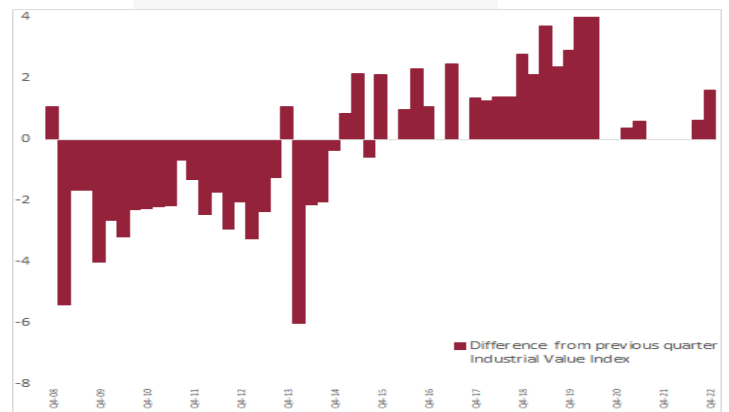
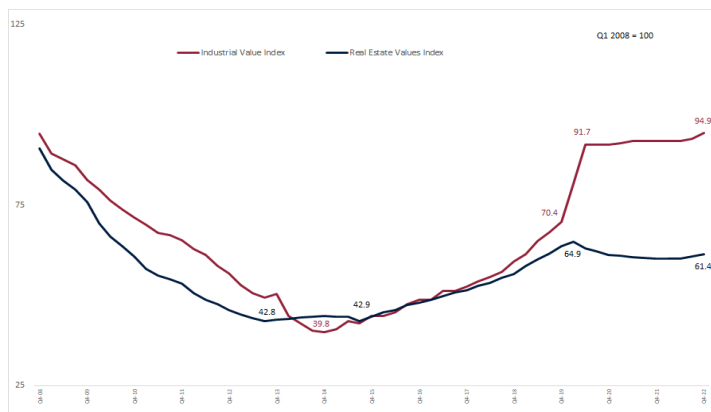


## Overview

An investment in Real estate sector is always appealing for institutional and private investors. The Greek real estate market provides significant opportunities, for those willing to navigate a particularly complex business environment. The historical data and the analysis of the market provide relevant points of interest regarding investment opportunities and market timing.

Inventio computes and assesses a Real Estate Value Index for each of the main real estate markets (Office, Commercial, Industrial) for better understanding the changes in the value of assets.

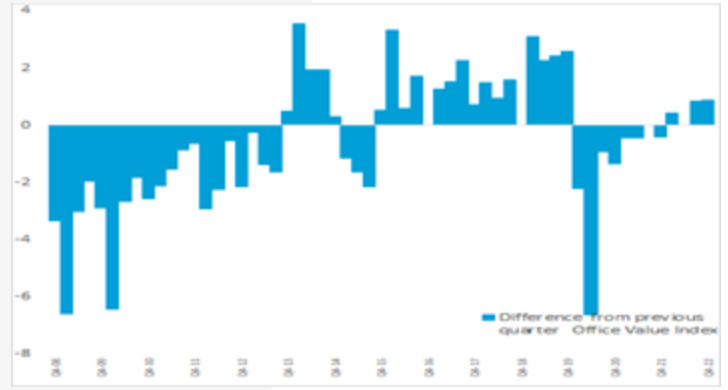
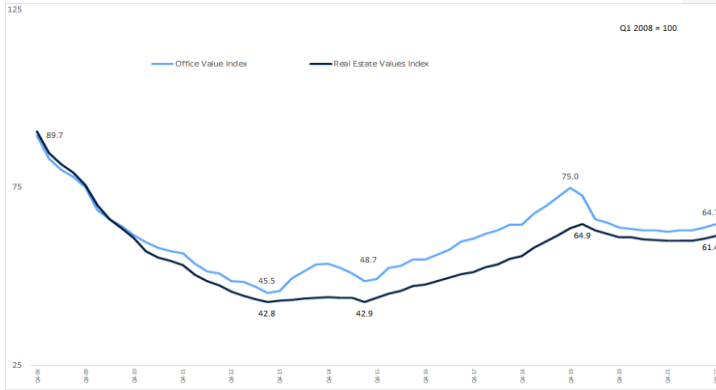
## Industrial Value Index



### Industrial Value Index:

1. The lack of sizeable and quality supply (grade, scarcity of land) in combination with the low vacancy for Grade A logistics, drives yield down for prime spaces (still higher than most European cities).
2. Development activity shows increasing signs. Foreign investors and as well as locals (REICs) mainly compete for the acquisition of completed prime logistics facilities (size, location, Grade A).
3. The effect of Covid-19 is negligible to modest, mainly for prime logistics, especially since the trend of e-commerce expands replacing retail outlets. The greater market prospects (location, new infrastructure projects, Asian markets, e-commerce growth), the lack of quality supply and the limited investment opportunities (in all RE markets) add to the sector interest.
4. The Industrial Value Index almost reached its pre-2010 crisis level since early 2019 and maintains that levels.
5. The development of new supply according to modern standards (size, automation systems, facilities) is necessary for the next phase of progress for the sector. When this happens, lower grade, older and small buildings shall become obsolete.
6. Supply chain disruptions, and higher transportation and energy costs mainly strengthen the sector performance than created turbulence and insecurity. Rental rates slightly increased during H2 2022.
7. The increase of construction cost and the more expensive financing may be affecting the development activity in the short term, but the great prospects of the market and the unsaturated investor interest will drive the sector to further growth.
8. The Index is now at 94,8 points, outperforming the broader RE market considerably.

