
Fair Value Valuation report of

a land plot in the area of “Prokalissi”, Municipality
of Spata-Artemida, Region of Attica

Critical Valuation Date: 30-06-2019

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1. Description, statutory and legal aspects

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The property was inspected on 03-06-19 by Nikos Minas.

1.1. Location

Spata, which lies on the Mesogaia plain, is one of the traditional towns of the Mesogeia region of Attica, along with Koropi, Markopoulo Mesogaïas, Paiania and Pikermi. The economic base of the area has traditionally been viticulture, the local economy having developed in the 19th and 20th centuries around the production and export of wine. Much of the surrounding area is farmland and is primarily given over to the cultivation of grapevines.

With a population of approximately 30,000, Spata-Artemida is an area of Attica that has undergone considerable development in recent years as a result of the improvement in transport infrastructure, the construction of Athens International Airport “Eleftherios Venizelos” and the opening of the Mc Arthur Glen Designer Outlet Shopping Centre and the Smart Retail Park. Consequently, the area’s attractiveness has increased significantly, with many individuals, families and companies choosing to relocate there.

The aforementioned improvements as well as the increased movement of companies from other, denser, urban areas towards Spata have pushed land values. A further parameter affecting land value are the new business and commercial developments within the airport commercial zone. The new land use and zoning regulations in the Mesogeia region are expected to control the patchy increase in land value by channelling corporate and retail demand towards areas zoned as business and commercial. A beneficial outcome of the new planning regulatory framework is that residential areas will remain as such due to the allocation of land for commercial and business uses in certain zones.

The majority of the subject property is located within the approved Business Park area of Prokalissi, while a small part of the plot is located outside of it. Most of the land around the subject property is agricultural, albeit with some scattered residential and commercial land use. Many organisations have shown an interest in acquiring land in the Business Park of Prokalissi such as Emporiki Venture Capital, Fourlis Group and Lamda Development.

Access to the subject property is via the Spata-Pikermi provincial road from either Pikermi, having exited Marathonos Avenue (National Road 54), or Spata and more specifically the local road leading to Christoupoli. Similarly, the Hymettus Peripheral Ring (A64 motorway), which is a branch of Attiki Odos (A6 motorway), ends a short distance from the subject property and the Business Park can be accessed via the local road network. At present the existing transport infrastructure is insufficient to accommodate major development plans and, as a result, road improvements will need to be made in order to meet the future increased traffic flows to and from the business park.

A map of the area is shown in Appendix 3.1 below.

1.2. Description

The subject property, which is located in the Prokalissi area of the municipality of Spata-Artemida, was initially a plot of land covering a total area of 165,136.81 m². It is the result of the purchase of two adjacent plots of land. A major part of the plot measuring 84,537.41 m² has been allocated within the approved business park and has the potential for commercial development as described in the relevant Government Gazette (GG), whereas 25,054.47 m² will remain outside of the approved town plan and therefore does not have the same development potential. The following table shows the surface areas and the planning status per parcel of land:

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Description	Surface (m ²)
Block E26 - Within Prokalissi Business Park	14,998.50
Block E31 - Within Prokalissi Business Park	69,538.91
Out of the approved town plan of Spata	25,054.56
	109,591.97

We enclose satellite images of the subject properties as Appendix 3.2 below.

1.3. State of Repair

We cannot make any comments regarding the state of repair as the land plots are not developed yet.

1.4. Public Utility Services

The property can be relatively easily connected by mains electricity and water as well as telephone network in case of future development as all services lie nearby. The only issue seems to be sewage since we understand that there is no such network running close to the subject property.

1.5. Tenure

The property is held on a freehold basis by Lamda Estate Development S.A. The property as a whole has been purchased with the following contracts:

- Contract number 13984/9-9-00 (purchased area 113,050.46 m²)
- Contract number 13985/9-9-00 (purchased area 25,711.59 m²)
- Contract number 14071/28-11-00 (purchased 3,398.42 m²)
- Contract number 14125/31-1-01 (purchased area 3,377.31 m²)
- Contract number 14126/31-1-01 (purchased area 2,198.63 m²)
- Contract number 14127/31-1-01 (purchased area 2,000 m²)
- Contract number 14128/31-1-01 (purchased area 504.04 m²)
- Contract number 14129/31-1-01 (purchased area 367.27 m²)
- Contract number 14131/2-2-01 (purchased area 1,002.45 m²)
- Contract number 14132/2-2-01 (purchased area 590.98 m²)
- Contract number 14133/2-2-01 (purchased area 1,275.60 m²)
- Contract number 14288/25-6-01 (purchased area 2,729.40 m²)
- Contract number 14291/26-6-01 (purchased area 5,705.35 m²)

For the purposes of the subject valuation we have assumed that the property has clear and marketable titles.

