
Fair Value Report of

A commercial property at 166 Orfeos Str., area of Votanikos, Municipality of Athens, Regional Unit of Central Athens, Region of Attica

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1. Description, statutory and legal aspects

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1.1. Location

The subject property is located on a side road of 166 Orfeos Street in the area of Eleonas in Votanikos, within the boundaries of the municipality of Athens, in the county of Attica.

The area of Votanikos is situated 3km to the west of the historical centre of Athens. Votanikos attracts a mixture of uses as it comprises both residential and industrial properties. The residential part is mainly located in the eastern section, whereas industrial uses massively prevail on the western part, along with limited communal green areas, that were created mainly for recreational purposes. The area is served by 4 major thoroughfares which surround the wider part of Votanikos/Elaionas. These are: Athinon Avenue to the north, which connects Kifissou Avenue with the western fringe of the city centre of Athens, "Petrou Ralli Avenue" to the south, an important thoroughfare which connects the western suburbs of Athens with the centre of the city, "Konstantinoupoleos Avenue" which runs with a south-north direction and passes through some densely populated areas of Greater Athens (such as Tavros, Rentis, Rouf and Kolonos), and lastly "Spirou Patsi" street which is a rather secondary road situated to the east and although it absorbs some heavy traffic flows on a daily basis as it connects the area with one of the historic and most known avenues of Athens "Iera Odos" which starts from the archeological site of Kerameikos (the ancient cemetery of Athens) following a westerly direction. By and large, the area is not considered as densely populated since it has around 5,000-6,000 people while its surface does not exceed 0.5 km².

This part of Eleonas is characterised by heavy traffic especially during rush hours, an issue that becomes worse due to the fact that most of the streets are still very narrow since the town plan has not been applied on the ground and they receive heavy traffic due to the numerous warehousing and industrial uses that exist in the area. The asset is accessible by car through Petrou Ralli, Thivon Av, Iera Odos and Kifissou Av and by means of public transport as it is in close proximity to the 'Elaionas metro station.

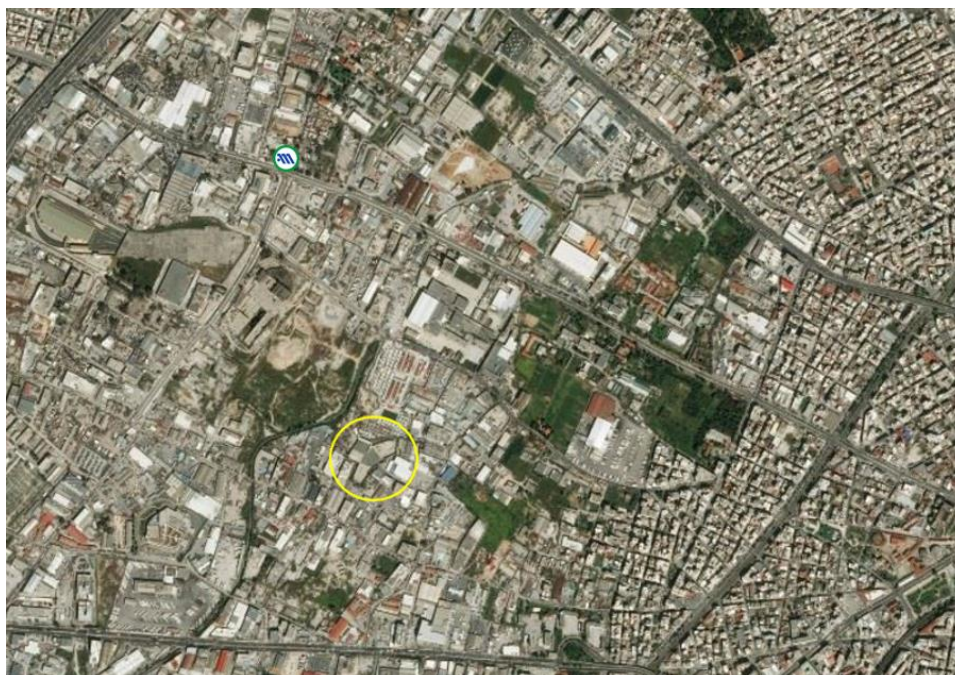
It is worth mentioning that there are tentative plans for the regeneration of the area since 2004 as a consequence of the proposed development scheme known as the "Votanikos Project" which will incorporate the "Panathinaikos Football Club" new stadium along with a cityscape shopping centre featuring c.40,000 m² of GLA. This scheme is expected to further assist the improvement of the area and may come as a contribution of interesting events in the area such as the relocation of the Athens Stock Exchange and OPAP (the privatized gaming company) in new buildings on Athinon Avenue.

