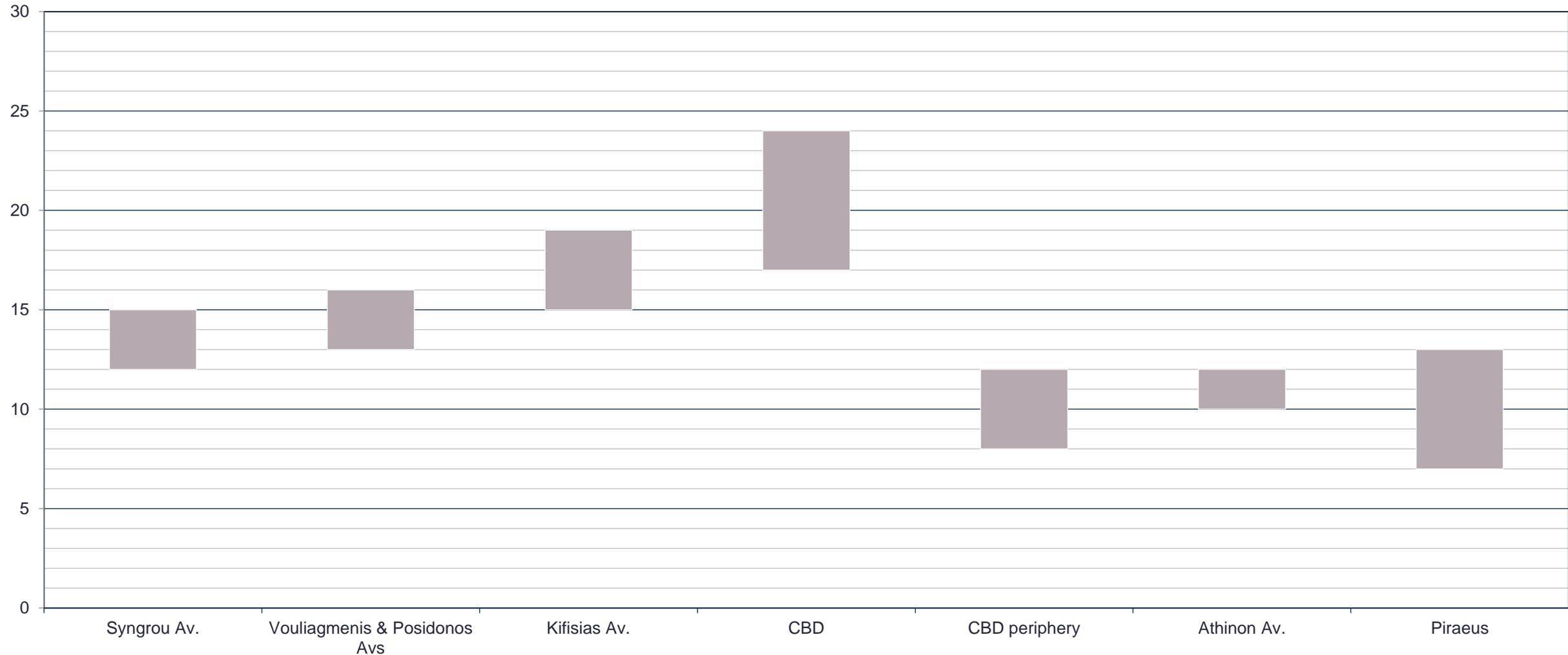
Rental levels – Grade A & B (€/sq.m./month)

Rental levels, Offices Grade A & B



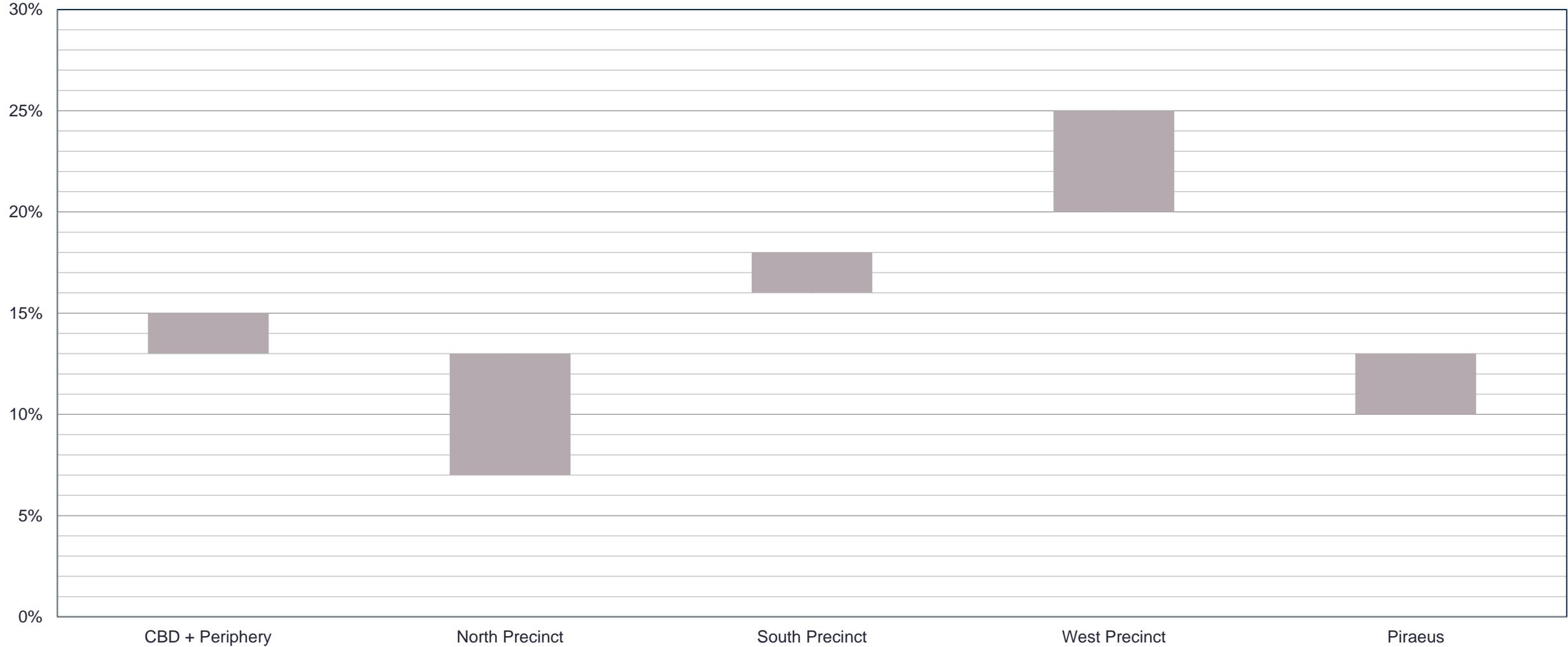
Rental levels – Grade A & B (€/sq.m./month)

Achievable level of rents for Grade A & B offices in Attica's market, 2018 (€/sqm/month)



Vacancy rates (%) – Grade A & B

Vacancy rates, estimated ranges per submarket for Grade A-B offices, 2018



Investment Market – Outlook (1)

As in previous years, the most significant investors are the two largest REICs (PANGAEA, GRIVALIA) with other smaller REICs such as TRASTOR, ORILINA and others to follow.

