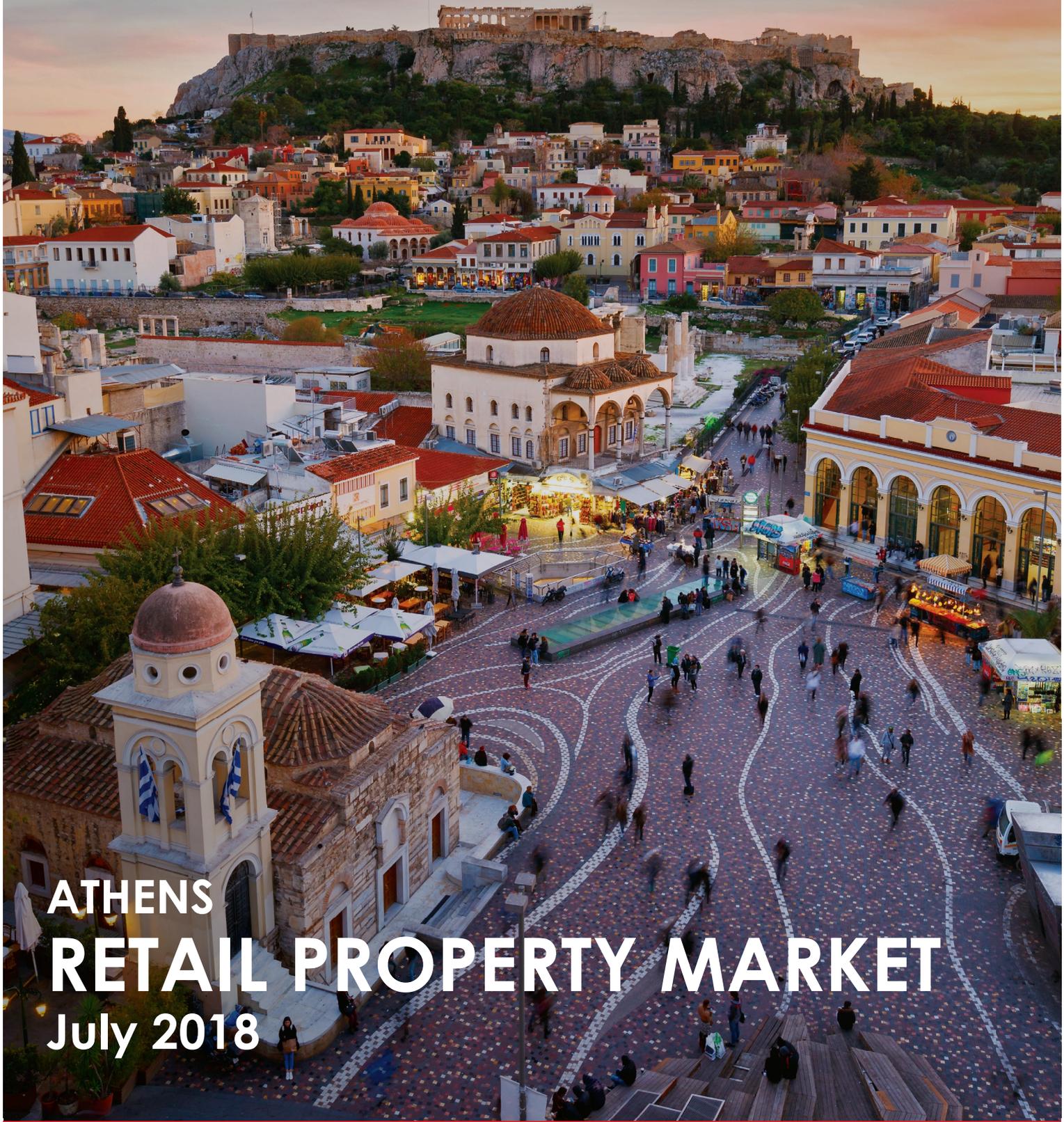




Arbitrage
Real Estate Advisors



ATHENS RETAIL PROPERTY MARKET

July 2018



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| RETAIL MARKET DETERMINANTS

The successful completion of the remaining prior actions by the Greek government in June 2018, as required under its third economic adjustment programme, opened the door for Greece to exit the programme, due to end on August 20th, and turn the corner like Ireland, Portugal and Cyprus did. This is expected to enhance economic stability, boost business confidence and attract further investment in the domestic commercial real estate. Nonetheless, this will not be enough by itself. The establishment of a medium-term trust in the Greek economy, coupled with the long-awaited growth recovery, remain important prerequisites for retail space demand to pick up in all segments of the market.

Another important market determinant is related to the active management and disposal of non-performing loans (NPLs) currently owned by domestic systemic banks. As an example, the first successful sales to experienced international investors will lead to the disposal of collateralized commercial property portfolios, including retail stores and shopping centers, to investors who might seek to follow a more hands-on approach. Likewise, the expansion of electronic auctioning of collateralized commercial properties, seized to pay off NPLs, will and in certain cases has already started to increase the transactional and investment activity in the retail property market.

At the same time, the growth in commercial transactions via internet (e-commerce), combined with the promotion of retail products via social media, continues to bring about alterations in the local consumers behavior and it is gradually leading to the transformation of the supply chain and reduced demand for large-scale retail spaces. It is also expected to augment the need of retail businesses, currently operating in physical stores only, to invest more in e-commerce (bricks vs clicks).

Furthermore, the growing trend, throughout Europe and worldwide, for improved operating costs and increase in productivity and energy efficiency is expected to lead to further demand for commercial premises of contemporary specifications and standards. This shift, combined with the offer of additional local services through the use of new technologies and the internet, will create a demand for retail spaces into more organized multi-unit retail properties of higher standards.

In summary, we believe that in the foreseeable future the steady and solid economic recovery will remain the key determinant of strengthening consumer spending and it will continue in conjunction with the other aforementioned trends to drive the development of the domestic retail property and shopping centers market.

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During the last 18-24 months, the main domestic retail markets kept on being influenced by the weak economic recovery and the lack of consumer's liquidity. This was more evident in secondary markets and locations. The inadequate economic growth was combined with the additional income tax obligations, pension cuts and insurance contributions, which continued to hamper households purchasing power and thus consumer spending. In 2017, however, with the first solid signs of economic recovery, the retail letting and related property investment market, in which predominant demand was for prime retail space, witnessed some encouraging increasing activity, which has remained in the first quarter of 2018.

