

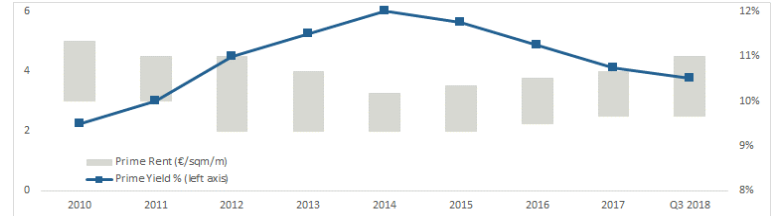
# Logistics Market at a Glance Q3 2018

## Initiating Coverage

**INVENTIO**  
CONSULTING

### Market Indicators

	Q3 18	Q2 18	Q3 17	Market	
				Low	High
Prime <sup>1</sup> Rent (€/sqm/m)	4,5	4,5	4	3 (2014)	6,5 (2007)
Prime Yield (%)	10,5%	10,5%	10,75%	8% (2007)	12% (2014)



**Prime Rent:** Stable during 2018. The lack of quality supply shall keep the prime rental rates at current level until demand significantly increases. Rent for sub prime location or Grade B logistics ranges from €1-2,5/sqm/m.

**Prime Yield 12mf:** A modest compression for quality supply is expected due to greater market prospects (location, new infrastructure projects, Asian markets, e-commerce growth).

### Supply



#### A. Attica

The prime logistics market in Greece.

##### Attica West

(Magoula, Aspropyrgos, Mandra, Eleusina)

The largest logistics market of Attica. Accommodates the major 3PL providers. Direct access to national roads, Attiki odos and connection to the Piraeus container terminal (Neo Ikonio).

##### Attica North

(Schimatari, Inofita, Avlonas)

>30% of Attica logistics stock. Easy access to national road and country's railway line.

##### Attica East

(Spata, Markopoulo, Peania)

Immediate access to Athens International Airport and the Attiki Odos road. Mostly warehouses and logistics centres of wholesalers and retail companies.

##### Athens North

(Ag. Stefanos, Metamorfofi, Kifissia, Krioneri)

Old Stock, close to the city and direct access to the national road.

##### Piraeus

(Perama, Drapetsona, Agios I. Rentis)

Very limited stock of quality supply. Lack of available space for development. Direct access to Piraeus Port.

#### B. Thessaloniki

(Sindos, Kalochori, Oreokastro, Ag. Athanasios.)

Mainly comprised of warehouse facilities, only few with logistics amenities. Old and highly outdated stock.

#### C. Secondary

(Patra, Volos, Kavala, Igoumenitsa, Alexandroupoli)

Ports that can connect Europe, Asia, Middle East, Balkans and North Africa. The investment in Alexandroupolis port shall transform it to an important port-logistics hub, especially for energy related products.

Very low construction activity. Only a few small facilities are in the pipeline, mainly owner occupied. Lack of large and high-quality properties. Grade A is less than the 30% of the current logistics stock. Increase of the development activity is expected in the near future.

### Demand

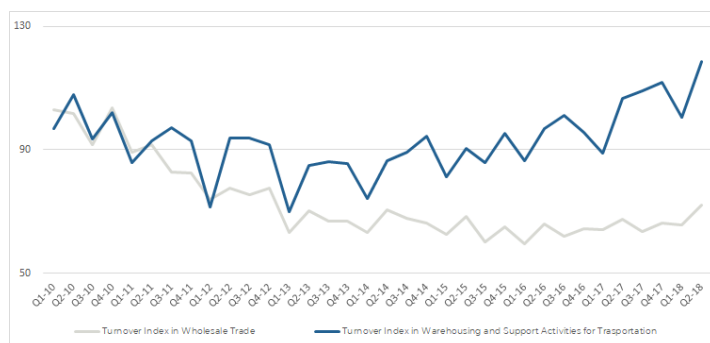
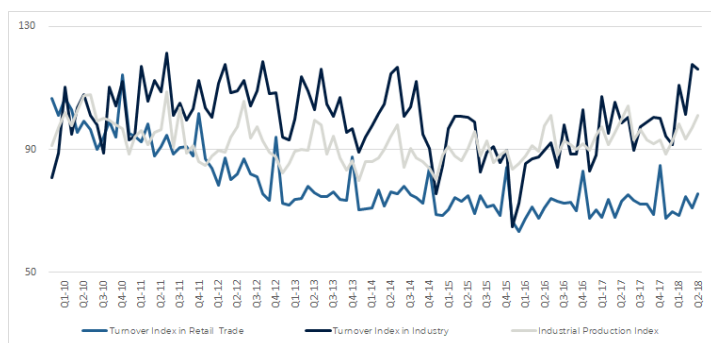
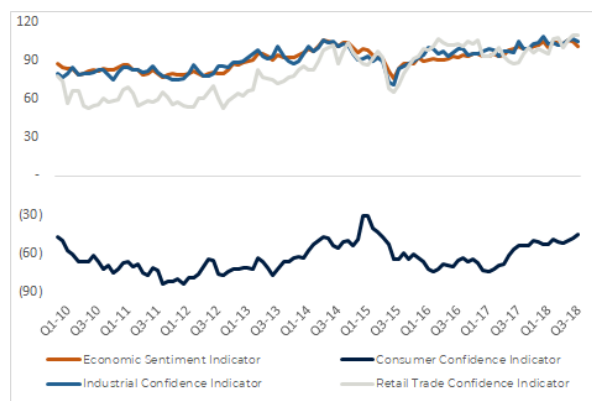
Retail sector, e-commerce and 3PLs are the main drivers of the logistics market, looking for modern, quality and custom-made spaces. The future infrastructure investment activity (Piraeus & Thessaloniki Port, Thriaseio Freight Center, Gonou camp) shall boost the Greek logistics market and attract the interest of foreign investors. The existing market primarily consists of facilities built by local constructors (mostly pre-2012) or owner-occupied facilities.

