



# VALUATION REPORT

Investment property

**19 Grigoriou Lampraki Street & 18 Dimarchou  
Aggelou Metaxa Avenue, Glyfada, Greece**

Valuation Date: 1 January 2019

Report Date: 16 January 2019

TRASTOR REIC  
FOR THE ATTENTION OF MR GEORGE FILOPOULOS

OUR REF: KA-MT-KZ/MZ/AO-2018/10719

Axies S.A., part of the CBRE Affiliate Network, independently prepares client valuations and related advice and is solely responsible for the contents of this report.



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## EXECUTIVE SUMMARY

### The property

Address: 19 Grigoriou Lampraki Street & 18 Dimarchou Aggelou Metaxa Avenue, Glyfada Municipality, Southern Attica, Greece

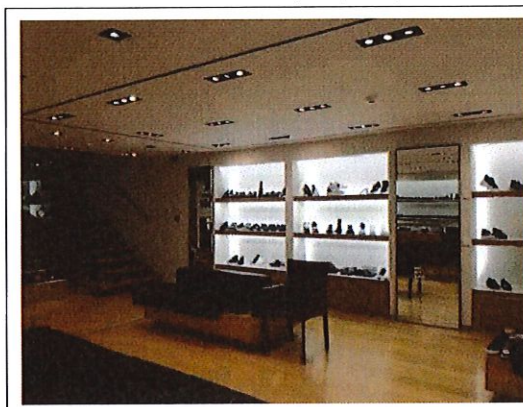
Main Use: Retail

### Internal view of the property



Source: CBRE/Axies S.A.

### Internal view of the property



Source: CBRE/Axies S.A.

### Tenure

According to the title deed provided with ref. no. 2,823/09-10-2003 conducted by Athens public notary Ioulia Papadopoulou we understand that "CYPRUS LEASING S.A." holds the 100% in the property.

We have not however performed any legal due diligence regarding the asset and we assume that no dispute related to ownership rights exists.

For the purpose of this valuation we assume that the property is held freehold on a good and marketable title, free from any onerous or hampering restrictions or conditions that could adversely affect their value upon disposal.

### Tenancy

At the date of valuation the property was let to "Kalogirou" with 4.72 years unexpired term.

### Gross income as of 1<sup>st</sup> January 2019

€ 329,662.00 per annum (€ 609.02/sq m/annum)

### ERV (Estimated Rental Value) as of 1<sup>st</sup> January 2019

€ 419,989.00 per annum (€ 775.89/sq m/annum)

### Purpose of Valuation and Valuation Date

The valuation is required for acquisition purposes in order for the property to be included in the portfolio of Trastor REIC under the Law 2778/1999.

The critical date of valuation is 1 January 2019.





# EXECUTIVE SUMMARY

## Weighted fair value (rounded)

€ 5,784,000 (Five Million Seven Hundred Eighty Four Thousand Euros)

The report conforms to the provisions of the Greek Law as regards the establishment and operation of real estate investment companies. These provisions include valuation regulations and methodology as determined by the ministry of Finance (Decision 26294/B.1425/19 July), as well as the provisions of Law 2190/1920.

“Fair Value” for the purpose of financial reporting under International Financial Reporting Standard 13, is a market - based measurement.

## SWOT Analysis

STRENGTHS	WEAKNESSES
Prime location, within Glyfada's core commercial centre	
Upper class income residential area	
The property enjoys high visibility	
No supply for similar properties in terms of size and visibility in the subject area	
Easy accessibility via private vehicles and public transportation means	
OPPORTUNITIES	THREATS
Upward trend for rental values as a result of low supply and increasing demand for prime properties	There is still economic uncertainty surrounding Greek Economy
Very good catchment area of high income population	
High absorption rate for both letting and sale (investment property)	
According to Oxford Economics retail spending is expected to increase in the short to medium term	

# TERMS OF ENGAGEMENT

<b>Report date</b>	16 January 2019
<b>Addressee</b>	Trastor REIC For the attention of Mr George Filopoulos
<b>The property</b>	Retail store with ground floor, basement and mezzanine in a multi storey commercial building located at the junction of 19 Grigoriou Lampraki Street & 18 Dimarchou Aggelou Metaxa Avenue in Glyfada, Greece.
<b>Properties description</b>	The property concerns a ground floor retail unit with an area of 213.30 sq m, a basement of 127.20 sq m and a mezzanine of 200.80 sq m. The total co-ownership share to the land plot is 214.00 %.
<b>Ownership purpose</b>	Investment
<b>Instruction</b>	To value on the basis of Fair Value the freehold interest in the Property as at the Valuation Date in accordance with your letter of instruction dated 28 December 2018.
<b>Valuation date</b>	1 January 2019
<b>Capacity of valuer</b>	External
<b>Purpose</b>	Acquisition
<b>Weighted Fair value</b>	€ 5,784,000 (Five Million Seven Hundred Eighty Four Thousand Euros) exclusive of VAT.  "Fair Value" for the purpose of financial reporting under International Financial Reporting Standard 13, is a market - based measurement.  Our opinion of Fair Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using recent comparable evidence.
<b>Compliance with valuation standards</b>	The valuation has been prepared in accordance with RICS Valuation Global Standards 2017. The property details on which the valuation is based are as set out in this report.  We confirm that we have sufficient current local and national knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.

## TERMS OF ENGAGEMENT

	Where the knowledge and skill requirements of The Red Book have been met in aggregate by more than one valuer within AXIES S.A., we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of The Red Book.
<b>Assumptions</b>	<p>The property details on which the valuation is based are as set out in this report. We have made various assumptions as to tenure, town planning, and the condition and repair of building and site – including ground and groundwater contamination – as set out below.</p> <p>If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.</p>
<b>Variation from standard assumptions</b>	None
<b>Special assumptions</b>	No
<b>Market conditions</b>	<p>The value stated in this report represents our objective opinion of Fair Value in accordance with the definition set out below as of the date of valuation. Amongst other things, this assumes that the property had been properly marketed and that exchange of contracts took place on this date.</p> <p>This valuation report is a reasonable assessment of the fair value of the properties, based on our knowledge and experience on the specific local market as well as on the comparable evidence (asking prices/rents or actual transactions and leases) that we collected during our market research. We recommend however, that the situation and the valuation are kept under regular review.</p>
<b>Valuer</b>	The Properties have been valued by a valuer who is qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards (The Red Book).
<b>Independence</b>	The total fees, including the fee for this assignment, earned by Axies S.A. from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the former's total revenues.