Works for the new stadium of Panathinaikos Football Club have not commenced yet while the shopping centre remains semi-finished since 2008 and has an unpredictable future due to the collapse of the developer (Babis Vovos – Diethnis Techniki). It is only recently that lending banks have concluded discussions with American investor/developer Hines who has agreed with Greek businessman Giannakopoulos to jointly undertake the project (shopping centre and Stadium). At the moment the two parties are waiting of the planning committee to approve the project.

We enclose below a General Location Map showing the location of the property in its regional context.

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1.2. Description

The subject property consists of a land plot measuring 10,798.74 m². It comprises a main industrial building measuring 10,691.85 m² as well as other ancillary buildings measuring 164.82 m². All the buildable areas in the site measure 10,856.67 m² in total.

The exact areas of the buildings per level are presented in the following Table:

Land plot	Area (sq.m.)
	10,798,74
Main building	Areas (sq.m.)
Basement	3,258.00
Ground Floor	7,051.51
Mezzanine	268.00
Loft	114.34
Total Main Building	10,691.85
Other use buildings	Areas (sq.m.)
Small Building1	40.78
Guardhouse	15.02
Small Storage Unit1	28.48
Storage Unit2	80.54
Total Other Buildings	164.82
TOTAL	10,856.67

All areas have been derived from the Title Deed of 2007 (3rd auction) of the Notary Public Mrs IOANNA GABRIELI-ANAGNOSTALAKI

The structural framework of the building is made of reinforced concrete while the perimeter is made of masonry brick walls. During the course of our inspection we witnessed that the window frames have been removed and the building is exposed to the elements of nature.

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The basement measuring 3,258 m² is used as a storage space. Access to this level is either via a staircase from the ground floor or via the car ramp from the external courtyard. During the course of our inspection we did not have any access to this level, thus we cannot comment on the state of repair; however, judging by the general appearance of it we can assume that its condition is expected to be very poor.

The Ground floor measures 7,051.51 m², which almost covers the entire site and is currently being used as a storage unit. The state of repair on this floor is also very poor.

The Mezzanine measures 268 m² (113 m² of office suites & 155 m² of employees' dressing rooms). During our inspection we noticed that access to this level is via a staircase starting from the Ground floor level.

The loft measures 114.34 m² and consists of an open plan space which was used to be a filing cabinet. This level offers access to the building's rooftop terrace.

Access to the property is via a bystreet of 166 Orfeos Street. There is a small guardhouse made of concrete and bricks in front of the entrance of the building. There are three access entrances to the property two of which are located on a sideroad of Orfeos str. There is also a vehicle ramp surrounding the property which offers access to the basement. We notice that the property is not equipped with any central alarm system, while all the M&E equipment are obsolete and non-operational.

At the date of the inspection the property was being used as a storage unit. The entire property seems abandoned and obsolete.

Photographs of the premises taken on the date of our inspection are provided below.



Storage Area



Storage Area

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Rooftop Area



Surrounding Area (Parking)



Mezzanine Area



Loft Area

1.3. State of Repair

As per our instructions, we have not carried out a structural survey, nor have we tested any of the services. However, we would comment, without liability, that the subject property is badly maintained and in a poor state of repair, thus we are of the opinion that its renovation will need significant amounts of capex.

1.4. Statutory Requirements

As per our instructions, we have neither carried out a technical due diligence nor any formal enquiries to the relevant planning or other Authorities. Our valuation is solely based on the information provided by our instructor, which is assumed to be complete, accurate and correct, unless otherwise specified in the report.

1.4.1. Planning framework

According to the Title Deeds that were provided to us, the subject property, lies within the boundaries of the Town Plan of the Municipality of Athens and will become developable (this means that the permit for a new development will be granted) when the subject town planning regulations come into force and the plan is applicable on the ground.

The wider area that is surrounded by Orfeos Street, Aghias Annis Street and Aghiou Polikarpou Street is projected to be

rejuvenated under a large-scale program named “DIPLI ANAPLASI” (meaning double urban regeneration program). This includes:

- A new football stadium (approximately 40,000 seats)
- Mixed-use municipal development
- Underground car parking spaces
- Municipal communal areas (parks, etc.)