#### Main Transactions - 2018

Investor	Asset	Amount	Seller	Description
NBG	27.200sqm			Signing of a preliminary agreement for 3 modern under development warehouses in Aspropyrgos, Attica. The properties are already leased to creditworthy tenants and will be delivered for use to them gradually until the end of 2018 (signing of the final agreement).
PANGAEA	under	€13,1m	-	
REIC	development			

## Economy Indicators

End of period, August '18, July '18	Q3 18	Q2 18	Q3 17	Q2 17	Q3 13
Economic Sentiment Indicator	101,3	102,5	100,8	94,2	100,6
Consumer Confidence Indicator	-45	-52,4	-53,7	-68,8	-55,8
Industrial Confidence Indicator	104,5	103,1	104,4	97	100,5
Retail Trade Confidence Indicator	109,5	100,1	88,7	93,1	87,8
Turnover Index in Retail Trade	78,4	75,5	72,1	73,2	75,4
Volume Index in Retail Trade	78,6	73,2	70,6	72	71,9
Turnover Index in Wholesale Trade		71,9	63,6	67,4	67,7
Turnover Index in Industry	108,1	116	97,4	98,6	103,9
Industrial Production Index	94,4	101,1	96,5	99,9	90,2
Turnover Index in Warehousing and Support Activities for Transportation		118,5	109,2	106,5	89,1



### Logistics Performance Index

	2018	2016	2014	2012	2010	2007
Rank (out of 160)	42	47	44	69	54	29
Score (out of 5)	3,2	3,2	3,2	2,83	2,96	3,36

## Inventio Market Peek

The recovery of the logistics market continued during Q3 2018 after a severe depression in the period 2012-2016. The Greek logistics market is still immature, characterized by substantial lack of quality supply and owner-occupied facilities.

In the short term, rental rates are forecasted to remain stable for quality supply. We are expecting a slow pace downward trend in prime yields, despite the absence of substantial transaction evidence.

**The announced infrastructure** related investments (the further investment in the Piraeus Port by COSCO, the development of Thriasseio Freight Center (Piraeus Bank announced the financing), Gonou camp-Thessaloniki and the partial privatization of Thessaloniki Port), **the favourable international conditions** (Asian Markets seeking safe gateways for their products to reach European markets, e-commerce growth) **and Greece's comparative advantages** (located in the crossroads of international trade routes, advanced infrastructure, improving road network, privatized airports, seaports, and railway network) create a promising environment for **Greece to become the most important transit hub of Southeast Europe.**

The prospects of the Greek Logistics market look overall promising. Driven by the 2 key privatizations of the ports of Piraeus and Thessaloniki, the logistics market seems poised to grow and contribute to Greece's economic development offering above average returns. In combination with Greece having one of the top positions in global merchant fleet, an interesting investment theme may be in play for the near term.

### 1. Prime: Grade A, great condition and location, modern facilities

Sources: Elstat, Eurostat, Bank of Greece, The Foundation for Economic & Industrial Research, The World Bank.

#### Disclaimer:

This documentation is issued for information purposes only. Information contained herein has been obtained from sources believed to be reliable but have not been independently verified. There is no guarantee, representation or warranty provided and no responsibility or liability accepted as to the accuracy of the information or its completeness. Expressions of opinion herein are subject to change without notice. The contents of this presentation relate to potential investment considerations that may involve substantial risks, such as the risk to lose part of or all the investment, the absence of a regular market and illiquidity. Furthermore, the information contained within this material has not been reviewed in light of your personal circumstances. Therefore, the potential investor should before considering further the potential investment, consult with his advisors. If you require investment advice or wish to discuss the suitability of any investment decision, you should seek such financial, legal, or tax advice from your professional advisors as appropriate and perform independent due diligence. This document is not and should not be construed as an offer to sell or solicitation of an offer to purchase or subscribe to any investment or service. The prior written consent of Inventio Consulting is required before this report can be reproduced/ distributed or otherwise referred to in whole or in part. Inventio Consulting, All Rights Reserved.