

Overview of the Athens retail market in 2020

March 2020



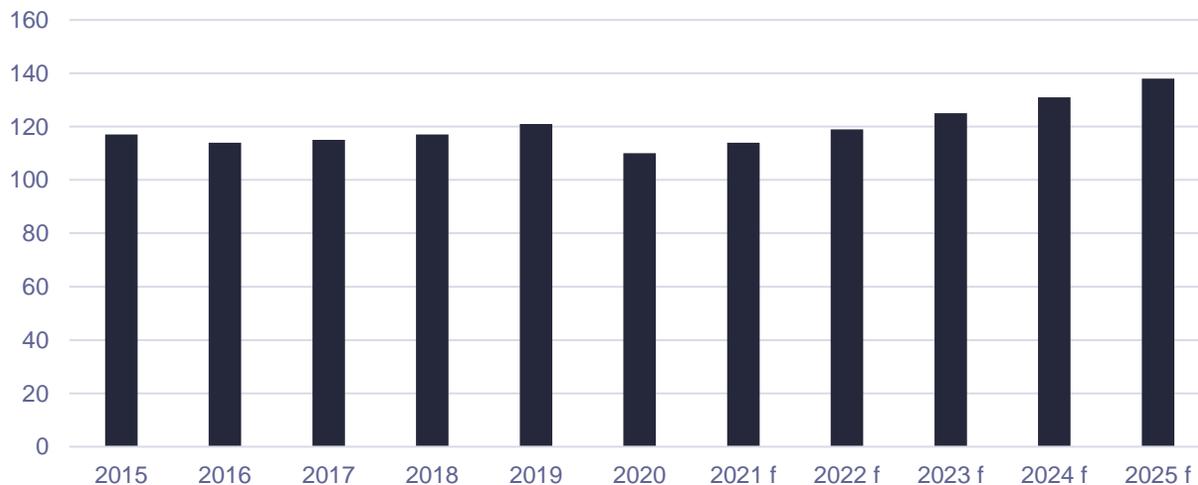
Macro-Economic outlook / Consumer Expenditure

Average household income is expected to follow an upward trend in the future as a result of expected growth and reduced unemployment, resulting in increased domestic demand.

- ❖ Per Capita Net National Available Income: € 17,102
- ❖ Per Capita Net Income (Attica): € 23,316
- ❖ Per Capita Private Consumption (2019): € 13,300
- ❖ Expected Increase in Domestic Demand (2021): 3.4%

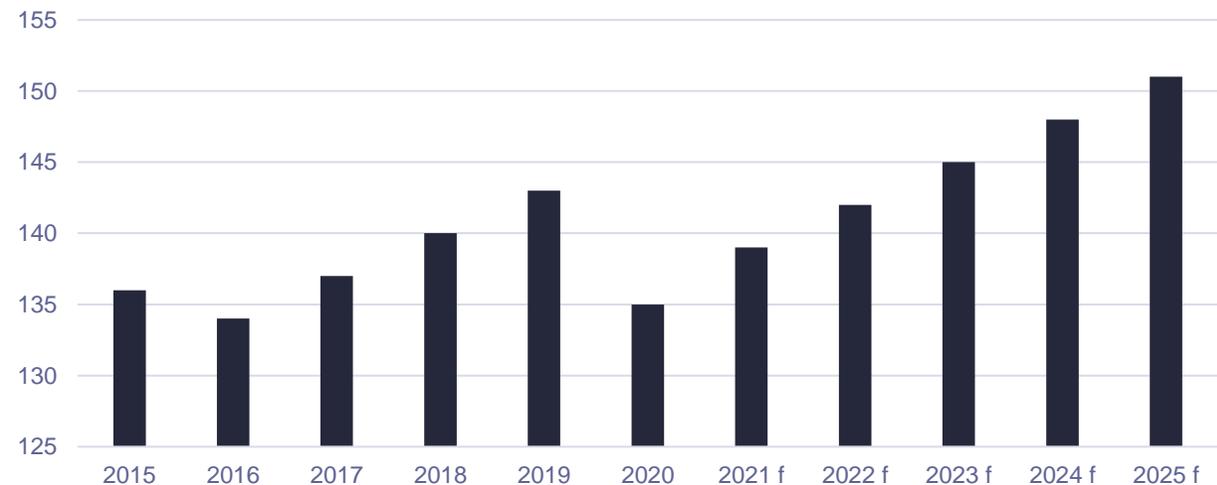
➤ Demand is expected to increase from the expected restoration and gradual strengthening of tourist flows to 2019 levels