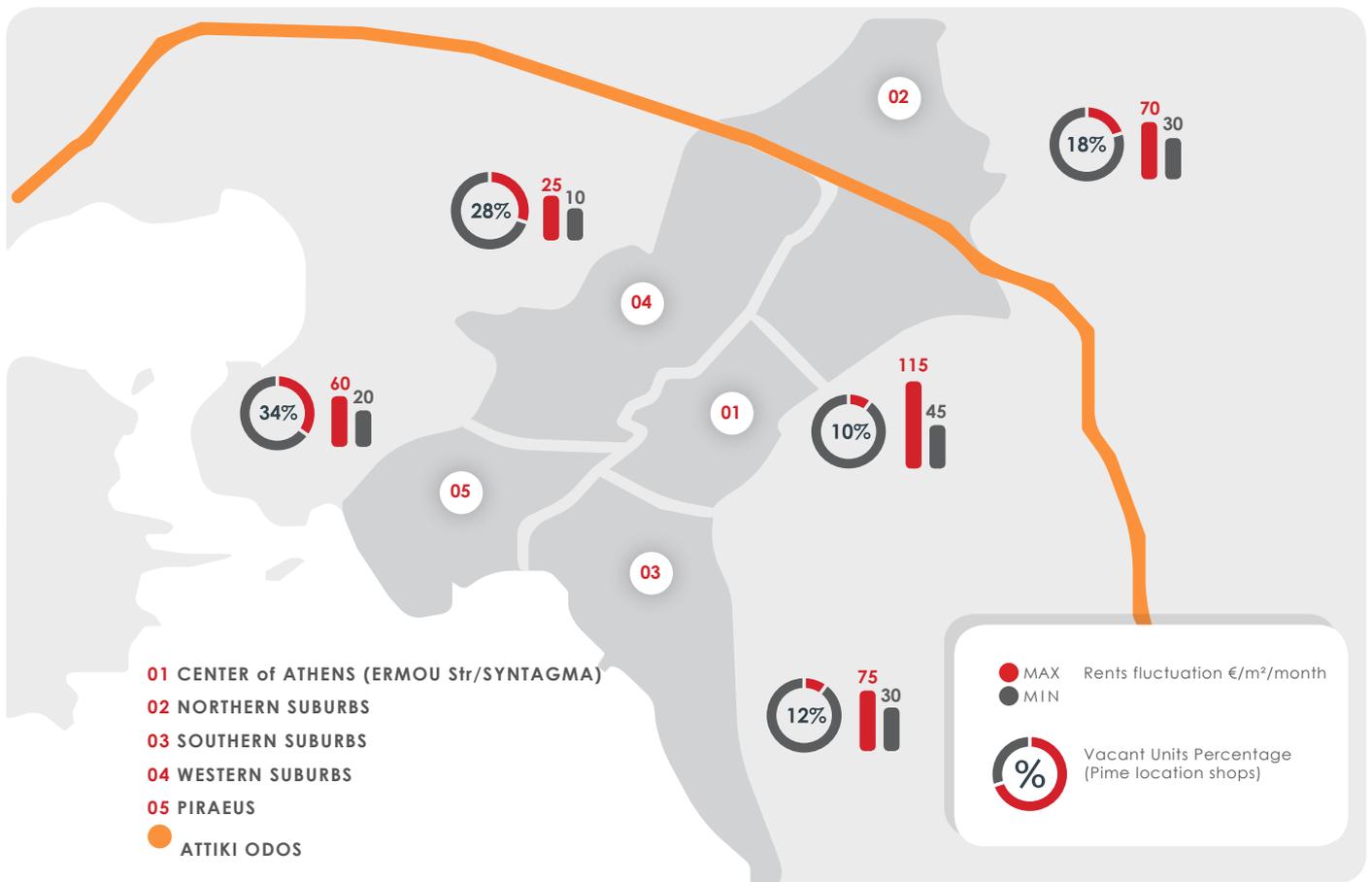
At the same time, the growth in commercial transactions via internet (e-commerce), continued to bring about alterations in consuming behavior and it is gradually leading to a transformation in the supply chain. This has intensified the reduced demand for large-scale retail spaces and augmented the need of retail businesses operating only in physical stores to invest in e-commerce (bricks vs clicks) and therefore occupy space in smaller and more flexible inner-city logistic hubs.

Rapidly changing shopping habits have also led to changes in the strategy of national and international well-known brands mainly operating large out-of-town outlets. They have now been targeting smaller inner-city stores, not only in Athens but also in other core and peripheral cities. A typical example is Leroy Merlin, which recently launched its new 6,000m² store in the center of Athens. The Swedish Company IKEA has also announced that it is changing its strategic development plans in out-of-town big box retail units, as their online store purchases are growing.

On the other hand, the growing associated revenues from tourism, as recorded in the past years, are helping the retail market, in particular the turnover of shops located at the historic center of Athens. This has led to renewed and increased demand from existing and new retail brands and domestic F&B operators for spaces in these areas, especially around Acropolis and in Plaka, close to major central hotels or Monastiraki Square.

Finally, the general need for improved operating efficiencies has started to drive demand for commercial premises of contemporary specifications and better standards. This space demand has come mainly by international retail chains adopting more environmentally friendly specifications. This shift, combined with the offer of additional promotional services via the embracing of new technologies, is creating also a demand for retail spaces into more organized, higher standards properties.

ATHENS



In the Athens market, there was a rebound in 2017 for spaces located at traditional high streets. More precisely, vacancy rates recorded to be below 5% in the main commercial areas of central Athens and of the affluent suburbs. The corrections in rental values, combined with the departure of some key retailers from the market during the previous years, led to free up of commercially well located space and the entrance of new retail chains in the market. In Athens center, Ermou street keeps the lead with average annual rental values reaching €100/m² for high street brands. Major shopping malls continue to resist recession with vacancy rates below 4% and rental values stable. Gross initial yields range between c. 8% and 9%.

In some shops on the main commercial streets of Athens, such as Ermou Street or in high visibility locations of Kolonaki and Glyfada, leases have been signed with a form of extra upfront payment from tenants to landlords, known as “key money”. These “key money” payments were a common practice in commercial areas of Athens before the economic crisis, pre-2008. It now seems they have been brought back due to the lack of available

high street properties in very popular market areas. This trend is mainly applied for retail units with a small size of 40m² - 60m², but gradually, due to the on-going demand, landlords have started to demand for medium spaces of around 100m².

It is also important to note that the increase in tourism, as recorded over the past years, and the increased demand for new hotel assets have led to a series of long-term leases for hotel conversion of available neoclassical and large commercial properties in the center of Athens. This conversion trend, coupled with increased activity by the F&B sector, is decreasing the vacancy and the availability of good commercial spaces in the center of Athens.

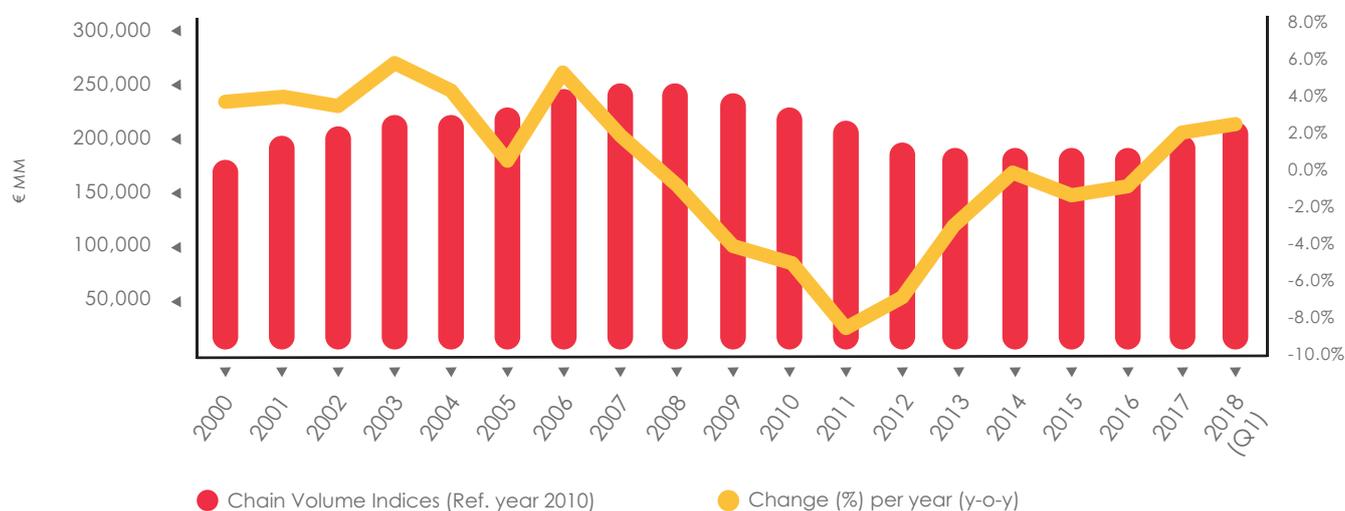
Finally, the big box retail sector has had the past 12-18 months increased activity with the entry of new DIY brands and the expansion of traditional operators to more urban areas as a consequence of lower rental values and repositioning opportunities in vacant retail properties.



CONSUMPTION & RETAIL TRENDS

Overall, during the economic difficult and recessionary period of 2008 – 2016, GDP shrunk by around €66 billion, a decline of 26%. However, according to the available seasonal adjusted data up to Q1 2018, Gross Domestic Product (GDP) in 2017 recorded an increase of 2.2% compared to 2016, while during the first quarter of 2018 there was an increase of 2.3%, compared to the first quarter of 2017.

