

S1 2022 MARKET INSIGHT REPORT



ATHENS MARKET REPORT

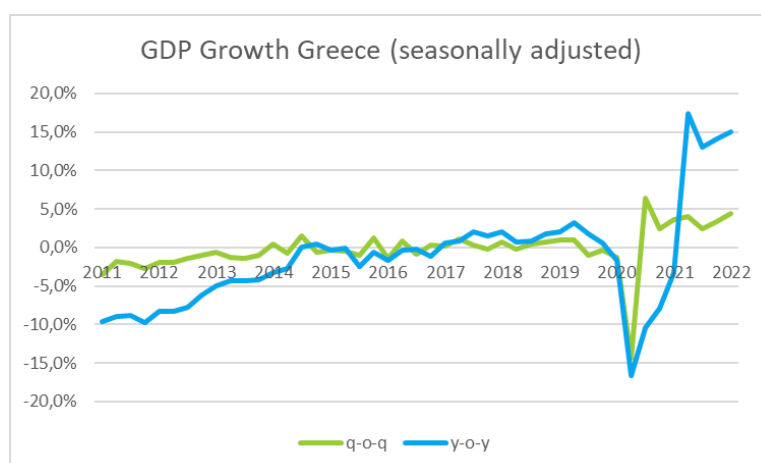
In 2022 the recovery of the Greek economy has slowed down compared to 2021. The increase in global prices, the uncertainty created by global events and the tightening monetary conditions will have a negative impact to the country's economic resurgence. Moreover, employment growth is expected to stagnate as well. On the other hand, Greece is finally out of enhanced supervision regime as of June 2022 which will allow the economy to grow faster.

Macro Figures

The Greek economy has recovered strongly from the impact of . This has slowed down due to the surge in energy prices and the Ukraine war. Consumer price inflation has reached a 25 year high putting pressure on the economy which expected to return the budget to a primary surplus in 2023. The geopolitical and energy crisis have slowed down but didn't stop Greece's growth.

Greek Economy Overview

2021 was a year with very good outcomes for the Greek economy albeit the impact of new pandemic variants. The economy did not slow down and instead the investor appetite is strong and many new foreign and domestic investments kicked off. In 2022 growth has slowed down mostly due to the energy crisis and inflated prices. This trend is expected to continue in 2023. Inflation has reached almost 9% with a lower forecast of 3,5% for 2023. Unemployment has been decreasing in the past years as Greece was exiting the enhanced supervision regime. Although, due to energy crisis and uncertainty the decrease of unemployment has stagnated and is expected to remain at around 13% for 2023. The public budget and debt have seen improvements over the past year as well.

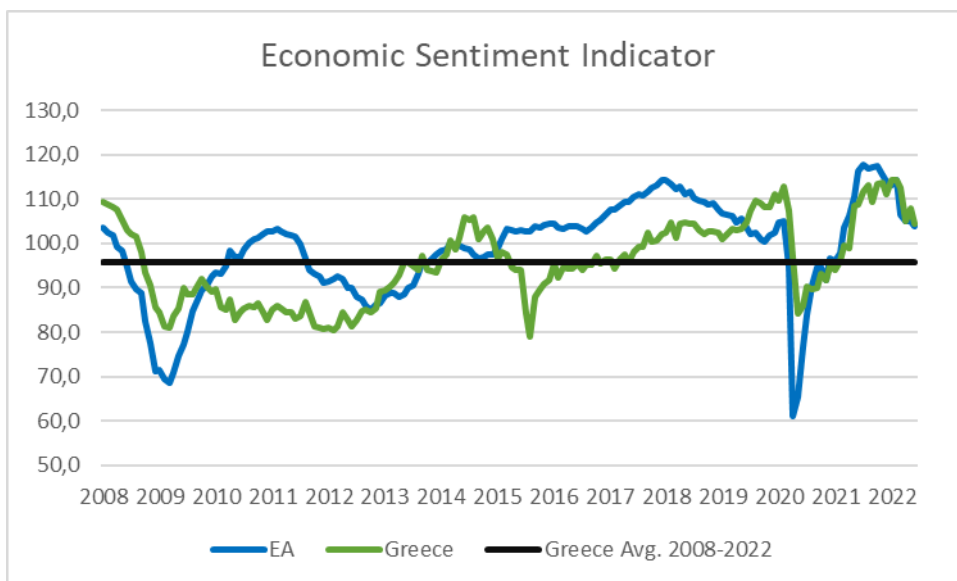


Source: Elstat

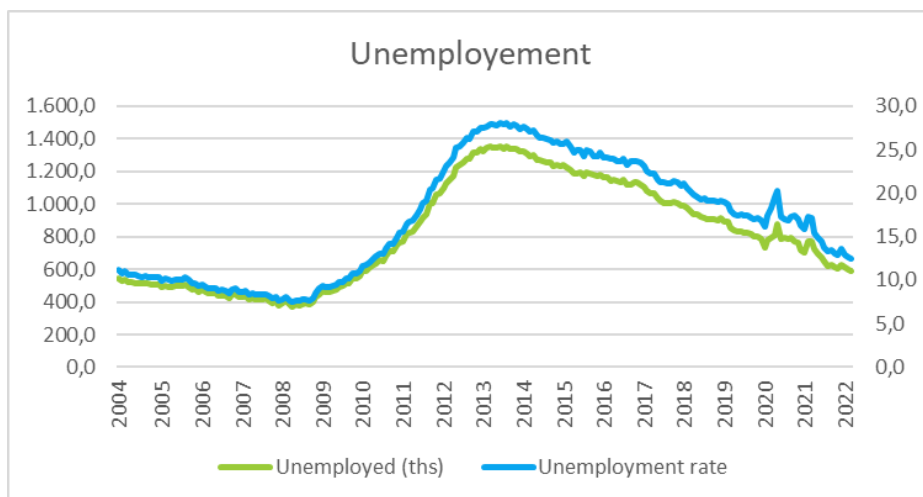
EUROPEAN COMMISSION FORECASTS				
ECONOMIC INDICATORS	2020	2021	2022	2023
GDP (%)	-9	8,3	4	2,4
Inflation (%)	-1,3	0,6	8,9	3,5
Unemployment (%)	17,6	14,7	13,7	13,1
Public Budget Balance (% GDP)	-10,2	-7,4	-4,3	-1
Gross Public Debt (% GDP)	206,3	193,3	185,7	180,4

Source: ec.europa.eu

The coronavirus pandemic, the energy and geopolitical crisis took a strong toll on the Greek economy which was growing fast before 2020. Even though the economy has shown signs of recovery from the pandemic impact in 2021, the war in Ukraine, the subsequent energy crisis and the high inflation, have created more pressure in the economy, which is still growing but at a slower rate. The services sector and especially tourism sector, which has a strong contribution to the Greek economy, is growing faster than expected and the projections for 2022 are very promising. EU support measures are expected to continue as the energy crisis is expected to influence the economies further and as the impact of eases. The energy plan as Commission states, will try to absorb the increase so as to control inflation and help European Households.



