

## SHORT REPORT

## FAIR VALUE ASSESSMENT AS OF 31-12-2021

## OF AN OLD WAREHOUSE BUILDING IN PIRAEUS

*Prot. No.: PEF-973*

To:

**EVGENEIA HOMES S.A.**

Mr. Manolis Lemonakis  
115 Neratziotissis str.  
Maroussi, 15124

**8<sup>th</sup> of April 2022**



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*We assume, for the purposes of this valuation report, that all information provided, are accurate and complete and thus we have not proceeded to any verification. In the case of submission of supplementary / additional information, we reserve the right to amend the derived values.*

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*Considering the current economic conditions in Greece, the valuation report follows VPGA 10 of the Red Book «RICS Valuation - Global Standards 2020» regarding Valuation Certainty.*

*The assumptions made in this valuation report in order to express our opinion of the Value of the subject properties, are considered appropriate in light of the circumstances and by no means is it possible to validate the accuracy and completeness of the assumptions, judgments and estimates undertaken thereof.*

*This report bears a specific critical date. There is no responsibility to validate and update the report prepared by Pepper Hellas without the proper instruction to do so from the Client.*




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## Executive Summary

Instructor:	EVGENEIA HOMES S.A.
Valuer:	Pepper Hellas Asset Management SA
Subject of Valuation:	The subject property is a former warehouse building which is planned to be redeveloped into a residential complex.
Property' s Address:	30 Thermopilon Street, Building Block 76, area of Ag. Dionisios, in the Municipality of Piraeus, Regional Unit of Piraeus, Region of Attica.  <i>General photo of subject property:</i>
	
Purpose of Valuation:	The Valuation is prepared for IFRS purposes.
Basis of Valuation:	The basis of valuation is the Fair Value according to the European Valuation Standard (EVS 2) and the Valuation Practice Statement (VPS 4) par. 7 of the RICS Valuation – Global Standards 2020.  The definitions of the bases of our valuation according to the current standards are stated in <a href="#">Appendix 1</a> of this report.
Premise of Value:	Highest & Best Use.
Currency:	EUR (€)
Critical Date of Valuation:	31/12/2020
Date of Report:	8/4/2022
Fair Value:	700,000.00€ (Seven hundred thousand Euros)
Gross Development Value:	4,520,000.00€ (Four million five hundred and twenty thousand Euros)
Return for Risk and Profit % of Gross Development Value or Target IRR (%):	11,00%

## 1. Instruction

Further to your instruction with Prot. No. **SAO-1422** dated the **21/11/2021**, we have proceeded to the determination of the Fair Value of an old warehouse building which is planned to be redeveloped into a residential complex, at 30 Thermopilon Street, Building Block 76, area of Ag. Dionisios, in the Municipality of Piraeus, Regional Unit of Piraeus, Region of Attica.

This report is held under the standards imposed by the Royal Institution of Chartered Surveyors (The Royal Institution of Chartered Surveyors – *RICS Valuation – Global Standards 2020*), the European Valuation Standards of TEGoVA (The European Group of Valuers' Associations – *EVS 2020, 9<sup>th</sup> Edition*) and the IVSC (International Valuation Standards Council, 2020). The above-mentioned valuation standards are also adopted for the application of the International Financial Reporting Standards (IFRS).

The report is carried out by the strict supervision of qualified professional valuers of adequate expertise and experience according to PS 1 and PS 2 of RICS Valuation – Global Standards 2020. The certifications of our valuers are either from The Royal Institution of Chartered Surveyors (MRICS, FRICS) ([www.rics.org](http://www.rics.org)), or from The European Group of Valuers' Associations (REV scheme) ([www.tegova.org](http://www.tegova.org)) certification body in Greece PEOPLECERT ([www.peoplecert.org](http://www.peoplecert.org)).

Pepper Hellas Asset Management SA fulfills all legal requirements for offering valuation services and it is a company listed at the Certified Valuers Registry of the Greek Ministry of Finance, according to the provisions of paragraph C of Law 4152/2013 (ΦΕΚ/Α'107).

*The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy –with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact. The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.*

*According to the RICS Valuation Practice Alert–Coronavirus dated the 6<sup>th</sup> of November 2020, our valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation –Global Standards. Consequently, in respect of these valuations less certainty –and a higher degree of caution –should be attached to our valuation than would normally be the case. For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date. Considering the methodologies applied, where valuing using the income approach or otherwise with reference to income, the RICS global Valuation Practice Alert of 6 November states that: 'Where a valuation refers to rental or other income, a considered assessment of that income in light of COVID-19 and, where relevant, its aftermath may be required. Valuers are advised to make sure they are acting upon the latest and most accurate information in respect of rental and other income, where this is relevant. The valuer may need to reflect upon structural and behavioural effects on markets either caused or heightened by COVID-19*

The basis of our valuation and the general assumptions are stated in **Appendix 1** of this report.

## 2. Introduction

The purpose of this report is the determination of the Fair Value of an old warehouse building which is going to be redeveloped into a residential complex, at 30 Thermopilon Street, Building Block 76, area of Ag. Dionisios, in the Municipality of Piraeus, Regional Unit of Piraeus, Region of Attica.