Gross Domestic Product



* Gross Domestic Product (GDP) in terms of volume – Seasonal adjusted data

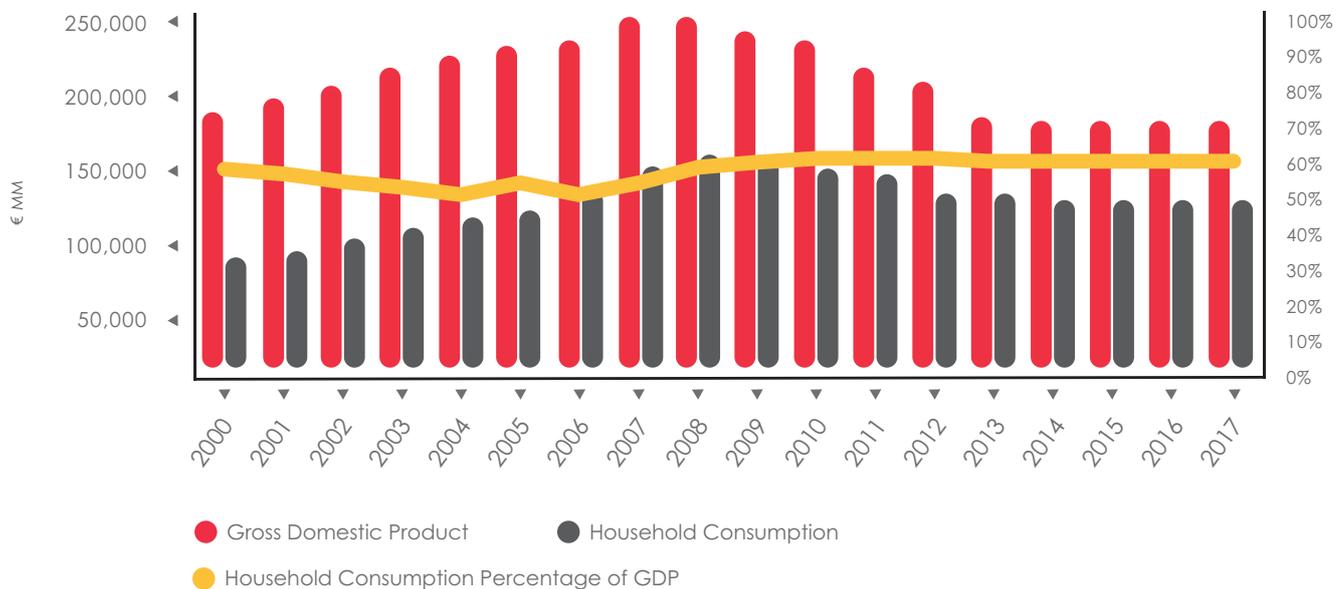
Source: Hellenic Statistical Authority (HSA) – Analysis: ARBITRAGE RE

Concerning the household final consumption expenditure¹ during 2008-2016, total consumption suffered, as expected, a relative loss of €39.8 billion, a comparable decrease of around 25%, reflecting the cumulative pressures that households faced to cut spending as a result of the overall economic situation.

This proportional stability of household consumption as a percentage of GDP shows that a possible recovery of the Greek economy may create the appropriate conditions for a corresponding recovery in consumption.

However, household consumption, as a percentage of GDP, remained stable during the period and at its usual high level of 70%.

Household Consumption as a Percentage of GDP



Source: Hellenic Statistical Authority (HSA) – Analysis: ARBITRAGE RE

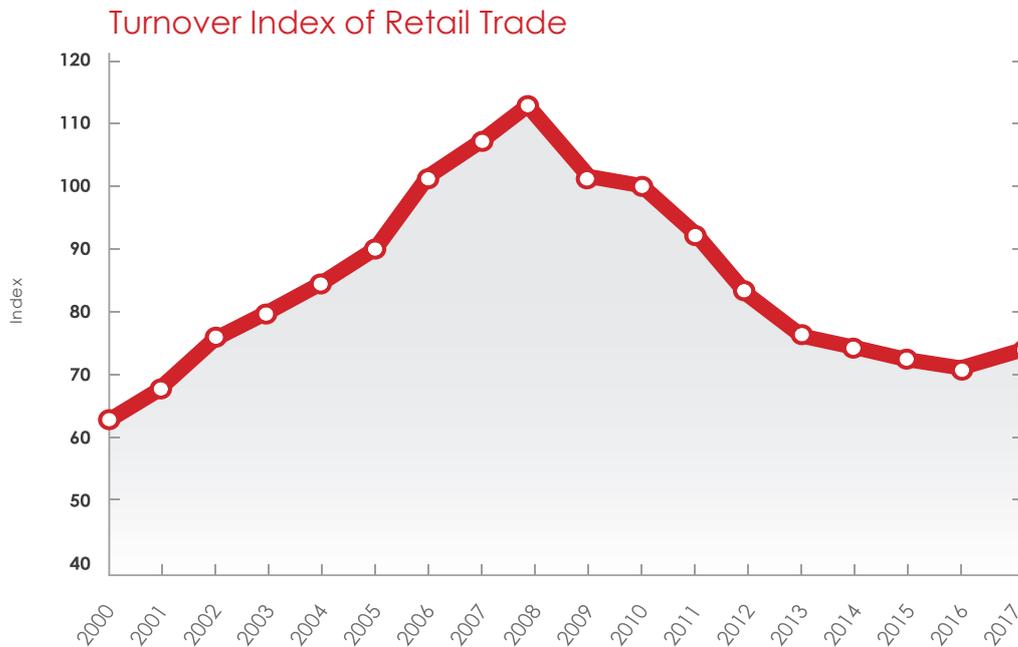
Generally, a likely recovery in households' consumption, due to an increase in disposable income, improved economic prospects and better paid employment opportunities, is expected to have a beneficial effect on the retail market, increasing possibly turnover of retail businesses. This will also

result in demand for new retail spaces and could reduce, in specific areas, the vacancy rates of retail spaces.

Household consumption in 2017 was approximately €118.3 billion, compared to €116.8 in 2016.

1. Final Consumption Expenditure = Households + NPISH (Non-Profit Institutions Serving Households) + General Government

The Turnover General Index in Retail Trade has recorded a cumulative fall of more than 35% from 2008 to 2016 as a result of the impact of the country's economic crisis on the retail sector. As mentioned above, some signs of recovery were witnessed in 2017. As an example, in 2017, the average of the Turnover General Index was estimated at 72.3, a small but notable percentage increase of 1% compared to the average of 2016 (71.1). According to the data of the Hellenic Statistical Authority, in the first quarter of 2018 the Average Monthly Turnover Index of Retail Trade was 68.6.



Source: Hellenic Statistical Authority (HSA) – Analysis: ARBITRAGE RE

Consumer purchasing power remained relatively unchanged in 2017 according to data from the Greek Statistical Authority. In particular, there was a decline in demand for clothing and footwear, with an increase in interest in food and non-alcoholic beverages, the most stable sector.



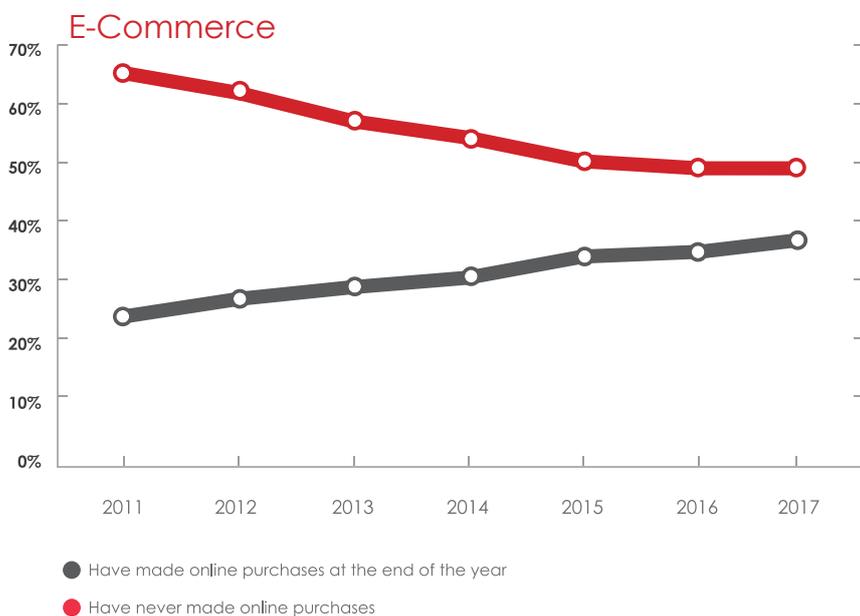
E-COMMERCE

The use of e-commerce and new technologies has increased during the recent years, however, to a lesser degree than the rest of Europe, as certain consumer segments remain cautious or still unaware about the opportunities of online shopping.