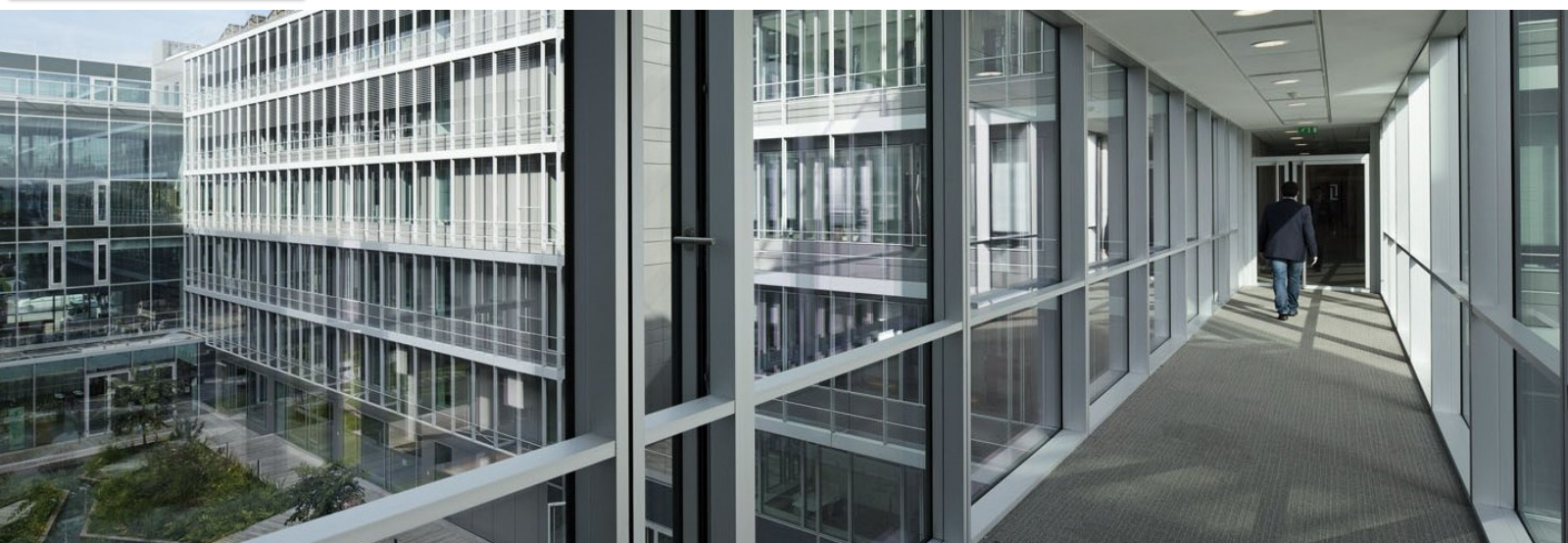
EU and Greek government extend measures to support the households, that were directly affected by the pandemic and its aftermath, most measures are extended through 2022 and with the support of banks so that we do not face a new era of NPL's. In addition Greek Government has successfully issued bonds so as to ensure liquidity in the market and proceed with the investment programs. The strong performance of the bonds has been achieved despite the context of the global crisis.



Employment was negatively affected by the crisis, but the authorities have implemented measures to cushion the decline and to facilitate the recovery. Data on hiring and firing from the ERGANI system shows that during the pandemic and the subsequent energy and geopolitical crisis the labor market remained 'frozen', with very limited hiring and firing taking place. However, the first quarter of 2022 has seen slight improvement and more is expected as the boost in tourism will be recorded as an increase in employment levels.

After a successful management of the health crisis and a meticulously organised vaccination campaign projections surrounding the outlook appear to be very optimistic and show an actual redirection of the Greek Economy to sustainable development and digital transformation. Greece 2.0 comes as a response to the pandemic and the new challenges that the country has to face after the health crisis. Greece new investment program wishes to increase digitalization of the state, while promoting public investment and large infrastructure projects. Also, as a response to the energy crisis, Greece has started to shift its energy supply from Russia. Additionally, to further improve energy efficiency, its developing renewable energy sources to establish long term energy security and sustainability.

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OFFICE MARKET REPORT

COVID-19 changed the way of thinking – New constructions “Leed” the demand for offices

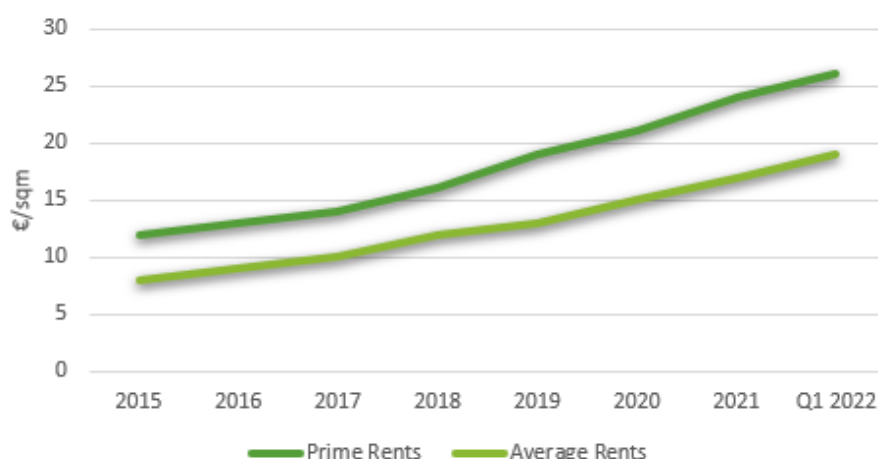
OVERVIEW

Athens Office Market remains in the investor radar. During S1 2022, prime rents and the demand for high-quality spaces with high sustainability standards, in line with ESG criteria, are continuously rising. The last 6 months, REIC and foreign investors made road race and invested in development and re-development of commercial projects.