Date of Drive-by inspection: **26/11/2021**

### Data provided:

- Contract of sale No. 2509/27.6.2019 drafted by the notary of Marathon Aliko Tzavelakou.
- Topographic Plan dated June 2019, prepared by the Civil Engineer Athanasopoulos Michalis, scaled 1: 200.
- Certificate of final submission to Law 4495/2017 (no.10950431) among with its blueprints, prepared by the Civil Engineer Athanasopoulos Michalis.
- Property description of the existing building drafted by the Civil Engineer Athanasopoulos Michalis.
- Cadastral registry of the Piraeus Cadastral Office dated February 2019 with number 051161317019/0/0.
- Presentation of the future development prepared by Minos Digenis Arquitectos including floorplans and sections.
- Business plan updated 8.11.2019
- BVA updated 31.12.2021

## 3. Location

### Address:

The property in question lies in the building block 76 and is located at 30 Thermopilon Street, in the area of Ag. Dionisios, in the Municipality of Piraeus, Regional Unit of Piraeus.

### GIS Coordinates:

Latitude: 37.950331,  
Longitude: 23.636497  
(according to Google maps)

**Property in a good location**

**Immediate accessibility to all town's facilities**

**Typical visibility**

**Close to the port of Piraeus**

### Location:

**Municipality of Piraeus:** The city of Piraeus is located about 9km southwest of Athens. The Municipality of Piraeus covers an area of 10.9km<sup>2</sup> and is the fifth most populous municipality in the country with 163,688 residents according to the most recent census of 2011. The administrative center is located on Korai Square, bounded by Vas. Georgiou and Polytechniou Avenues, as well as the pedestrian segment of Karaïskou Dragatsi road. The area is characterized by high concentration of commercial uses with international brands. Piraeus is a major centre for Greek and international shipping, and bi-annually acts as the focus for a major shipping convention, known as Posidonia, which attracts maritime industry professionals from all over the world. Today, it is one of the largest ports in Europe, and the

annual number of 19 million passengers make it the third largest worldwide in terms of passenger transportation. It is currently the third busiest port of Mediterranean Sea, in terms of tons of transported goods. The main port serves ferry routes to almost every island in the eastern part of Greece, the island of Crete, the Cyclades, the Dodecanese, and much of the northern and the eastern Aegean Sea. The western part of the port is used for cargo services. The commercial uses are mainly determined by the proximity to the Central Port of Piraeus e.g. retail shop with ships' spare parts, engineering workshops, shipping agencies and offices etc. Other type of uses at Kondyli Coast include old multi-storey residential buildings, cc. 30 years and over.

The areas located to the east and south of the city center (Passalimani, Kallipoli, Evaggelistria etc.) have a residential character with some commercial uses as well.

#### Subject area:

The property is in the neighborhood of Agios Dionisios, a district bounded by Akti Kondili on the south, the railway lines on the north and Retsina street on the east. The surrounding area is a former industrial zone in close proximity to the port with signs of serious decay and old derelict buildings during the last decades.

Lately, the area has become a pole of interest not only by private investors but by the local authorities as well. An integrated urban intervention is planned for its sustainable development aiming to upgrade it and radically change the character by attracting new economic activities. The most recent private investment was implemented in the former Papastratos warehouse which was redeveloped into a contemporary sustainable office building. The planned interventions will take place in an area of 453 acres and include reconstruction and widening of pavements, cycling paths, landscaping etc.

The immediate area has a mixed-use character with office buildings, few retail shops, as well as some residential uses on the secondary streets. Uses that serve the port are found on the streets near the coast, like public buildings, travel agencies, marine engineering services etc.

Thermopilon Street: The road starts from Akti Kondili str. and ends at Iktinou str. It is a mixed-use street with both commercial and residential uses. Commercial uses are concentrated in the part of the road which is near the port.

The building stock is over 30 years old.

#### Accessibility:

By car: The subject property is accessed by Akti Kondyli Str.

By sea: The port of Piraeus is located at approximately 250m from the subject property. Port of Piraeus serves ferry routes to almost every island in Greece.

#### Public means of transport:

- Metro: The property is served by the metro station (Line 1) "Piraeus", at approximately 450m.
- Public Buses: The area is served by the bus lines 824, 825, 826, 832, 833, 871, 875. The nearest station is situated very close to the subject property.
- Trolleys: The area is served by the trolley lines 20. The nearest station is situated close to the subject property.

#### Surrounding Area:

In the surrounding area, the majority of office space is occupied by shipping companies. Retail uses are concentrated mainly along Akti Kondyli Str., while in the immediate area of the subject property warehouses and workshops can be found. Residential uses are concentrated along secondary streets.



Indicative occupiers in the area:

- Shipping companies Headquarters e.g. Danaos Shipping Company, Aegean shipping Company, ANEK lines etc.
- Teleperformance
- Piraeus Bank

Indicative map of the subject area:



## 4. Property Description

### 1) Land Description

Area (m<sup>2</sup>) of land plot:

**760.63m<sup>2</sup>** according to the Topographic plan drafted by the civil engineer Athanasopoulos Michalis.

Land plot of fair size  
Rectangular shape  
Typical view  
One frontage

Shape & Dimensions:

- Irregular shape
- It borders according to our inspection and the title deed provided:
  - North*: total length of 45.56m with unknown ownerships
  - East*: total length of 19.67m with unknown ownerships
  - South*: total length of 47.09m with unknown ownerships
  - West*: frontage of 19.20m to Thermopilon street.