Specifically, the percentage of Internet users over the last 5 years, who have made purchases or placed orders of goods over the internet, has shown an overall increase of approximately 40%, with an average annual growth rate of 7%. The number of consumers, who have

never made purchases or placed orders of goods over the internet, has also reduced. Their percentage share in relation to the total population has gone down and it is currently around 23%.

In particular, the number of individuals, who made purchases or orders of goods or services over the Internet between 2016 and 2017, has increased by 11%. In summary, the use of the internet as a channel for purchases is becoming more popular over the years.



Source: Hellenic Statistical Authority (HSA) – Analysis: ARBITRAGE RE

According to data collected by E-Commerce Europe and Hellenic Statistical Authority, turnover from e-commerce in Greece increased from € 3.8 billion in 2015 to € 4.5 billion in 2016 and reached € 5.0 billion in 2017, a rise that highlights the shift of Greek consumers to e-purchases and the increasing role of e-commerce for local and international retailers operating in the country.

In view of the above, the government promoted improved legislation to reform the existing law 2251/94 and reduce transaction costs, simplify procedures and better protect consumers.

In general, the contribution of e-commerce is expected to play a key role in the domestic retail market in the next years and will influence and reframe the demand of available lettable retail spaces. In more detail, it is expected to be one of the important driving forces that will bring about changes in retail market and, at the same time, lead to a further reduction in the demand for commercial spaces that are either of large surfaces or located on secondary locations distant to the main high-streets. This will result in certain commercial

properties to remain vacant even if the economy returns to pre-crisis household consumption levels regardless of their specifications or location. At the same time, it is anticipated that there will be an increase in demand for small surface storage spaces located within and near the city center. These smaller units will be used to serve e-commerce demands for fast deliveries and flexible e-selling points. In a nutshell, there will be certainly some winners and losers during this transformative process.



RETAIL STORE MARKET

The demand of potential retail tenants for shops within the greater Athens area was limited to locations of high commercial activity and it generally related to small units with a ground floor area of up to 60m². High-street shops in Athens's main commercial center, especially in Ermou Street, recorded the highest rental levels, surpassing - in some cases at smaller stores - the price of €150/m²/month. This is why Ermou was ranked high (25th) in the list of the world's most expensive shopping streets. High-street shops rental yields within downtown Athens's well known "Historic Triangle" district, ranged from 6.00% to 7.00% on and close to Ermou Street and 7.25% to 7.75% within Kolonaki area.

In other Athens retail district markets, mostly suburban, higher rents were recorded in retail units located on the high-streets of the suburbs of Glyfada and Kifissia, with the average monthly rent exceeding €75/m²/month.

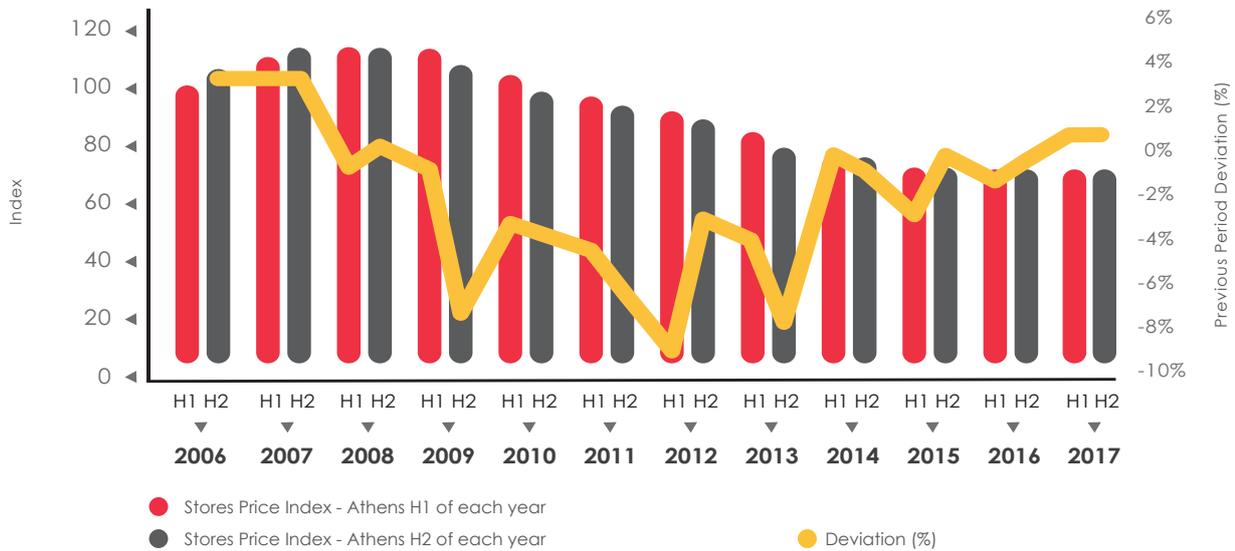
Similarly, the yields at Glyfada's shopping center stood between 7.25% - 7.75%, while in Kifissia's central shopping market ranged closer to 7.50% - 8.00%. Renewed interest was also noted for Chalandri, Marousi and Nea Erythraia districts, where average rents exceeded €40/m²/month. On the contrary, the demand for retail units in the areas of Nea Ionia, Kallithea and Peristeri remained limited, with average rental prices ranging from €20/m²/month to €50/m²/month, depending on their location proximity to main commercial streets and places.

Furthermore, asking rents for retail units within the shopping center of the city of Piraeus and near the main port ranged from €20/m²/month to €60/m²/month, depending always on the location and size. The cap rates of well-located and high-visible retail units in Piraeus estimated to be around 7.50%.

RETAIL MARKET TRENDS

During the last 3 years, sharp changes were noticed in the Store Price Index, reflecting the lack of confidence and stability in the domestic retail property market and in the Greek economy in general.