Period (2018)	Project	Location	Type of Property	Seller	Buyer	Value (€)
Q4-Q3	49% of PPP3, 49% of PPP2 & 50% of PPP1/Vomva warehouse (Piraeus Port Plaza 1, 2 & 3)	Piraeus	Ex-warehouse & industrial buildings under conversion to offices & other uses - 43,922 sqm	PPP3 S.A., PPP2 S.A, PPP1 S.A. Dimand Real Estate	Grivalia Properties	5,083,000, 3,620,000, 3,870,000
Q4	278 Kifisias Avenue, Chalandri	Athens – North	Office building - 3,923,72 sqm	N/A	Trastor REIC	4,000,000
Q4	31 Lefkados and 47A Evelpidon str. ("Louzitania" complex)	Athens – CBD	three office area horizontal properties of the 3rd, 4th and 5th floor and one horizontal property of supplementary uses	Grivalia REIC	N/A	2,070,000
Q4	Filellinon & Othonos Str.	Athens – CBD	2 nd & 3 rd floor office space (listed building)	N/A	Trastor REIC	682,500, 1,275,000
Q4	4, I. Gennadiou Str., Kolonaki	Athens – CBD	Stand-alone building - 1,629.3 sqm	N/A	BriQ Properties REIC	4,750,000
Q4	194 Kifisias Avenue, Chalandri	Athens – North	Office building (contains GF retail space) - 1,600.06 sqm	N/A	Trastor REIC	1,600,000
Q4	270 Kifisias Avenue, Chalandri	Athens – North	Office space - 1,605.5 sqm	N/A	Trastor REIC	2,102,469
Q4	10-16 Minoos str.	Athens CBD Periphery	Office building 14,427 sqm	Tegopoulos & Sia Publications (auction run by Alpha Bank and Piraeus Bank)	Value Touristiki S.A. (Dimand S.A. & Grivalia Properties)	10,890,000
Q2	Omirou & Vissarionos str.	Athens – CBD	Office building (contains GF retail space) - 2500 sqm	Eurobank Leasing	Potamitis Vekris Δικηγορική Εταιρία	7,200,000
Q2	3, Haritos & 6 Spetsipou Str, Kolonaki	Athens – CBD	Office building (contains GF retail space) - 838 sqm	N/A	ICI REIC	2,450,000
Q2	4 Theofanous Str. (close to Kifisias ave.), Ampelokipoi	Athens CBD Periphery	4 th & 6 th floor office space	N/A	Dromeus Capital, Trastor REIC	2,350,000, 1,910,000
Q2	515 Mesogeion Ave.	Athens – North	Office building (contains GF retail space) - 5,070 sqm and 66 parking spaces	N/A	Trastor REIC	4,250,000
Q2	Omirou 2 & Stadiou	Athens – CBD	Office building (contains GF retail space) - 4,500 sqm	Groupama group	Grivalia REIC	10,000,000
Q2	18 Zakakou & Karamanli str, 3589sqm, fully rented to Friesland	Athens – North	Office building - 3,589 sqm	N/A	ICI REIC	7,493,558
Q1	Kifisias Avenue 66, Marousi (Wind Headquarters)	Athens – North	Office building (contains GF retail space) - 8,334 sqm and 4 basement levels with 812 parking spaces	NBG Leasing	Dromeus Capital	23,600,000
Q1	Agiou Konstantinou Street 49 & Grammou - Kronos Business Center (80% ownership)	Athens – North	Office building - 4,715.42 sqm	Lamda Development	Trastor REIC	6,500,000
Q1	Agiou Konstantinou Street 50	Athens - North	Office building (contains GF retail space)	N/A	Grivalia REIC	7,500,000

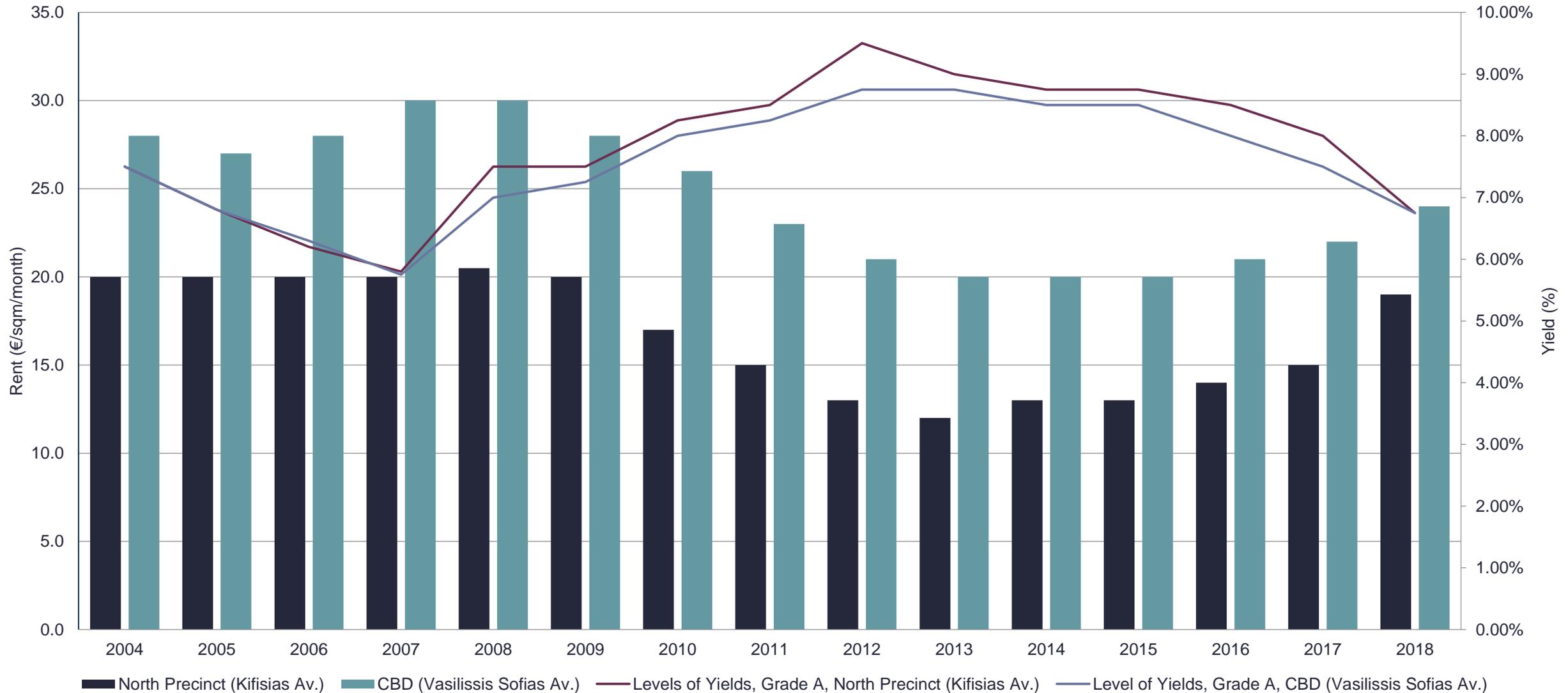
Investment Market – Outlook (2)

- Gross yields for Grade A offices range as follows:
 - Athens CBD: **7.00% - 7.50% expecting further compression**
 - Athens North: **7.25% - 7.75%**
 - Other areas: **> 8.00%**

Gross yields for Grade A offices have been stabilized at an average rate of c. 7.5%.

- As a result of the reduced development activity for the production of new office space, increased interest is expected from Hedge Funds for the acquisition of office portfolios for refurbishment and repositioning purposes in order to release hidden values as a result of the sale of NPLs. A step towards this direction is the one taken by Grivalia with the refurbishment and repositioning of Green Plaza in Maroussi. This was a successful refurbishment so the REIC has decided to follow a similar strategy in another asset of its portfolio.

Achievable Rents & Yields of Grade A offices



Investment Market – Outlook (3)

- Demand continuous with its large scale development in the old tobacco factory and warehousing facilities of PAPASTRATOS in Piraeus.
- The Municipality of Piraeus has decided a 99-year concession of its asset mostly known as “Piraeus Tower”.
- The ex-ELEFTHEROTIPIA building was acquired through a liquidation auction by VALUE Investments – a joint company formed between GRIVALIA and DIMAND.
- TEN BRINKE acquired an old clinic on Vasilissis Sophias Avenue which is expected to be repositioned as modern Grade A offices.
- NOVAL (Stasinopoulos Group) is completing a new 12,000sq.m green development in Ampelokipi (Athens City Fringe), and has also completed a new 3,000sq.m office complex on Apostolopoulou Street in Chalandri.



Investment Market – Outlook (4)

Brooklane Capital, a private equity fund investing in Greece is announced as the preferred bidder in the sale process organized by Alpha Bank known as Project Altion, which involved the sale of a number of assets previously owned by the well-known developer Babis Vovos (Vodafone, Attiki Odos Ring, Samsung) as well as the AXA building in Michalakopoulou.

Trastor continuous to deploy it strategy regarding the acquisition of income producing assets which have also the potential for some added value in its portfolio.

Finally, Orilina a new REIC formed by US investor Brevan Howard has concluded two transactions which exceed €35m and has further appetite for additional investments within 2019.