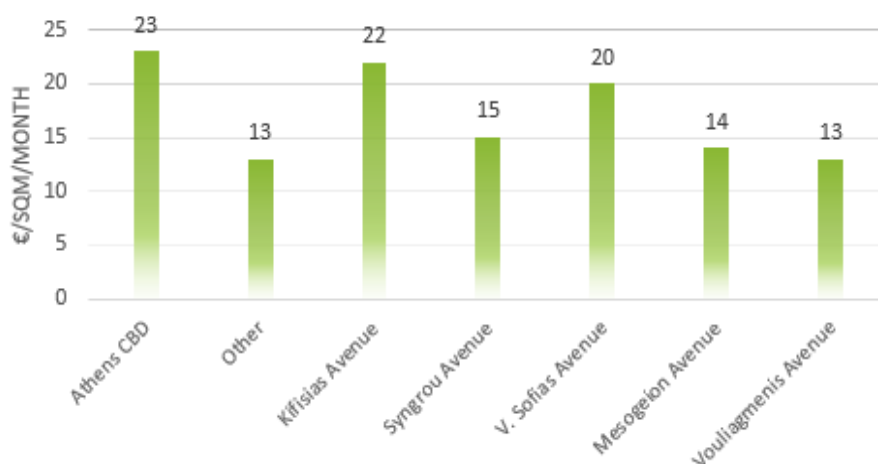
ATHENS OFFICE MARKET

Office market appears to be holding on the good performance indicators. End of 2021 and beginning of 2022 was a period, when modern office spaces have been in the investor eye and the development pipeline is being fueled with upcoming projects. Location and amenities have been the key drivers of demand and large-scale projects, which will change the office market overall, have been announced. Companies, in the post pandemic era, will eventually adopt new strategies and office will remain important for the businesses and the employees but at the same time the tenants require higher standards. The demand for Grade A office space still remains high and many potential investors are focusing on the specific asset class as seen in recent transactions.

Office Market Rental Values



MAIN MARKETS AVRG RENT



Source: Danos an alliance member of BNP Paribas Real Estate

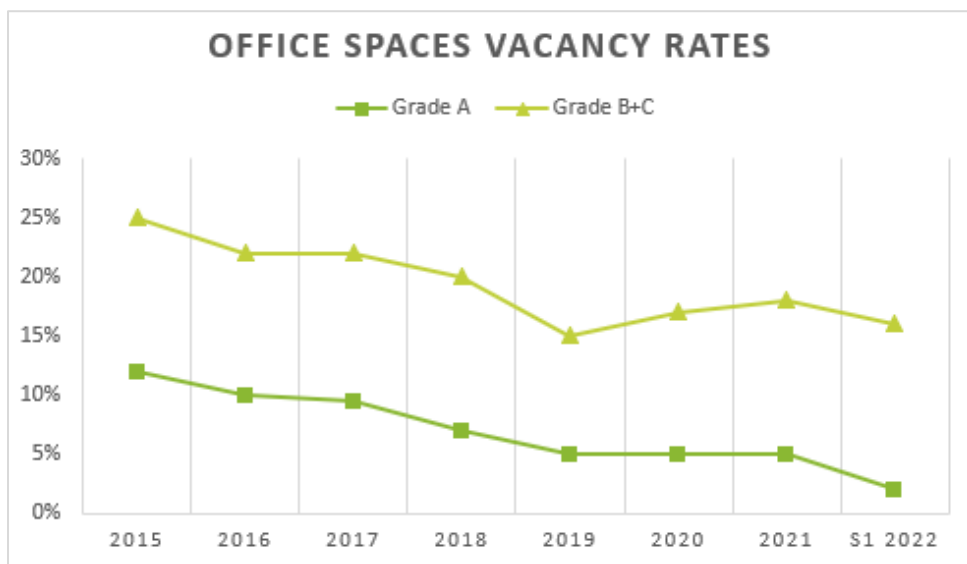
The lack of Grade A office space still remains an issue to the market supply, since there is lack of quality spaces to meet investor demand, that appears to be persistent despite the pandemic. Athens is a prominent office market since here is room for investor profit (and higher yields) compared to other European Office markets. There is a pipeline of new developments for Grade A certified office spaces, that will partly meet the current demand, however there are optimistic plans for the next 5 years in the sector since the economy is overall expanding thus attracting new players.

Significant new deals are expected and/or have been finalised in the Office Sector.

Investor Profile remains the same, Greek REICs have been playing a major role in local transactions as well as multinationals seeking to relocate in view of future needs and business development.

New loan portfolios, collateralized by extremely high liquidity and credit quality assets, be expected to change hands before the 3rd Quarter of 2022.

Athens office market is still at a growing stage, trying to find its pace and its prime products. Yields and rental values have performed even better than 2021.



Source: Danos an alliance member of BNP Paribas Real Estate

MARKET TRENDS GRADE A OFFICES PIRAEUS - ATHENS	
RENTALS	➔
YIELD	➔
VACANCY RATE	➔
ABSORPTION	➔

Yields	Locations
6%-6,5%	Grade A Prime Locations
7%-7,5%	Grade B Prime Locations
8%-8,5%	Grade B Secondary Locations

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RETAIL MARKET REPORT

Prime locations and malls continue to hold investors' interest

OVERVIEW

The consequences of the war in Ukraine for retail companies have been followed the impact of the pandemic and inflationary pressures and the energy crisis are fueling the increase in the cost of living and the decrease in consumption. Inflation in Greece reached 12,1% in June with increases reaching 117,7% in natural gas, 70% in electricity, 65,1% in heating oil, 45,6% in fuel.

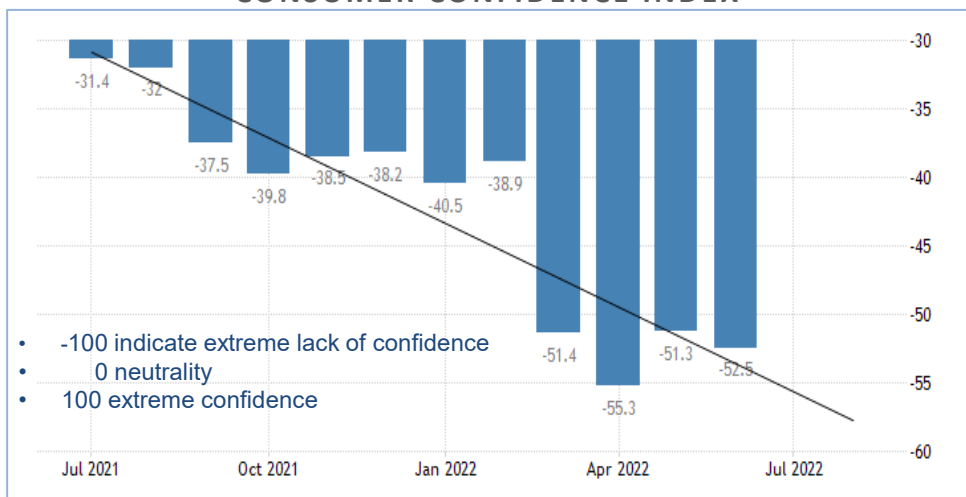
ATHENS RETAIL MARKET

According to the FMCG Retail Trends survey of the Consumer Goods Retail Research Institute (IELKA) conducted in the period 13 to 25 May 2022, 1 in 4 companies in the retail sector expect losses in 2022, while only 1 in 2 expect profits, but even from them that expect profits, half of the companies expect marginal profits of less than 2%.