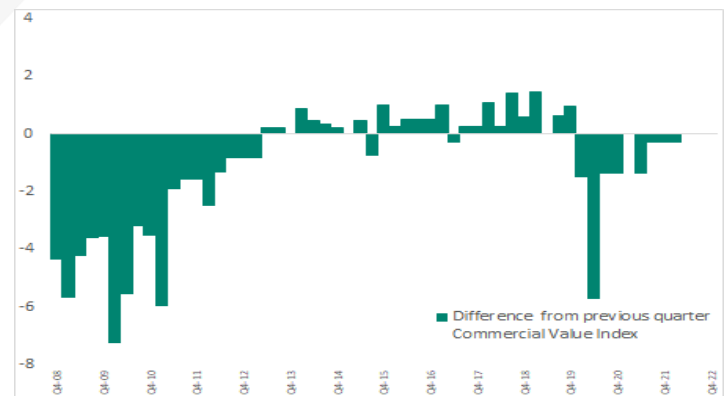
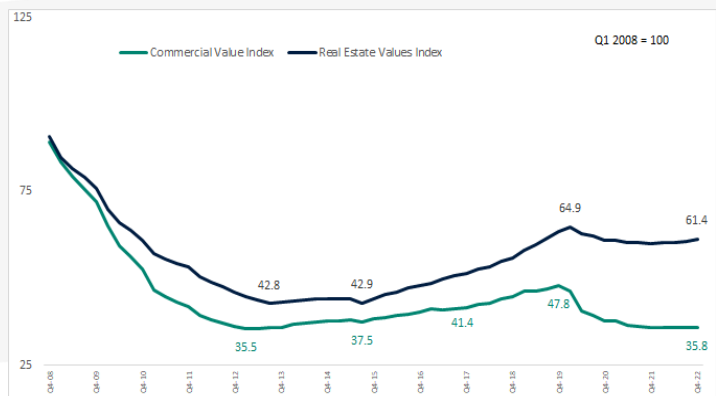
## Office Value Index



### Office Value Index:

1. The upward trend of the Index was interrupted in Q4-2019 because of the pandemic. Despite that remote/rolling/ occasionally work policies still promoted by some big companies, the index was stabilized and the drop of rental rates is controlled due to the lack of prime supply and the lower unemployment rate.
2. Development activity has picked up since 2021 by the growing interest for sustainable and Grade A buildings. The increase of construction cost and the more expensive financing may be affecting the development activity in the short term.
3. As of the end of H2 2022, the Index stands at 64,7 recording a 13,7% drop since the 2019 pick. Office Value Index is still more than 35% lower from its 2008 peak value.

## Commercial Value Index



### Commercial Value Index:

1. The Commercial Value index shows continuous weakness since 2008 vs the rest of the RE market. Since 2020, retail received yet another blow due to the pandemic.
2. Household disposable income restrained by the rising inflation while the e-commerce gaining grounds putting more pressure to rental rates and occupancy.
3. The strong and robust growth of the economy is critical for the restart of the sector and attracting the interest of foreign and local investors searching for appealing returns.
4. The Commercial Value Index stands at 35,8, more than 60% off its 2008 pick and close to its previous bottom (Q1 2013).

<b>Macro Event's Calendar</b>			
<b>Period</b>	<b>Macro Events</b>		<b>EEI</b>
2008 - Q3 2009	Financing Issues – Beginning of the crisis	↓	Uncertainty picks up
Q4 2009 - Q2 2010	Elections	↗	Dead cat bounce
Q3 2010 - Q1 2012	First Program	↘	Negative expectations persist
Q2 2012	Failed Election	↓	Negativity bottoms out
Q3 2012 - Q3 2014	Elections – Signing of new agreement	↗	Expectations improve with ups and downs
Q4 2014 - Q2 2015	Elections – near GREXIT	↓	Reemergence of uncertainty
Q3 2015 - Q2 2017	Elections – Signing of new agreement	↗	Positive expectations build up
Q3 2017 - Q2 2018	Moderate growth – Investor's hesitancy	↘	Realization time - adjustment of Expectations
Q3 2018 - Q1 2019	End of memorandums – Long pre-election period	↗	Wait and see attitude
Q2 2019	EU Elections – Announcement for National Elections in July	↗	Positive expectations
Q3 2019 - Q4 2019	Elections – Positive momentum in international and domestic markets	↑	Positive International and domestic expectations
Q1 2020 - Q2 2020	Spread of Covid-19	↓	Reemergence of uncertainty (External factor)
Q3 2020 - Q4 2020	Second wave of Covid-19	↘	Reemergence of uncertainty
Q1 2021 – Q2 2021	End of Lockdown – Vaccination program on progress	↗	Stable / Wait and see attitude
Q3 2021 – Q4 2021	Return to normalization despite spread of Omicron	↗	Positive expectations built up
Q1 2022 – Q2 2022	Recovery from Covid-19 – War in Ukraine	↘	Reinforcement of uncertainty
Q3 2022 – Q4 2022	Interest rate increases by ECB	↘	Negative expectations persist

## Methodology

**Real Estate Values Index:** Analysis of the historical real estate yields and rents in the main real estate markets (retail, industrial and office) for calculating the value of an indicative asset. Q1 2008 = 100

Sources: Elstat, Eurostat, Bank of Greece  
Index Creation: Inventio Consulting SA

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