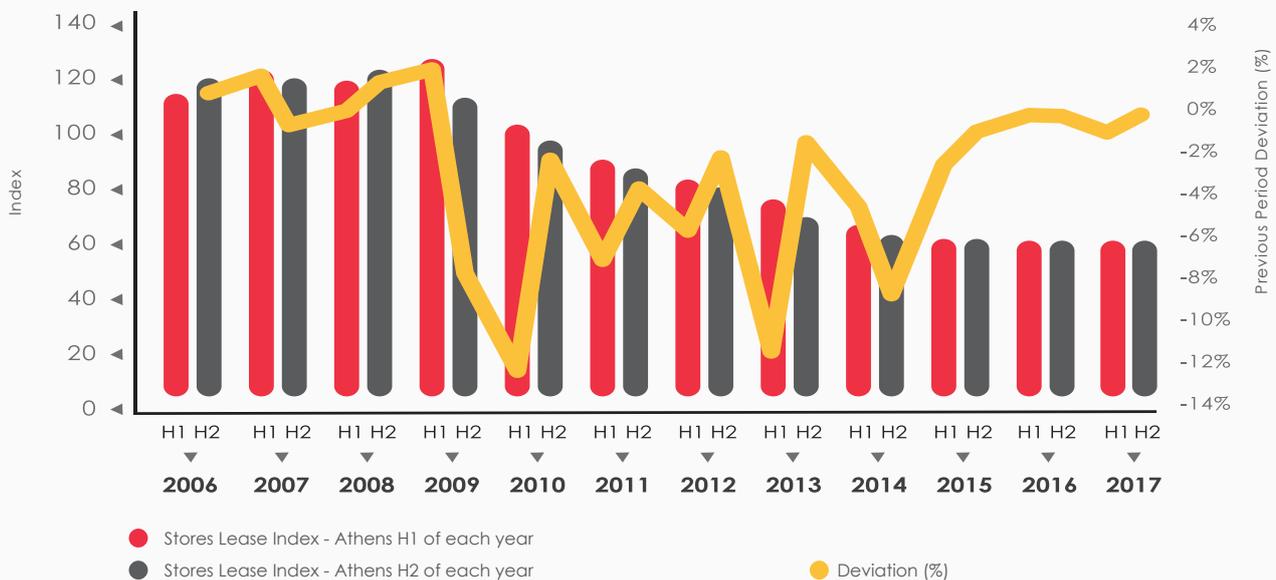
Stores Price Index - Athens



Source: Bank of Greece – Analysis: ARBITRAGE RE

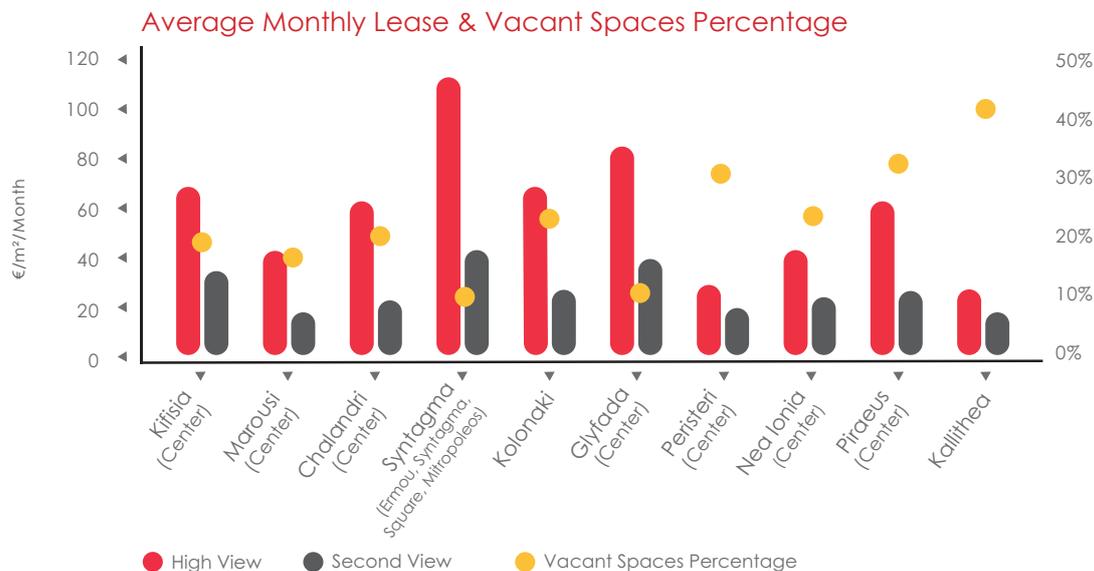
The recorded drop in Athens Store Lease Index during the last seven years demonstrated the first signs of stabilization in 2016 and continued during 2017 when Store Lease Index remained practically stable.

Stores Lease Index - Athens



Source: Bank of Greece – Analysis: ARBITRAGE RE

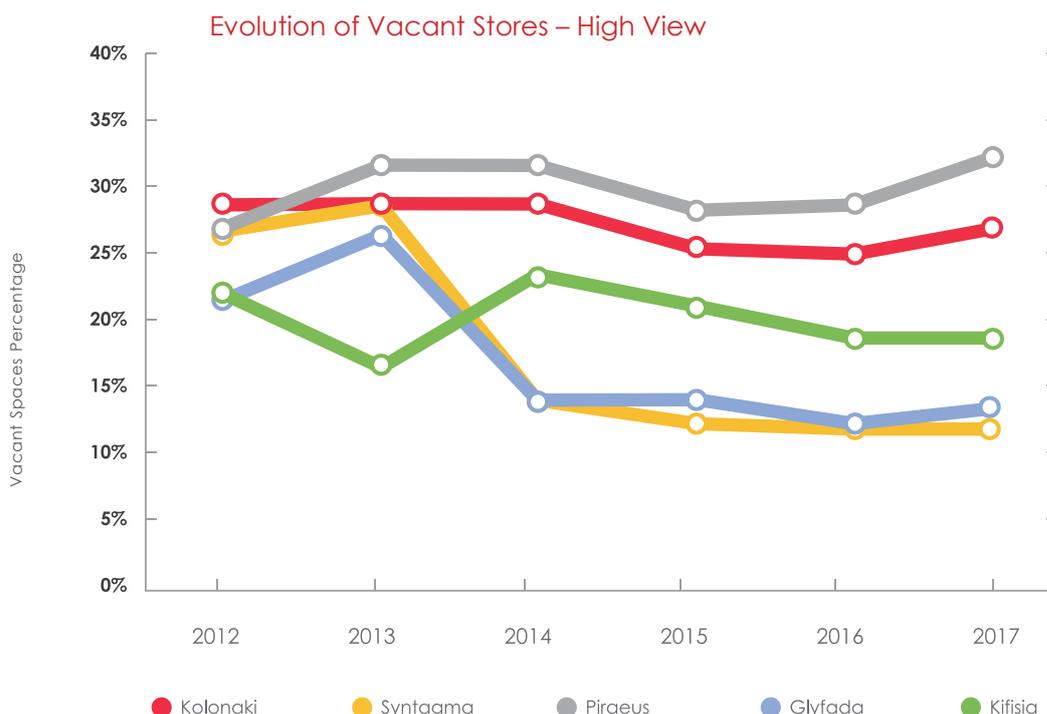
The chart below shows the average monthly rent of retail units in the main Athens retail markets as well vacancy rates in 2017.



Source: ARBITRAGE RE & Institute of Commerce and Services of The Hellenic Confederation of Commerce and Entrepreneurship (ESEE)

The percentage of vacant retail units in Athens central commercial districts, as well as in Kifissia, Maroussi, Chalandri and Glyfada ranged between 10% and 20% approximately. In the markets of Peristeri, Nea Ionía and Kallithea, there was a significant decrease during the past years in the number of operating retail businesses, which resulted in an increase in vacant units to over 30% in average.

The following table illustrates the evolution of vacant stores in the 5 main shopping markets of greater Athens. Stronger markets during the 2014-2017 period were those of Syntagma (Ermou Street) and Glyfada with vacancy rates of the existing retail property stock ranging below 15%.



Source: Institute of Commerce and Services of The Hellenic Confederation of Commerce and Entrepreneurship (ESEE)

Analysis: ARBITRAGE RE



As previously explained, the interest of retail tenants to lease commercial premises was limited to areas of high trading activity and was mainly related to spaces of smaller surfaces, as one of the operating objectives of retail businesses was to reduce occupancy costs.

Additionally, another trend was either the refurbishment of existing units to retain tenants or a move by retailers to more commercial spots, taking advantage of rent reductions in central areas.

There was a keen interest for relocations to commercial units within organized shopping malls. High interest was recorded for moving to commercial venues in organized shopping centers, where consumer activity is combined with other activities.

As a result, vacancies in districts mostly affected by the economic crisis have remained above 25%, while, in the main and central commercial markets, vacancies are approximately around 10%-15%.

CENTER OF ATHENS

Leasing interest in the city center of Athens mainly relates to high street stores located within the historic triangle district, Kolonaki area and close to Acropolis. The higher rental levels are recorded in shops on Ermou Street, which on average exceed €100/m²/month. Across the Acropolis, Plaka and Monastiraki downtown and historic districts, rents range from €50/m²/month to €80/m²/month. In Kolonaki area, rents range from €50/m²/month to €90/m²/month, based on their proximity to Patriarchou Ioakeim Street and Filikis Etairias Square. Lower rents are recorded in retail units in the broader Exarchia district, followed by shops along Patission Street, once a very well-known commercial street, and near Omonia Square, ranging from €20/m²/month to €30/m²/month. Lastly, in the area of Kerameikos, the rental interest relates mainly to shops suitable for F&B uses, located mostly near "Kerameikos" metro station. The rents in the area range from €15/m²/month to €20/m²/month.



