



ATHENS MARKET REPORT

2020 has been characterised as the year of the Covid-19 pandemic. Global markets and economies have struggled throughout with Lockdowns and Restrictions that have blown away all macro economic goals and indicators. 2021 is already seen as the first step to recovery.

MACRO FIGURES

European and Global figures imply that economic impact of Covid-19 has led the economies to unprecedented economic crisis. Forecasts of 2021 are optimistic and most economists agree that we are headed to a recovery fuelled by the massive vaccination programs across the globe.

Greek Economy S2 Overview

Greece had to face the outcomes of a ten year economic crisis that officially came to an end in 2019. Before yet witnessing the increases in macro figures Covid-19 has trashed all hope for positive macro numbers in 2020. Recession in 2020 due to the pandemic has hit Greece hard and the unavoidable lock down measures and restrictions have worn out the Greek economy. In 2020 the fall in GDP was at 10% with the published figures so far. The slow down and shrinking of the economy is evident in all relevant indicators. The economy is expected to bounce back in 2021 and get into even more optimistic numbers by 2022.

**GDP in Volume Terms/Seasonally adjusted figures
(q-o-q) and (y-o-y)**



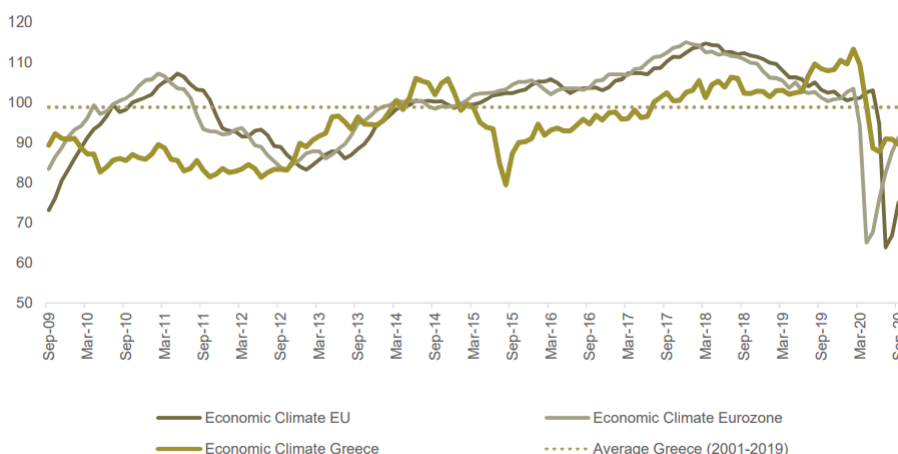
Source: Elstat

EUROPEAN COMMISSION FORECASTS				
ECONOMIC INDICATORS	2019	2020	2021	2022
GDP (%)	1,9	-10	5	3,5
Inflation (%)	0,8	-1,3	0,9	1,3
Unemployment (%)	17,3	18	17,5	16,7
Gvnt Balance Sheet (% GDP)	1,5	-6,9	-6,3	-3,4
Gross Public Debt (% GDP)	180,5	207,2	200,7	194,8

Source: ec.europa.eu



Economic Climate Index



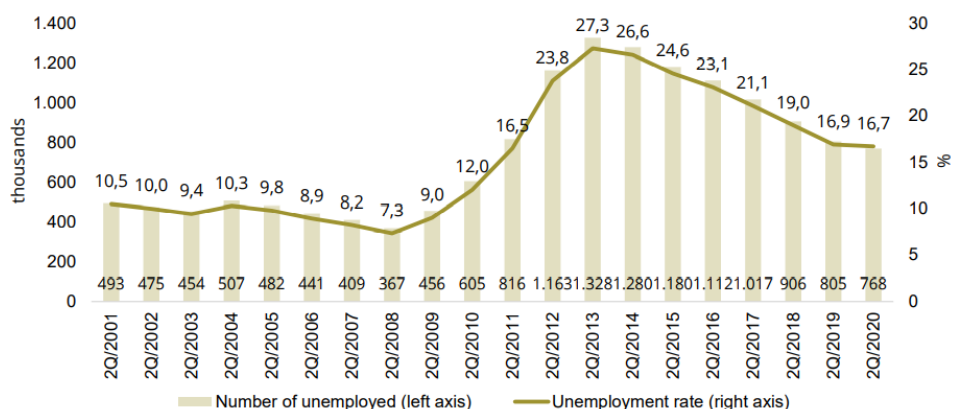
Sources: IOBE, European Commission

On the upside, the support measures adopted at EU level, including Next Generation EU, could significantly support demand in 2021 and strengthen economic fundamentals and resilience going forward. More specifically, the Commission forecast does not incorporate the impact of the Recovery and Resilience Plan as it is still at an early stage of development.

The coronavirus pandemic is taking a strong toll on the Greek economy. The economy contracted by -14.2% in the second quarter of 2020 as economic activity was constrained to stop the spread of the pandemic. The services sector was hit particularly hard also during the summer season due to the importance of international tourism. While the increase in the unemployment rate has been relatively muted so far, partly on account of the protection schemes put in place timely by the authorities, employment has suffered more markedly in view of the lower demand for seasonal workers. The slack in the economy, as well as falling energy prices, are expected to lead to a temporary decrease in consumer prices in 2020.