National Available Income (in bln. €)



2016 – 2019 Average Growth Rate : 2,5% 2021 – 2025 Average Growth Rate: 4,9%

Private Consumption (in bln. €)



Macro-Economic Outlook / Consumer Expenditure

- Retail sales are projected to exceed € 43 bln. in 2024 (≈ € 38 bln. in 2019).

Retail Sales (€ mln.)



Sales of Retailing by Category

Category	Category Value (€ mln.)	2019 Growth (%)
Store-based Retailing - 93%	35,615	1.0
Non-Store Retailing - 7%	2,880	7.8

- The growth rate of e-commerce is significant, although the overall rate is still low compared to the rest of Europe.

Macro-Economic Outlook / Consumer Expenditure

According to Nielsen group:

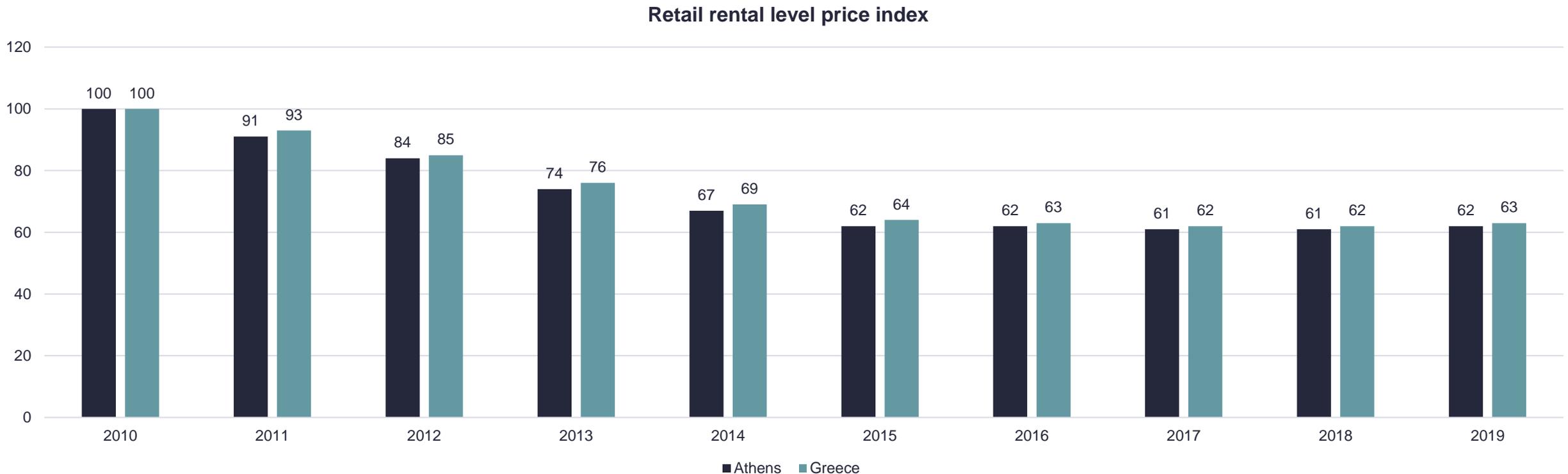
- The Consumer Confidence Index (CPI) during the 4th quarter of 2020 returned to the low levels of 2017 - 2018.
- According to the survey, only 13% of Greeks have a positive assessment of job prospects and about 1 in 4 predict that their financial situation will improve within the next 12 months (same low level as in 2017).
- CPI in the 4th quarter of 2020 continues to decline reaching 61 points with a downward trend since the 2nd quarter of the year which was at 70 points and widening the gap from the European Index.
- 66% of respondents doubt that Greece will be able to get out of the economic crisis within the next 12 months (increasing + 12% compared to the 2nd quarter of 2020).
- Retention of Household Expenses: They are still at the same levels as at the end of 2019 (before the pandemic) main cuts. A) Fun outside the home (57% of Greeks) B) Clothing (60% of Greeks)
- The improvement of the economic climate expected from 2022, is expected to reverse consumer confidence, which will have a positive effect on clothing and footwear with key profitable retail chains with organized sales networks at both the level of physical stores and online sales channels.
- This will also have an impact on the retail market, as retail has shown a gradual recovery since 2016 with an increase in retail prices of about 8-9% per year (for the last 2 years).