# TERMS OF ENGAGEMENT

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Disclosure	The principal signatory of this report has continuously been the signatory of valuations for the same addressee and valuation purpose as this report since 2017. Axies S.A has not continuously been carrying out valuation instructions for the addressee of this report since 2017.
Conflicts of interest	We confirm that we have had no previous material involvement with the property, and that copies of our conflict of interest checks have been retained within the working papers.
Reliance	This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.
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## TERMS OF ENGAGEMENT

### Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Yours faithfully



Nicholas Chatzitsolis, M.Sc., FRICS, CRE<sup>®</sup>

**Managing Director**

For and on behalf of

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Yours faithfully



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Project Reference: 4237

## TERMS OF ENGAGEMENT

### Sources of information

We have carried out our work based upon information supplied to us by Ms. Eleni Lykogianni, which we have assumed to be correct and comprehensive. More specifically we were provided electronically with the following documentation:

- Building permit with No. 003/04 (planning authority of Glyfada).
- Title deed with ref. No. 2,823/09-10-2003 conducted by Athens public notary Ioulia Papadopoulou;
- Floor plans of the building permit for the ground floor, basement and mezzanine, dated November 2003, signed by the architect Konstantinos Kidoniatis;
- Floor plans of the ground floor, basement and mezzanine according to Law 4495/2017, dated November 2018, signed by the civil engineer Dimitrios Papachristou; and
- Lease agreement between "CYPRUS LEASING" and "Kalogirou", dated 20/09/2017.

In case this information turns incorrect, we reserve the right to review the content and conclusions of our valuation report.

### The property

Our report contains a brief summary of the property details on which our valuation has been based.

### Inspection

Ms Katerina Antonopoulou, Valuer, M.Sc., inspected the property on 07 January 2019, accompanied by Ms. Eleni Lykogianni of Trastor REIC.

### Areas

We have not measured the property but have relied upon the floor areas provided.

### Environmental matters

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigation into the past or present uses of the property, nor of any neighboring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.





## TERMS OF ENGAGEMENT

### Repair and condition

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the properties. We are unable, therefore, to give any assurance that the properties are free from defect.

### Town planning

We have not undertaken planning enquiries.

### Titles and Tenures

Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of the tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenant.

### Fair value

The valuation has been prepared on the basis of "Fair Value" which is defined as:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

"Fair Value" for the purpose of financial reporting under International Financial Reporting Standard 13, is a market - based measurement.

Acquisition and disposal costs have been excluded in order to arrive at a net property value (purchase price) for the properties.

### Rental values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.



## TERMS OF ENGAGEMENT

### The property

Landlord's fixtures and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

### Environmental matters

In the absence of any information to the contrary, we have assumed that:

- (a) the Property is not contaminated and is not adversely affected by any existing or proposed environmental law;
- (b) the Property possesses current energy performance certificates as required under government directives.

### Repair and condition

In the absence of any information to the contrary, we have assumed that:

- (a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the properties;
- (b) no currently known deleterious or hazardous; materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the properties;
- (c) the Property is free from rot, infestation, structural or latent defect.

We have otherwise had regard to the age and apparent general condition of the property. Comments made in the property's details do not purport to express an opinion about or advice upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

### Title, tenure and planning

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

- (a) the Property possess a good and marketable title free from any onerous or hampering restrictions or conditions;



## TERMS OF ENGAGEMENT

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(b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;

(c) the Property is not adversely affected by town planning or road proposals;

(d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations;

(e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Property to comply with the provisions of the relevant disability discrimination legislation;

(f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(g) tenant will meet his obligations under the lease;

(h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value; and

(i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required.



# PROPERTY REPORT

## PROPERTY DETAILS

### Location

The property under assessment forms part of a commercial building located at 19 Grigoriou Lampraki Street and 18 Dimarchou Aggelou Metaxa Avenue, in the centre of Glyfada. The building occupies part of the urban building block that is surrounded by Aggelou Metaxa Avenue, Grigoriou Lampraki, Lazaraki and Dousmani Streets (No 40 urban block).

Glyfada is a popular upper-income residential seaside district and the most important marketplace of southern suburbs, located within close proximity to the prestigious residential areas of Voula and Vouliagmeni and approximately 15 km to the south of Athens city centre. The specific location concerns the central commercial and administrative district of the area, combined with sport and leisure facilities.

Regarding the property's specific location, Grigoriou Lampraki Street is considered as one of the prime commercial roads of the Municipality, with Dimarchou Aggelou Metaxa Avenue, Esperidon Square and Kyprou Street being the most popular. The building stock is characterized by mixed use buildings (office, retail and leisure activities, such as cafés and restaurants), shopping centers most of which constructed in the late 1990's and block of flats – where many apartments have been converted to office units. The property lies at a distance of less than 300 meter from Poseidonos Avenue (coastal road).

In terms of accessibility, the subject property is accessible via numerous bus lines that run along Poseidonos Avenue, while the tram stations "Plateia Katraki" and "Plateia Esperidon" are located at a distance of approximately 350 meter and 550 meters away.

Location maps are attached in appendix A.

### Description

Based on our inspection and on information provided by Trastor REIC, the property concerns a three storey retail unit which forms part of a multi-storey commercial building.

The building has been erected upon a land plot of 1,004.00 sq m., which borders to the east with Grigoriou Lampraki Street along a 26.00m frontage and to the north with Dimarchou Aggelou Metaxa Avenue along a 40.40m frontage. It has been developed in the '80s and is of typical construction specifications.

In terms of internal property's layout, at the date of the valuation the ground floor and the basement had main use, while the mezzanine had ancillary use. All levels of the property are connected through an internal staircase. The main sales areas are covered with wooden floor. Lighting is provided by fluorescent fixtures incorporated in the suspended ceilings.

Axies S.A. have not undertaken a structural survey, nor tested the services. We have not been supplied with a survey report prepared by any other firm. We have undertaken only a limited inspection for valuation purposes and we can ascertain that the property is in very good state of maintenance. Besides, we did not carry out a measured survey of the property, but we were based on documentation provided by the client.

Photographs of the property are attached in appendix B.

# PROPERTY REPORT

## Accommodation

We have not measured the property, but as instructed, we have relied upon information provided to us by Trastor REIC. According to this information the property has a total area of 541.30 sq m., out of which 340.50 sq m concern main use areas. Analysis of floor areas is presented at the following table:

LEVEL	UNIT	USE	AREA (SQ M) - ACCORDING TO PLANS	SHARE TO THE LAND (‰)
Basement	Y-1, Y-2, Y-3	Retail - Main use	127.20	43.00
Ground floor	I-1, I-2, I-3	Retail - Main use	213.30	171.00
Mezzanine	I-1, I-2, I-3	Retail - Ancillary use	200.80	
<b>Total</b>			<b>541.30</b>	<b>214.00</b>

## Services and amenities

All main services and networks, including water, electricity and telephone lines are connected to the property. Besides, the property features central heating and air-conditioning.

## Town planning

We were not provided with any site plan. Thus, we are not aware of the planning regulations that were applicable in the area, during the period of its construction. However, based on the internet page [www.eaxies.gr](http://www.eaxies.gr), the building density coefficient for the specific urban block is 1.4.