PIRAEUS AREA

Retail unit rents in Piraeus vary based on their proximity to the main Ferry Port area, Korai Square and to the commercial center of the city. More specifically, the rents of shops near Korai Square with a facade on Vassileos Georgiou, Iroon Polytechniou and Lampraki Avenues, range depending on specifications and location from €30/m²/month to €60/m²/month. Similarly, rental levels in high street retail stores near Piraeus Ferry Port vary depending on location and range from €20/m²/month to €40/m²/month. Retail stores vacancy within Piraeus center remained stable in 2017 and is currently close to 30%, while the respective vacancy in Terpsithea area and Piraeus Industrial Ports remains still around 40% reflecting the lower interest for lettings in the areas.



WESTERN SUBURBS

The demand for retail space in the western suburbs relates to units in the broader Peristeri, Aegaleo and Nea Ionia areas. In Peristeri, shop rents on central roads (e.g. Ethnikis Antistasseos, Emiliou Veaki etc.) ranged from €20/m²/month to €40/m²/month, while rents for secondary display shops ranged between €10/m²/month and €15/m²/month. In general, it is fair to say that the rental interest is declining and vacancies have gone up. Weak demand is also observed for shop rents within Aigaleo and has caused rental values on central areas to drop between €15/m²/month to €25/m²/month. Finally, in Nea Ionia, the rental rates ranged considerably between €20/m²/month to €45/m²/month depending on location and specifications. Higher rents were recorded for shops on Heraklion Avenue and close to Nea Ionia metro station. In general, vacancy in the western suburbs remains high, reaching on average approximately 30%.



SOUTHERN SUBURBS



Glyfada

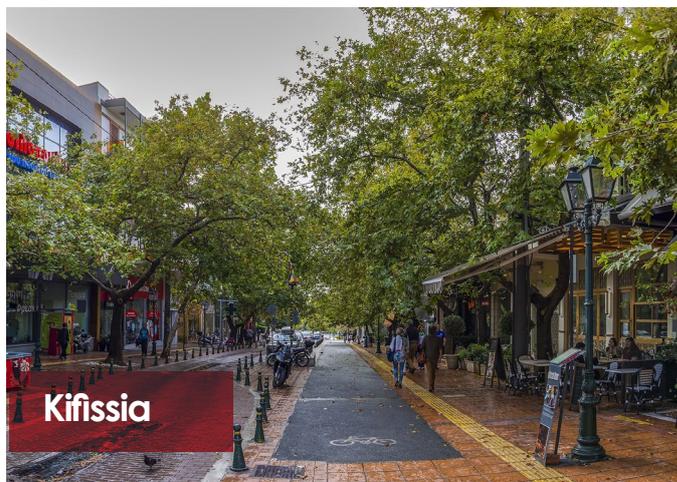
The southern suburban commercial market is quite diverse but in general it has shown stability in terms of rental levels. There have been cases where rental values have recorded marginal rises, especially in the affluent Glyfada area. More precisely, in Glyfada, rents for shops with a facade on Angelou Metaxa Avenue, which are located close to Esperidon Square, range from €70/m²/month to €75/m²/month. In contrast, the rental rates for units in the areas of Argyroupoli, Ilioupoli and Elliniko are between €20/m²/month and €30/m²/month, while in secondary streets ranged even lower between €5/m²/month to €15/m²/month. In Nea Smyrni, the demand for retail space mainly relates to shops near the well-known central

squares. Rents for these retail units range between €40/m²/month to €60/m²/month. Within and the surrounding area of Kallithea area, the demand is comparatively lower, also noticed by the vacancies which have reached 40% in certain areas. The interest in the area of Kallithea mainly targeted units near Davaki and Cyprus squares, which have a facade on the streets Sivitanidou, Syntagmatarchou Davaki, Harokopou and Eleftheriou Venizelou Avenue, where vacancies were notably lower. The rental values in these units ranged from €20/m²/month and €45/m²/month.

NORTHERN SUBURBS

Higher demand for retail unit space is recorded within the centers of affluent Kifissia and upcoming Chalandri, which have a facade on central commercial roads. More specifically, the rental levels for centrally located stores, with a facade on main streets (e.g. Levidou Str., Kolokotroni Str. etc.), range from €50/m²/month to €90/m²/month. The rental rates for similar display stores in the main Chalandri shopping area are between €50/m²/month and €80/m²/month depending on exact location and specifications. Letting interest was also recorded in central roads of secondary markets, such as Nea Erythraia and Agia Paraskevi. In the main commercial areas of Agia Paraskevi, the rents are between €30/m²/month and €50/m²/month,

while on the main roads of Nea Erythraia (e.g. Harilaou Trikoupi Str., El. Venizelou Str. etc.) rent levels range from €30/m²/month to €60/m²/month. On the contrary, the demand for retail unit space in Maroussi municipality center is comparably weaker and in certain areas limited, as its market has been negatively affected by the operation of major shopping centers in its southwestern vicinity (e.g. The Mall Athens, Golden Hall, etc.). In general, rental rates in Maroussi's central commercial market and near the metro station ranged between €30/m²/month and €55/m²/month.



Kifissia



The demand for retail units in the major shopping malls of Athens continued in 2017, following the trend of the past couple of years, establishing this type of asset class as the most commercially resilient not only in the retail property market but also in general. Shopping centers and shops-in-a-shop have weathered much better the economic crisis compared to traditional retail street shops. They recorded increased footfall and higher occupancy rates. They managed to retain a quality tenant mix and improved profitability, especially in 2017 and in Q1 2018 based on publicly available data. The fact that the major Athenian shopping centers are combining retail, entertainment, F&B uses and organize successful product promotion initiatives, continue to differentiate them in relation to traditional stand-alone retail stores and they, thus, have retained a significant competitive edge.

This also explains the notable performance of the major shopping malls in a period with a number of difficulties for the domestic retail sector, given also the general recessionary conditions of the last 8-9 years.

RENTAL VALUES – YIELDS

Occupier demand for shops within shopping malls was higher during 2017 than in 2016. Domestic consumers, especially younger families, have generally shown a preference for shopping malls, due also to their amenities, and thus there is an increased interest of retail tenants to have prominent presence inside the major Athenian shopping centers, also for branding reasons. The fact that there is a limited amount of this kind of commercial properties in Athens and in Greece in general, compared to most EU countries, reinforces in the near future the prospects for rental growth and yield compression of the existing assets. At least until more supply of quality shopping mall stock comes into the market.

The overall stable performance of this specific market segment was also reflected in the rental levels within the centers. During 2017, rental values ranged from €60/m²/month to €100/m²/month for shops with a surface area of less than 100m² and from €35/m²/month to €65/m²/month for stores over 100m². Commercial space intended for anchor tenants recorded rental rates that were ranging from €10/m²/month to €20/m²/month with lease contracts

usually including turnover rent terms. Currently, cap rates range from 8.00% to 9.00%, in certain cases better than the corresponding yields of standalone retail units located within the main commercial districts of Athens. The shopping centers Mall Athens, Golden Hall and Athens Metro Mall have demonstrated the best performances and recorded the highest occupancy rates.

Rental levels per unit area and usage class of some of the major shopping centers in Athens are shown in the table below.