The large tourist traffic and the willingness of Greek citizens to overcome the feeling of limitation and deprivation during the quarantine period, allow F&B and entertainment businesses to surpass 2019 levels in sales.

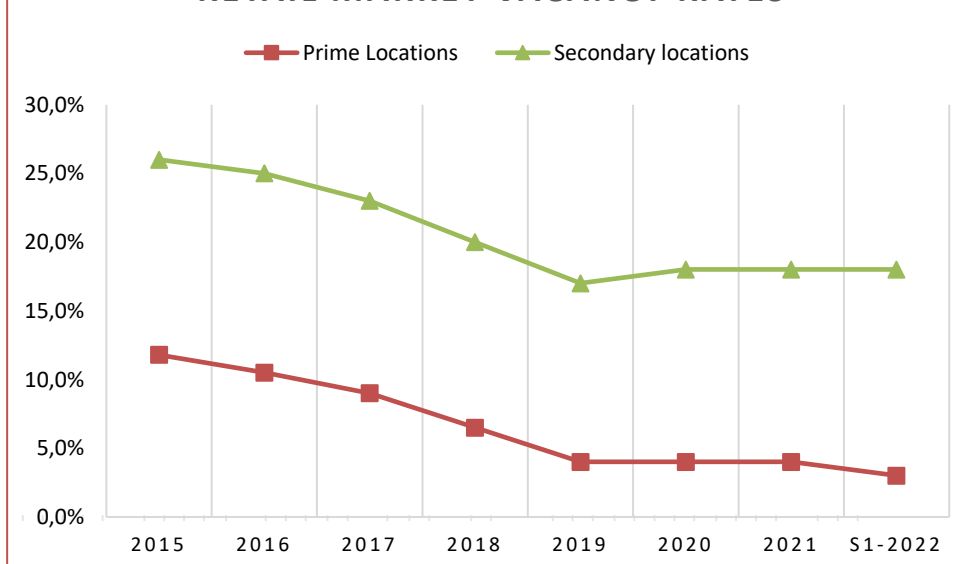
The demand for stores still exists mainly for prime locations, with fast non available supply in areas such as Ermou, Voukourestiou, Glyfada, the center of Piraeus (V.Georgiou & Dios), but also in the successful shopping centers, that maintain a waiting list with companies, interested in renting space. The requested monthly rents have remained stable. The vacancy rates remained also stable in the secondary locations and have decreased in the prime locations.

CONSUMER CONFIDENCE INDEX



Source: European Commission

RETAIL MARKET VACANCY RATES



Source: Danos an alliance member of BNP Paribas Real Estate

Real Estate for a changing world

The trade gap created by the two large commercial markets of Russia and Ukraine, as well as the stability of the Greek economy, resulted in the arrival of new companies in the Greek market:

The return of **Carrefour** through its collaboration with Retail and More, a subsidiary of the Teleunicom-Globalsat Group, was sealed with the opening of the first 5 stores, 2 in Zakynthos and 3 in Chalkidiki. The first phase of its network development has been initiated through the franchise method, creating stores in the periphery, especially in areas with intense tourist traffic.

Also the Polish discount chain **Pepco** is going to open 4 stores in Athens during the 3rd Quarter of 2022.

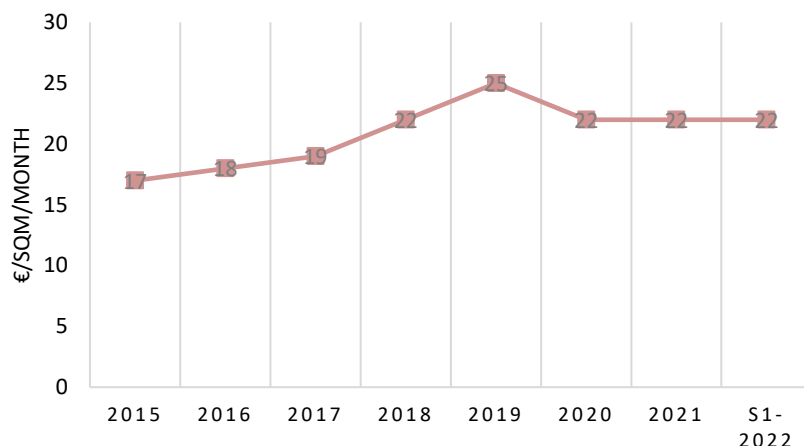
Another Polish group, **LPP / Sinsay**, one of the largest retail companies in Poland, has announced its entering in Greece with new fast fashion stores.

Vakko, the clothing, luxury goods & retail group of the Hako family, Turkish fashion leader, began its activity in Greece, having established in June the < Vakko Investment Sole Proprietorship > with the distinctive title < Vakko MAE >.

MARKET TRENDS PRIMARY RETAIL LOCATIONS	
RENTALS	➔
YIELD	➔
VACANCY RATE	➔
ABSORPTION	➔

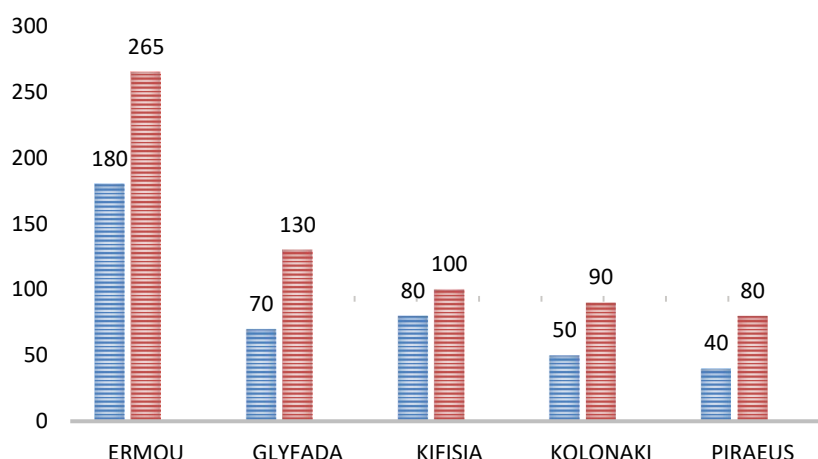
Main yields: Main yields: The yields in the high streets remained stable for 2022, with the lower rates in Ermou street (5,5%). Prime locations so far seem to be resilient and show stability in the short term.