According to the floor plans provided, 90.20 sq m in the basement are supposed to be legalized according to Law 4495/2017 (change of use from storage areas to sales area-retail store), as well as 200.80 sq m in the mezzanine.

In brief, we are not aware of any issues which would adversely impact upon the value of the property.

The valuation is based on the assumption that the property has been legally built and its current use conforms to the respective regulations.

## LEGAL CONSIDERATIONS

### Tenure

According to the title deed provided with ref. no. 2,823/09-10-2003 conducted by Athens public notary Ioulia Papadopoulou we understand that "CYPRUS LEASING S.A." holds the 100% in the property.

We have not however performed any legal due diligence regarding the asset and we assume that no dispute related to ownership rights exists.

For the purpose of this valuation we assume that the property is held freehold on a good and marketable title, free from any onerous or hampering restrictions or conditions that could adversely affect their value upon disposal.



## PROPERTY REPORT

### Tenancy

At the date of valuation the property was let to "Kalogirou".

The basic lease terms are the following:

TENANT	KALOGIROU
Lease agreement date	20 September 2017
Lessor	CYPRUS LEASING
Lessee	KALOGIROU
Description of leased area	Retail unit
GLA (sq m)	447.15
Break Options	n/a
Type of rent	Minimum guarantee rent: € 18,000/month
Passing rent (€/year)	329,662.00
Lease start date	20 September 2017
Lease duration (years)	6
Lease expiry date	19 September 2023

### VAT

We have not been advised whether the properties are elected for VAT.

All values stated in this report are exclusive of VAT.

The Greek VAT rate is currently 24%.



# VALUATION METHODOLOGY

## VALUATION METHODOLOGY

According to the Greek Regulation (ΦΕΚ 949/31.7.2000) in cases of property valuation of REIC assets, two valuation methods are required for the fair value assessment. The two values are then weighted by applying weighting factors, as dictated by the Hellenic Capital Market Commission.

In this specific case and after took into account the properties' characteristics we adopted the Income Capitalization Method in a form of a ten year cash flow model and the Comparative Method for the valuation of the office premises, which were then weighted by applying weighting factors 80% and 20% respectively.

As per your request the properties we have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

### Income capitalization - Discounted Cash Flow

The Discounted Cash Flow (DCF) valuation approach is considered the most appropriate in cases of income generating assets. This methodology allows us to model assumptions over time and factor in variances in landlord non recoverable costs.

This method is based on discounting the net future cashflows generated by a property over the assumed holding period, and then a deemed disposal of the asset at the end of the ten year period (the exit value) – in cases of freehold assets.

The exit value is calculated by capitalizing the net income stream assumed receivable at the beginning of exit year at an exit cap rate. The net future cashflows over the holding period are calculated by starting with the assumed gross income stream and working back to the net income stream.

In establishing the gross income stream we reflect current rents payable to lease expiry (or break if activated) at which point we assume the property will be relet at our opinion of market rent. Where properties/units are vacant we assume a void period prior to assuming that they will be let. In order to arrive at a net income stream certain items of landlord non recoverable expenditure are deducted from the gross rental income, such as non-recoverable management fees, maintenance costs, insurance costs, property tax, non recoverable service charges, etc.

The net cashflow proceeds are then discounted at a target rate of return that is considered appropriate for the investment to produce a net present value (NPV). Purchaser's costs are deducted from this capital value to arrive at a net Fair Value. Any items of one off capital expenditure are also deducted at this stage.

Regarding the valuation inputs, they are based on local market evidence, which are adjusted to relate to the specific characteristics of each Property, while our cashflow assumptions are based on a combination of market norms and economic indicators provided by respected economic forecasters such as Oxford Economics.

## VALUATION METHODOLOGY

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### Comparative Method

This method is based on the following:

- valuation is an estimate of what the market will pay;
- what has been paid for a **similar** interest in **similar** accommodation under **similar** economic conditions is the best indicator of market value.

Property is valued at a price at which similar properties in the area have recently sold with a subjective differential added (or subtracted) to adjust for the unique characteristics of the property that make it different from the benchmark properties, such as:

- Location
- Situation
- Accessibility
- Frontage
- Planning regulations
- Other special characteristics

Accordingly, following consideration of the property's advantages and disadvantages, we adopt the most appropriate rate to apply and arrive at an estimation of its Fair value.

# PROPERTY MARKET COMMENTARY

## PROPERTY MARKET COMMENTARY

### General characteristics of the local market

The commercial centre of Glyfada is the most established high street market of southern suburbs. Thus, despite drop in consumption and adverse economic condition in recent years, the area maintained its prime character and is still one of the most prime retail markets of Attica, in terms of occupancy levels and market prices.

Retail sector was traditionally the predominant use in the subject area. One of the main characteristic of the area is the existence of zones of different marketability, depending on the proximity to Aggelou Metaxa Avenue and other trends, such as the opening of a fashionable F&B unit, etc. Following our local market research and analysis we could say that demand is intense along certain segments of Aggelou Metaxa Avenue (where most of higher profile retailers are located), Kyprou, Grigoriou Lampraki Streets and Esperidon Square leading to rather low vacancy rates and high rental values.

### Rental evidence

In the course of our investigation we carried out extensive property market research in the particular district, where the subject properties lie. Based on our research findings we can ascertain that the area under assessment is characterized by strong activity and that:

- Rents for prime retail units along Aggelou Metaxa Avenue – which is the most prime Street of the subject area - range between **€100.00/sq m/month** and **€150.00/sq m/month in terms of main use area**, depending on the specific location, visibility and size of each unit.
- Rents for retail units with frontage along Grigoriou Lampraki Street and similar locations (Esperidon Square and Kyprou Street) command slightly lower rates and range between **€70.00/sq m/month** and **€110.00/sq m/month in terms of main use area**, depending on the specific location, visibility and size of each unit.
- Ancillary areas usually command values as a % rate of the main use area rate. This rate range between 10% and 30% depending on the size and use of the specific areas.

Table of rental evidence is attached in Appendix C.



## PROPERTY MARKET COMMENTARY

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### Greek investment market commentary and prospects

Investment volume in Greece shrunk substantially between 2010 and 2015 as a result of the economic downturn and the ambiguous future of the economy. Factors such as the low debt finance availability together with the high cost of financing, the implementation of high property taxation and the general economic and political instability led investment transactions to drop by almost 80% since 2008.

It appears however that real estate investment market has picked up to some extent in the past three years or so and this is further reinforced following the implementation of fiscal structural reforms. This is also evident from the sharp increase in investment demand both from local and foreign investors which underlines this positive trend and investors' confidence in the country's prospects.