Overview of the Retail Market

- Shopping malls have behaved relatively better and consistently outperformed high-streets. During the pandemic, all retail trade suffered a major blow, and shopping malls operating in an organized manner were forced to take measures to support shopkeepers.
- Despite the blow to their operation, they recovered rapidly, as Greece ranks 25th among European countries in terms of the density of shopping centers (GLA per 1000 inhabitants) due to the fact that there is no intense competition from oversupply of space. This is due to the increased occupancy that reaches 95%.
- In terms of numbers, Greece has significantly less than 100 sq.m. per 1000 inhabitants, when for example Bulgaria is clearly above the mark of 100 sq.m. per 1000 inhabitants and Malta at 300 sq.m. per 1,000 inhabitants. In total, our country has about 40 shopping centers and commercial parks with 860,000 sq.m.
- Respectively, the well-known shopping streets (High Streets - Ermou, Voukourestiou, Metaxa, Kassaveti, etc.) and some local retail markets (Chalandri, Piraeus, Egaleo, etc.) continue to show increased attractiveness, however, there is an obvious tendency to concentrate in the most central areas, thus lower level of dispersion on secondary roads.
- At the same time, areas that faced high vacancy rates due to the retail crisis, such as Kolonaki and Kifissia, managed to reverse the picture, covering several empty spaces with users from the catering / leisure area (cafes / restaurants) and the bread / snacks industry.

Overview of the Retail Market

- Retail in Athens gradually began to recover from 2015-2016, initially with an increase in retail prices which averaged about 8% for the last 2 years. As a result, the rents in the commercial stores have gradually stabilized their image, this resulted of a good outcome as there are no more downward trends in the last 2 years .
- Based on the data from the Bank of Greece (BoG), the rental price index of commercial stores in Athens and Greece exhibit the following movement:



The image of successful shopping malls

- ❖ The operation of established / successful shopping malls can not be easily judged in 2020 as for about ½ of the year they remained out of operation due to restrictive measures. However, from the data we have at our disposal, it seems that whenever they operated, they achieved high levels of footfall and turnovers.
- ❖ Their goal for 2020 was to retain their employees, which is why the managers threw their weight on the relief of the latter from operating expenses and the parallel increase of promotions (advertising, etc.) but also on the intensive strengthening of the measures against the coronavirus. In order to create a sense of safe environment in consumers minds.



Shopping Centers and Key Performance Indicators (KPIs)

Indicative Key Performance Indicators, 2019

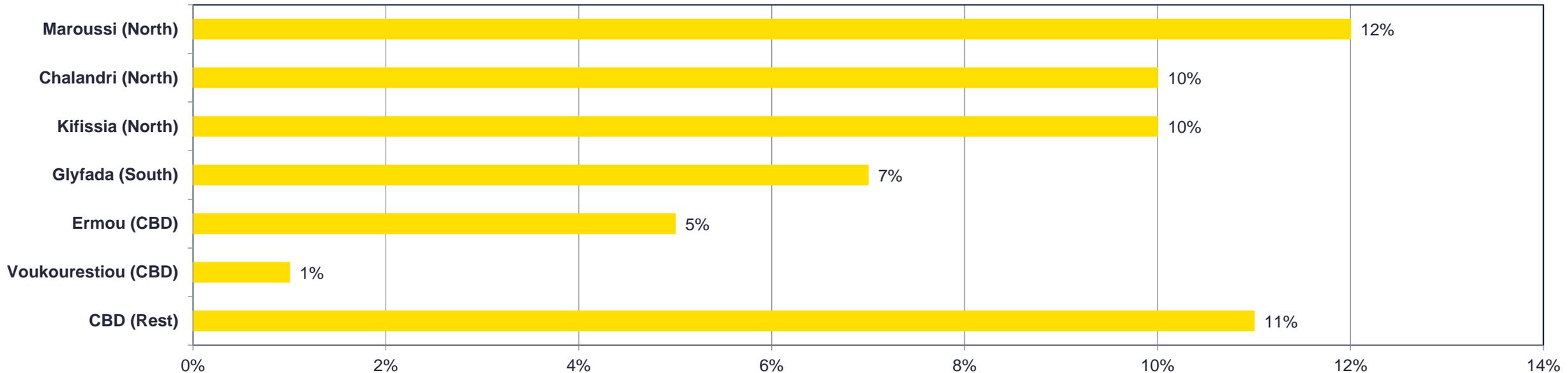
Shopping Centers	GLA (sq.m.)	Occupancy (%)	Footfal (εκ.)
The Mall Athens	58,500	98	11.7
Golden Hall	54,000	98	4
Smart Park	53,600	93	5.4
Mc Arthur Glen	21,200	85	4.2
River West	21,630	97	5.3
Athens Metro Mall	21,500	99	7.2