AVRG RENTS IN SECONDARY LOCATIONS



Source: Danos an alliance member of BNP Paribas Real Estate

PRIME LOCATION RENT RANGE



Source: Danos an alliance member of BNP Paribas Real Estate



LOGISTICS MARKET REPORT

OVERVIEW

The port of Piraeus has become the main port of the Mediterranean and slowly, the peripheral ports, especially of Northern Greece, becoming a Balkan hub. 3PL warehouses are growing significantly and the 3PL companies offering a wide range of services, investing heavily in new technologies, systems and modern sustainable facilities.

The areas of Aspropyrgos, Elefsina, Thriassio are still the new "Mecca" of investments in the logistics industry, with Aspropyrgos getting ready to "welcome" tens of thousands of new square meters of storage space.

LOGISTICS MARKET

The total contribution of the supply chain industry in Greece exceeds 9%, with 6,3% coming from third-party services (3PL), according to Eurostat data (fixed price 2010), while the remaining 2,8% is internal logistics.

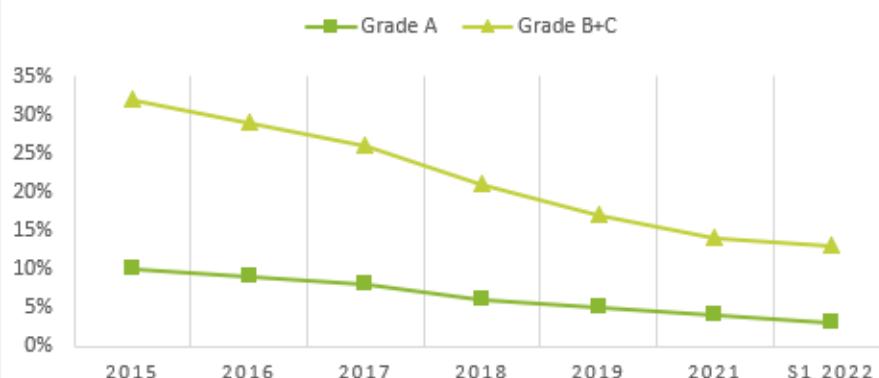
Demand for logistics real estate in Greece continues to be particularly strong as e-commerce and data center activity is strong. Base rents for large, modern and sustainable assets are going up and yields have been compressed, compared to the last quarter of 2021. The continued lack of available modern logistics stock is forcing investors to look for new developments. Given the demand for investment funds targeting the logistics sector, we expect further yield compression for the remaining year.

The industrial/ logistics market has been performing impressively in the past two years with an impressive increase in volumes of transactions as well as rental levels.

TAKE UP OF INDUSTRIAL PROPERTIES

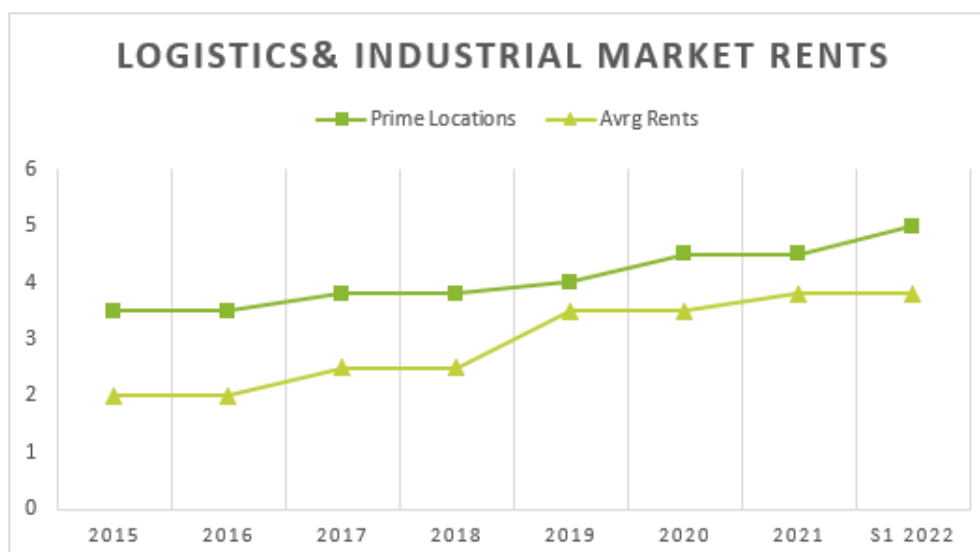


VACANCY RATES LOGISTICS & INDUSTRIAL SPACES



Source: Danos an alliance member of BNP Paribas Real Estate

The lack of a specialised logistics market was clearly depicted during the boom of e-commerce in the lockdown period and is still an issue since e-commerce is here to stay. Specifically it has been the target of most courier and transport companies to develop adequate logistic centres and last mile logistics and in the same time investments are expected to be realized by the major transportation firms. Greater EU is also documenting a similar market trend.



Source: Danos an alliance member of BNP Paribas Real Estate

Prime Logistics areas such as Aspropyrgos and Magoula have been gathering the investors' interest and the already existing demand is expected to increase even further in the coming Quarters. Demand has increased accordingly for secondary locations like Oinofuta and Markopoulo.

	MARKET TRENDS LOGISTICS			
	RENTS	YIELDS	DEMAND	SUPPLY
GRADE A				
GRADE B				



RESIDENTIAL MARKET REPORT

Residential Market has shown resilience to the impacts of the pandemic in Real Estate Sector and in most cases prices and demand have maintained their upward trend.