Orientation:

- Western towards Thermopilon Str.

Gradient:

- Slight gradient, almost horizontal.

Fencing:

No fencing

Infrastructure:

- All necessary infrastructure is applied for the erection of the buildings.

View/ Position/ Commerciality:

- Common view
- Typical position and visibility
- Moderate commerciality

Public Utilities:

All public utility networks are available (Electricity, telecommunication, water supply, sewage disposal).

## 2) Planning Status

According to the data provided, the subject property lies on 138 Building Block, within the planning zone of the Municipality of Piraeus, and is subject to the below building regulations:

**Land plot intact, non-buildable**  
**Inside the town plan of the City of Piraeus**

### Presidential Decree

Government Gazette 258D/08.11.1971

### Land plot requirements

General Rule: Min Size of Plot = 200,00m<sup>2</sup>, Min Façade = 10,00m

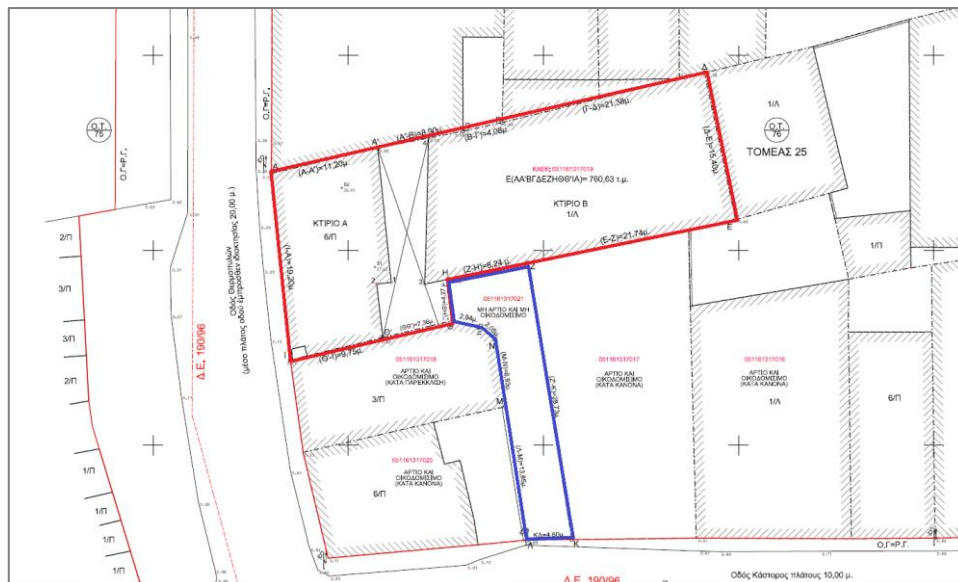
Exception to General Rule (before 9-6-1973): Min Size of Plot = 110,00m<sup>2</sup>, Min Façade = 6,00m

Exception to General Rule (before 8-11-1971): Min Size of Plot = 100,00m<sup>2</sup>, Min Façade = 6,00m

Building Coefficient:	3.60
Coverage Ratio:	60% (NOK)
Max Height:	According to New Building Regulation (NOK)
Permitted Uses:	Government Gazettes 79/D/1988 - 663/D/1994

### Comments:

According to topographic plan, the subject property with cadastral number 051161317019 (marked with red line) is non-buildable due to the fact that a neighboring land plot is non-intact and non-buildable (paragraph 7 of article 7 of law 4067/2012).



For the non-intact and non-buildable plot with cadastral number 051161317021 (marked with blue line) the following points are highlighted:

- it shares a common border with the adjacent property on the east (cadastral number 051161317017) which is clear of buildings, and
- all neighboring plots are already developed (existing buildings within)

Therefore, we are of the opinion that a settlement («πράξη τακτοποίησης») would most probably result in the unification of the non-buildable land plot to its adjacent plot on the east and not to the subject property.

For the purposes of this report we assume that all necessary planning actions will be concluded, rendering the subject land plot buildable without any changes in its boundaries.

It is noted that In order to be able to examine other scenarios (eg unification of the neighboring plot (051161317021 -marked with blue) with the subject property) would require either a certification of the planning authority or the purchase of the non-intact and non-buildable land plot.

### 3) Building Description

The subject property was initially constructed according to the building permit 1520/1976 as a warehouse building comprising of basement, ground floor and six levels above. On the uncovered area there is an additional ground floor warehouse of small size, which has been legalized according to law 4495/2017.

**Seven-storey warehouse building**  
**Year of construction 1978**

The levels, areas, and uses according to the data provided, are presented in the following table:

Warehouse Building, 30 Thermopilon Street, in the area of Ag. Dionisios, Municipality of Piraeus			
Type of Property	Level	Use	Area (m <sup>2</sup> ) of Apartment/ Parking Space
Existing Main Building	Basement	Ancillary	297,35
	Ground Floor	Warehouse	212,50
	First Floor	Warehouse	205,10
	Second Floor	Warehouse	205,10
	Third Floor	Warehouse	205,10
	Fourth Floor	Warehouse	205,10
	Fifth Floor	Warehouse	205,10
	Sixth Floor	Warehouse	155,83
	Seventh Floor	Ancillary	34,72
Ancillary building	Ground	Warehouse	523,67
Total			2.249,57

### 4) Building Status

- ⇒ According to the macroscopic inspection that was conducted during our visit to the premises, based upon the data provided, we conclude that the buildings were built in exceedance or changing the permissible land use, of the existing building regulations and restrictions.
- ⇒ There were planning infringements which have been legalized according to the Law no. 4495/2017. Application ref. number 10950431.
- ⇒ In any case, the current report determines values for the existing uses and does not substitute the necessary engineer's certificate, according to the Law no. 4495/2017.