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Retail Sector

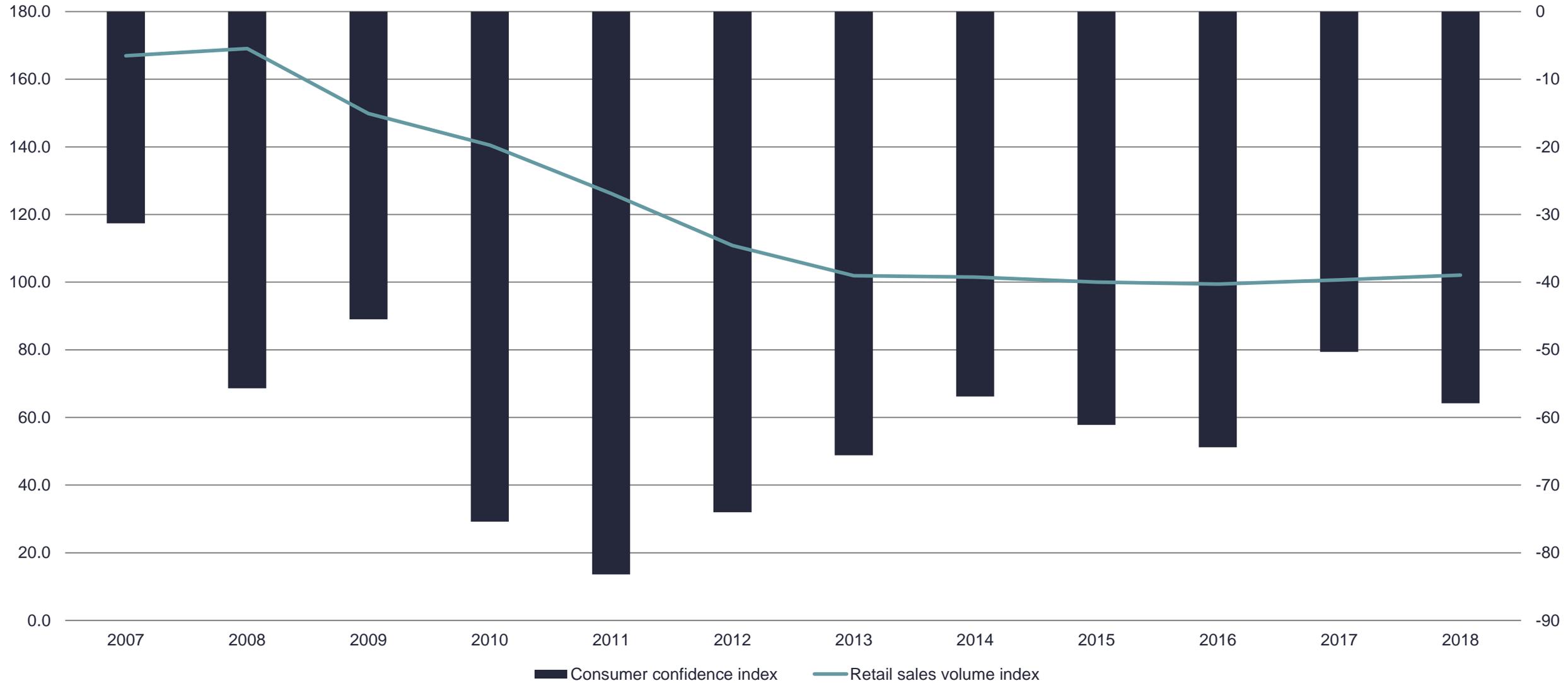
Retail Market – Trends (1)

Retail market is heavily affected by private consumption and consumer confidence. The general index of retail turnover of 2018 increased with a decreasing rate of less than 1% comparing to a 2.2% growth in 2017.

At the same time the general volume index of retail sales also increased with a decreasing rate of 0.8% (1.8% last year). The deterioration of results very much depends on the households' financial fatigue especially as regards their disposable income for consumption purposes, something which comes as a result of the heavy tax burdens that they have to bear on an annual basis.

The Consumer Confidence Index (Nielsen Consumer Confidence survey) reached the level of 60 points in the 1st half of 2018 (the lowest in Europe) with the global index to be at 104 points and the European index at 86 points. In addition Greeks are by 70% of the opinion that the country is still in an economic crisis situation (against 78% in 2017).

Retail Volume Index and Consumer Confidence Index



The general condition of the retail market (1)

The well-known high streets of the Athens CBD are increasingly attractive and now in high-streets such as Ermou and Voukourestiou there is practically no vacancy. In the same context, the performance of the regional markets such as Chalandri, Marousi, Nea Smirni etc. is also improved while traditionally strong retail markets such as Glyfada and Kifissia after a period of intense pressure which led to a restructuring in the presence of retail brands, have again achieved to improve their presence especially after letting interest has re-appeared.

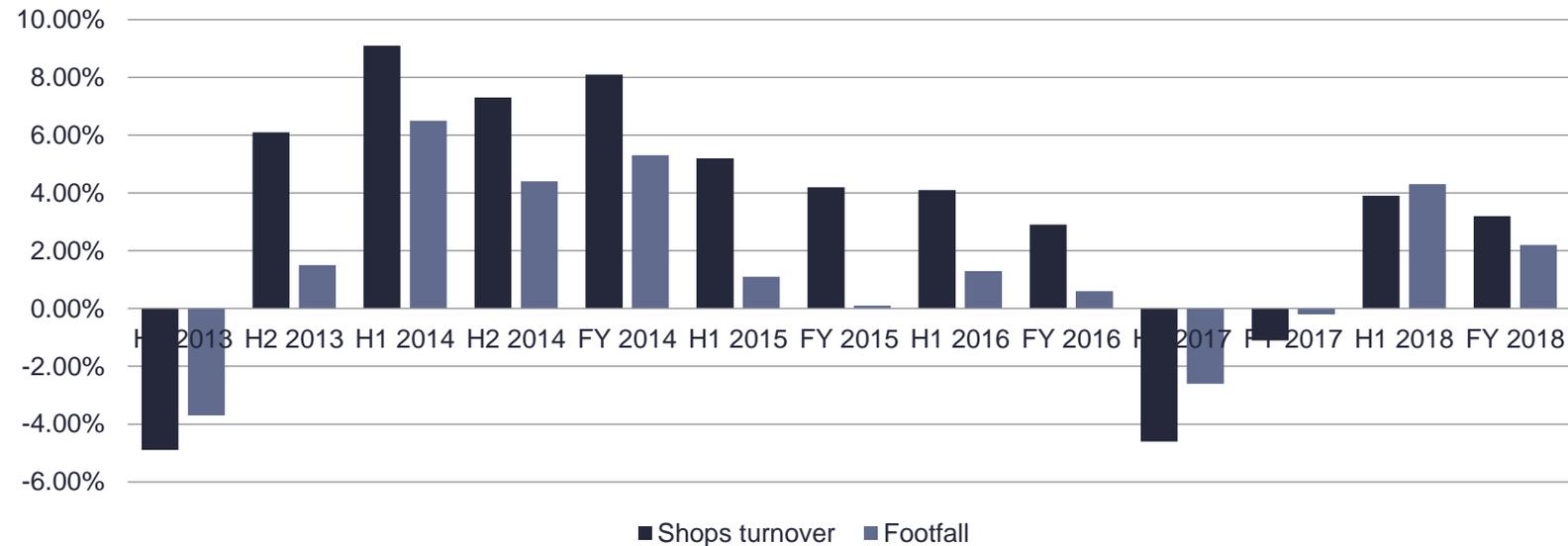
Furthermore, areas with strong retail presence which faced vacancy issues due to the financial crisis and the drop in private consumption, achieved to make a rebound; thus letting most of the vacant space by attracting new occupiers from the F&B sector (café, restaurants etc.).

The general condition of the retail market (2)

The well-established shopping centers continued their good performance during 2018. The expectation is for some further growth after the completion of their development plans. The performance of the Lamda shopping centers was improved in 2018 in comparison to that of 2017. To this end, the two basic measures which are footfall and turnover have been increased, with vacancy rates to remain at low levels.

Golden Hall has successfully overcome the issues which faced due to the problems of shoe retailer Lemonis Group and proceeded with rent renewals with a large number of its existing tenants. Similar is the picture for **the Mall Athens** where rental levels continue growing.

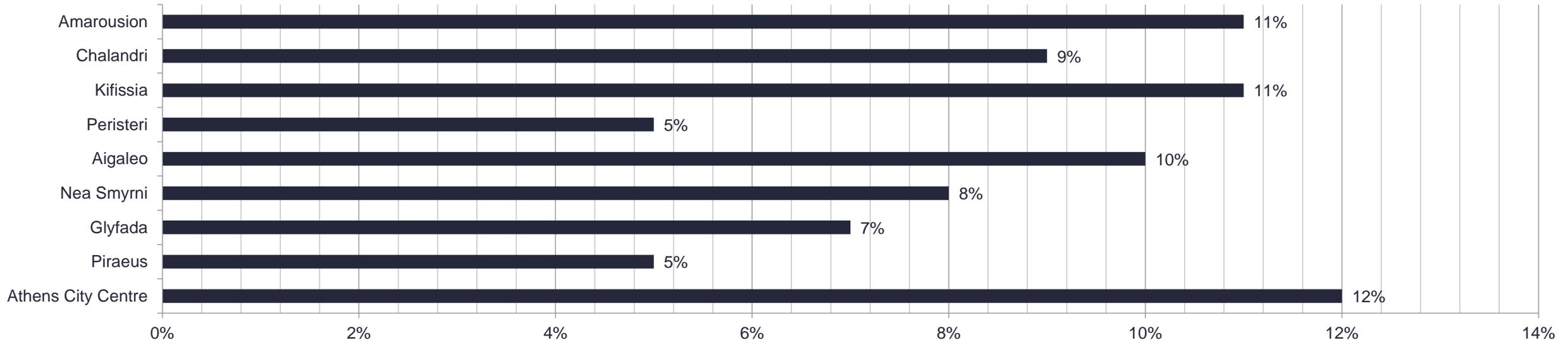
Shops turnover and footfall (yoy) Shopping centres managed by Lamda Development



Vacancy on high streets

The number of vacant stores of any size is stabilized after the peak in vacancy rate which the market experienced in 2015 with especially secondary roads to be massively hit. Vacancy rate has been reduced in such streets by approximately 20% during the last 12 months, while in high streets with high footfall the already low vacancy has been further reduced and does not exceed **8%**.