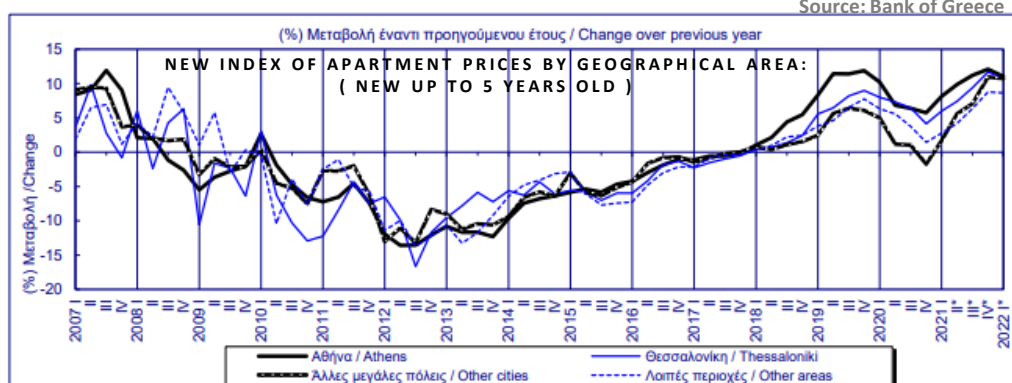
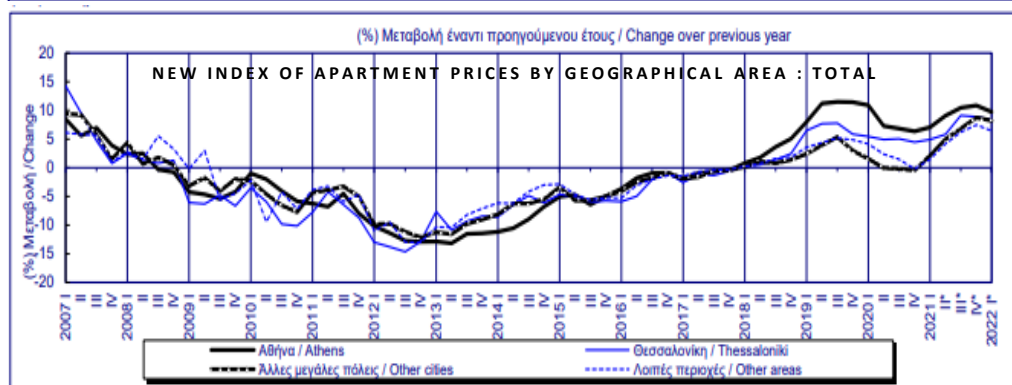
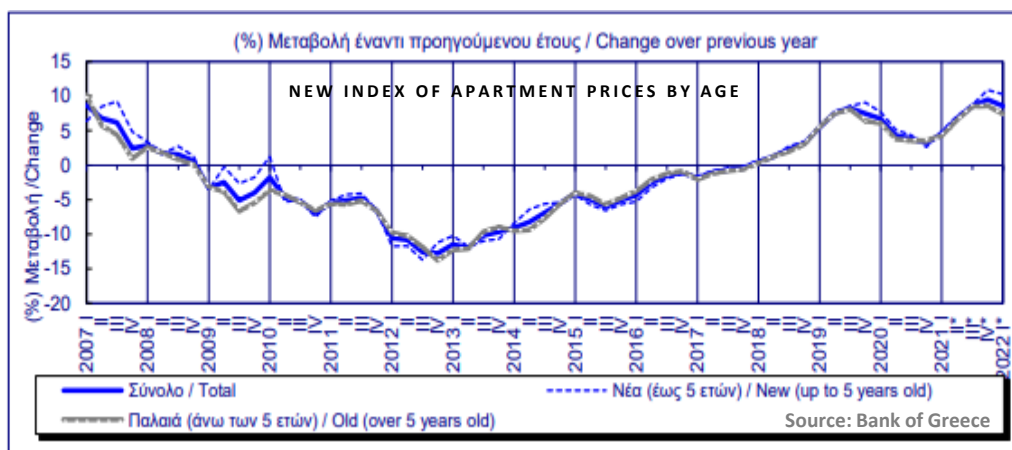
OVERVIEW

The center of Athens and the southern suburbs are where most of the real estate sales in 2022 have been concluded, the spike in inflation has resulted in a rapid increase in rents, while the high cost of building real estate has slowed down the demand for plots.

RESIDENTIAL MARKET

In the first quarter of 2022, the annual rate of change in apartment prices for the entire country stood at 8,6%.

Broken down by age of property, the annual rate of change in prices of new apartments was 10,3% and of old apartments 7,4%. Broken down by region, the annual rate of change in prices of apartments was 9,7% in Athens, 8,3% in Thessaloniki, 8,2% in other cities and 6,4% in other areas of Greece. According to provisional data, apartment prices (in nominal terms) are estimated to have increased on average by 8,6% year-on-year in the first quarter of 2022. In 2021, apartment prices increased by an average annual rate of 7,4% (revised data), compared with an average increase of 4,5% in 2020. More specifically, in the first quarter of 2022 the year-on-year rate of increase in prices was 10,3% for new apartments (up to 5 years old) and 7,4% for old apartments (over 5 years old).



Source: Bank of Greece

The average asking price (€/sqm) in houses for the second quarter of 2022 has increased, compared to the previous year. During April-May-June 2022, the asking prices for houses for sale were at the highest level in the south suburbs of Athens, while a price of 3.067€/ sqm was the average in the east suburbs.

The prices in the northern suburbs also follow an upward trend with 2.583€/sqm. The largest increase this quarter in comparison with last year, was recorded in Piraeus with +11,90%.

House prices for sale

Area	Q2 2022 (€/sqm)	Q2 2021 (€/sqm)	Change %
Athens - Center	1,700	1,591	6.90%
Athens - North	2,583	2,429	6.40%
Athens - South	3,067	2,766	10.90%
Athens - West	1,500	1,408	6.50%
Athens - East	1,714	1,607	6.70%
Piraeus	1,726	1,543	11.90%
Piraeus suburbs	1,368	1,269	7.70%
Rest of Attica	1,722	1,656	4.00%

Source: Spitogatos.gr

Rent raised in the first semester of 2022 8,5%, with one in two tenants struggling or unable to pay their rent. A problem has arisen especially in student housing with only 1 in 10 student residences available for rent with a rent of up to €300, for apartments above the 1st floor, mainly studios of 21 sqm to 30 sqm. The increase in short-term rental accommodation has also significantly contributed to the increase in rents and the lack of supply.

According to a related presentation by AirDNA, in the context of a related online event of ULI (Urban Land Institute), until June 12 nationwide, there is an increase in demand (based on the number of reservations) for the period June - September by 27%, compared to the corresponding period of 2019, for this year's two months of July and August, 1,3 million reservations have been made in short-term rental accommodations, compared to 600,000 reservations last year.