More specifically, after years of stabilization the signs of correction appeared in early 2016 with investment demand increasing sharply causing in turn, yield compression especially in the commercial property sector. Regarding 2018, a yield drop in the order of 25-50 basis points was recorded from January to December, enhanced from the fact that supply for good quality assets let to secure tenants is relatively low mainly due to the lack of new developments. Total investment in commercial sector, as recorded by CBRE throughout 2018 exceeds €135 million.

Interest for property investment and acquisition at the moment mainly comes from domestic REICS; Pangaia REIC, Grivalia REIC and Trastor REIC that remained relatively active throughout the crisis years, while investment demand from private individuals and foreign investors has also increased significantly.

Based on the available data that are quoted in "Schedule of Investment Evidence" attached in the relevant appendix, we can summarize that yields are now at levels of 6.00% - 9.00%, depending on the use of each property and marketability of each location. Lower yields could be achieved in certain cases of under rented properties or properties in the most prime spots, while investment yields for prime retail properties in the subject area are now in the order of 7.00% to 7.50%.

In our view yields outlook is expected to be better in the medium term as a result of limited supply of prime investment properties.

# VALUATION CONSIDERATIONS

## IMPLEMENTATION OF INCOME CAPITALISATION METHOD (DISCOUNTED CASH FLOW)

### DCF income summary

The gross rental income for the first 12 months of our valuation cashflow is € 332,959 and ends up at € 527,586 in 2028.

### Cost summary

For the purposes of this valuation we have not made any allowances for any type of non recoverable costs. Besides, we have not made allowances for CAPEX throughout the term of our cash flow. We have only taken into account leasing fees 12% of market rent upon renewal.

### Opinion of market rent

Following local market research and after we took into account:

- The property's specific location and accessibility;
- Its frontage, visibility and layout;
- Its size and use;
- Its state of maintenance and construction specifications;
- The levels of demand and supply in this particular area;

We made all necessary adjustments and we adopted the following unit rates:

- A unit rate of **€ 115.00/sq m/month** for the ground floor area;
- A unit rate of **€ 46.00/sq m/month** for the main use area of the basement (namely 40% of ground floor rate); and
- A unit rate of **€ 23.00/sq m/month** for the ancillary area of the mezzanine (namely 20% of ground floor rate);

By applying the above-mentioned rates we conclude at a total monthly rent of €34,999 for the entire Property, which is fair and within the range of the comparable evidence, § Appendix B: Rental evidence, pg. 30.

The basic lease terms that currently reflect the open market for similar retail use properties in similar locations are:

- |                                 |   |
|---------------------------------|---|
| ■ Condition of building:        | Hot cell, excluding tenants' fixtures and special trade fittings  |
| ■ Lease period:                 | Typical lease is for 9 yrs with a right to extend for 3 more yrs (according to Law 4242/2014 the minimum lease period is 3 years) |
| ■ Break option                  | As per Law 4242/2014  |
| ■ Rent review:                  | Annually, upwards only, on CPI basis (CPI+1 % or CPI+2%)  |
| ■ Guarantee:                    | Two months' rent in advance   |
| ■ Repairs:                      | Landlord  |
| ■ Insurance & maintenance cost: | Landlord  |



## VALUATION CONSIDERATIONS

■ Service charges<sup>1</sup> :

Tenant

### Void periods and re-lettability

Taking into consideration the use class of the property and the prevailing economic conditions, we adopted 1 month void period upon expiry of the lease and 2 months rent free period.

### Passing rent indexation and rental growth

Based on the available data it is evident that most of the months the rent paid is higher than the minimum base rent. Thus, for the valuation purposes we have adopted the aggregated amount of 2018 rent, which is then annually indexed by 3.5%, namely the growth of retail sales value index (as forecasted by Oxford Economics).

Our assumption for market rental growth is to be equal to CPI+1% for the first 3 yrs of the holding period and CPI+1.50% onwards.

According to Oxford Economics CPI is not expected to exceed 2% by 2028, as presented at the following table:

2018	2019	2020	2021	2022	2023	2024	2025+
0.60%	0.00%	0.10%	1.10%	1.80%	1.80%	1.90%	2.00%

### Opinion of exit yields

Having regard to the property's characteristics and use class, as well as the location characteristics we have adopted an exit cap rate of **7.00%** for the capitalization of exit market rent. The abovementioned figure is an estimate and has been determined after taking into consideration the characteristics of the property, as well as the economic conditions at the exit year (as forecasted by Oxford Economics).

### Discount rate

The discount rate is the rate of return that serves to convert the sum of all future cash flows over some holding period into their present value equivalents. This requires accounting for both the time value of money and the risk premium of the specific future cash flows. Thus, the discount rate could be broken into a risk free interest component (namely the time value of money) and a risk premium component, as described below:

- Risk free rate (RF),
  - Market risk (including liquidity risk upon sale, uncertainty to forecast rental growth and yield shift, as well as risks related to economic changes over time),
  - Specific risk related to the property (including covenant risk, void risk, differing lease structure risk and risk related to ownership)
- } RP

Taking into consideration the above-mentioned factors we adopted a discount rate in the order of **8.75%** throughout the 10 year cash flow.

<sup>1</sup> Utilities, cleaning, maintenance, security, administration, health & safety, etc.





## VALUATION CONSIDERATIONS

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### Acquisition and Disposal Costs

We have not adopted transfer tax assuming that such a Property would usually be acquired within a "Special Purpose Vehicle" (SPV). Thus, we allowed acquisition costs of 1.5% on both entry and exit pricing and disposal costs of 0.5%.

## VALUATION CONSIDERATIONS

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### IMPLEMENTATION OF COMPARATIVE METHOD

#### Opinion of market capital values

Taking into consideration the characteristics of the property, the market liquidity, the levels of demand and supply and after we analysed the available comparable evidence, we adopted the following unit rates:

- A unit market capital value of **€18,000/sq m** for the ground floor area;
- A unit market capital value of **€7,200/sq m** for the main use area on the basement (40% of ground floor rate); and
- A unit market capital value of **€3,600/sq m** for the ancillary area on the mezzanine (20% of ground floor rate).

By applying the above-mentioned rates we conclude at a fair value of € 5,478,120 for the property, which corresponds to € 25,683 in terms of ground floor area, which is reasonable and within the range of the comparable evidence, § Appendix C Market Capital Values evidence, pg. 31.