Once fully specified, adopted and implemented, the reforms and investments implemented under the Plan are expected to have a positive impact on the growth outlook. Greece's fiscal policy is expected to continue to support the recovery throughout 2021. While most of the measures taken in 2020 have targeted the direct impact of the pandemic (health care expenses, support for the lock-down period, tax deferrals etc.), the authorities have also announced temporary measures for 2021 which aim to support the recovery by stimulating demand and employment. Specifically, the authorities have also announced additional temporary measures reducing social security contributions by three percentage points for private sector wage earners and waiving the social solidarity tax for private-sector wage earners and self-employed

Number of unemployed and unemployment rate in Greece



Source: ELSTAT

Employment is 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 between March and June 2020 the labor market remained 'frozen', with very limited hiring and firing taking place.

Uncertainty and risks surrounding the outlook are very high, due to the uncertain developments of the global health crisis. In view of the recent the developments regarding the pandemic and new nationwide lockdown announced on 5 November, economic activity could be significantly impacted in the last quarter of 2020 and in 2021.



OFFICE MARKET REPORT

Office market has been emerging over the last couple of years and although COVID-19 has slowed down the market, there is still ongoing demand for quality office spaces.

OVERVIEW

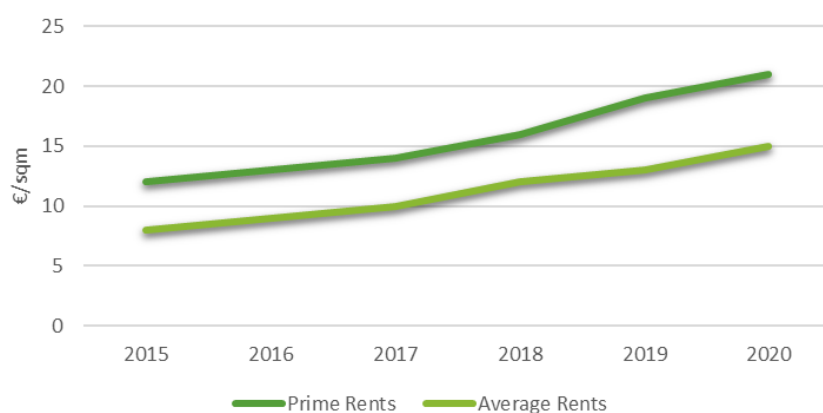
Athens Office Market remains in the investor radar despite the pandemic and the restrictions imposed.

ATHENS OFFICE MARKET

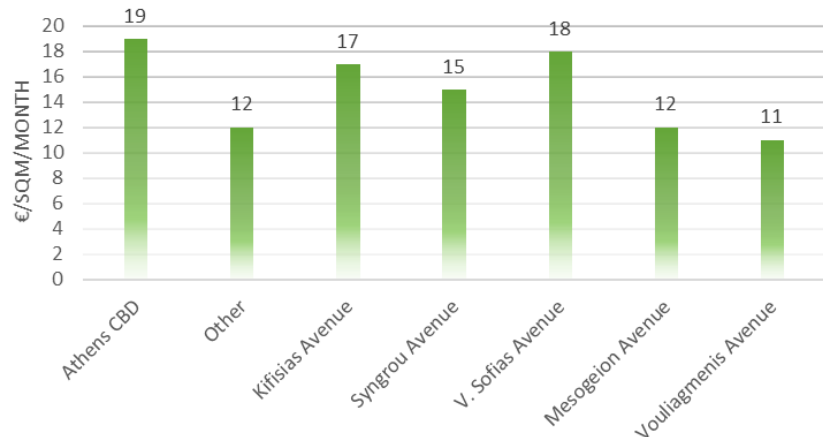
Office market appears to be holding on to performance indicators and opposing to the overall sentiment as a result of the pandemic. 2020 has definitely been the year of working remotely and although occupied some spaces were barely used. The race to vaccination will probably set the tone for 2021 and the future of the sector. The office market is expected to be influenced by the constant rise of remote working. However, companies will eventually adopt new strategies and office will remain important for the businesses and the employees. The demand for Grade A office space still remains high and many potential investors are focusing on the asset class fueling projects.

Athens office market is still at growing stage, trying to find its pace and its prime products. Yields and rental values do not seem to be yet affected, probably due to the lack of quality product.