Landlords in all well-known retail markets are currently discussing with potential tenants at satisfactory rental levels comparing to the lower levels experienced in the market during the previous years; however market mobility at this stage is focused on prime high streets. It is worth noting that Ermou and Voukourestiou, the two prime high streets of the CBD have vacancies of less than 3%.



The total retail stock (measuring large retail schemes only) is stabilized in the order of **c.1.15m sq.m.**

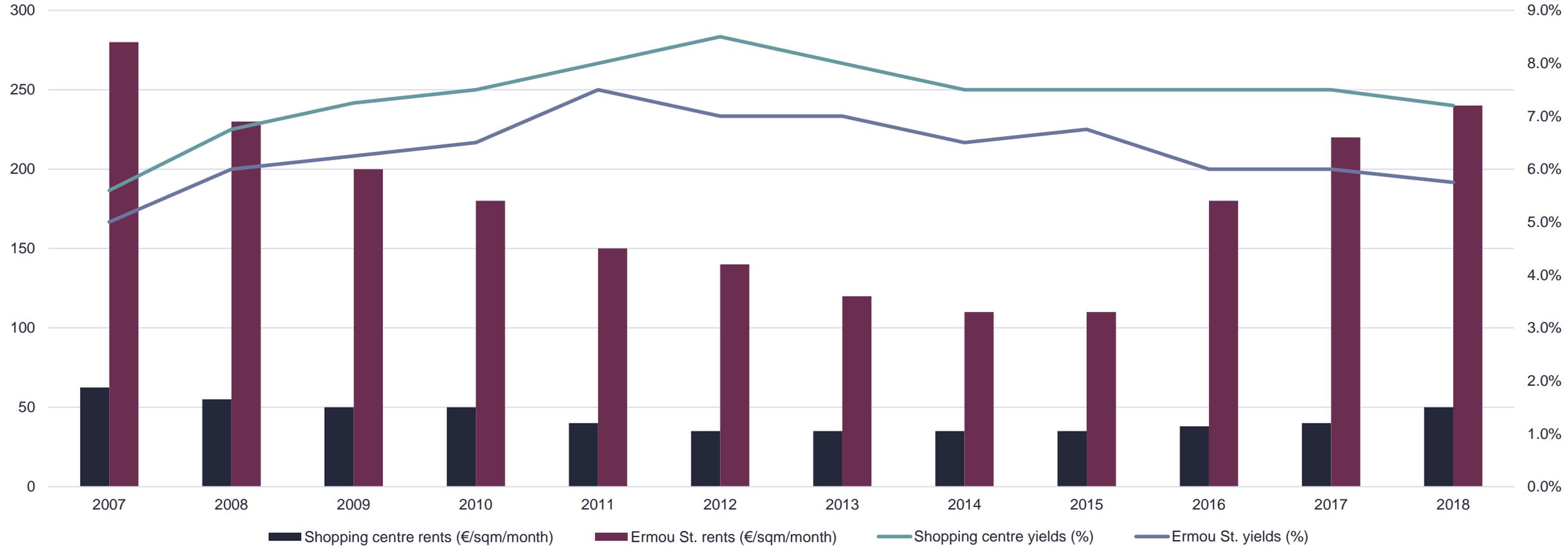
No shopping centre addition has been recorded during the last few years. Furthermore we could securely comment that Academy Gardens in Academia Platonos will not progress since MGPA decided to suspend its investment strategy for Athens. Hines will replace MGPA in this project and for this purpose it is close to complete the acquisition of the subject landplot. Hines has also signed a pre-letting agreement with a large scale retailer who is going to occupy c.7,000 sq.m in the new development.

The Mall in Votanikos is still under negotiation between the lending banks and a foreign investor in order to conclude on the type of agreement and the relationship which is going to be followed among the stakeholders in this projects.

According to market estimates, the total additions in commercial space is expected to reach **c.80,000 – 90,000 sq.m.** In this new stock we should also count the extra areas which will be developed for the expansion of the Smart Park (**15,500 sq.m under construction – expected inauguration 2020**), as well as of Golden Hall (**14,000 sq.m. under construction – expected inauguration Dec. '19**).

In the context of new retail space additions we could start referring to the new retail schemes which are planned for the new large scale Hellinikon project. All the above mentioned developments, some under construction and quite a few in the pipeline, are expected to increase the retail offer and overpass the current levels which measure 145 sq.m of shopping centre space per 1000 people.

Rents and Yields of Retail Space

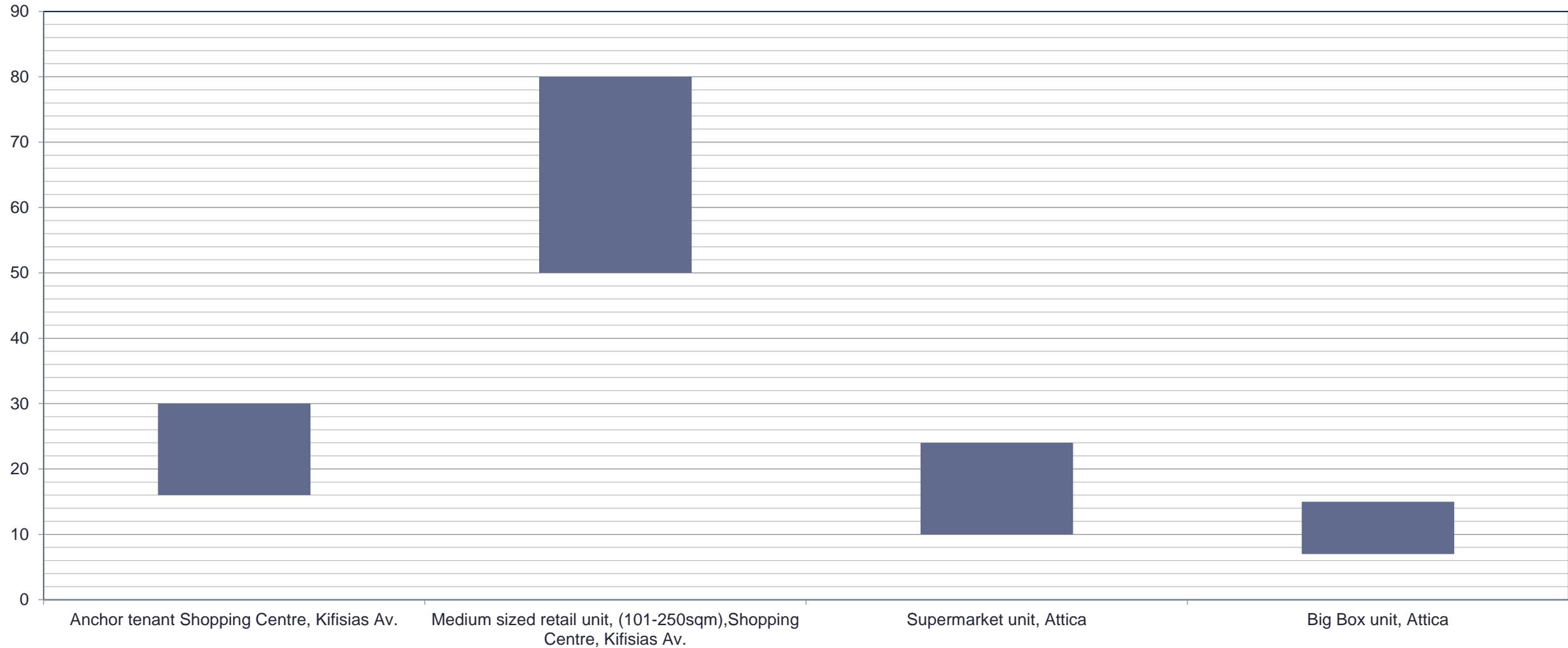


Gross Yields in prime high streets: **5.75% - 6.5%**

In certain cases such as Voukourestiou and Ermou, yields are lower than 5%. Rents in prime high streets continued to increase during 2018. In successful shopping centers yields could be assumed at levels lower than **7.5%**.