# OPINION OF VALUE

## OPINION OF VALUE

### SWOT Analysis

STRENGTHS	WEAKNESSES
Prime location, within Glyfada's core commercial centre	
Upper class income residential area	
The property enjoys high visibility	
No supply for similar properties in terms of size and visibility in the subject area	
Easy accessibility via private vehicles and public transportation means	
OPPORTUNITIES	THREATS
Upward trend for rental values as a result of low supply and increasing demand for prime properties	There is still economic uncertainty surrounding Greek Economy
Very good catchment area of high income population	
High absorption rate for both letting and sale (investment property)	
According to Oxford Economics retail spending is expected to increase in the short to medium term	

### Weighted Fair value

We are of the opinion that the Weighted Fair Value of the freehold interest in the property located at 19 Grigoriou Lampraki Street & 18 Dimarchou Aggelou Metaxa Avenue in Glyfada, as at 1 January 2019, is estimated in the rounded amount of:

**€ 5,784,000**

**(Five Million Seven Hundred Eighty Four Thousand Euros)**

**"Fair Value" for the purpose of financial reporting under International Financial Reporting Standard 13, is a market - based measurement.**

For accounting purposes the abovementioned value could be indicatively split as follows:

- Land Component Value: € 752,000 and
- Reinstatement Cost of Premises: € 5,032,000

**It is stressed that the allocation of the property's fair value between Land Component Value and Replacement Cost of the Premises is indicative and for accounting purposes only. By no means should it be interpreted as the market value of each of the components.**



## OPINION OF VALUE

PROPERTY	RETAIL UNIT, 19 GRIGORIOU LAMPRAKI STREET, GLYFADA
Tenant	Kalogirou
Occupancy	100.00%
Total upper ground floor area (sqm)	414.10
Total basement area (sqm)	127.20
Total GLA (sq m)	541.30
Gross income as of 1 January 2019 (per annum)	€ 329,662
Gross income Year 1 (per annum)	€ 332,959
Net income Year 1 (per annum)	€ 332,959
ERV as of 1 January 2019 (per annum)	€ 419,989
<b>Fair value according to the Income Capitalisation Method (DCF approach)</b>	
DCF exit year	31-Dec-28
Gross market rent at exit year (per annum)	€ 546,882
Rental growth over 10 yrs	30.21%
Exit cap rate	7.00%
Discount rate	8.75%
<b>Present value of the freehold interest</b>	<b>€ 5,860,858</b>
Net initial yield	5.62%
Reversionary yield	7.17%
Equivalent yield	6.73%
Running yield (years 1-10)	Stabilizes between 5.68% and 9.00%
<b>Fair value according to the Comparative Method</b>	
Fair value according to the Comparative Method	5,478,120
<b>Weighting of the two methods (80%/20%)</b>	
<b>Weighted fair value (€)</b>	<b>5,784,311</b>

Valuation printout is attached in appendix D.

### Sensitivity analysis based on DCF valuation

#### Fair value change - Yield profile

FAIR VALUE CHANGE (%)	FAIR VALUE (€)	NET INITIAL YIELD	REVERSIONARY YIELD	EQUIVALENT YIELD (ANNUALLY IN ARREARS)
-10%	€ 5,274,772	6.25%	7.96%	7.44%
-5%	€ 5,567,815	5.92%	7.54%	7.06%
0%	<b>€ 5,860,858</b>	<b>5.62%</b>	<b>7.17%</b>	<b>6.73%</b>
5%	€ 6,153,901	5.36%	6.82%	6.42%
10%	€ 6,446,944	5.11%	6.51%	6.15%

#### Exit cap rate - Discount rate

DISCOUNT RATE	EXIT CAP RATE				
	6.00%	6.50%	7.00%	7.50%	8.00%
7.75%	€ 6,891,732	€ 6,570,722	€ 6,295,571	€ 6,057,108	€ 5,848,452
8.25%	€ 6,642,348	€ 6,335,861	€ 6,073,159	€ 5,845,483	€ 5,646,267
8.75%	€ 6,404,412	€ 6,111,729	<b>€ 5,860,858</b>	€ 5,643,436	€ 5,453,192
9.25%	€ 6,177,334	€ 5,897,773	€ 5,658,150	€ 5,450,477	€ 5,268,763
9.75%	€ 5,960,555	€ 5,693,472	€ 5,464,545	€ 5,266,141	€ 5,092,537