Office Market Rental Values



MAIN MARKETS AVRG RENT

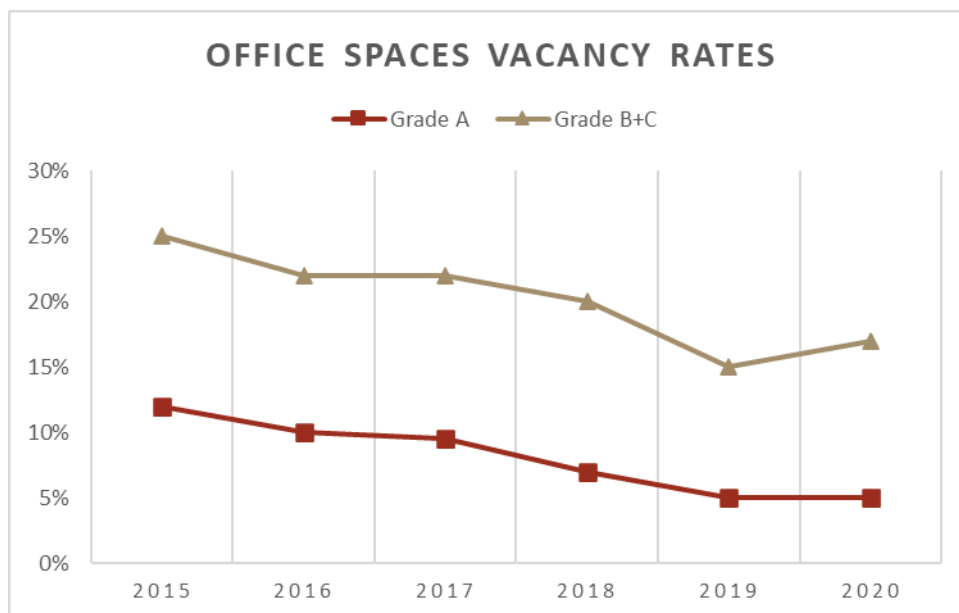


The lack of Grade A office space still remains an issue to the market supply, since there is lack of quality spaces to meet investor demand that appears to be persistent despite the pandemic. Athens is a prominent office market since here is room for investor profit compared to other European Office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

S2 2020: €900 million to € 1 billion Euro deals finalised by the end of 2020.

S2 2020: 70 thousand sqm Take up in Office Space.

Investor Profile remains the same, travel bans and global economy contraction has left little space to Global investors, who do however put Greece strongly in the investor map. Greek REICs have been playing a major role in local transactions as well as multinationals seeking to relocate in view of future needs and development.



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

MARKET TRENDS GRADE A OFFICES	
RENTALS	➔
YIELD	➔
VACANCY RATE	➔
ABSORPTION	➔

KEY FIGURES S2-2020



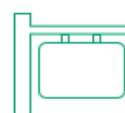
2.000.000
SQM- TOTAL
SUPPLY



44.000 SQM-
NEW OFFICE
SUPPLY



64.000 SQM
UNDER-
CONSTRUCTION



15% AVRG
VACANCY
RATE



€18/SQM
AVERAGE RENTS



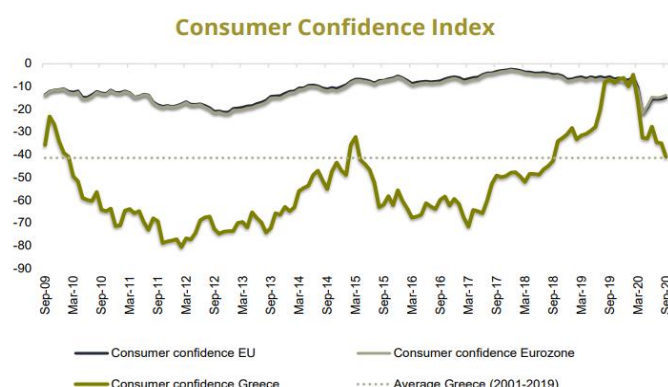
RETAIL MARKET REPORT

The Retail Sector has been facing a challenge as a result of COVID-19 pandemic, prime locations and shopping malls have been performing over the last years and hold investors interest.

OVERVIEW

Retail has been challenged in 2020. Lockdowns and the spread of the pandemic have largely affected the operation of the retail market, that is now trying to find its way within the pandemic and adapt in the new norms.