Rental value levels of large retail establishments

Large scale retail units, current rents in Attica (€/sqm/month), 2018



Investment market – Outlook, main transactions, 2018 (1)

Similarly to offices, Greek REICs achieved to dominate the retail market.

Period (2018)	Project	Location - Submarket	Type	Buyer	Value (€)
Q4	Panagitsas 6, Kifissia	Athens - North	Retail Store	Transtor REIC	1,070,000
Q4	Voukourestiou 24, Athens	Athens – Historic Center	Retail Store	Transtor REIC	2,500,000
Q4	Ermou 51, Athens	Athens – Historic Center	Retail Store	Pangaea REIC	4,280,000
Q3		Chania	Retail Store	Transtor REIC	1,300,000
Q2	Delfon – Orchomenou - Arcadiou	Livadia	Hypermarket	ICI REIC	2,310,700
Q2	Mitropoleos 66-68 & Kapnikareas 5, Monastiraki	Athens – Historic Center	Listed building with retail use	Pangaea REIC	7,200,000
Q2	Adrianou 66 & Aeolou 4, Plaka				
Q1	Pentelis Avenue 11-13, Vrilissia	Athens - North	Retail Store	Centric	1,495,000
Q1	Ermou 16-18, Athens	Athens - North	Retail Store	Trastor REIC	2,561,500
Q1	Ermou 66 & Agias Irinis 4, Athens	Athens – Historic Center	Commercial Building	Pangaea REIC	5,700,000 (+1,300,000 liabilities)
Q1	Solonos & Kanari, Kolonaki	Athens – Historic Center	Listed building with retail outlets and F&B uses	Pangaea REIC	3,750,000

Investment Market – Outlook (2)

The effort to restructure the loans and reposition Athens Heart under a new concept as a fashion outlet is at a final stage between the lending bank and a foreign investor.

The two DIY chains, **Leroy Merlin** και **Praktiker**, are continuing their expansion in the Greek market with new deals regarding the opening of new stores in Attica, west Athens and Attiki Odos respectively.

Decathlon, the French sports retailer, opened its first store in Corinth and has agreed to open a 3,000 sq.m flagship store at the Smart Park.

Ten Brinke is planning to develop as a retail park a site which is situated at the junction of Kifissos Avenue and Piraeus Avenue.

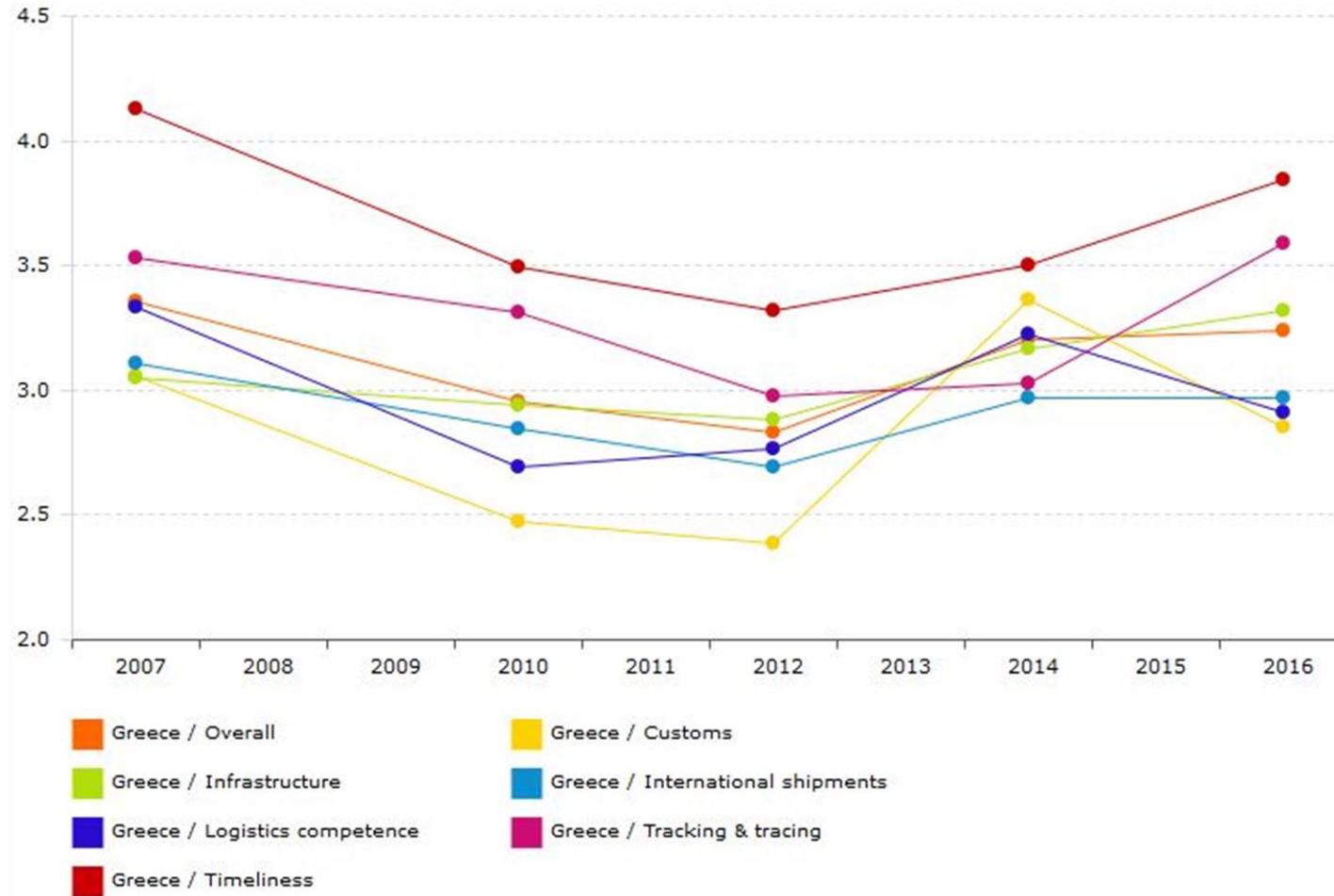


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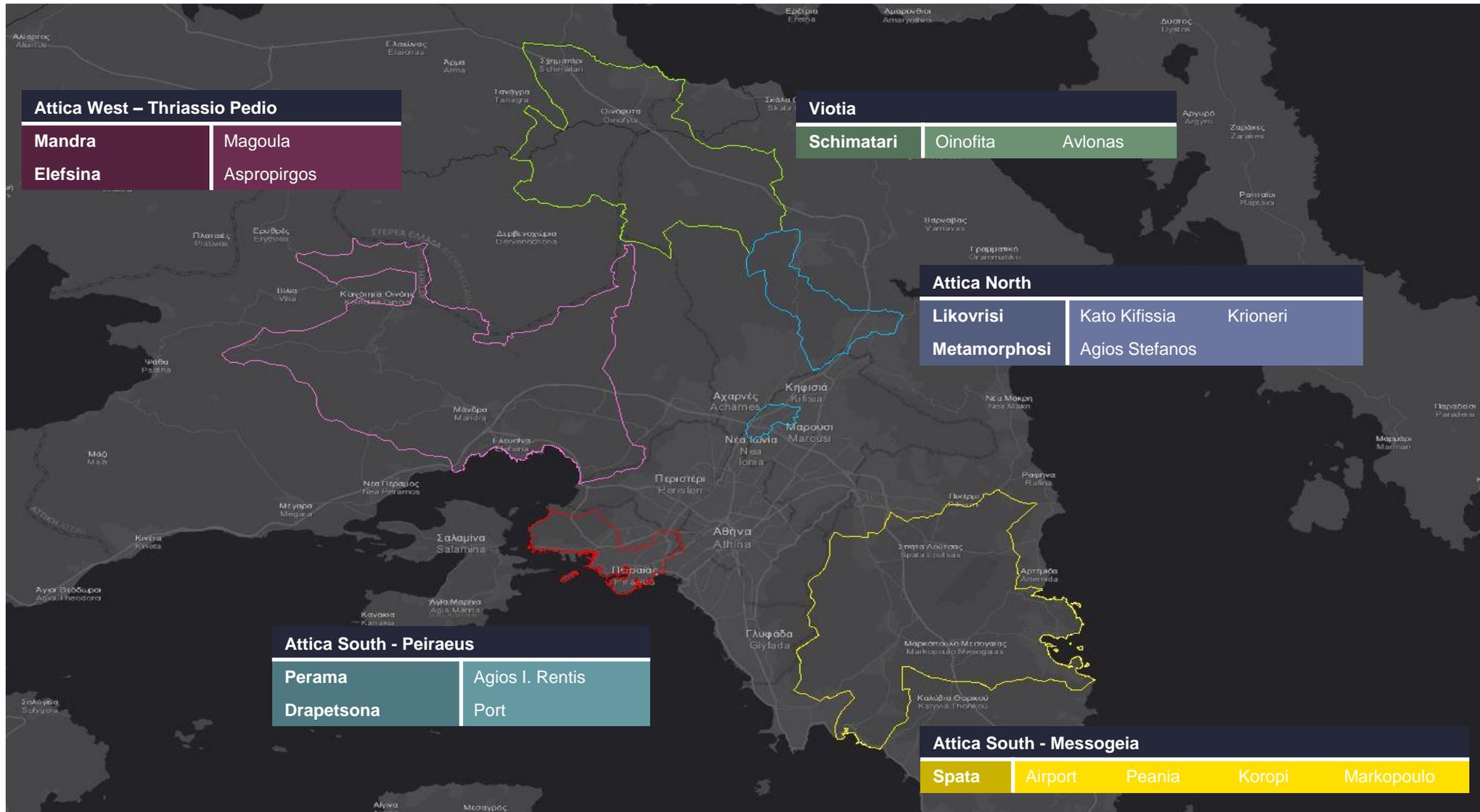
Industrial & Logistics Sector