House prices for rent

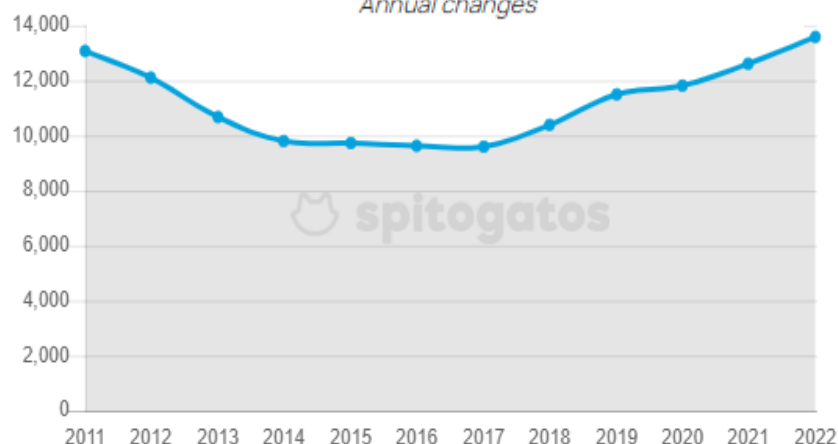
Area	Q2 2022 (€/sqm)	Q2 2021 (€/sqm)	Change %
Athens - Center	9.00	9.00	0.00%
Athens - North	10.00	9.17	9.10%
Athens - South	10.59	10.00	5.90%
Athens - West	7.31	6.92	5.60%
Athens - East	7.65	6.69	14.30%
Piraeus	8.33	7.50	11.10%
Piraeus suburbs	6.82	6.38	6.90%
Rest of Attica	8.33	7.17	16.20%

Source: Spitogatos.gr

Southern Athens Suburbs show resilience in view of the major investment project of Elliniko. Lamda Development will deliver four new hotels, 27 villas, 100 maisonettes and 200 apartments (Elliniko Marina Tower) in the next five years. By end-2025 or early 2026, the underground section of Posidonos Avenue will have also been delivered.

SPI - Residential properties for sale, Athens - South

Annual changes



Source: Spitogatos.gr

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HOTEL & TOURISM MARKET REPORT

Greek delights: Tourism rebirth

Traditionally a sun, sand and sea destination, Greece is working hard to reposition itself and shed its traditional tourism image.

OVERVIEW

Bracing itself for a strong tourism season, Greece is expected to see swift recovery. With travelers eager to put the pandemic behind them, a travel surge is anticipated, resulting in an earlier start to the season for certain destinations. While the industry is moving full steam ahead, product diversification is necessary to enable Greek tourism to emerge stronger and improve its share of tourist activity and demand worldwide.

The aim of the plan is to adopt some of the latest travel trends evolving around wellness, to develop a sustainable tourism model and to promote lesser-known destinations. Ultimately, the strategy will lead to the extension of the tourism season by introducing a more diversified than one focused largely on the sea and sun, increasing the average length of stay and tourist spending, and providing new opportunities for attractive investments.

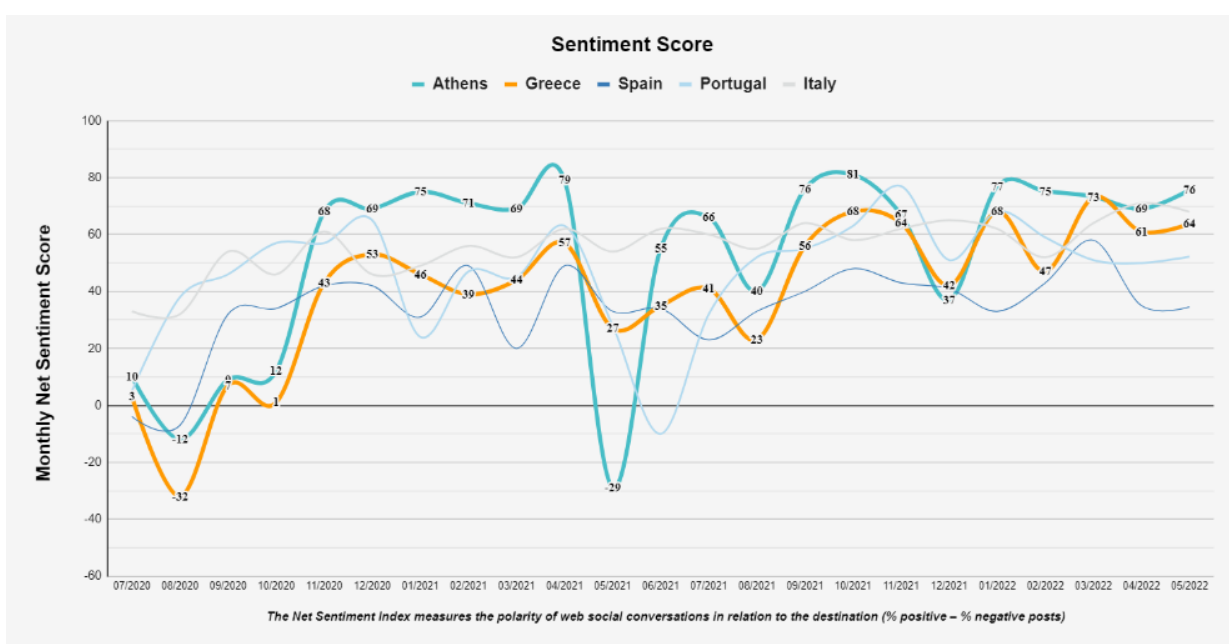
Greece's tourism market remains vibrant and is expected to grow further. By pushing the pause button, the pandemic created the need to reimagine the country's tourism product and to review some of the dated concepts that no longer support Greece's tourism vision. Recent and future developments are poised to alter Greece's tourism model, engaging foreign investment entities for an upgraded infrastructure and flattening the seasonality curve.

PASSANGER TRAFFIC	DOMESTIC				INTERNATIONAL				TOTAL			
	2022	2021	2020	2019	2022	2021	2020	2019	2022	2021	2020	2019
January	286.560	110.722	433.964	449.834	486.579	122.633	1.038.772	943.051	773.139	233.355	1.472.736	1.392.885
February	321.452	101.741	423.501	443.228	514.790	96.112	941.130	884.560	836.242	197.853	1.364.631	1.327.788
March	402.447	120.697	207.955	516.796	786.376	119.963	431.826	1.135.798	1.188.823	240.660	639.781	1.652.594
April	548.635	159.166	11.917	573.227	1.137.227	158.815	11.411	1.413.529	1.685.862	317.981	23.328	1.986.756
May	671.573	275.039	58.293	700.752	1.385.282	304.383	25.728	1.584.454	2.056.855	579.422	84.021	2.285.206
June	790.750	454.453	195.826	795.188	1.644.029	641.366	119.823	1.817.906	2.434.779	1.095.819	315.649	2.613.094
July		676.937	400.368	915.648		1.178.658	493.254	2.065.533		1.855.595	893.622	2.981.181
August		737.889	485.156	915.133		1.372.593	718.365	2.124.732		2.110.482	1.203.521	3.039.865
September		614.801	340.993	810.796		1.156.594	521.123	1.878.605		1.771.395	862.116	2.689.401
October		531.828	266.245	669.131		1.086.247	453.691	1.632.425		1.618.075	719.936	2.301.556
November		418.644	99.425	496.990		799.623	163.597	1.169.664		1.218.267	263.022	1.666.654
December		406.055	92.289	464.291		700.827	143.742	1.172.722		1.106.882	236.031	1.637.013
Total	3.021.417	4.607.972	3.015.932	7.751.014	5.954.283	7.737.814	5.062.462	17.822.979	8.975.700	12.345.786	8.078.394	25.573.993