The area became in the ownership of “DIPLI ANAPLASI S.A.”, the company municipal SPV that was established to run and supervise the project. Approximately 75,000 m² of land were sold directly by the National Bank of Greece to the Municipality of Athens, while the remaining 125,000 m² come under the ownership of the Municipality of Athens through grants, exchanges, expropriations or direct sales. The football stadium and the other sport facilities will total approximately 53,000 m², while commercial development will not exceed 17.5% of the total construction. The mixed-use municipal development will total approximately 42,500 m² designated for cultural, entertainment, food and restaurant, retail, bank, office and insurance activities.

The subject terms and limitations of the aforementioned regulations are prescribed in detail in Law No. 3481/2006 – Government’s Gazette No. 162A/2.08.2006.

For the purposes of our valuation we have assumed that, during its construction, the property complied with the then effective building and planning regulations.

1.5. Tenure

According to the Title Deed that was provided to us (Settlement for Grant of the Total Assets of the Industrial Unit – 3rd Auction/2007) according to Law No. 1892/1990 – Article 46a) of the Notary Public Mrs. IOANNA GABRIELI-ANAGNOSTALAKI, the subject to valuation property is held on a freehold basis by PASAL Development S.A.

We have not proceeded to any kind of legal due diligence or any other verification of the title deeds. This valuation is conducted under the assumption that the property has fully marketable title deeds and is free of any restrictive covenant, burden or any other defects, blockages or legal encumbrances that could adversely affect its market value.

1.5.1. Occupational Leases

The subject property is vacant.

1.6. Environmental Considerations

As instructed, we have not carried out a soil test or an environmental audit. Based on the general image of the subject property and the neighbouring area we are of the opinion that it would appear unlikely that land contamination exists. We have also observed that there are not any hazardous or potentially hazardous uses near the property. These comments are subject to the extent of the on-site survey and are made without liability.

Since it appears that land contamination is unlikely, we have valued the property on the basis that it has neither suffered any land contamination in the past nor is likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice.

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2. Market Commentary & Valuation Advice

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2.1. Market Trends and General Comments

Votanikos is a central part of the Athenian Municipality, which is considered to be a downgraded area with a lot of light industrial and heavy industrial buildings, car repair shops as well as factories of all sizes. In addition, there are a lot of warehousing and distribution facilities; however, most of them are characterised by functional obsolescence and poor state of repair. At the date of inspection, we noticed a number of industrial buildings that accommodated local occupiers such as Hellafoam, Liakopoulos S.A. (car accessories, industrial goods, chemicals, etc.), a car repair shop of Mercedes, etc. The area has some good development potential since there are tentative plans for a number of schemes mainly related with the large shopping centre and the new Panathinaikos football stadium ground. The active industrial character of the area makes this effort challenging; however the large-scale plots could support some progressive regeneration that could offer a new modern commercial and residential quarter of Athens.

2.2. Approach to Valuation

For the calculation of the Fair Value of the subject property we have applied the Comparative Method. According to this method, we surveyed the total market for comparative data especially focusing on land plots in the wider area of Votanikos. We are of the opinion that due to the very poor state of repair of the existing structures the industrial buildings do not add any value to the subject land plot. Therefore, we consider and value the subject property as a land plot suitable for redevelopment purposes.

2.2.1. Comparative method

For the application of the Comparative method we have used adjusted comparable evidence that refer to asking prices for land plots in the area, as shown in the following table:

Sales												
s/n	Description	Surface (m ²)	Bldg. Coef.	Price (€)	Price (€/m ²)	Asking	Location	Size	Characteristics	Adjusted price (€/m ²)	Adjusted buildable (€/m ²)	
	Subject property				623					415	519	
1	Votanikos, Eleonas, in the approved town plan land plot with a total surface of 8,200 sqm. It has building coefficient of 0.8.	8,200.0	0.80	7,000,000	854	-15%	-5%	-5%	-10%	589	737	
2	Votanikos, Elaionas, in the approved town plan land plot with a total surface of 2,080 sqm. It has a building coefficient of 0.8	2,080.0	0.80	1,100,000	529	-15%	-5%	-15%	-10%	327	408	
3	Votanikos, Elaionas. In the approved town plan land plot with a total surface of 8,500 sqm. It has a building coefficient of 0.8	8,500.0	0.80	6,500,000	765	-15%	-10%	-5%	-10%	500	625	
4	Aigaleo, Elaionas. In the approved town plan land plot with a total surface of 3,075 sq.m It has a building coefficient of 0.8	3,075.0	0.80	1,500,000	488	-15%	-5%	-15%	-5%	318	398	
5	Aigaleo, Elaionas. In the approved town plan land plot with a total surface of 5,000 sqm. It has a building coefficient of 0.8	5,000.0	0.80	3,000,000	600	-15%	-5%	-10%	-10%	392	491	
6	Votanikos, Elaionas, in the approved town plan land plot with a total surface of 7,000 sqm. It has a building coefficient of 0.8	7,000.0	0.80	3,500,000	500	-15%	-5%	-5%	-5%	364	455	