We recommend that your legal advisors should verify matters concerning tenure. Any material discrepancies revealed during their verification should be referred back to us to enable us to amend our Valuation accordingly.

1.6. Planning Status

According to the Government Gazette (FEK) 1274D/2003 the building regulations that apply to the subject property and the other properties that lie within the Business Park zone are the following:

- Building Coefficient: 0.6

- Coverage Ratio: 40%
- Maximum structure height according to the General Building Regulations (GOK)

The land uses allowed are as described in Article 4 of GG 166D/87 with residential uses being excluded. As a result the permitted land uses that are included in the general characterization "land use contents regarding urban centres - central city uses - local area/neighbourhood centre" are: guest-houses, hotels, retail stores, public administration uses, offices, banks, restaurants, leisure & recreation facilities, convention centres/cinemas/night clubs, cultural buildings, education buildings, light industrial buildings and professional workshops, car parking plots and buildings, petrol filling stations, showrooms & exhibition centres, public transport facilities. The Business Park area is divided into 3 sections (Section 1, Section 2 and Section 3) where in Article 5 of the Government Gazette which determines on the minimum areas and frontages.

According to Greek Law, properties which are in the process of being incorporated in the Town Plan have an obligation to contribute in "land and money". In most cases "contribution in land" is calculated according to a standardised mathematical formula and is depended upon the property's size. The "contribution in money" is calculated on the remaining size of the property as land which is then turned into a capital value. This value is determined individually for each property by the qualified authorities and until paid it is a burden over the property.

According to information we received from the owning company, the part of the property which has been zoned within the "Business Park" is divided in two blocks; i.e. Block E31 and Block E26 with their respective surfaces being 69,538.91 m² and 14,998.50 m². These are the land areas that will be taken into account for this valuation. This land has arranged the required "contribution in land" for 47,791.84 m² but still owes the "contribution in money" for 4,278.48 m², according to Lamda Estate Development SA. We have not been provided with any cost related to the obligation of the owner with regards to the settlement of "the contribution in money". To this end, our valuation is without taking into account this amount.

The parcel located out of the approved town plan of Spata has a total surface of 25,054.59 m² is buildable and developable and the planning terms and conditions applicable to it are in accordance with GGI 270/D/31-5-1985. According to the General Urban Plan of Spata, as this is published in GGI 652/D/89 and amended by GGI 250/D/99, the property is located in an area with "only residential" proposed land uses. Furthermore, we understand that action is required so that the part of the area which contains that subject land plot will be town planned.

1.7. Environmental Considerations

1.7.1. Informal Enquiries

As instructed, we have not carried out a soil test or an environmental audit. Following informal enquiries, we understand that the property had previously the same use as today. On the basis of these informal enquiries, it would appear unlikely that land contamination exists. We have also observed that there are not any hazardous or potentially hazardous uses near the property. These comments are subject to the extent of the on-site survey and are made without liability.

1.7.2. Assumption

As our informal enquiries have suggested that land contamination is unlikely, we have valued the property on the basis that it has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at the property, or on any neighbouring land, then we may wish to review our valuation advice.

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2. Market Commentary & Valuation Advice

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2.1. Generic market commentary

The subject property is located in a rather remote area of Greater Athens which has shown signs of dynamic development during the previous decade. It is an area with good accessibility mainly due to the existence of Attiki Odos, the Athens peripheral road. The area attracted both residential and business/retail users; however the economic crisis has stopped the development, making the area a secondary business choice due to the unavoidable commuting costs. Nevertheless it is an area with very easy access from almost any location of the Athens Metropolitan Area that still manages to attract some levels of demand.

2.2. Valuation Approach

In order to calculate the Fair Value of the property we used the Market Approach.

According to our survey the current supply of land in the area cannot be absorbed immediately. Economic conditions continue to be unfavourable for real estate development and as a result demand is not adequate to support high price levels. Factors affecting demand are all un-favourable and the market is likely to experience some further price compression. Under these circumstances developers cannot create valuable assets. Thus, Residual method of valuation may not be appropriate for the valuation of the subject land. As a result, we consider as more appropriate to apply the Comparative method by identifying comparable data as much identical as possible to the subject property.