## 5. Proposed Development

According to the data provided, the instructor intends to redevelop the existing building into a sustainable residential complex of contemporary design and specification. A new residential building will be constructed on the uncovered area after the demolition of the ground-floor ancillary warehouse of total area 523,67m<sup>2</sup>. The proposed residential complex will comprise a seven-storey building and an eight-storey building with shared basement.

The levels, areas, and uses according to the data provided and the permitted planning regulations, are presented in the following table:

Residential Complex, 30 Thermopilon Street, in the area of Ag. Dionisios, Municipality of Piraeus			
Type of Property	Level	Use	Area (m <sup>2</sup> )
Existing Building	Basement	Parking Space	297,00
	Ground Floor	Retail	212,50
	First Floor	Residential	205,10
	Second Floor	Residential	205,10
	Third Floor	Residential	205,10
	Fourth Floor	Residential	205,10
	Fifth Floor	Residential	205,10
	Sixth Floor	Residential	155,83
	Seventh Floor	Ancillary	34,72
Total			1.725,55
New Building	Basement	Parking Space	311,00
	Ground Floor	Residential / Parking space	200,00
	First Floor	Residential	120,00
	Second Floor	Residential	160,00
	Third Floor	Residential	160,00
	Fourth Floor	Residential	160,00
	Fifth Floor	Residential	160,00
	Sixth Floor	Residential	160,00
	Seventh Floor	Residential	160,00
	Eighth Floor	Residential	160,00
Total			1.751,00

### 1) Technical Specification

We have been informed that the buildings will be developed according to the principles of sustainability, ensuring their energy and environmental efficiency, aiming at high quality technical characteristics upon completion. In terms of technical specification high quality standard finishes, enhanced indoor environmental quality, and elegant design are going to be implemented according to verbal information from the instructor. The development aims in preserving and restoring the surrounding habitat which is a vital factor of a sustainable building design.



- |                                |  |
|--------------------------------|--|
| <b>Frame:</b>                  | ▪ Reinforced concrete frame  |
| <b>Roof:</b>                   | ▪ Flat concrete roof   |
| <b>Walls &amp; Partitions:</b> | ▪ External walls: Concrete and masonry<br>▪ Internal walls: Masonry  |
| <b>General:</b>                | ▪ Construction materials planned to be used in all phases of construction will be of high quality.<br>▪ The subject property at completion will be of excellent quality of construction. |

Indicative photos of the property are attached in [Appendix 2](#).

## 2) Buildable Area/ Remaining Building Coefficient

The total future above ground area that is calculated to be developed as provided in the proposed scenario, is 2,268.12m<sup>2</sup>. The maximum allowed is 3.60 x 760.63m<sup>2</sup> = 2,738.27m<sup>2</sup>. Therefore, there is a remaining building coefficient of 470.15m<sup>2</sup>, which cannot be exploited due to height restriction.

## 3) Development progress

As of November 2021, when the inspection of the property has taken place, the development works were in the stage of the preliminary study necessary for the issuance of the Building Permit.

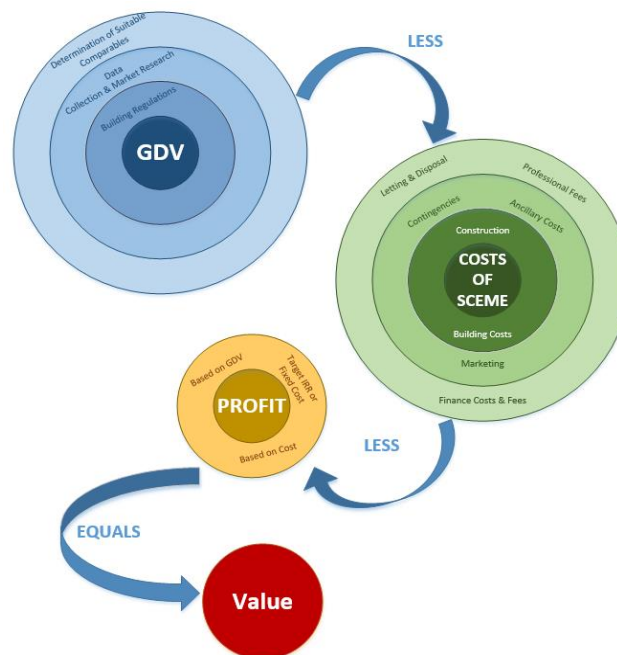
## 6. Legal & Ownership Status

For the purposes of the valuation report, we assume that the subject property is owned by “EVGENEIA HOMES S.A.” and that it is clear and free of any encumbrances or charges that may affect its value.

## 7. Valuation Methodology

In order to determine the Fair Value of the subject property, we apply the Residual Method, which is a hybrid of the market approach, the income approach and the cost approach. It is based on the completed “gross development value” and the deduction of development costs and the developer’s return to arrive at the residual value of the development property (IVS 2020, p.106, par.40). The Residual Method is applied by using ARGUS Developer ® software. For the theoretical apportionment of the Fair Value of the property between land and buildings, for financial reporting purposes, we use the Cost Approach based on the Depreciated Replacement Cost Method in order to determine the Replacement Cost of the buildings.