- ❖ The shopping centers of Attica have behaved very well during the crisis but also during the pandemic with an average occupancy of 95%. Vacancy is presented at the same levels during the last years.
- ❖ The average rental level is high with no signs of decline by retailers.
- ❖ The relatively high rental level is due to the good production turnover that may be derived from the significant presence of clothing - footwear stores within each shopping center (by more than 50%, eg The Mall 60%, Golden Hall 60%, Athens Metro Mall 49%).

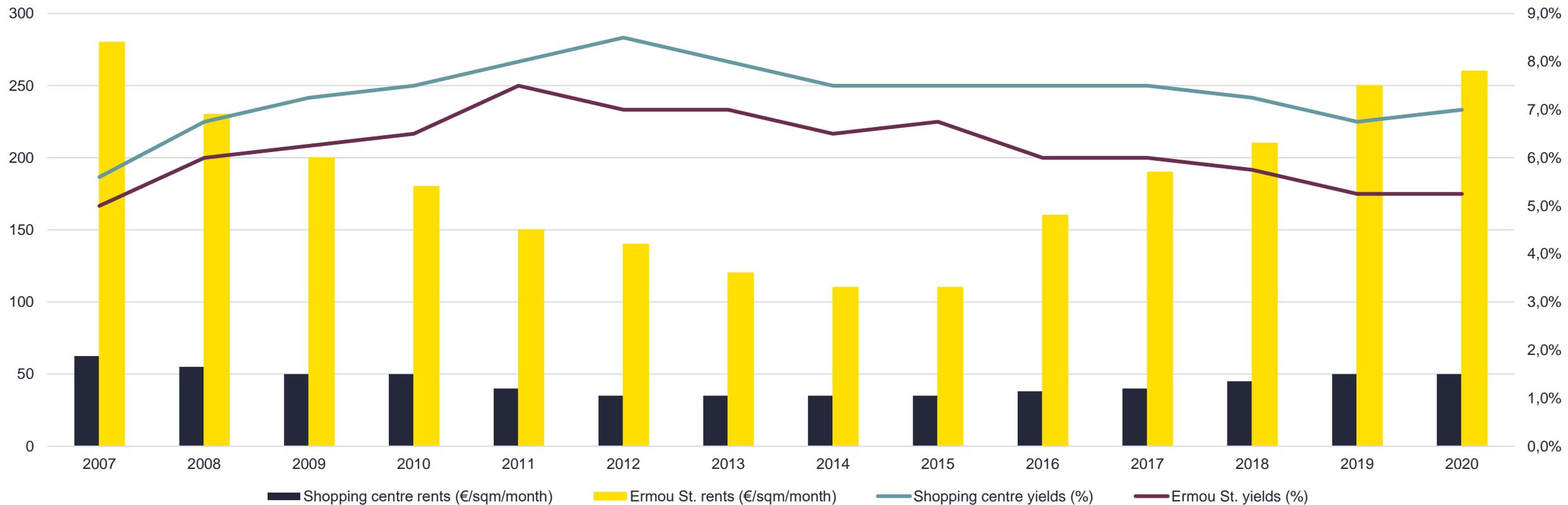
- ❖ City Link is the only organized shopping mall operating in the Historic Center of Athens
- ❖ It has 56,000 square meters of GLA with 23 stores, one of which is the Attica department store which occupies about 10% of the GLA, while the F&B and leisure areas account for 40% -45% of the total GLA.
- ❖ It gathers most luxury brands in Athens (i.e. Hermes, Cartier, Philipp Plein, Ferragamo etc.) and has a rent per square meter at c. € 30.