SHOPPING CENTER	UNIT AREA (m ²)	RENT PRICE PER USE CATEGORY		
		Retail Stores (€/m ² /month)	F&B Stores (€/m ² /month)	Entertainment Stores (€/m ² /month)
The Mall Athens	20 - 60	30 - 170	90 - 120	-
	60 - 120	25 - 130	80 - 150	-
	120 - 250	50 - 120	-	-
	250 - 500	30 - 80	35 - 40	20 - 30
	Over 500	15 - 55	-	20 - 25
Golden Hall	20 - 60	50 - 150	-	-
	60 - 120	40 - 80	80 - 100	40 - 50
	120 - 250	50 - 70	-	-
	250 - 500	40 - 80	35 - 40	-
	Over 500	25 - 35	-	-
Metro Mall	20 - 60	40 - 65	40 - 50	-
	60 - 120	40 - 80	45 - 50	-
	120 - 250	35 - 80	-	-
	250 - 500	-	35 - 45	-
	Over 500	20 - 35	-	20 - 25
River West	20 - 60	30 - 45	35 - 45	-
	60 - 120	25 - 35	-	-
	120 - 250	20 - 25	20 - 25	15 - 20
	250 - 500	15 - 20	35 - 45	-
	Over 500	5 - 10	-	-

Source: ARBITRAGE RE

MAJOR SHOPPING CENTERS IN ATHENS

There are 40 commercial shopping complexes with a total built-up area of over 850,000 m² operate in Greece, of which 32 are shopping malls, 7 commercial parks and 1 discount shopping village. The country is ranked low in relation to the amount of shopping malls compared to its population. The major shopping malls and parks in the wider area of Athens with their basic features, are presented in the table below.

TRADENAME	ADDRESS - REGION	INVESTOR/DEVELOPER	PROPERTY	OPENING	MIXED AREA (m ²)
Aigli	8 Kolokotroni St., Kifissia	Haragkionis Group	High Street Market	2001	6,000
Athens Heart	180 Peiraios St., Tavros	Pasal Development	Shopping Mall	2008	23,000
Athens Millennium Mall	108-110 Imitou St., Pagkrati	Haragkionis Group	Shopping Mall	1999	9,500
Avenue	41-47 Kifissias Avenue, Maroussi	Sanyo Hellas	Shopping Mall	2006	26,500
Athens Capitol	53 3rd Septemvriou St., Athens	Haragkionis Group	Shopping Mall & Entertainment Center	2010	15,000
Sklavenitis Petrou Ralli	97 Petrou Ralli Avenue, Agios Ioannis Rentis	Carrefour	Shopping Mall/ Food Super Market	2001	15,000
Sklavenitis Athinon Avenue	93 Athinon Avenue, Votanikos	Carrefour	Shopping Mall/ Food Super Market	2002	8,000
City Link	5-7 Voukourestiou St., Athens	Picar	High Street Market	2005	55,772
Escape Center	67 Dimokratias Avenue, Ilion	REDS	Entertainment Center	2004	13,500
Golden Hall	37A Kifissias Avenue, Maroussi	Lamda Development	Shopping Mall	2008	41,000
McArthur Glen Designers Outlet	Spata	McArthur Glen	Discount Shopping	2011	25,000
Athens Metro Mall	276 Vouliagmenis Avenue, Agios Dimitrios	Talima Venture	Shopping Mall	2010	22,000
Pireos Avenue Retail Park	161-165 Peireos St., Agios Ioannis Rentis	Fourlis Group	Retail Park / Big Boxes	2009	25,500
South Polis	1 Poseidonos Avenue, Palaio Faliro	BVIC	Entertainment Center	2006	13,600
Odeon Starcity	111 Syngrou Avenue, Neos Kosmos	Dromeas Development	Entertainment Center	2006	9,066
The Mall Athens	35 Andrea Papandreou St., Maroussi	Lamda Development	Shopping Mall	2005	58,500
Village Shopping & More	228 Thivon Avenue, Agios Ioannis Rentis	Pradera	Shopping Mall & Entertainment Center	2000	20,600
River West / IKEA	96-98 Kifissou Avenue, Aigaleo	Viochalco Group	Shopping Mall	2011	45,500
West Plaza	100 Fili St., Aspropyrgos	LC Development	Shopping Mall & Entertainment Center	2009	23,500
Smart Park	Yalu, Spata	REDS	Entertainment Center	2010	50,000

Source: ARBITRAGE RE



COMMERCIAL & INVESTMENT ACTIVITY

COMMERCIAL ACTIVITY

Commercial activity in retail market involved mainly new leases as well as renegotiations and renewals of existing lease contracts. Demand for retail space occupation was noted in the main commercial districts of Athens (e.g. Kifissia, Glyfada, Chalandri etc.), as well as within the downtown historic (and commercial) triangle.

The table below lists store leasing transactions over the past 18 months as recorded by Arbitrage RE.

RETAIL STORES LEASE TRANSACTIONS IN ATHENS

ADDRESS - REGION	TOTAL AREA (m ²)	RENT (€/month)	UNIT VALUE ² (€/m ² /month)	LESSEE	TRANSACTION PERIOD
1. 161 Kifissou Avenue, Agios I. Rentis	6,000	75,000	12.5	Media Markt	Q4 2016
2. 37 Ermou St., Athens	282	35,000	214.1	Berto Lucci	Q4 2016
3. 3 Skoufa St., Kolonaki	800	13,500	43.3	Public	Q1 2017
4. 46 Ermou & Mitropoleos St., Athens	2,790	85,000	67.9	Forever 21	Q2 2017
5. 14 Patriarchou Ioakeim St., Kolonaki	216	9,500	44	Vodafone Store	Q3 2017
6. 6 Skoufa St. Kolonaki	390	7,500	36	Pop Air	Q4 2017
7. Stadiou & Korai St.	1,250	8,000	6.4	Kotsovolos	Q4 2017
8. 322 Kifissias Avenue, Neo Psychiko	540	6,000	21.5	Costa Boda	Q1 2018

Source: ARBITRAGE RE

2. It should be noted that the Unit Value for properties 2, 3, 4, 6, 8, refers to adjusted area (INTZA) while for properties 1, 5 and 7 it refers to gross area.

INVESTMENT ACTIVITY

The majority of transactions involved higher standard properties located within the center of Athens, leased to international retail groups and F&B chains. Cap rates ranged from 7.50% to 8.50%. The table below lists major transactions by local institutional investors during the last 18 months.

INDICATIVE RETAIL STORES SALES TRANSACTIONS

ADDRESS - REGION	TOTAL AREA (m ²)	RENT (€/month)	UNIT VALUE ³ (€/m ²)	INVESTOR	TRANSACTION PERIOD
1. 12 Ermou & Voulis St, Kolonaki	369	1,840,000	4,986	NBG PANGAEA REIC	Q3 2016
2. 14 Patriarchou Ioakeim St., Kolonaki	217	1,620,000	7,465	NBG PANGAEA REIC	Q3 2016
3. 23A Vassilissis Sofias Avenue, Kolonaki	1,253	2,810,000 ⁴	2,243	GRIVALIA REIC	Q4 2016
4. 291 Konstantinou Avenue & Kyprou, Koropi	2,317	2,300,000	993	GRIVALIA REIC	Q4 2016
5. 49 Syntagmatarchou Davaki, Kallithea	560	1,000,000	1,785	ICI REIC	Q1 2017
6. 49 Kifissias Avenue, Maroussi	2,427	5,280,000 ⁵	2,175	GRIVALIA REIC	Q1 2017
7. 340 Syngrou Avenue, Kallithea	31,100	13,200,000 ⁶	424	GRIVALIA REIC	Q1 2017
8. Marathonos Avenue (Gerakas), Athinon Avenue, Petrou Ralli Avenue (Rentis) and Patra	75,000	47,000,000 ⁷	627	NBG PANGAEA REIC	Q2 2017
9. 1 Kolokotroni, Kifissia *	102	720,000	7,058	TRASTOR	Q3 2017
10. 28 Papandreou, Chalandri *	320	780,000	2,438	TRASTOR	Q3 2017
11. 9 Kassaveti, Kifissia *	213	1,400,000	6,573	TRASTOR	Q3 2017
12. 101 Grigoriou Labraki Avenue, Piraeus	1,530	4,140,000	2,706	GRIVALIA REIC	Q4 2017
13. 152 Charilaou Trikoupi St., Nea Erythraia ⁸	930	2,650,000	2,850	GRIVALIA REIC	Q4 2017
14. 69B Vouliagmenis Avenue & 59 Andrea Lazaraki St., Glyfada	5,130	22,570,000	1,820	GRIVALIA REIC	Q4 2017
15. 1 Solonos St. & 17 Kanari St.*	1,086	3,750,000	3,453	NBG PANGAEA REIC	Q1 2018
16. 66 Ermou St. & 7 Agias Eirinis St.	2,525	5,700,000	2,257	NBG PANGAEA REIC	Q1 2018

Source: ARBITRAGE RE

* Arbitrage RE acted as brokerage advisor

3. The Unit Value for properties 6 and 14 refers to adjusted area (INTZA) while for the rest of the properties it refers to gross area.