In detail, the Residual Method is used to arrive at a value for a vacant site or a building for redevelopment. It entails estimating the Gross Development Value based on the best-case scenario for development or redevelopment. From the Gross Development Value all construction and finance costs, as well as the developer’s profit, are deducted in order to arrive to the present value of the property under question (EVS 2016, EVIP 5, par 6.5). The process of this methodology is presented to the following diagram:



### Reasons for choosing Residual Method:

- The subject property will be redeveloped; therefore, the Residual Method can be applied.
- The property in question can generate net benefits and be considered as an investment asset.
- We were able to identify asking prices and rents for the potential uses according to the best-case scenario.
- All Risks Yield can be identified.

General Assumptions:

- For the purposes of this scenario we assume all required parking spaces will be available and no issues will arise in terms of legal prerequisites.
- For the purposes of this report we assume that all necessary planning actions will be concluded, rendering the subject land plot buildable without any changes in its boundaries.

For the theoretical apportionment of the Fair Value of the property between land and buildings, for accounting purposes and only, we use the Cost Approach based on the Depreciated Replacement Cost Method in order to determine the Replacement Cost of the buildings (EVS 2020, EVIP 3, par.3).

According to the Depreciated Replacement Cost method, the valuer is required to provide a considered opinion of the Market Value of the land in its existing use, plus the hypothetical cost of constructing similar buildings to the existing ones and relevant site works. In more detail, the process of the DRC methodology entails:

1. The definition of the Replacement Cost of the Buildings (as new) according to current construction evidence.
2. The application of a depreciation factor that reflects the age, the condition, and the economic and functional obsolescence of the property in question. The depreciation factor is calculated according to the following function:

$$\text{Depreciation Factor} = \frac{1}{(1 + i)^n}$$

where:

i = represents the condition, the economic and functional obsolescence of the property in question

n = represents the age of the property

## 8. SWOT Analysis

### Strengths:

- Good accessibility via private and public transportation means.
- The building aims to LEED certification.
- Good location in close proximity to Akti Kondili street and the commercial center of Piraeus.

### Weaknesses:

- The surrounding area is a former industrial zone with signs of serious decay.
- Investment demand is focusing on more commercial areas and already established residential locations.
- The subject property is non-buildable.



**Opportunities:**

- “Papastratos” redevelopment triggered investment and occupation demand in the area. Such redevelopment activities upgrade the micro location.
- A new metro line (3) is expected to operate in the following years.
- The Regional Council of Attica approved the reconstruction of the “Agios Dionysios” area of the Municipality of Piraeus.

**Threats:**

- High taxation of real estate assets.
- A trend towards shorter occupational leases may increase the risk of vacancy in the mid and long term.
- The unknown impact of Covid 19 on real estate market.
- In 2021, the cost of construction materials has increased significantly, pushing market values and rents to rise and yield to compress.

## 9. Market Analysis

### 1) Comparable Evidence

From our market research into the local property market, we identified the following comparable evidence:

Apartments for sale:

Comparable Data - Apartments for Sale												Source
Comparable Data												
No.	Area (m²)	Level	Municipality	Area	Street	Year of Construction	Parking Spaces	Storage Area	Additional Information	Asking Price €	Asking Price per €/m²	
1	76,00	6	Piraeus	Agiou Dionisiou Square	n/a	2006	Yes - 1	Yes	2 bedrooms, autonomous heating, typical construction	170.000,00 €	2.236,84 €	Private Owner, Tel. 6906951942
2	84,00	4	Piraeus	Agia Sofia	Asklipiou 28	2010	Yes - 1	Yes	2 bedrooms, autonomous heating, typical construction, solar water heater	155.000,00 €	1.845,24 €	Private Owner, Tel. 6944672722
3	72,00	3	Piraeus	Agia Sofia	n/a	2006	Yes - 1	Yes	2 bedrooms, autonomous heating, typical construction, alarm system, boiler, view	150.000,00 €	2.083,33 €	Top House, Tel. 2111986521
4	75,00	2	Piraeus	Agia Sofia	Milou 56	2007	Yes - 1	Yes	2 bedrooms, autonomous heating, typical construction, alarm system	145.000,00 €	1.933,33 €	CSK RE, Tel. 2111987893
5	68,00	3	Piraeus	Agia Sofia	n/a	2012	No	No	2 bedrooms, autonomous heating, typical construction, solar water heater	130.000,00 €	1.911,76 €	Eco Ergus Home, Tel. 2111010600

Parking Spaces for sale:

Comparable Data - Parking Spaces for Sale							Source
Comparable Data							
No.	Area (m²)	Level	Municipality	Area	Asking Price €	Asking Price per space	
1	10,00	-1	Piraeus	Evangelistria	12.000,00 €	12.000,00 €	PUBLIC REAL ESTATE tel: 2111046400
2	10,00	-1	Piraeus	Evangelistria	15.000,00 €	15.000,00 €	NEW DEAL M.I.K.E. tel: 2103390500
3	10,00	0	Piraeus	Evangelistria	13.000,00 €	13.000,00 €	ARC REAL ESTATE tel: 2107777377
4	11,00	-1	Piraeus	Agia Sofia	12.000,00 €	12.000,00 €	tel: 6975267540
5	12,00	-1	Piraeus	Neo Faliro	12.500,00 €	12.500,00 €	tel: 2109951555