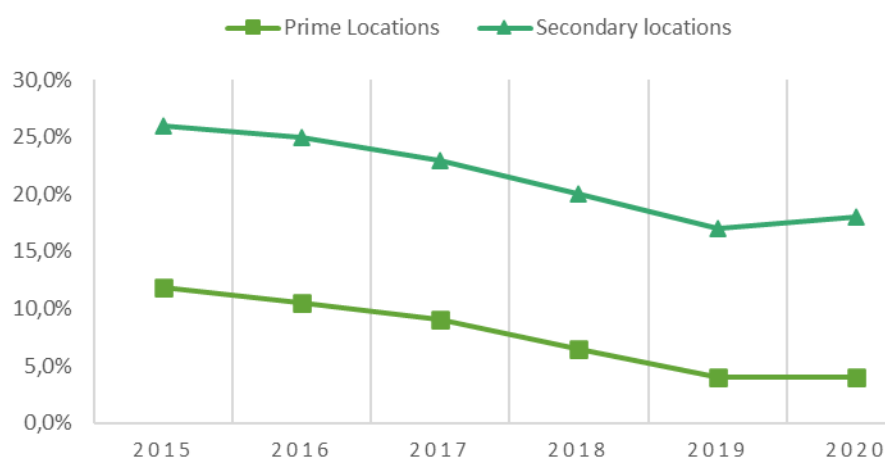
Consumer Confidence Index



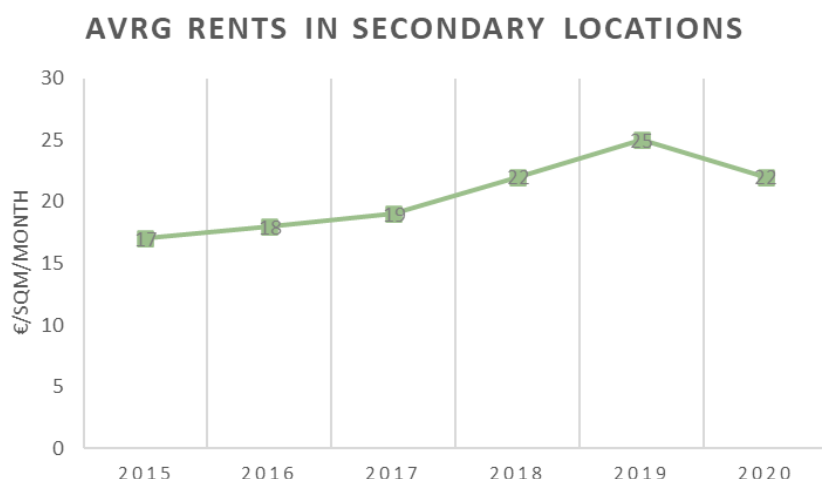
ATHENS RETAIL MARKET

Retail Market is facing a challenge, after having experienced two consecutive lock-downs and having missed Christmas season. Frenzy the retail sector is now showing a downturn in income of a level of 35% for the first eleven months of 2020 (December figures are yet to be announced). Consumer confidence has plunged further in the third trimester of the year and furlough measures in employment have caused a drop in disposable income for the households. Bricks and mortar retail has to face e-commerce and its rapid increase during the pandemic. According to the latest numbers the total increase of e-commerce for 2020 was at **42,7%**. Prime retail and hypermarket still gather a, decreased though, interest of investors and it remains to be seen how the prime locations will correspond to these changes combined. In an effort to help the retail sector the government has introduced rent free periods to retailers according to the measures imposed.

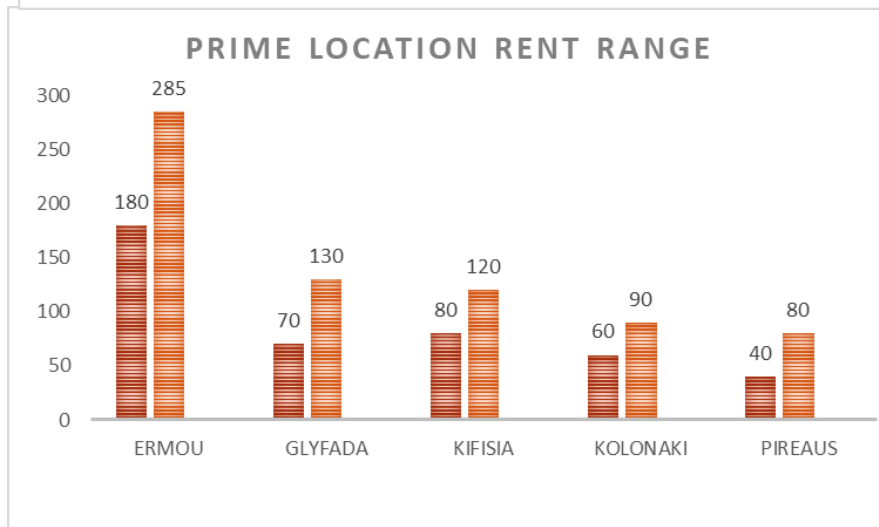
RETAIL MARKET VACANCY RATES



Shopping Malls seem to be holding on to their former glory and there is still demand by anchor tenants while in many cases there have been take ups during the pandemic. Primary locations like Ermou - Glyfada- Kifissia - Kolonaki and Piraeus have witnessed stability and are still considered as prime retail locations, characterized by lower vacancy rates, and prime tenants, thus gathering investor interest and Greek REICS have proceeded in relevant investments. Peripheral retail markets are experiencing a low down due as a result of the pandemic. For now the market appears to be in a waiting game for the pandemic to end. Services/ banks and hypermarkets appear to expand and proceed to new leases.



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



Main yields: The yields in the high streets remained stable for the second half of 2020, with the higher rates in the shopping malls 6,75%-7,75% and the lower rates in Ermou street 5,75%-6%. The market will try to stabilize in 2021 after the challenge in retail market as a result of the restriction measures and the sudden switch to e-commerce sales. Prime locations so far seem to be resilient and show stability in the short term the market will define whether the changes in consumption and retail activity will resume to previous standards.

Transactions: Slow down in transactions for Leases since the retailers will see the end of the pandemic before they reposition or expand in the market.

KEY FIGURES S2-2020



€30/SQM
MALLS
AVERAGE
RENTS



€12/SQM
SUPER
MARKET
AVERAGE
RENTS



€22/SQM
SECONDARY
HIGH STREET
AVERAGE
RENTS



15% AVRG
VACANCY
RATE



€12 MIL
INVESTMENTS
IN 2020



LOGISTICS MARKET REPORT

The industrial/ logistics market has been witnessing an impressive increase in volumes of transactions as well as rental levels. The urge for an organised logistics market has been evident with the increasing numbers of transport services and the impact of the pandemic in consumption.