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# **APPENDICES**

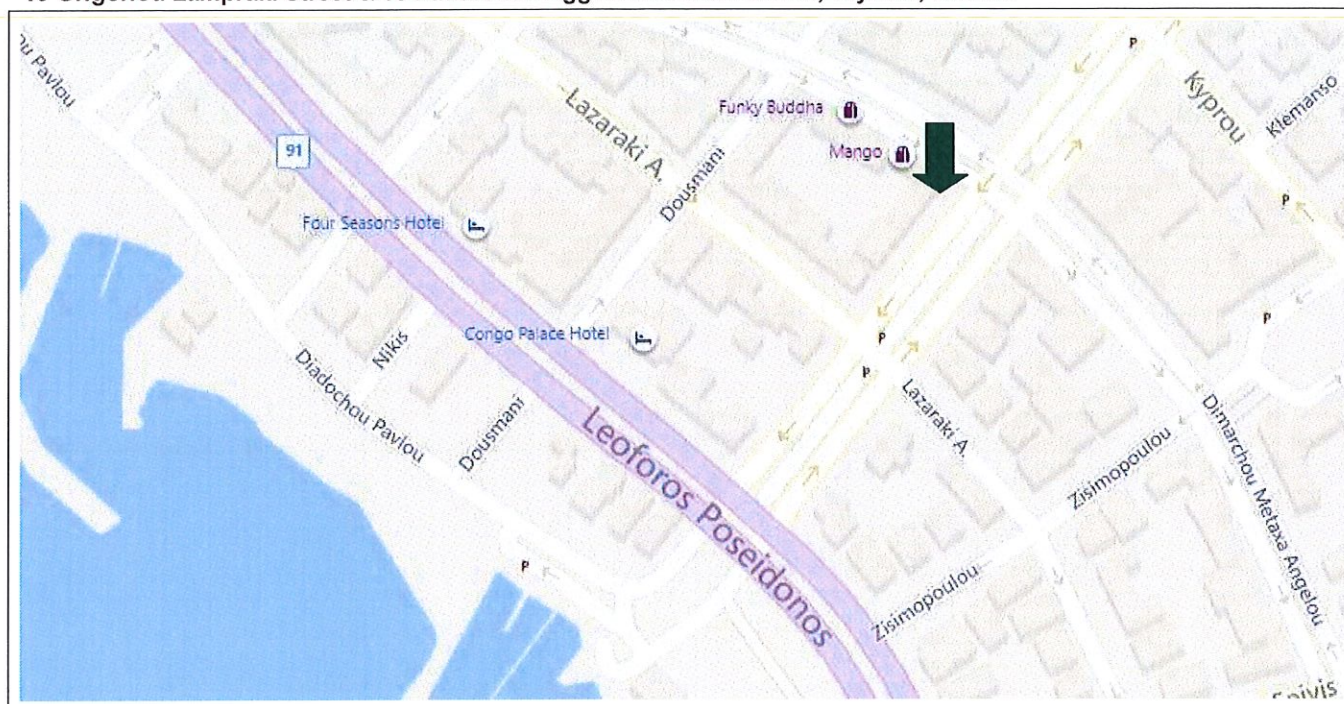
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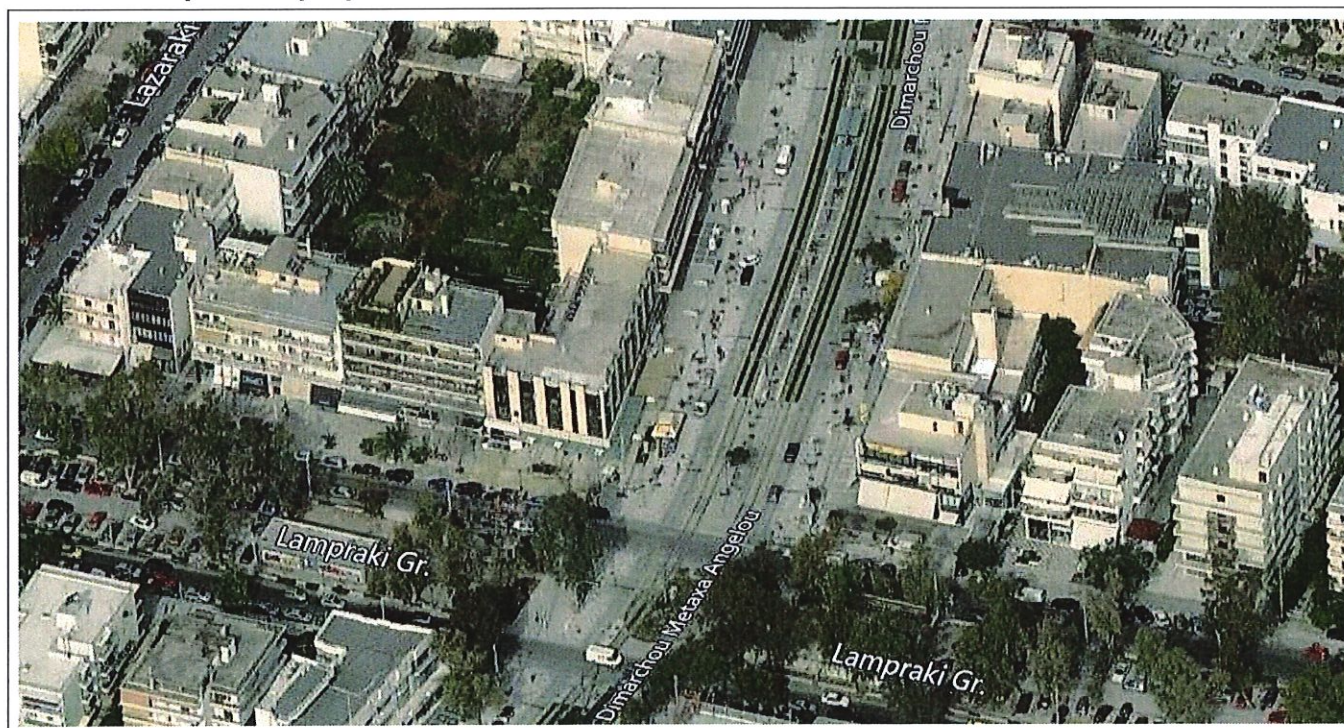
## LOCATION PLANS

### Map of the properties' wider area and specific location

19 Grigoriou Lampraki Street & 18 Dimarchou Aggelou Metaxa Avenue, Glyfada, Greece



### Satellite map of the properties and their wider area

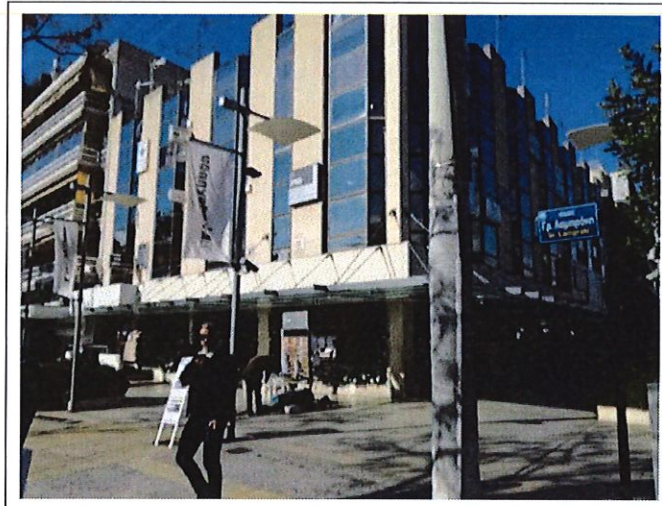


Source: [www.bing.com](http://www.bing.com)