Based on the above comparative market data, we summarize our finding as follows:

- Apartments in the Municipality of Piraeus, are available for sale between **€1,850.00/m<sup>2</sup>** and **€2,500.00/m<sup>2</sup>**, depending on the location, the size, the visibility, the view, the floor, the age, the technical specification, the accessibility, the availability of parking spaces, the distance from major thoroughfares and other key features.
- Parking spaces in the Municipality of Piraeus, are available for sale between **€10,000.00/space** and **€15,000.00/space**, depending on the location, accessibility, the distance from major thoroughfares and other key features.

## 2) Real Estate Market

### **Description of the Local Market**

<i>Commercial &amp; residential development:</i>	The surrounding area is a former industrial zone in close proximity to the port with signs of decay which recently is under a regeneration process by both public and private investment initiatives.
<i>Commerciality:</i>	The commerciality of the area is concentrated along Akti Kondili street.
<i>Average age of building stock:</i>	Most buildings in the area are over 30 years old.
<i>Construction activity:</i>	Serious construction activity is observed in the area.
<i>Development rate:</i>	Fully developed area.
<i>Landmark:</i>	Port of Piraeus

*Supply:* Moderate supply of apartments in good condition for sale.

*Demand:* Low demand for apartments in the area of Agios Dionisios.

## 10. Fair Value

According to the above calculations, the Fair Value of the subject property located at 33 Thermopilon Street, Building Block 76, area of Ag. Dionisios, in the Municipality of Piraeus, Regional Unit of Piraeus, Region of Attica, as of 31/12/2021, is **€ 700,000.00 rounded (Seven hundred thousand Euros)**.

### 1) Apportionment of Fair Value

In our opinion and according to market evidence on construction costs, for the determination of the Replacement Cost of the buildings as new, we attach the following table that presents the Replacement Cost per m<sup>2</sup> per area and the depreciation factor accordingly:

Type of Construction	Range of Current Gross Construction Cost	Estimated Average Replacement Cost €/m <sup>2</sup> (For new Constructions)	Range of Annual Depreciation Rate %	Estimated Annual Depreciation Rate %
Warehouse	€300,00/m <sup>2</sup> to €500,00/m <sup>2</sup>	300,00 €	1% to 2%	2,00%
Ancillary	€250,00/m <sup>2</sup> to €500,00/m <sup>2</sup>	400,00 €	2% to 3%	2,00%

Residential Buildings, 30 Thermopilon Street, in the area of Ag. Dionisios, Municipality of Piraeus												
Depreciated Replacement Costs												
Type of Property	Level	Current Use	Area (m <sup>2</sup> ) of Apartment/ Parking Space	Estimated Replacement Cost €/m <sup>2</sup> (For new Constructions)	Replacement Cost (as New)	Age (yrs)	Estimated Useful Life of Building	Remaining Useful Life of Building	Depreciation Rate	Age Coefficient	Depreciated Replacement Cost (€)	Rounded (€)
Existing Building	Basement	Ancillary	297,35	300,00 €	89.205,00 €	43	70	27	2,00%	0,43	38.069,91 €	38.100,00 €
	Ground Floor	Warehouse	212,50	400,00 €	85.000,00 €	43	70	27	2,00%	0,43	36.275,34 €	36.300,00 €
	First Floor	Warehouse	205,10	400,00 €	82.040,00 €	43	70	27	2,00%	0,43	35.012,11 €	35.000,00 €
	Second Floor	Warehouse	205,10	400,00 €	82.040,00 €	43	70	27	2,00%	0,43	35.012,11 €	35.000,00 €
	Third Floor	Warehouse	205,10	400,00 €	82.040,00 €	43	70	27	2,00%	0,43	35.012,11 €	35.000,00 €
	Fourth Floor	Warehouse	205,10	400,00 €	82.040,00 €	43	70	27	2,00%	0,43	35.012,11 €	35.000,00 €
	Fifth Floor	Warehouse	205,10	400,00 €	82.040,00 €	43	70	27	2,00%	0,43	35.012,11 €	35.000,00 €
	Sixth Floor	Warehouse	155,83	400,00 €	62.332,00 €	43	70	27	2,00%	0,43	26.601,35 €	26.600,00 €
Ancillary building	Seventh Floor	Ancillary	34,72	400,00 €	13.888,00 €	43	70	27	2,00%	0,43	5.926,96 €	5.900,00 €
	Ground	Warehouse	523,67	200,00 €	104.734,00 €	43	70	27	2,00%	0,43	44.697,20 €	44.700,00 €
Total			2.249,57		660.625,00							326.631,31 €

Buildings, 30 Thermopilon Street, in the area of Ag. Dionisios, Municipality of Piraeus	
Account	Fair Value
Land ( <i>Account 10</i> )	373.400,00 €
Building ( <i>Account 11</i> )	326.600,00 €
Total	700.000,00 €

The subject report is a short version of the Full Report with prot. no. PEF-973/4-2022.

## Publication

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For Pepper Hellas Asset Management S.A.



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Certified Valuer



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F.A. Valuations, Underwriting & Reporting  
Department

This block contains a blue ink signature of Theodoros Delidimitropoulos.