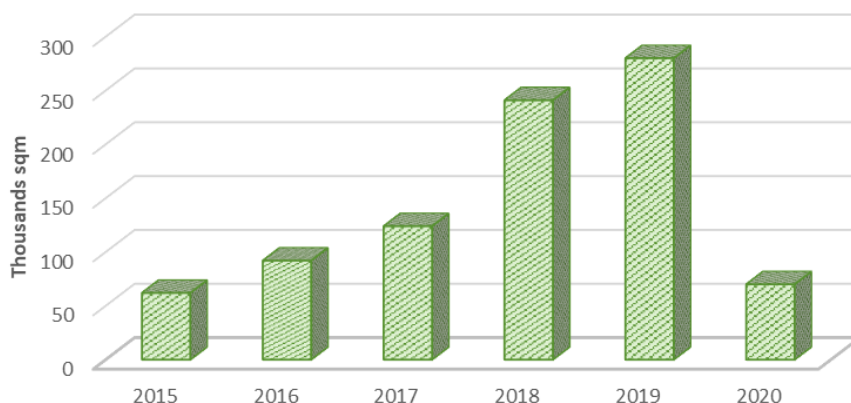
OVERVIEW

Major infrastructure works and the important investments scheduled by COSCO for the Port of Piraeus are creating an environment, where Athens could be placed as an important transit centre in Europe challenged to handle extreme volumes of goods, channelled from the East and Middle East to the EU market.

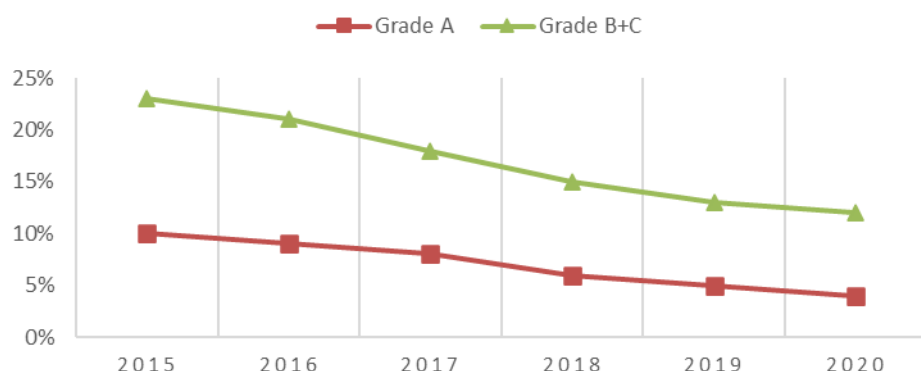
LOGISTICS MARKET

Logistics market is overperforming in the last year and gathers the attention of investors. The lack of Supply for modern Grade A logistics is triggering the investors' interest, who are looking to invest in spaces suitable for logistics developments. As far as demand is concerned, there has been significant activity on the market with new lease agreements, with surface sizes for rent ranging between 500-2,000 sqm in relatively urban areas and demand for larger surfaces up to 10,000 sqm in the regions, where 3PL companies are looking to develop new projects (with additional uses with office space).

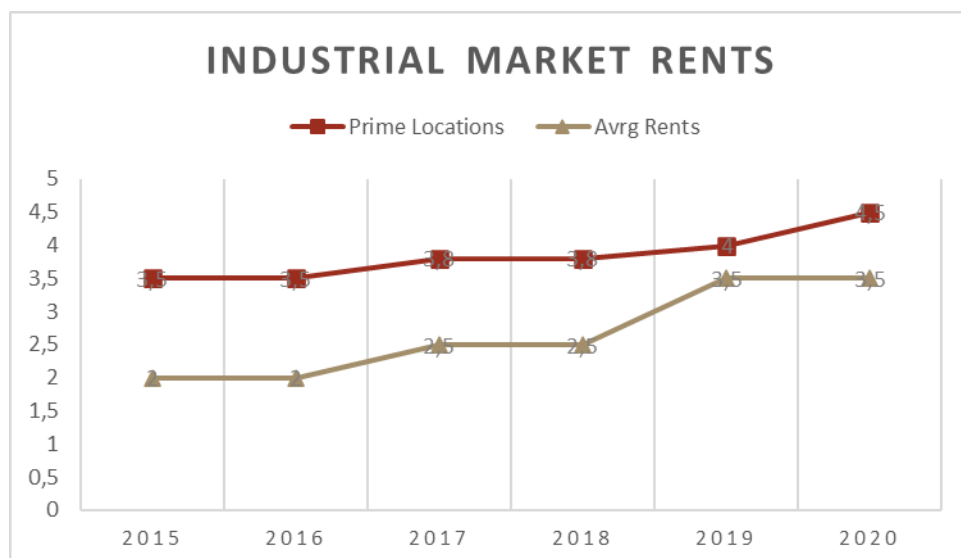
TAKE UP OF INDUSTRIAL PROPERTIES



VACANCY RATES LOGISTICS & INDUSTRIAL SPACES



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



Prime Logistics areas such as Aspropyrgos and Magoula have been under the investors' interest and they are already drawing demand expected to increase further in the coming year and push demand also for secondary areas like Oinofuta and Markopoulo.