Industrial & Logistics market, Global ranking

According to the most recent logistics performance index (World Bank, 2016), Greece is ranked **47th** among 160 countries by achieving LPI Score **3.24**.



Basic Athens sub-markets (1)



Basic Athens sub-markets (2)

Warehouse agglomerations within the greater Attica region are mainly observed in entrance points to the city of Athens, in the West, North and East of Attica, in the region of Viotia and to a lesser extent in Piraeus.

A large part of the current stock can be found in the VIPE/VIPA/VIOPA areas which are designated for both industrial and warehousing facilities, offering favourable building coefficients and some good level of infrastructure. These areas mainly comprise small scale warehousing and logistics facilities and they are not extensive enough in the regions where demand for large scale facilities is high.

More particularly, in the region of Attica (e.g. Thriassio plain in West Attica), where availability in the existing designated areas for the development of warehouses is very limited, developers and operators have sought for alternative options in areas outside the town plan that may allow for the development of industrial and warehousing facilities, but at lower building coefficients.

There are very few large-scale logistics and distribution centres across the country. The total warehousing stock that belongs to 3PL companies across the country exceeds 1.1mn m². The remaining of the stock belongs to end-users such as retailers and supermarket chains that develop their own facilities.

Demand / Supply

The main demand driver is Relocation of firms to prime properties (Grade A), in terms of location and specifications, combined with cost rationalization as rents are at attractive levels.

- In terms of demand, size requirements are on average c. 3,000 m² up to 5,000 m² but in certain cases they exceed 8,000 m².
- A prime large-scale warehouse will normally feature a metal structure, spaces between 15,000 – 25,000 m², and amenities such as controlled temperature conditions, good accessibility as well as loading – offloading space for Trucks.
- Location is also an important factor for logistics facilities as the distance from production centres, pools of consumers and transportation nodes. Depending on the type of company, some occupiers focus on locations that feature a direct access to motorways, and some on locations in close proximity to rail or port.

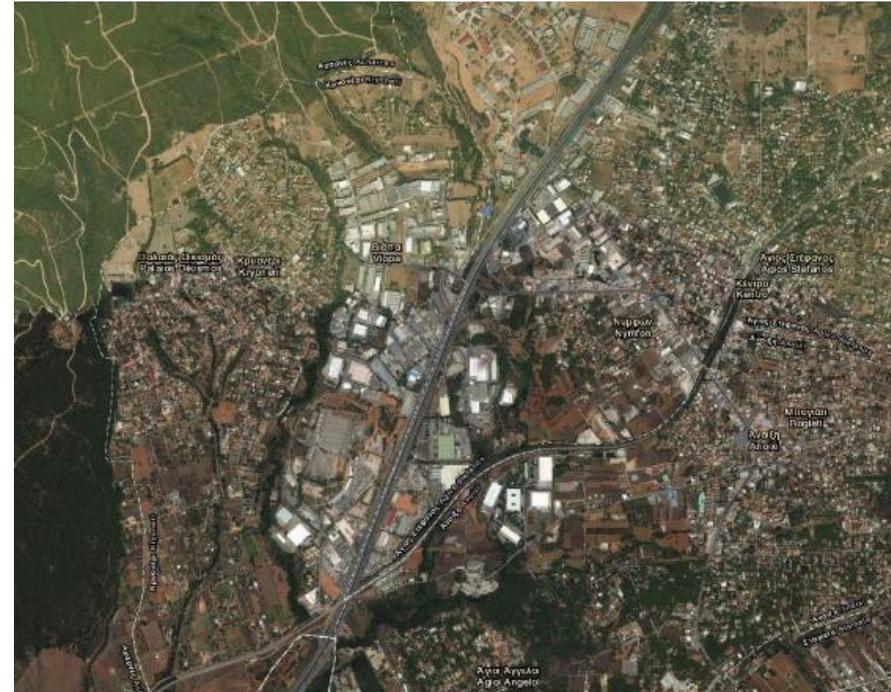
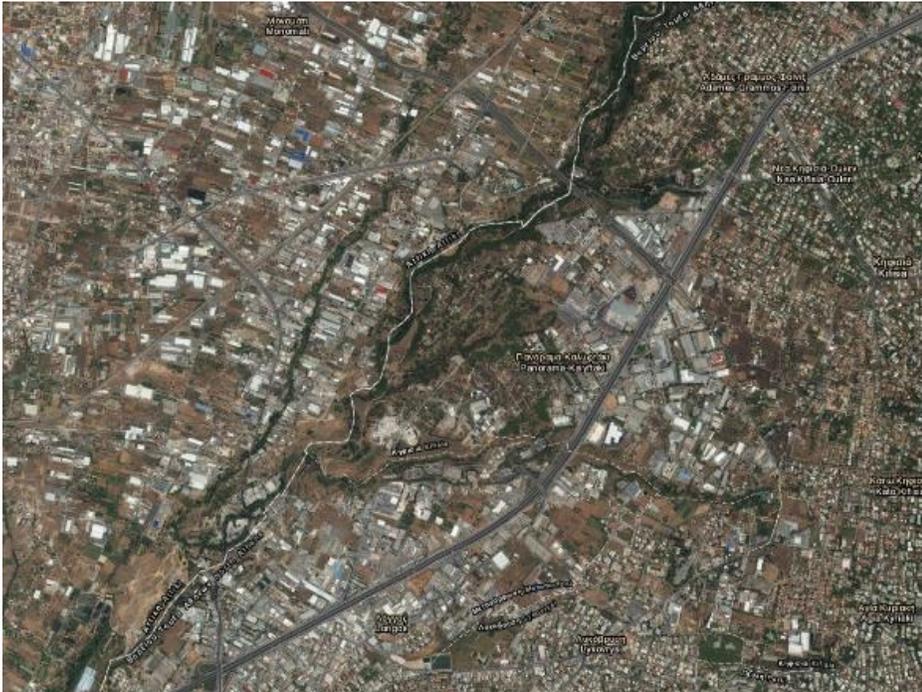
Concentration of Demand. It is important to note that demand for warehouse spaces of high specifications for which the supply is limited is much higher than it is for spaces of lower specifications.

Supply. Supply of warehouses in Attica's market has been limited in recent years, due to the Greek economy's sustained recession. Additionally, since the market norm for local developers has been to build turn-key projects for specific users, development activity has been further restrained. Nonetheless, a notable addition to the total stock has been a c. 50,000 m² logistics centre in the area of Kalivia, East Attica, operated by Lidl Hellas.

Sub-markets of significant interest (1)

Attica's North warehouse submarket can be subdivided into the following: Likovrisi, Metamorfoosi and Kato Kifissia, areas which are integral parts of the Athenian agglomeration, while as we move towards the outskirts of the city we come across warehouse agglomerations in the areas of Agios Stefanos, and Krioneri.

- Currently, rental levels for ambient Grade A & B warehouses are the highest in North Attica, ranging from **3-5€/m²/month**.
- We note that rental levels for cold storage units range approximately 30%-40% relative to the above ranges.



Sub-markets of significant interest (2)

Thriassio Pedio, the **Western submarket of warehouses** in Attica is the second most popular submarket and is mainly accessed from the Athens city centre via the Avenue of Athinon and the Athinon – Korinthou national road and the Attiki Odos motorway. This is further subdivided into the following clusters: Mandra-Magoula, Aspropirgos and Elefsina. These four locations comprise Attica's largest, in terms of stock, warehouse submarket.