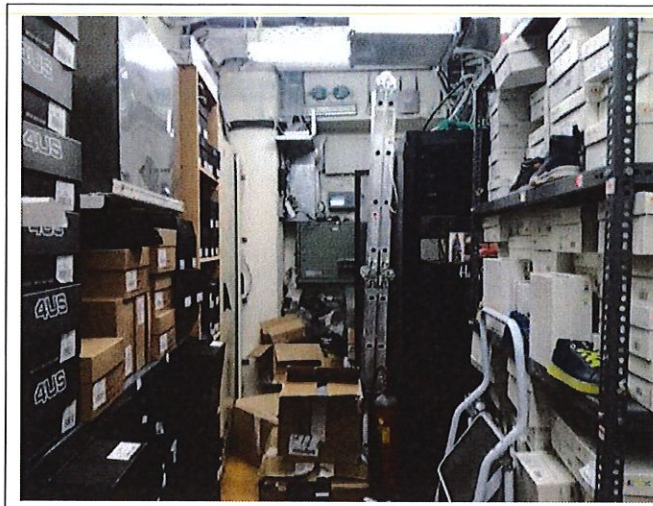
## PHOTOGRAPHS

**External view of the building**



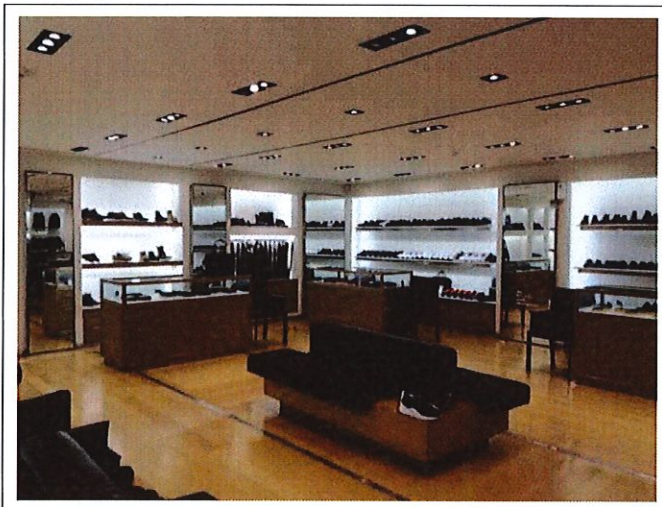
**Internal view of the property**

**Mezzanine**



**Internal view of the property**

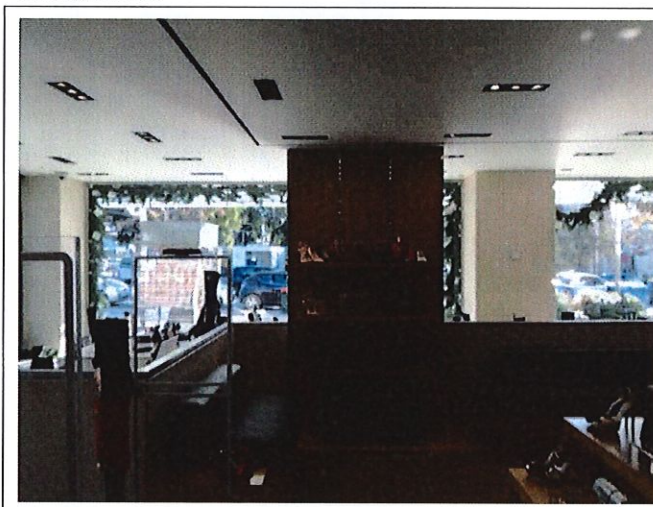
**Basement**



Source: CBRE/Axies S.A.

**Internal view of the property**

**Ground floor**



Source: CBRE/Axies S.A.



# COMPARABLE EVIDENCE

## RENTAL EVIDENCE

COMPARABLES ANALYSIS									
REF. NO	TYPE	LOCATION	ADDRESS	DESCRIPTION	GLA (SQ M)	GLA IN TERMS OF MAIN USE (SQ M)	MONTHLY RENT (€)	UNIT RENTAL VALUE (€/SQ M/MONTH)	UNIT RENTAL VALUE- IN TERMS OF MAIN USE (€/SQ M/MONTH)
1	Passing rent Q3 2017	Glyfada	Aggelou Metaxa Avenue	Ground floor: 96 sq m Basement: 96 sq m Mezzanine: 84 sq m	276.00	148.80	11,250.00	40.76	75.60
2	Passing rent 2018	Glyfada	Aggelou Metaxa Avenue	Ground floor: 55 sq m	55.00	55.00	7,500.00	136.36	136.36
3	Passing rent 2018	Glyfada	Aggelou Metaxa Avenue	Ground floor: 70 sq m	70.00	70.00	7,000.00	100.00	100.00
4	Passing rent 2018	Glyfada	Aggelou Metaxa Avenue	Ground floor: 87 sq m	87.00	87.00	11,000.00	126.44	126.44
5	Passing rent Q2 2018	Glyfada	Aggelou Metaxa Avenue	Ground floor: 60 sq m	60.00	60.00	7,500.00	125.00	125.00
6	Passing rent Q2 2018	Glyfada	Aggelou Metaxa Avenue	Ground floor: 35 sq m Basement: 35 sq m	70.00	42.00	3,800.00	54.29	90.48
7	Passing rent Q2 2018	Glyfada	Aggelou Metaxa Avenue	Ground floor: 100.00 sq m	100.00	100.00	9,500.00	95.00	95.00
8	Passing rent Q2 2018	Glyfada	Grigoriou Lambraki Street	Ground floor: 140sq m 1st floor: 100 sq m	240.00	160.00	11,000.00	45.83	68.75
9	Passing rent Q2 2018	Glyfada	Esperidon Square	Ground floor: 65.00 sq m	65.00	65.00	5,000.00	76.92	76.92
10	Passing rent Q2 2018	Glyfada	Esperidon Square	Ground floor: 35 sq m Basement: 35 sq m	70.00	42.00	4,500.00	64.29	107.14
11	Passing rent Q2 2018	Glyfada	Kyprou Street	Ground floor: 90 sq m Basement: 90 sq m	180.00	126.00	14,000.00	77.78	111.11
12	Passing rent Q2 2018	Glyfada	Aggelou Metaxa Avenue	Ground floor: 296.69 sq m Mezzanine: 148.34 sq m Basement: 260.04 sq m	705.07	407.89	30,000.00	42.55	73.55



COMPARABLE EVIDENCE

MARKET CAPITAL VALUES EVIDENCE

COMPARABLES ANALYSIS									
REF. NO	TYPE	LOCATION	DESCRIPTION	TOTAL AREA (SQ.M)	IN TERMS OF GROUND FLOOR AREA (SQ.M)	AMOUNT (€)	UNIT VALUE (€/SQ.M - TOTAL)	UNIT VALUE IN TERMS OF GROUND FLOOR AREA (€/SQ.M - TOTAL)	
1	Asking price Q1 2019	Aggelou Metaxa, Glyfada	Retail unit, ground floor 75 sq m	75.00	75.00	1,600,000.00	21,333.33	21,333.33	
2	Asking price Q1 2019	Glyfada	Retail unit, ground floor 72 sq m, mezzanine 35 sqm	107.00	82.50	1,800,000.00	16,822.43	21,818.18	
3	Asking price Q1 2019	Glyfada	Retail unit, ground floor 75 sq m, basement 75 sq m, mezzanine 40 sqm	190.00	102.00	1,700,000.00	8,947.37	16,666.67	
5	Asking price Q1 2019	Aggelou Metaxa, Glyfada	Retail unit, ground floor 100 sq m	100.00	100.00	2,000,000.00	20,000.00	20,000.00	