4. The sale price of the store No 3 includes the cost of acquiring eight (8) underground parking spaces as part of the transaction.

5. The sale price of the store No 6 includes the cost of acquiring five hundred and three (503) underground parking spaces as part of the transaction.

6. Transaction No 7 refers to the acquisition of 50% of the ownership of a mixed use building consisting of 13.950m² office and retail shops space and 17.150m² underground parking area of four hundred (400) parking spaces.

7. Transaction No 8 refers to the acquisition of a four hypermarkets portfolio, consisting of three properties in Athens and one in Patra.

8. Transaction No 14 refers to the acquisition of a two hypermarkets portfolio, consisting of one property in Athens and one in Glyfada.



DEVELOPMENT ACTIVITY

In general, there have been no major additions in the Athenian shopping centres market in recent years, and there has been weak interest in new developments. This was mainly due to the economic climate and the relative negative performance of the domestic retail sector over the past 8-9 years. Interest had shifted to renovations or upgrades of existing assets.

However, recently and since the start of 2018, there has been some movement in relation to the extensions of existing shopping centres. It is expected that new projects will begin by the end of this year, as certain lengthy planning procedures are expected to have been resolved.

More specifically, it is expected that the second development phase of the Smart Park commercial park in Spata will start. It is expected to increase its net lettable space by 15,500m², i.e. 20-25 new stores. The expansion and repositioning of the Golden Hall shopping centre is also expected. Lamda Development, its effective landlord, is planning to expand and reposition the centre adding further 22,000m² of lettable space and areas for commercial activities. The new space is the residual part of the building complex that hosted the International Broadcasting Centre (IBC) during the Athens 2004 Olympic Games.

Looking at future investments over the next 5 years, we could highlight the planned development of Academy

Gardens, currently owned by Blackrock, for which a Presidential Decree on the permissible heights of buildings has been signed. The development investment will target a total commercial space of 48,000m² within a land area of 20,000m² on Kifissos Avenue.

At the same time, there are preparations for the REDS mixed-use shopping centre in Kantza, located on a 315,000m² piece of land, on which the old Kampa winery was located. The project is at the initial stage of design and development with the rehabilitation study for the existing listed buildings already approved by the Authority for Modern Monuments. The redevelopment investment project will have a structured surface of approximately 80,000m². Construction works will include the development of new high-end buildings, with commercial, office space (30,000m²), recreation and culture facilities.

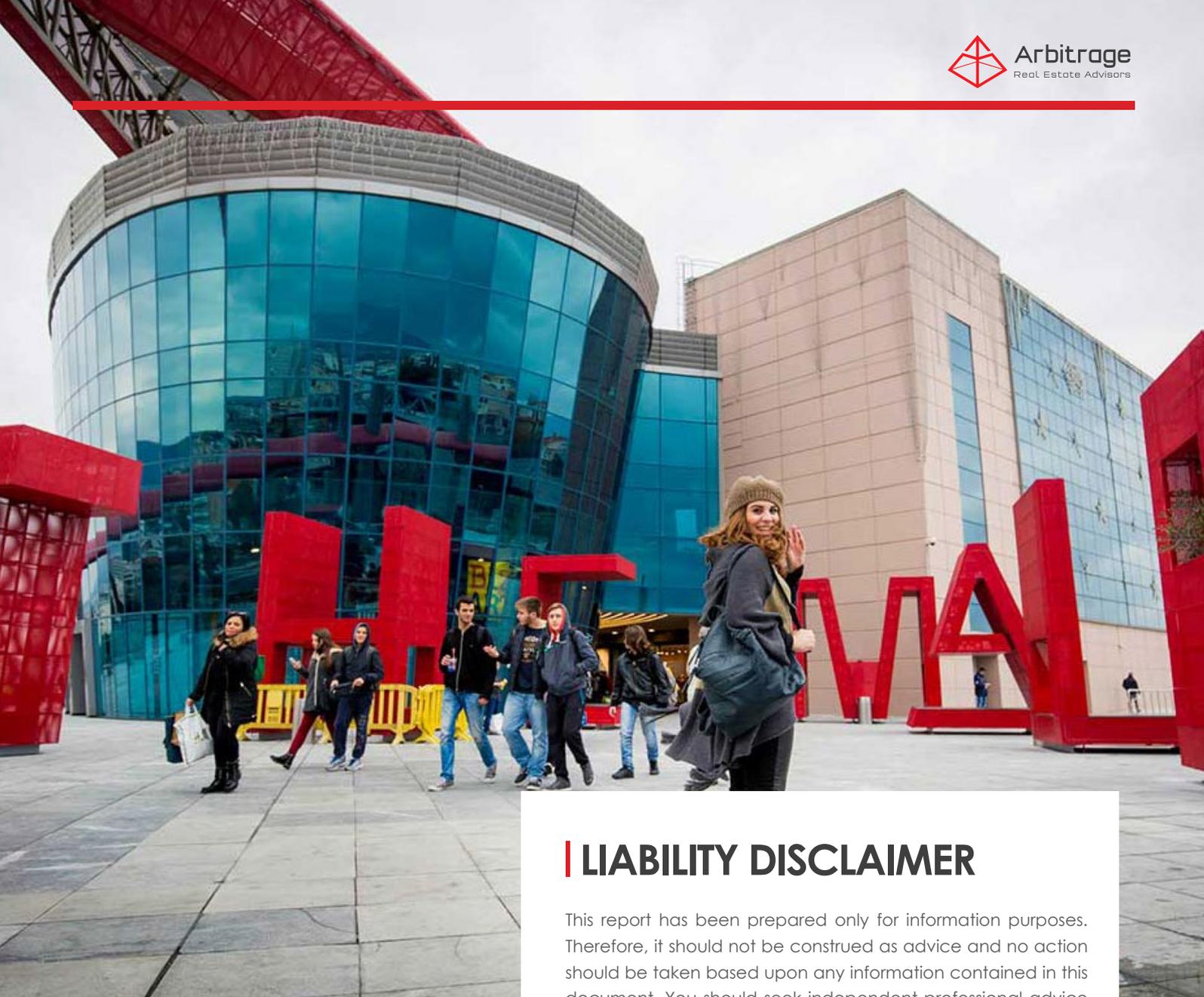
Finally, discussions have begun for the Athens Alive project, which will include the upgrading and commercial development of the Olympic Stadium Complex through the addition of new uses, commercial and recreational facilities. New uses may include retail, office and hotels. A preliminary interest has already been expressed by a consortium comprising, amongst others, Redstone, Bluerock, AECOM.

The following table lists the qualitative and quantitative characteristics of the aforementioned projects.

QUALITATIVE AND QUANTITATIVE CHARACTERISTICS OF UPCOMING PROJECTS IN ATHENS

NAME	ADDRESS - AREA	LANDLORD	SCHEME	PROJECT LAUNCH	PROJECT LAUNCH (m ²)
Smart Park	Poulaki St., Spata	REDS	Extension of Existing Park	2018	18,000
Golden Hall	37 Kifisias Ave, Marousi	Lamda Development	Extension of existing Shopping Center	2018-2019	22,000
Academy Gardens	60 Kifissou Ave & Irous St., Athens	Black Rock Europe Property Fund	Development of Commercial Scheme	2018-2020	48,000
Cambas Project	Kantza, Attica	REDS	Development of Commercial Scheme	2018-2019	132,815
Athens Alive	OAKA	Hellenic Republic	Development of Commercial Scheme	2019-2020	-

Source: ARBITRAGE RE



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