From the above presented table with the comparative evidence identified we have progressed our analysis on asking prices per buildable area since not all land plots have the same building coefficient. The comparable evidence regarding land plots in the

greater area of Votanikos (Eleonas part of it) range from € 450/m² to € 730/m² (per buildable m²). Prices mainly depend on the exact location, size, accessibility, the applicable Building Coefficient, visibility, etc. For the more detailed analysis of the comparative evidence we have proceeded with all the adjustments that we consider reasonable and relate to factors such as asking price, location, the size of the land plot and the characteristics of it.

Based on the above comments we consider reasonable to come up with a value of € 500 per buildable m² which produces a land value of € 400 per m². Moreover, we are of the opinion that due to the size of the subject property demolition costs should be estimated as a lump sum amount in the order of **€ 350,000**. Therefore, we have the following calculation of the Fair Value of the subject property:

Plot surface	10,798.74 m ²		
Land price	€0/m ²	€400/m ²	
Price on GBA	€500/m ²	€0/m ²	
Land value	€ 4,319,496		
Demolition cost	€ 350,000		
	€ 3,969,496		

2.3. Valuation

Having carefully considered the property, as described in this report, we are of the opinion that the Fair Value of the freehold interest, as at the date of valuation, is estimated as being € 3,969,496 which is rounded to **€ 3,970,000** (Three Million Nine Hundred Seventy Thousand Euros)

2.3.1. Market Value under the special assumption of - 3-month marketing period

According to our instructions we have been asked to provide our client with the Market value of the property assuming a restricted marketing period of three (3) months. It is noted that the valuation is provided on the special assumption that the constraint had arisen at the valuation date.

The 3-month (3-month) marketing period, practically constitutes the time constraint on which our client has requested this asset's valuation. Hence, in other words, our client has requested this valuation on the basis of a specified marketing restriction which, in turn, coincides the time limit of the asset's disposal.

However, the aforementioned marketing constraint should not be confused with a forced sale as it is assumed to exist without compelling the owner to sell. The fact that a sale is 'forced' means that the vendor is subject to external legal or personal commercial factors, and therefore the time constraint is not merely a preference of the vendor. To this end, in terms of our special assumption, it is assumed that the time constraint is merely a preference of the vendor.

Although the economic climate has significantly improved in the course of the last months, the current market conditions with regards to the Greek Real Estate market suggest that the hospitality market indicates a remarkably upward trend, though the latter is struggling in less touristic locations, in terms of occupancy, ADRs or transaction activity. The continuously increasing management of corporate non-performing loan portfolios, with hotel assets as collaterals, might be an opportunity for change of ownership, reinvestment and repositioning. In this case and in the course of Market Value (MV) we note that the current "proper marketing period" is, in most cases, longer compared to the historic marketing periods which were noticed in the years before the Greek crisis. To this end, at the current market conditions a proper marketing period equals or exceeds one year for a transaction which is made between a willing buyer and a willing seller who both act knowledgeably and without compulsion. Therefore, the

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owner might accept a lower sale price so as the property become more attractive to the market and therefore be sold in 6 months. Based on the above, the applied special assumption is considered reasonable given the structural constraints of the hospitality sector.

We have approached the aforementioned restricted marketing period value by applying a discount to the Market Value. It has to be noted that this discount is not a single figure which is used for every property across the Greek property market but it depends strongly on the characteristics of the property (type, physical characteristics, location, etc.) and the dynamics of the local property market.

To this end we have applied a discount of 50% to the property's market value. The calculation is as follows:

$$€ 3,969,496 \times 50\% = € 1,984,748$$

Thus, the Market Value under the special assumption of 3-month marketing period is € 1,984,748 which is rounded to **€ 1,985,000 (One Million Nine Hundred Eighty Five Thousand Euros)**.