	MARKET TRENDS LOGISTICS			
	RENTS	YIELDS	DEMAND	SUPPLY
GRADE A				
GRADE B				

KEY FIGURES S2-2020



64,000 SQM
UNDER-
CONSTRUCTION



€4,25/SQM
PRIMARY
LOCATION
RENTS



€2/SQM
SECONDARY
LOCATION
RENTS



15% AVRG
VACANCY
RATE



€120 MIL
INVESTMENTS
IN 2020

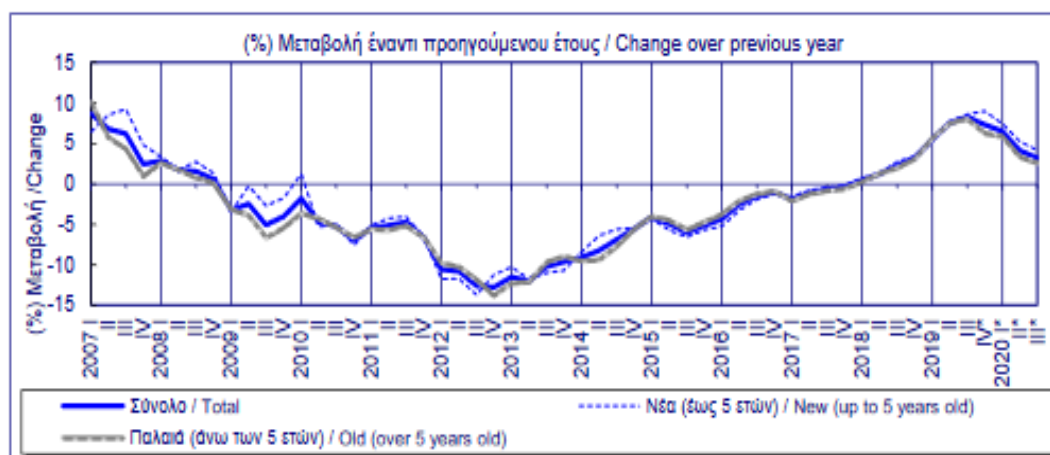


RESIDENTIAL MARKET REPORT

The increase of Residential Market performance fueled by Airbnb and Golden Visa has slowed down however, once the travel disruption and restrictions cease and the restrictions are lifted, the market is expected to bounce back.

OVERVIEW

Transactions activity in the Residential Market appears to be dependent on Airbnb and Golden Visa, both of which have witnessed noticeable decline due the restrictions imposed as a result of the spread of Covid—19. Airbnb has documented a contraction of 30% in its occupancy rates of listed units.



Source: Greek Central Bank

ATHENS RESIDENTIAL MARKET

Athens residential market has witnessed subsequent increase in prices both in sales values and rental values for the past years. According to the Bank of Greece real estate prices rose 9.1% by the third quarter of 2019, according to data released so far, while for the whole of 2018 apartment prices rose at an average annual rate of 1, 8%. 2020 as expected has been a year of a significant slow down and even though there is not a negative performance, still the numbers are borderline positive.

The increase in prices for apartments overall in the third quarter of 2020, compared to the corresponding quarter of 2019 was at 3,2%. The numbers for 2020 show an evident slow down in increase but still holding a positive trend in the market. Transaction number have downturned which was expected due to the measures and restrictions however the prices have not retreated. The increase in construction activity as presented in previous years is expected to continue as the pandemic is considered as a short term turbulence that will not affect long term investment decision making.

Golden Visa has been a significant market driver, that has supported the market for the past three years. Cash injection and direct investment of foreign capital has been important to the market increases since local buyers have been facing problems with income levels and Bank fueled financing. Travel bans have directly affected the prices in Athens center, that remains the main market of foreign investor interest.

House prices for sale

Area	Q4 2020 (€/sqm)	Q4 2019 (€/sqm)	Change %
Greece - countrywide	1,560	1,519	2.70%
Athens - Center	1,528	1,549	-1.40%
Athens - North	2,314	2,222	4.10%
Athens - South	2,642	2,576	2.60%
Athens - West	1,333	1,246	7.00%
Athens - East	1,553	1,500	3.50%
Piraeus	1,467	1,400	4.80%
Piraeus suburbs	1,182	1,112	6.30%
Rest of Attica	1,635	1,571	4.00%

Source: Spitogatos.gr

House prices for rent

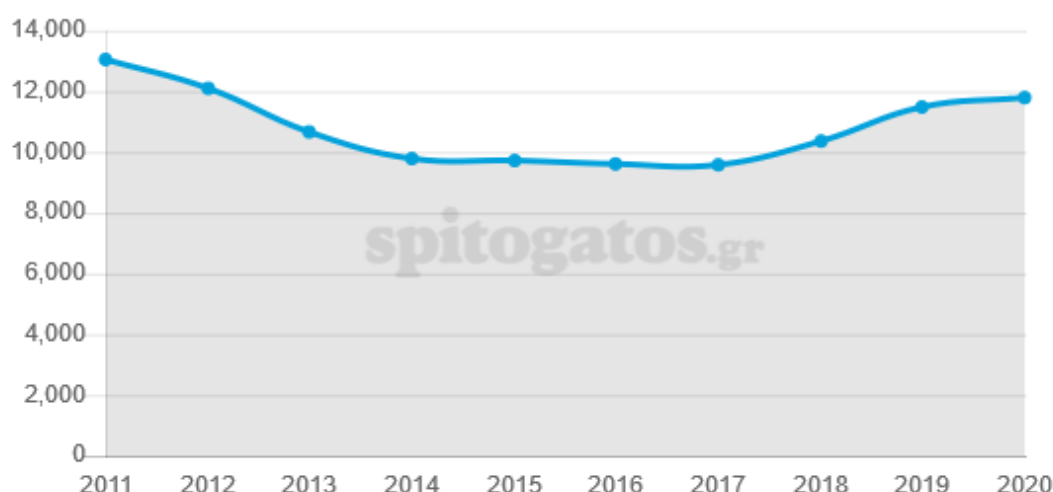
Area	Q4 2020 (€/sqm)	Q4 2019 (€/sqm)	Change %
Greece - countrywide	7.33	7.13	2.80%
Athens - Center	8.89	9.33	-4.70%
Athens - North	8.57	8.33	2.90%
Athens - South	10.00	10.53	-5.00%
Athens - West	6.67	6.05	10.20%
Athens - East	6.41	5.88	9.00%
Piraeus	7.40	7.67	-3.50%
Piraeus suburbs	6.18	6.09	1.50%
Rest of Attica	6.43	6.43	0.00%