Theodoros Delidimitropoulos  
Associate  
BA, MSc  
FA Valuations, Underwriting & Reporting

A large yellow semi-circle graphic on the right side of the page.

## **Appendix 1**

### **Bases of Valuation**

## General Terms of Valuation Reports

Pepper Hellas Asset Management S.A., in order to provide valuation/ consultancy services, is governed by the following assumptions, limitative requirements and specifications:

Our report has been prepared in accordance with the standards of the Royal Institution of Chartered Surveyors (*RICS Valuation – Global Standards, 2020*), the European Valuation Standards of TEGoVA (*The European Group of Valuers' Associations - EVS 2020, 9<sup>th</sup> edition*) and the International Valuation Standards of the IVSC (*International Valuation Standards Council – IVS 2020*). These standards also comply with the International Financial and Reporting Standards (IFRS).

## Valuation Bases

**Market Value** is *“the estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion” (EVS 1, European Valuation Standards 2020, 9<sup>th</sup> Edition, p. 15).*

Market Value is to be the estimated value of a property and so excludes the additional costs that may be associated with sale or purchase as well as any taxation on the transaction (EVS 1, European Valuation Standards 2020, 9<sup>th</sup> Edition, p. 34).

**Market Rent** is *“the estimated amount of rent at which the property should be leased on the date of valuation between a willing lessor and a willing lessee on the terms of the actual or assumed tenancy agreement in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion” (EVS 1, European Valuation Standards 2020, 9<sup>th</sup> Edition, p.15).*

**Fair Value according to EVS and Equitable Value according to IVS (General Definition)** is defined as *“the price that would be received to sell a property or paid to transfer a liability in an orderly transaction between identified willing market participants possessing full knowledge of all relevant facts, making their decision in accordance with their respective objectives” (EVS 2, European Valuation Standards 2020, 9<sup>th</sup> Edition, p. 39)*

Equitable Value requires the assessment of the price that is fair between two specific, identified parties considering the respective advantages or disadvantages that each will gain from the transaction. In contrast, Market Value requires any advantages or disadvantages that would not be available to, or incurred by, market participants generally to be disregarded (IVS 2020, p. 21).

**Fair Value (for Accounting Purposes)** is *“the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date” (International Accounting Standards Board (IASB), International Financial Reporting Standards (IFRS) 13, Par.1).*

**Investment Value or Worth** is *“the value of an asset to the owner or a prospective owner for individual investment or operational objectives (May also be known as worth)” (RICS Valuation – Global Standards 2020, p.57).*



**Special Value** is defined as “an opinion of value that incorporates consideration of characteristics that have a particular value to a Special Purchaser” (EVS 2, European Valuation Standards 2020, 9<sup>th</sup> Edition, p.41).

A **Special Purchaser** is a “purchaser who can optimize the usefulness of a property compared to other market participants and whose opinion of price equates to a Special Value” (EVS 2, European Valuation Standards 2020, 9<sup>th</sup> Edition, p.41).

**Synergistic Value or Marriage Value** is defined as “the result of a combination of two or more assets or interests where the combined value is more than the sum of the separate values” (IVS 2020, p. 22).

**Liquidation Value** is “the amount that would be realised when an asset or group of assets are sold on a piecemeal basis” (IVS 2020, p. 22).

Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value:

- (a) an orderly transaction with a typical marketing period, or
- (b) a forced transaction with a shortened marketing period

**Mortgage Lending Value** is “the value of immovable property as determined by a prudent assessment of the future marketability of the property taking into account long-term sustainable aspects of the property, the normal and local market conditions, the current use and alternative appropriate uses of the property” (EVS 2, European Valuation Standards 2020, 9<sup>th</sup> Edition, p.42).

Mortgage Lending Value should not take into account any speculative elements (EVS 2, European Valuation Standards 2020, 9<sup>th</sup> Edition, p.43).

**Insurable Value** means “the sum stated in the insurance contract applying to that property as the liability of the insurer should damage and financial loss be caused to the insured by a risk specified in the insurance contract occurring to that property”. When instructed to provide an insurable value, the valuer is to determine the figure that will provide appropriate insurance cover for the property (EVS 2, European Valuation Standards 2020, 9<sup>th</sup> Edition, p.43).

Where reinstatement is the basis of the assessment, the principle is to replace what might be damaged or destroyed as it was before the event. **Replacement cost** is defined as the cost to replace the damaged property with materials of like kind and quality, without any deduction for depreciation. If the valuer is instructed to use **Depreciated Replacement Cost** or if it is appropriate to do so, then the valuer should assess the new replacement cost and then deduct an allowance for ageing and wear and tear of the structure. This cover equates to the replacement of the building as it is, not to its replacement with a new building (EVGN 4, European Valuation Standards 2020, 9<sup>th</sup> Edition, p. 117).

#### **Plant and Equipment connected to a building**

According to IVS 300 Plant & Equipment, plant and equipment connected with the supply or provision of services to a building are often integrated within the building and, once installed, are not separable from it (IVS 2020, p. 92).

## Assumptions and Special Assumptions

In addition to stating the basis of value, it is often necessary to make an assumption or multiple assumptions to clarify either the state of the asset in the hypothetical exchange or the circumstances under which the asset is assumed to be exchanged. Such assumptions can have a significant impact on value (IVS 2020, p. 27).