Source: AIA

Athens Hotel & Tourism Market

The volume of social conversations about Greece recorded an impressive 58% growth in May, while the increase in posts about Athens was moderate. While COVID-19 incidence rate in conversation was slightly higher, the content was positive rejoicing the lifting of all pandemic restrictions and expected boost to holidays in Greece. In Athens, the incidence rate remained stable with positive content also, some travelers expressed uncertainty if COVID-19 related measures were eased in concert venues as well. Greece's e-reputation ascended to 64 points in May. The Net Sentiment Score of Greece surpasses Portugal (+12) and Spain (+29) but remains below Italy (-4 points). Athens e-reputation score recovered to 76 points. The Ukraine conflict was present in less than 3% of total Greece/Travel social conversations, having therefore a very limited impact on the destination brand-relation sentiment.



Source: INSETI – SETE INSTITUTE

Pipeline - Main transaction & development

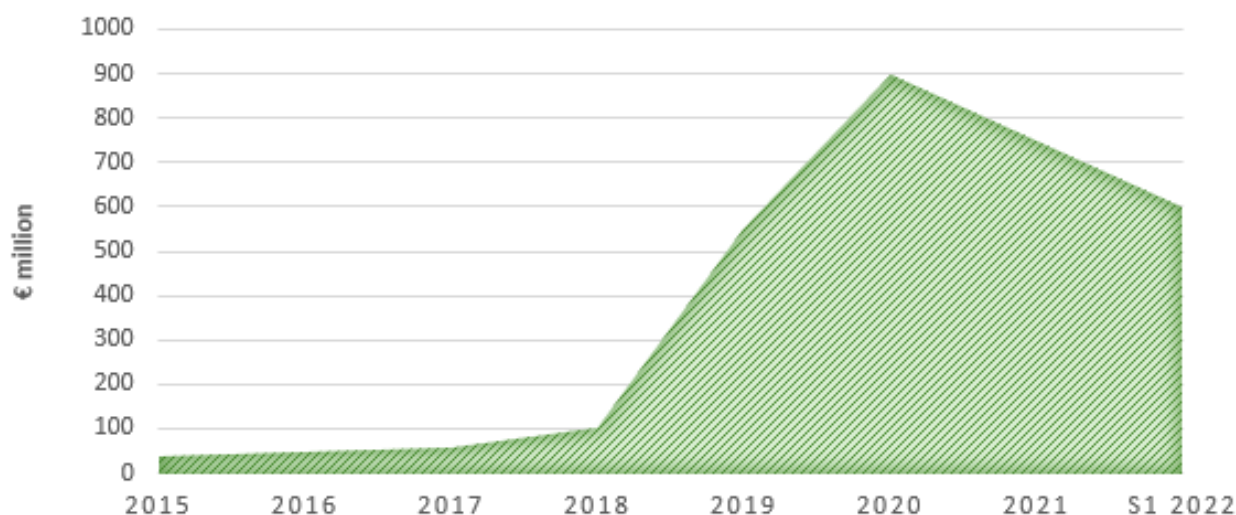
The expectations in the market remain high and there is vivid activity in the sector with new openings and new developments. Among others:

- ✓ The 4-star Lighthouse of Brown and the 3-star Moxy opened both at Omonoia Square with 220 and 200 room respectively.
- ✓ Currently around 1,400 new hotel rooms are under construction in Attica and another 1,100 rooms are currently under renovation. The niche of international brands will be partially covered through the operation of One & Only, Radisson, Brown Hotels and the Hilton brands (Conrad/ Curio/ Hampton).
- ✓ About 2,500 rooms are planned at Hellinikon Project, while many other projects are under investigation.

MAJOR RE TRANSACTIONS S1 2022

Buyer	Asset Description	Price (in million €)	Date
DIMAND	Land plot 49.340 in Votanikos, Athens CBD	14,22	January 2022
TRADE ESTATES	Retail Park 14.500 sqm in Faliro, Athens	18,3	January 2022
TRASTOR	Office building 2,170 sqm in Maroussi	2,36	January 2022
MHV	Porto Paros Hotel	55	January 2022
PRODEA	Land Plot 10.430 sqm in Maroussi	13,76	January 2022
Ferena Holdings	Semi finished Hotel in Galatas - Stella Maris	6	January 2022
Ehret+Klein	Office building ~ 4.000 sqm in Athens CBD	7,5	January 2022
Indotek	Hotel (Athens CBD/ former OSCAR HOTEL)	5,5	January 2022
DIMAND	Land plot 25.210 sqm in Thessaloniki	5,1	February 2022
TRADE ESTATES	Retail PARK 31.400 sqm in Thessaloniki	35,96	February 2022
Monterock International	Hotel Kenshō Psarou in Mykonos	19	April 2022
ELVALCHALKOR	Land plot 285.400 sqm in Oinofyta	29	April 2022
Pistiolis	Showroom - Office building in Kantza , ~ 31.480 sqm	9	May 2022
Prokopiou	Land plot in Lagonisi ~ 19.700 sqm	30,5	May 2022
Melissanidis	Land plot in Chalkida 400.000 sqm	23,4	May 2022
PREMIA PROPERTIES	Doukas private school, 23.100 sqm in Maroussi	20	May 2022
DIMAND	Land plot 10.600 sqm in Kifisias Avenue in Maroussi	20	May 2022
TRASTOR	Office building 16.790 sqm in Maroussi	27,05	June 2022
PRODEA	Office building 14.000 sqm in Maroussi	35	June 2022
Orilina & Lamda Development	Land plot 72.120 sqm for commercial use in Thessaloniki	7,5	June 2022

GREECE INVESTMENT VOLUME



Source: Danos an alliance member of BNP Paribas Real Estate

GREECE

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