Source: Spitogatos.gr

It has been recently observed that the supply of properties for rent has increased substantially since many units available for short term rentals (Airbnb etc.) are now being marketed for long term rentals since the Tourism sector has been witnessing a downturn because of COVID-19.

SPI - Residential properties for sale, Athens - South

Annual changes



Southern Athens Suburbs show resilience to COVID-19 and in view of major investment projects, like Hellinikon, have managed to perform in 2020 with positive results.

S2 2020 MARKET INSIDER REPORT



HOTEL & TOURISM MARKET REPORT

Tourism Industry has been one of the worst affected industries from the pandemic. The pandemic has seized all tourism activity globally and vaccination schemes appear to be the only way to restart the market

OVERVIEW

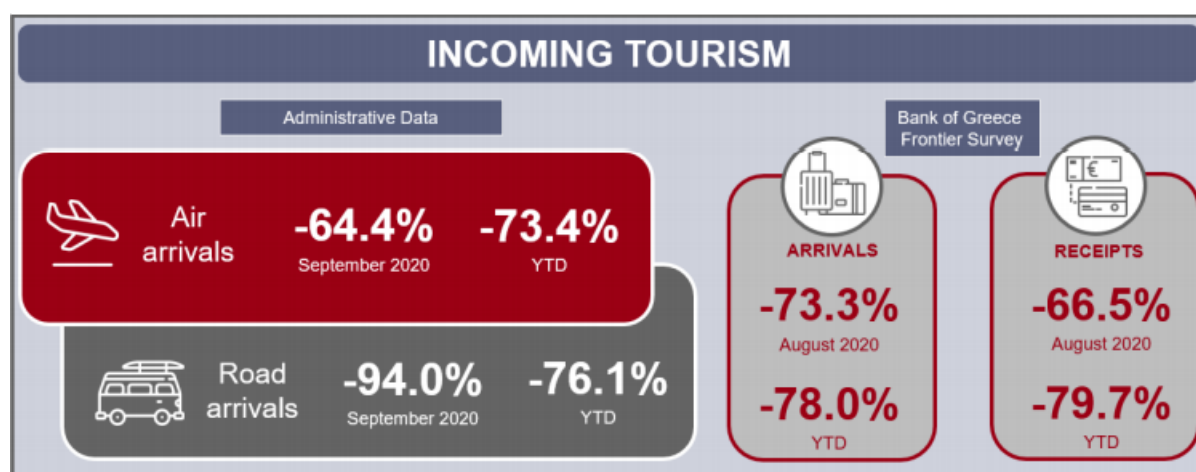
Tourism has always been one of the pillars of the Greek Economy with an important contribution to the country's GDP and macro figures. The industry has suffered tremendous losses exceeding 60% in occupancy rates and 65% in RevPar. Year 2020 ended with Athens International Airport's traffic amounting to 8.08 million passengers, presenting a decline of 68.4% vs. the corresponding levels of 2019, as a result of the sharp traffic drop suffered due to the impact of the pandemic, during the period March through December. Although most of the sector specialists were optimistic about bouncing back the travelers' volumes in 2021, it appears that the pandemic is resilient and the delays in vaccinations create a rather pessimistic environment.

PASSENGER TRAFFIC	Domestic			International			Total		
	2020	2019	%2020/2019	2020	2019	%2020/2019	2020	2019	%2020/2019
January	433,964	449,834	-3.5%	1,038,772	943,051	10.2%	1,472,736	1,392,885	5.7%
February	423,501	443,228	-4.5%	941,130	884,560	6.4%	1,364,631	1,327,788	2.8%
March	207,955	516,796	-59.8%	431,826	1,135,798	-62.0%	639,781	1,652,594	-61.3%
April	11,917	573,227	-97.9%	11,411	1,413,529	-99.2%	23,328	1,986,756	-98.8%
May	58,293	700,752	-91.7%	25,728	1,584,454	-98.4%	84,021	2,285,206	-96.3%
June	195,826	795,188	-75.4%	119,823	1,817,906	-93.4%	315,649	2,613,094	-87.9%
July	400,368	915,648	-56.3%	493,254	2,065,533	-76.1%	893,622	2,981,181	-70.0%
August	485,156	915,133	-47.0%	718,365	2,124,732	-66.2%	1,203,521	3,039,865	-60.4%
September	340,993	810,796	-57.9%	521,123	1,878,605	-72.3%	862,116	2,689,401	-67.9%
October	266,245	669,131	-60.2%	453,691	1,632,425	-72.2%	719,936	2,301,556	-68.7%
November	99,425	496,990	-80.0%	163,597	1,169,664	-86.0%	263,022	1,666,654	-84.2%
December	92,295	464,291	-80.1%	143,725	1,172,722	-87.7%	236,020	1,637,013	-85.6%
Total Year	3,015,938	7,751,014	-61.1%	5,062,445	17,822,979	-71.6%	8,078,383	25,573,993	-68.4%