COMPARABLE EVIDENCE

INVESTMENT EVIDENCE

NO.	DATE	LOCATION	ADDRESS	PROPERTY/ COMPANY	DESCRIPTION	GLA (SQ M)	INVESTOR	ACQUISITION PRICE (€)	GROSS YIELD	COMMENTS
1	Q4-18	Athens	10-16 Minoas & Ilia Iliou Streets, Neos Kosmos	Office building/ Tegopoulos S.A.	Multistorey office building erected upon a land plot of 3,200 sq m (former Eleutheropylia building) 2nd basement: sq m 1st basement: sq m Ground floor: sq m 1st-6th floor: m per level	14,427.41	Grivalia REIC	€ 10,890,000	-	The property is currently vacant
2	Q4-18	Athens	1 Filiellon & 2 Othonos Streets, Syntagma Square	Office unit	Second floor office unit with Ref. No "Θ", with an area of 211.67 sq m. The property has 7.55% co-ownership share to the land plot.	211.67	Trastor REIC	€ 682,500	-	The property is currently vacant
3	Q4-18	Athens	24 Youkourestiou & 4 Valaoritou streets	Retail unit	Ground floor retail unit with an area of 69 sq m. and a basement of 69 sq m.	138.00	Trastor REIC	€ 2,500,000	7.20%	The property is currently let to "IMAN"
4	Q3-18	Marousi	1 Alamanas Street	Office unit with parking spaces and storage area	3rd floor office unit with an area of 766.70 sq m Storage unit with an area of 27.44 sq m 8 underground parking spaces. The property forms part of "Euroco" office building and is currently fully let.	766.70	BnQ Properties	€ 1,400,000	-	
5	Q3-18	Athens	109-111 Mesogeion Avenue	Office unit	7th floor office unit with Ref. No "Γ17", situated in building "Γ1", part of a commercial complex. The property has an area of 781.67 sq m and 5.01% co-ownership share to the land plot	781.67	Trastor REIC	€ 965,000	-	The property is currently let to "GEK"
6	Q3-18	Athens	Vasilisis Sophias Avenue, Kyranos Stavros	Kyranos Stavros Hospital	Six storey building (former hospital) with attic and basement. The building occupies a total aboveground area of 2,340.59 sq m and ancillary areas on the basement of the building of 451.30 sq m.	2,791.89	Ten brinke group	€ 7,000,000	-	Currently vacant. The property is a fit information provided the property will be hotel
7	Q2-18	Neo Psychico	340 Kifisias Avenue	Retail unit	Ground floor retail unit with mezzanine and basement. The property consists of a ground floor of 183 sq m, a mezzanine floor of 107.20 sq m and a basement of 183 sq m and 7 parking spaces	473.20	Ble Kedros	€ 1,080,000	-	The property is currently vacant
8	Q2-18	Central Athens	6 Othonos Street	25% share in a commercial building	25% share in a six storey commercial building with attic, ground floor and two basements. The building occupies a total aboveground area of 2,378.29 sq m and ancillary areas on the two basements of the building of 486.95 sq m. (retail and office)	2,865.24	N/A	€ 2,480,000	6.52%	100% occupation - McKinsey rent: € 360,178.73/annum - The Paradeisos Hellenica AA rent: - EBRD rent: € 83,738.91/annum (12 - Pillarstone Europe LLP rent: €67.71 - ATM: € 3,600/annum (0.56%)
9	Q2-18	Central Athens	1) Mitropoleos 66 & Kapnikareas 5, Monastiraki 2) Adrianou 66 & Aiolou 4, Plaka	2 listed buildings	2 listed buildings: 1) Retail building 2) Mix use (retail and apartments)	2,314.00	Pangala REIC	€ 7,200,000	-	
10	Q2-18	Nea Smirni	5 Konstantinou Palaiologou Street	Retail unit	66 sq m main use areas 16 sq m ancillary areas (mezzanine)	82.00	N/A	€ 625,000	6.14%	Stepped rent -1st years: € 38,400 -2nd years: € 39,600 -3rd years: € 40,800 -4th years: € 42,000
11	Q2-18	Ampelokipoi	4 Theofanous Street	Office unit	6th floor office unit with 8 underground parking spaces on the basement	917.00	Trastor REIC	€ 1,910,000	-	The property was sold vacant
12	Q2-18	Central Athens	Omirou & Stadiou Streets	Office building	Multistorey office building of old construction, opposite the old parliament 2nd basement: 428.10 sq m 1st basement: 294.60 sq m Ground floor: 294.60 sq m 1st-6th floor: 409.10 sq m per level 7th floor: 366.60 sq m 8th floor: 364.10 sq m 9th floor: 21.48 sq m	4,500.00	Grivalia REIC	€ 10,000,000	-	The property was sold vacant. The C the complete redevelopment and tra modern energy efficient building in li standards
13	Q1-18	Central Athens	Ermou 66 & Agias Eirinis 7	Commercial building	Commercial building	2,525.00	Pangala REIC	€ 5,700,000	-	Renovation cost €1,300,000
14	Q1-18	Amia Parnassou	515 Mesomni Avenue and	Commercial building	2 820.41 sq m main use area (retail unit and office)	5,083.70	Trastor REIC	€ 4,300,000	8.18%	Tenants: Amhndn dshn Caca 2





# VALUATION PRINTOUT

## DCF VALUATION

RETAIL UNIT (KALOGIROU) 19 GRIGORIOU LAMPRAKI STREET, GLYFADA	VALUATION AS OF										EXIT VALUATION
	1-Jan-19										DEC '28
	YEAR 1 JAN '19- DEC '19	YEAR 2 JAN '20- DEC '20	YEAR 3 JAN '21- DEC '21	YEAR 4 JAN '22- DEC '22	YEAR 5 JAN '23- DEC '23	YEAR 6 JAN '24- DEC '24	YEAR 7 JAN '25- DEC '25	YEAR 8 JAN '26- DEC '26	YEAR 9 JAN '27- DEC '27	YEAR 10 JAN '28- DEC '28	DEC '28
Income from tenant "Kalogirou"	332,959	342,948	353,236	363,833	358,648	461,651	476,395	492,595	509,745	527,586	
Rent free (2 months)					-76,344						
Total Rental Income	332,959	342,948	353,236	363,833	282,304	461,651	476,395	492,595	509,745	527,586	
Leasing fees					-54,968						
Total non recoverable expenses					-54,968						
Net Operating Income (NOI)	332,959	342,948	353,236	363,833	227,336	461,651	476,395	492,595	509,745	527,586	
Gross exit value @	7.00%										7,812,600
Less purchase cost @ 1.50%											-115,457
Net exit value											7,697,143
Disposal costs @ 0.50%											-38,486
Adjusted net value											7,658,657
Annual cash flow before taxes & debt service	332,959	342,948	353,236	363,833	227,336	461,651	476,395	492,595	509,745	527,586	7,658,657
Net present value of the freehold interest @ 8.75%	5,860,858										
Acquisition fees @ 1.5%	-87,913										
Total capital expenditure	5,948,771										
Running yield	5.68%	5.85%	6.03%	6.21%	3.88%	7.88%	8.13%	8.40%	8.70%	9.00%	

# VALUATION PRINTOUT

## COMPARATIVE METHOD

LEVEL	UNIT	USE	AREA (SQ M) - ACCORDING TO PLANS	UNIT VALUE (€/SQ M)	FAIR VALUE (€)
Basement	Y-1,2,3	Retail - Main use	127.20	7,200.00	915,840.00
Ground floor	I-1,2,3	Retail - Main use	213.30	18,000.00	3,839,400.00
Mezzanine	I-1,2,3	Retail - Ancillary use	200.80	3,600.00	722,880.00
<b>Total</b>			<b>541.30</b>		<b>5,478,120.00</b>

## WEIGHTING TABLE

VALUATION METHOD	VALUE (€)	WEIGHTING FACTOR
Comparative	5,478,120.00	20%
Income capitalisation (DCF)	5,860,858.13	80%
<b>Weighted value</b>	<b>5,784,310.50</b>	





## LETTER OF INSTRUCTION

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# LETTER OF INSTRUCTION

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