Vacancy Rates in major high streets

- Vacancy rates remained low in 2020 on the main high streets of the center and the important regional markets of Glyfada and Kifissia, mainly due to the strong presence of mass retailers.
- The vacancy that appears in the main commercial markets comes from the catering (F&B) sector due to the long period of lockdown and the weak financial base of these companies which have a personal character.
- On high-footfall streets, the vacancy rate is still maintained at the levels of the beginning of 2020 (does not exceed 7%). It is noteworthy that Ermou and Voukourestiou continue to have a high occupancy rate of over **95%**, with an exceptional rarity in finding an empty store.



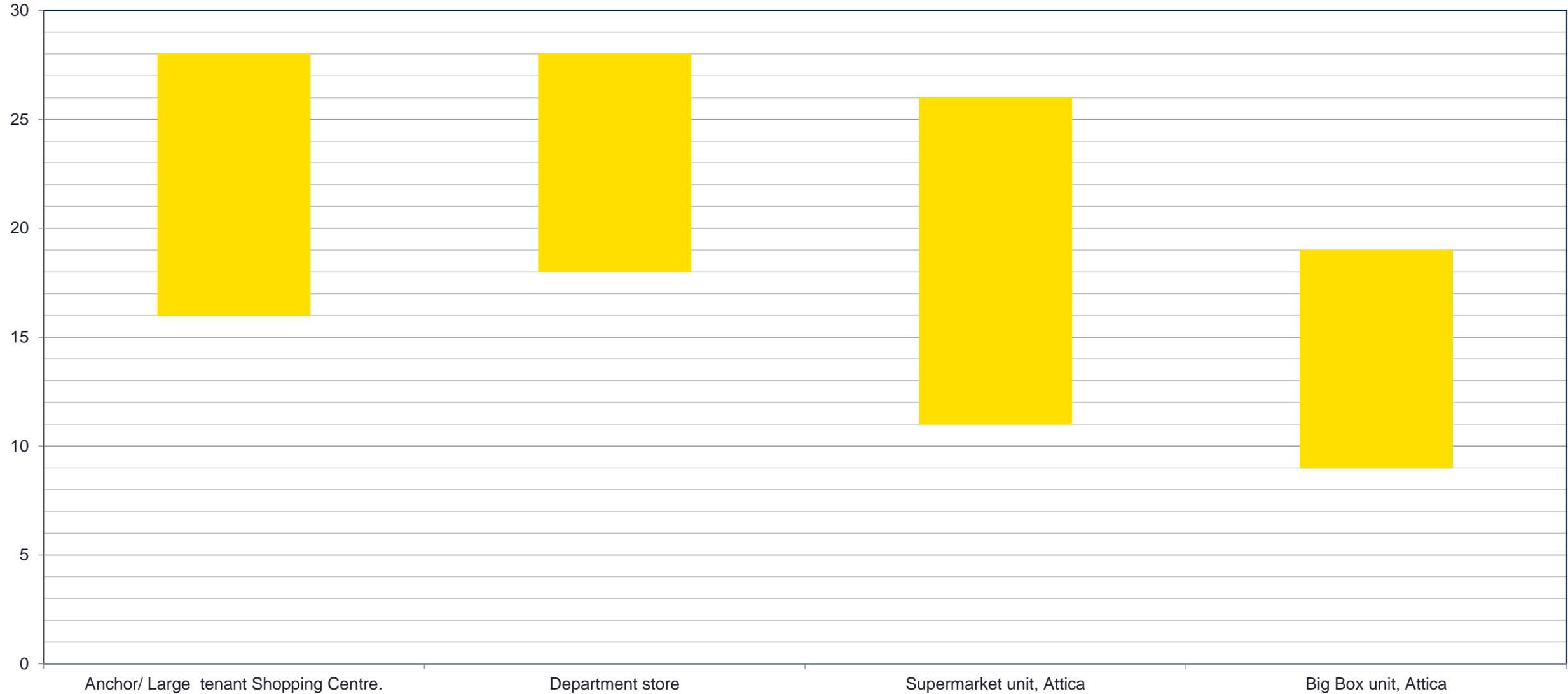
Rents and Yields



Retail Yield Levels in major high streets of Attica: 5,5% - 6,5%

There are case in Voukouroustiou and Ermou, were we observed even lower yield levels below 5%. In successful shopping centers the yield levels are set in the order of c.7,0%. Rents on the above high-streets continued to remain at very high levels in 2020, despite the fact that investors appear quite hesitant internationally.