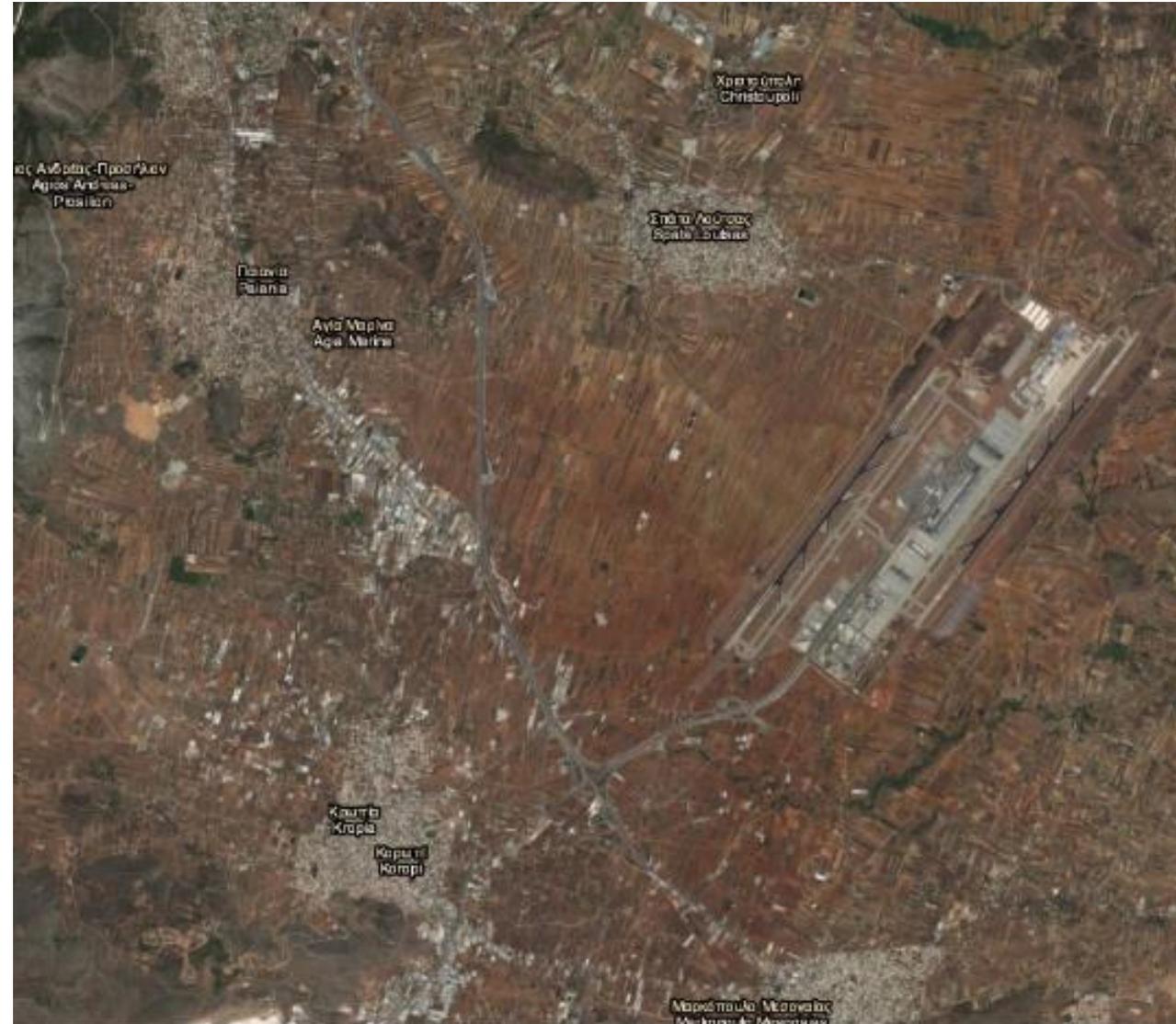
Currently, rental levels for ambient Grade A & B warehouses are high in West Attica, ranging from **2.5-4€/m²/month**.



Sub-markets of fair interest (1)

Messogeia, the Attica's East warehouse submarket has emerged as a warehouse submarket from 2000 onwards with the completion of significant infrastructure works, the motorway of Attiki Odos and Athens' International Airport (El. Venizelos) in conjunction with the availability of large plots of land. The eastern submarket comprises warehouse concentration in the areas of Spata, Peania, Koropi and Markopoulo. Some of these warehouse complexes benefit from the proximity to Athens' International Airport, particularly if their activities are related to handling products transported via air cargo.

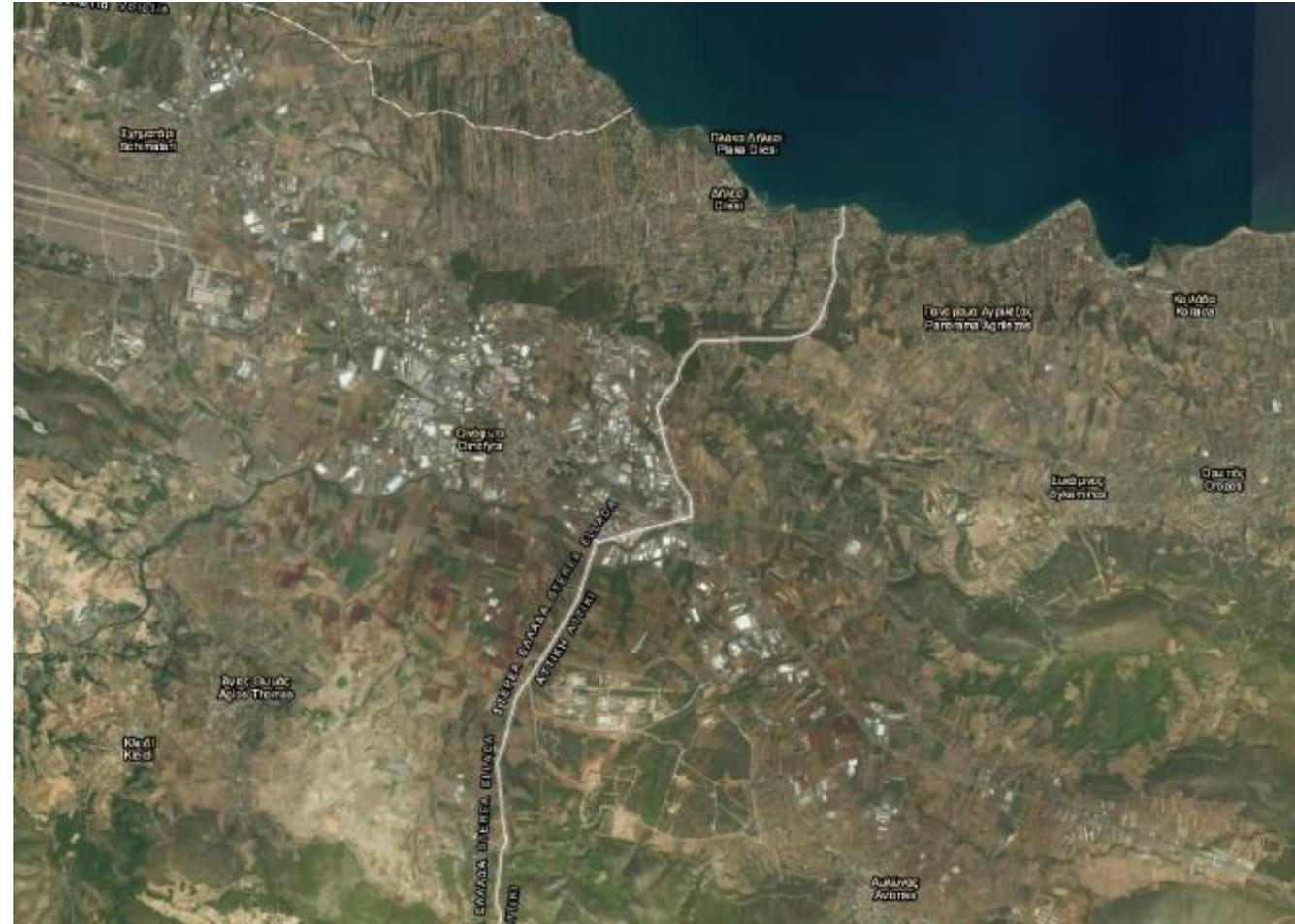
Currently, rental levels for ambient Grade A & B warehouses in the specific submarket, ranging from **2-3€/m²/month**.



Sub-markets of fair interest (2)

An important warehouse agglomeration is located in the peripheral district of **Viotia** and enjoys good accessibility to Attica mainly via the National Road (E75) Athinon-Lamias. Warehouse clusters are observed in the areas of Oinofita, Schimatari and Avlonas.