An **assumption** is made where it is reasonable for the valuer to accept that something is true without the need for specific investigation or verification. Any such assumption must be reasonable and relevant having regard to the purpose for which the valuation is required (RICS Valuation – Global Standards 2020, p.58).

A **special assumption** is made by the valuer where an assumption either assumes facts that differ from those existing at the valuation date or that would not be made by a typical market participant in a transaction on that valuation date.

Where special assumptions are necessary in order to provide the client with the valuation required, these must be expressly agreed and confirmed in writing to the client before the report is issued.

Special assumptions may only be made if they can reasonably be regarded as realistic, relevant and valid for the particular circumstances of the valuation (RICS Valuation – Global Standards 2020, p.58-59).

## Premise of Value/ Assumed Use

A **Premise of Value** or **Assumed Use** describes the circumstances of how an asset or liability is used. Different bases of value may require a particular Premise of Value or allow the consideration of multiple Premises of Value (IVS 2020, p. 24).

Some common Premises of Value are:

- (a) highest and best use,
- (b) current use/existing use,
- (c) orderly liquidation, and
- (d) forced sale.

**Highest and best use** is the use, from a participant perspective, that would produce the highest value for an asset.

The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value.

The highest and best use for an asset may be its current or existing use when it is being used optimally. However, highest and best use may differ from current use or even be an orderly liquidation (IVS 2020, p. 24).

**Current use/ existing use** is the current way an asset, liability, or group of assets and/or liabilities is used. The current use may be, but is not necessarily, also the highest and best use (IVS 2020, p. 25).

An **orderly liquidation** describes the value of a group of assets that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis (IVS 2020, p. 25).

The term “**forced sale**” is often used in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible, and buyers may not be able to undertake adequate due diligence. The price that could be obtained in these circumstances will depend upon the nature of the pressure on the seller and the reasons why proper marketing cannot be

undertaken. It may also reflect the consequences for the seller of failing to sell within the period available.

The price that a seller will accept in a forced sale will reflect its particular circumstances, rather than those of the hypothetical willing seller in the Market Value definition. A “forced sale” is a description of the situation under which the exchange takes place, not a distinct basis of value (IVS 2020, p. 25).

## References

- TEGoVA (2020), *European Valuation Standards – EVS 2020, 9<sup>th</sup> Edition*, available at: [www.tegova.org](http://www.tegova.org)
- RICS (2020), *RICS Valuation – Global Standards 2020*, available at: [www.rics.org/standards](http://www.rics.org/standards)
- IVSC (2020), *International Valuation Standards – IVS 2020*, available at: [www.ivsc.org](http://www.ivsc.org)

## Properties' Condition

It is noted that during the inspection we did not notice any indication that the subject property or the nearby properties are affected or have been affected by any causes, such as pollution, natural or chemical (such as asbestos, insulating formaldehyde foam, other chemical or toxic wastes, or any other known or unknown dangerous materials) which could affect its/their value. In addition, and regarding green fields, we did not notice any landfill with unknown materials that may positively or negatively affect their value.

If it is concluded, ex post facto, that there is some kind of pollution on the subject property or on any nearby land, or that the buildings have been used or are used with means that could cause pollution problems, we reserve the right to change the values accordingly.

It is also noted that we did not inspect the hidden, covered, invisible or inaccessible areas of the subject property. Therefore, we are unable to give an opinion regarding their condition and, for the purposes of the valuation report, it is considered that they are in good condition and that no repairs need to be made. This report must not be construed as confirmation of the integrity of the architectural and static construction or the building's legality, taking into account the building's compliance to government regulations, fire regulations, safety and anti-seismic protection regulations, environmental protection or energy efficiency regulations etc., unless otherwise stated in the report.

It is also recommended that the client consults a respective specialist engineer and/or environmentalist, for the assessment of potential construction or environmental problems regarding the property, the existence of which could substantially affect the subject property's value.

Furthermore, it is mentioned that we were not asked and we neither carried out any ground analysis or geological report, nor investigated the subsoil for possible existence of water, oil, gas, precious metal, or any other mineral as well as rights of extraction or usage, the existence of which could affect the property's value.

## Data Used

In order to carry out the valuation report, the data mentioned in the relevant paragraph was taken into account. Pepper Hellas Asset Management S.A. did not apply audit procedures on any of the information provided, due to the fact that this would be out of its range of work and therefore, in order for the report to be compiled (unless otherwise specified), we consider the submitted data to be precise and correct.

Regarding the legal status of the properties, we did not check the title deeds. It is assumed that the owners' declarations are accurate, the rights on the fixed assets are strong and tradable, and that there are no legal difficulties of any nature that cannot be overcome by means of normal legal procedures within a fair period of time, unless otherwise stated in the report.

The properties' measurement data (surface, dimensions, etc.) that are quoted in the report have not been verified, unless otherwise stated, and for this reason, they should not be considered as precise property measurements.

For the purposes of the report, it is assumed that the fixed assets under consideration comply with the applicable town planning regulations, as well as the use of land, and that there is no issue of encroachment unless specifically mentioned in the report.

## **Appendix 2**

### **Photos**

Warehouse Building, 17 Vlachakou Streets, Building Block 138, in the Municipality of Piraeus, Regional Unit of Piraeus, Region of Attica