Source: AIA

Athens Hotel & Tourism Market

Compared to the 2019 tourism season, due to COVID-19, the 2020 tourism revenues are expected to be far lower, around € 3.5 billion (Greek Ministry of Environment and Energy 2020) compared to the € 18 billion in 2019. This, in turn, has a major effect on both seasonal and continually run Greek hotels. Already, hotels are seeing reduction in income between 40% - 90% compared to 2019. At the same time, operational costs are higher than before due to the health protocols. In most of the hotels that have reopened to date, the occupancy is around 10% - 25%. The loss for Greek hotels is estimated to reach € 4.46 billion, of which, € 3.26 billion relate to seasonal hotels, and € 1.2 billion to year-round (Ernst & Young Global Limited 2020). Typically, contracts are negotiated between hoteliers and travel operators for next year in October; however, this year it will be later as the demand in 2021 is not clear yet and many hotels and associations believe that the tourism industry will not overcome the situation until at least 2025 and delays in vaccinations create further uncertainty and delays in bookings.



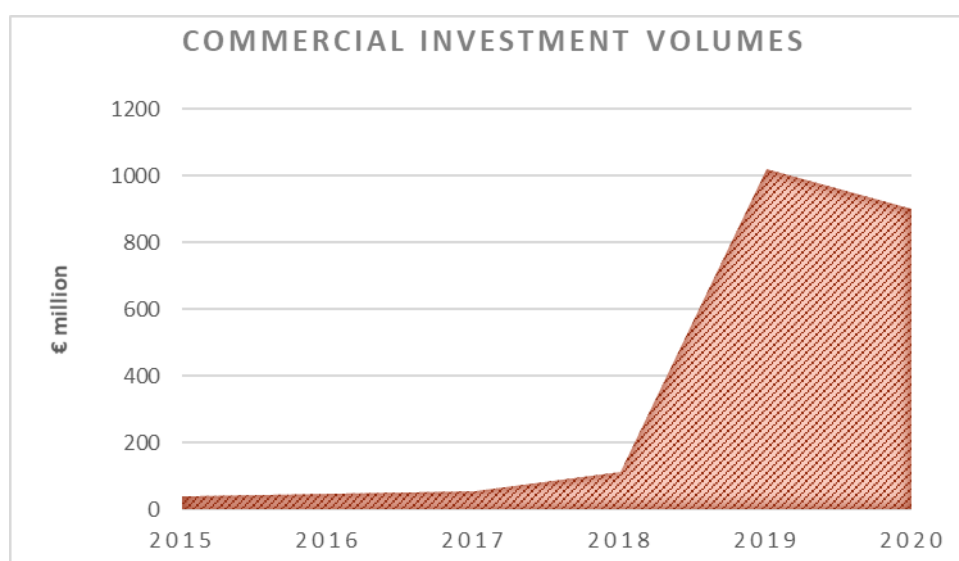
New Hotel Openings in 2020

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

- “Athens Capital Hotel – MGallery,” located in Syntagma Square opened in September under the management of the large French hotel chain Accort. The investment — totalling 22 million euros —five-star hotel with 158 rooms and 19 suites
- “Brown Acropol” to the historic Acropol Hotel building, which has been completely renovated by the international chain Brown Hotels. The four-star Brown Acropol will boast 165 rooms and suites, conference rooms for up to 450 people.
- “Athens Ikon,” a boutique hotel with luxury suites which will soon welcome visitors to 21 Mitropoleos Street, next to Syntagma Square and Plaka and Ermou streets.
- “Zoia Aioulou” and “Zoia Nikiou” are two new boutique hotels which are expected to open in downtown Athens this year. Zoia Aioulou will feature a total of 30 rooms
- Hellenic Vibes hotel is scheduled to open in Monastiraki, in a property acquired by Prodea Investments.
- Omega Hotel four-star hotel is expected to open in early 2021. It will be situated near Omonia Square, at 10 Piraeos Street. This is a former office building converted to a 50 rooms hotel.
- A new boutique hotel in Kolonaki, owned by Briq Properties, is expected to open, the hotel is a € 1.5 ml investment by the Modernist chain.
- The Gem Hotel in Aristeidou Street opened in October 2020, an extensive refurbishment and conversion of a 1920's building to a 4* boutique hotel in a very central location.

MAJOR RE TRANSACTIONS S2-2020

Buyer	Asset Class	Price (in million €)	Date
YODA Group	Prodea several Assets prortofolio (mixed uses)	134,2	December 2020
Trastor	Office Building	17,1	December 2020
Briq Properties	Logistics Center	23,6	December 2020
Prodea	Office Buildings	16,9	August 2020
Trastor	Logistics Center	15,45	August 2020
Briq Properties	Land	3,45	July 2020
Hines	Hotel	30	July 2020



Covid-19 impact in the market has been prolonged due to a second wave and new lock downs. It has not yet been quantified into RE performance markets, however the market is expected to bounce back mid 2021. Real Estate is in a changing process, new trends emerge, and new challenges are faced, the Greek RE market, however, shows signs of resilience and adaptability.

GREECE

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