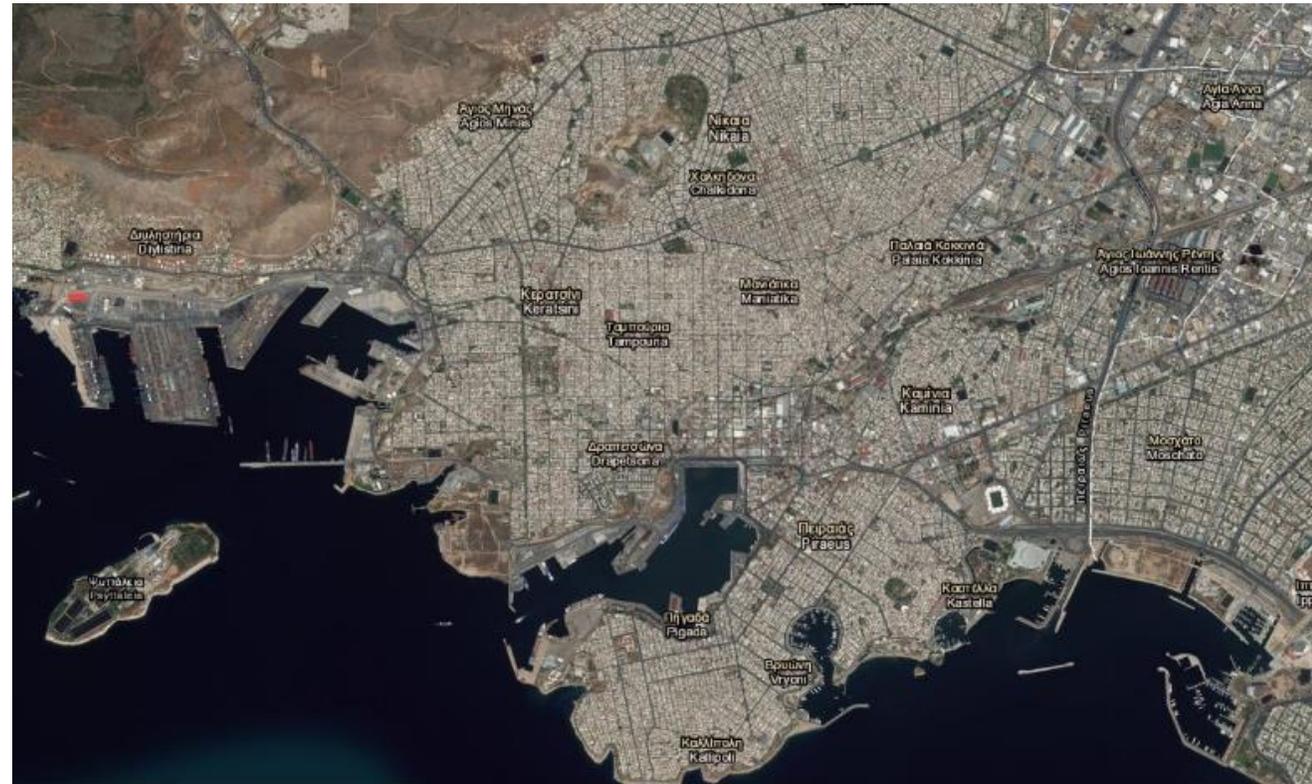
Currently, rental levels for ambient Grade A & B warehouses are lower in the specific submarket, ranging from **1.5-2.5€/m²/month**.



Sub-markets of fair interest (3)

Piraeus, as it is Greece's largest port and the country's most important hub when it comes to the handling of cargo, it features large warehouses mainly related to this activity within its facilities. The respective logistics sector represents only a small proportion less than 5% of the total stock in the logistic property market. The main warehouse submarkets within the municipality of Piraeus are observed in the areas of Perama, Drapetsona, Aghios Ioannis Rentis and in areas located near the piers (port area). However, the current warehouse stock in its majority, comprises old structures – secondary establishments.

Currently, rental levels for ambient Grade A & B warehouses are the lowest in the specific submarket, ranging from **1-2€/m²/month**.



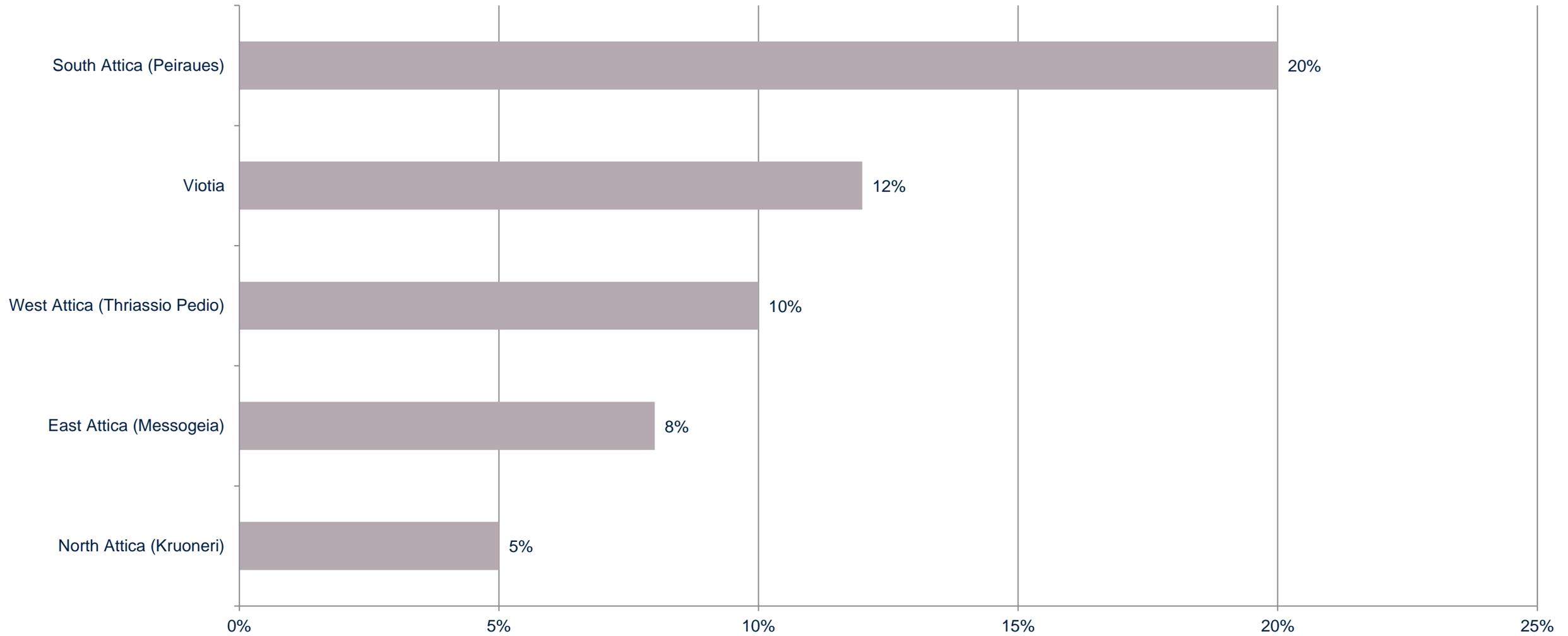
Rental levels – Grade A & B

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



Vacancy rate (%) - Grade A & B

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



Investment Market – Outlook (1)

- Similar to the other property sectors, the most important investor appear to be one of the two largest REICs (PANGAEA, GRIVALIA).

s/n	Year	Period	Project	Type of Property	Seller	Buyer	Value (€)	Yield
1	2018	Q1	3 unfinished warehouses in Aspropirgos - will be delivered finished and rented	Warehouses		Pangaea REIC	€ 13.100.000,00	-

- The Initial Yields for Grade A & B logistics are between the following levels:
 - Grade A: **9.25 – 10.25%**
 - Grade B: **10.75 – 11.75%**

Investment Market – Outlook (2)

The most important future project with regards to the logistics sector is the proposed development of an international freight centre in the Thriassio plain (West Attica). The under consideration property belongs to GAIOSE and has been offered to interested parties for development under a tender process organized by GAIOSE.

The tender concerned a plot of land of 600,000 m² which will operate supplementary to the transshipment activities of Piraeus' port. The process showed as the tender bid winner a joint venture between ETVA VIPE (Piraeus Bank Group) and Goldair.

According to the terms of the tender process, the joint venture will offer a lump sum of €10mn as well as a monthly rent which will amount to 2.51% of the facility's annual turnover, while the first year base rent will amount to 350,000€. The concession agreement will have a term of 50 years and will involve the development (financing of the bid-winner), maintenance and operation of the proposed international freight center.

This project, when completed, is expected to upgrade significantly the level of logistics services in Attica.

Disclaimer

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