Large-scale store rental levels (€/sq.m./month), 2020



Investment Market – Transactions

- ❖ Similar to the office market, REICs also dominated the retail market. Investments in 2020 amounted to € 65 million while in 2019 they amounted to € 160 million.

Period	Project	Location	Type	Buyer	Valuer (€)
Q1 2021	76 Kalamakiou Av.	Athens – Paiania	Super Market – 1,500 sq.m.	Premia Properties	2,500,000
Q4 2020	93 Kalamakiou Av.	Athens – South	Super Market – 1,584 sq.m.	Ten Brinke	9,500,000
Q2 2020	Kountouriotou & Sotiros & Praxitelous	Athens – CBD	Retail store – 333 sq.m.	Trastor REIC	1,465,000
Q1 2020	7 Kifissias Av.	Athens – CBD periphery	Super Market – 10,330 sq.m.	Orilina REIC	25,000,000
Q1 2020	4 retail units Portfolio	Athens & Larissa	Retail Stores – 5,300 sq.m.	Eurobank/Grivalia	28,500,000
Q4 2019	57 Agiou Konstantinou, Maroussi	Athens – North	Retail Store – 3,715 sq.m.	Trastor REIC	6,350,000
Q4 2019	111 Syggoru Av.	Athens – South	Retail Building	Hines	20,000,000
Q3 2019	25 ^{is} Martiou & 1 Ethelonton Dodekanisou	South Aegean	Retail Store – 281.35 sq.m.	BriQ Properties	765,000
Q3 2019	6 Panagitsas, Kifissia	Athens – North	Retail Store – 100 sq.m.	Trastor REIC	1,000,000
Q3 2019	Aggelou Metaxa, Glyfada	Athens – South	Retail Store – 207 sq.m.	Trastor REIC	1,905,000
Q3 2019	Grigoriou Lambraki, Glyfada	Athens – South	Retail Store – 550 sq.m.	Trastor REIC	5,630,000
Q2 2019	Junction of N. Efkarpias Paros Anthokipon	Thessaloniki	Retail Store – 1,693 sq.m.	ICI REIC	1,186,000
Q1 2019	Portfolio	Attica & Thessaloniki	Big Box	Al Mirqab Capital	119,000,000
Q1 2019	Voukourestiou, Kolonaki	Athens - CBD	Retail Store – 227 sq.m.	Trastor REIC	6,000,000

Investment Market – Prospects (1)

- ❖ The attempt to reshape and reposition **Athens Heart** in the market as a fashion outlet through Hines' investment did not succeed as the general strategy of the latter changed in various investment sectors.
- ❖ **Smart Park** has completed its development successfully and has high occupancy and increasing footfall due to its open space structure.
- ❖ The large scale investment of REDS in the **old winery of Camba's family**, with a total area of 89,000 sq.m. has been approved. A combination of commercial, office, leisure and cultural spaces are expected to be developed in the near future.
- ❖ In Piraeus Tower there will be shops from the ground floor to the 2nd floor with a total area of 7,400 sq.m.



Investment Market – Prospects (2)

- ❖ The “Hellinikon” project is at a very advanced stage for its complete restart, a development which is expected to bring a significant number of advanced retail space to the Athens market.
- ❖ Lamda is in the planning phase of two commercial developments in Hellinikon, a mall on Vouliagmenis Avenue with approximately 65,000 sq.m. GLA and a high standard retail area with GLA of about 24,000 sq.m. and in the mood to attract luxury brands next to the marina and the Tower of apartments.
- ❖ The Mall at Votanikos is still in the consultation phase in relation to the planned stadium of Panathinaikos F.C. It is not clear whether the abandoned shell of Vovos will eventually be used as a shopping center after its full completion.

