

MARKET INDICATORS

Market Outlook

Prime Rents:	Prime rents stable, but rents falling further in secondary locations.	▶
Prime Yields:	Yields in prime high street and shopping centre locations anticipated to fall in the medium term.	▲
Supply:	Limited supply, with no new projects in the immediate development pipeline.	▶
Demand:	Occupier and investor demand is anticipated to improve in the medium term.	▼

Prime Retail Rents - December 2017

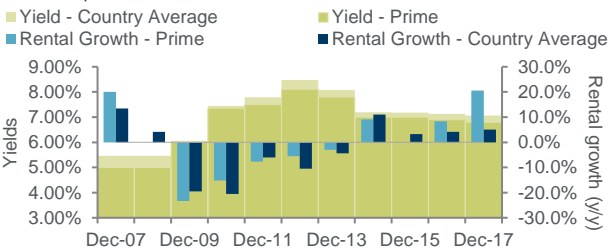
HIGH STREET SHOPS	€		US\$	GROWTH %	
	SQ.M MTH	SQ.M YR	SQ.FT YR	1YR	5YR CAGR
Athens (Kolonaki-Tsakalof)	90	1,080	120	0.0	-1.1
Athens (Ermou)	235	2,820	315	20.5	6.7
Athens (Glyfada-Metaxa)	120	1,440	161	0.0	3.7
Athens (Kifisia-Kolokotroni)	115	1,380	154	0.0	1.8
Athens (Piraeus-Sotiros)	75	900	100	7.1	6.4
Thessaloniki (Tsimiski)	135	1,620	181	3.8	5.2

Prime Retail Yields - December 2017

HIGH STREET SHOPS (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
	Q	Q	Y	HIGH	LOW
Athens (Kolonaki-Tsakalof)	7.20	7.20	7.20	8.50	5.50
Athens (Ermou)	6.80	6.90	6.90	8.10	5.00
Athens (Glyfada-Metaxa)	7.20	7.20	7.20	8.60	5.50
Athens (Kifisia-Kolokotroni)	7.20	7.20	7.20	8.60	5.50
Athens (Piraeus-Sotiros)	7.50	7.50	7.50	8.60	6.00
Thessaloniki (Tsimiski)	7.00	7.00	7.00	8.60	5.75
SHOPPING CENTRES (FIGURES ARE GROSS, %)	CURRENT	LAST	LAST	10 YEAR	
Country prime	Q	Q	Y	HIGH	LOW
Country prime	8.10	8.10	8.30	9.00	6.00

With respect to the yield data provided, in light of the changing nature of the market and the costs implicit in any transaction, such as financing, these are very much a guide only to indicate the approximate trend and direction of prime initial yield levels and should not be used as a comparable for any particular property or transaction without regard to the specifics of the property.

Recent performance



Overview

The economic climate indicator climbed to 101 points in December 2017, from 95.1 in December 2016, a three-year high. This is a result of improved business expectations in industry and consumer confidence according to latest report of the Foundation of Economic and Industrial Research (IOBE), while Households' deposits rose for the 6th consecutive month in Nov. 2017. However the turnover of retail sales in Greece decreased by 0.8% in October 2017 compared the same period a year ago, with the overall volume index down by 1.1% over the same period according to statistics service ELSTAT.

Occupier focus

Prime retail markets continue to attract the interest of both local and international retailers. During the last quarter of 2017 the Italian brand Twinset clothes and American Eagle Outfitters opened a store at Golden Hall shopping centre in Marousi and Adidas Originals opened a store at 5 Kalamiotou str in Athens CBD. Increased activity is also noted by DIY stores as Leroy Merlin is opening a 6.000sqm store in CBD as at March 2018 and a new 30.000 sqm Praltiker opens in Rafina. Also, a 1.600 sqm Mothercare store opened in Elliniko while SSP Group PLC, a leading operator of food and beverage outlets in travel locations worldwide, has opened its first Starbucks store in the Athens International Airport.

Investment focus

The retail sector, continues to attract a large proportion of property investment in Greece, comprising around €38 million in Q4 2017 in deals involving retail assets, representing 35% of total investment. Grivalia Reic was the most active buyer acquiring two supermarkets in Athens metropolitan area, a prime retail building in Piraeus and two high street stores in Nea Erythrea. Investor demand is expected to continue till the year end focused on well-positioned high street stores and supermarkets.

Outlook

General outlook for retail property in Greece is positive, with macros improving and leasing activity expected to be sound in 2018 benefitting from growth in private consumption and tourism increase. With lack of development activity, the overall vacancy rate in dominant shopping centres and prime high streets is expected to remain low. The lack of prime supply might limit the activity of potential investors despite the positive outlook.