Furthermore, in order to apply the Market Approach (Comparative method) we have compared the subject property with the asking prices of similar properties in the market and we have made the appropriate adjustments in arriving at the value of the property. After conducting our survey for the identification of actual comparable sales regarding land plots in the same geographical area and with similar characteristics in terms of planning we can report that this is a difficult task due to the absolute lack of transactional activity as a result of the poor status of the real estate market due to the fiscal and general financial crisis. Thus, we have adjusted comparable asking prices in order to reflect their specific characteristics to the subject property. There are a number of factors which we usually take into consideration when making adjustments – and more specifically factors such as the size, characteristics of the plot and location of the comparable evidence.

2.2.1. Market approach

The following table contains the results of our research and the relevant adjustments of the comparative evidence identified:

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Land plots within the town planning zone, sales

s/n	Description	Surface (m ²)	Bldg. Coef.	Price (€)	Price (€/m ²)	Asking	Location	Size	Characteristics	Adjusted price (€/m ²)	Adjusted buildable (€/m ²)
	Subject property				200					159	264
1	Spata, within the area's business park, land plot with a total area of 17,000 m ² , comprising a building coefficient of 0.6 and a site coverage ratio of 40% as well as an almost square (flat) configuration. Asking Price: €3,750,000	17,000.0	0.60	3,500,000	206	-15%	0%	-10%	0%	158	263
2	Spata, within the area's business park, land plot with a total area of 22,345 m ² , comprising a building coefficient of 0.6 and a site coverage ratio of 40%. Asking Price: €3,500,000	22,345.0	0.60	3,500,000	157	-15%	0%	-10%	0%	120	200
3	Spata, within the area's business park, land plot with a total area of 30,297 m ² , comprising a building coefficient of 0.6 and a site coverage ratio of 40%. Asking Price: €6,500,000	30,297.0	0.60	6,500,000	215	-15%	0%	-10%	0%	164	274
4	Spata, within the area's business park, land plot with a total area of 64,212 m ² , comprising a building coefficient of 0.6 and a site coverage ratio of 40%. Asking Price: €14,700,000	64,212.0	0.60	14,700,000	229	-15%	0%	0%	0%	195	324
5	Spata, within the area's business park, land plot with a total area of 69,540 m ² , comprising a building coefficient of 0.6 and a site coverage ratio of 40%. Asking Price: €11,500,000	69,540.0	0.60	11,500,000	165	-15%	0%	0%	0%	141	234
6	Spata, within the area's business park, land plot with a total area of 14,000 m ² , comprising a building coefficient of 0.6 and a site coverage ratio of 40%. Asking Price: €3,200,000	14,000.0	0.60	3,200,000	229	-15%	0%	-10%	0%	175	291

Land plots outside the town planning zone, sales

s/n	Description	Surface (m ²)	Bldg. Coef.	Price (€)	Price (€/m ²)	Asking	Location	Size	Characteristics	Adjusted price (€/m ²)
	Subject property				28					25
1	Spata, outside town planning zone, land plot with a total area of 18,000 m ² , buildable and developable. Asking Price: €450,000	18,000.0		450,000	25	-15%	+10%	-5%	0%	22
2	Spata, outside town planning zone, land plot with a total area of 9,654 m ² , buildable and developable. Asking Price: €230,000	9,654.0		230,000	24	-15%	0%	-5%	+15%	22
3	Spata, outside town planning zone, land plot with a total area of 7,800 m ² , buildable and developable. Asking Price: €240,000	7,800.0		240,000	31	-15%	+5%	-10%	+5%	26
4	Spata, outside town planning zone, land plot with a total area of 38,500 m ² , buildable and developable. Asking Price: €750,000	38,500.0		750,000	19	-15%	0%	+5%	+10%	19
5	Spata, outside town planning zone, land plot with a total area of 33,890 m ² , buildable and developable. Asking Price: €1,360,000	33,890.0		1,360,000	40	-15%	0%	+5%	0%	36

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From the comparable evidence we understand that the (adjusted) asking prices for land plots within the Spata/Prokalissi Business Park range significantly from € 120/ m² to € 195/ m² approximately. By taking into consideration these factors and after making the appropriate adjustments we are of the opinion that a price of € 155/ m² is reasonable for the part that is within the Business Park area. Furthermore, from the comparable evidence we understand that asking prices for land plots outside the approved town plan of Spata Business Park range significantly with prices ranging from € 19/ m² to € 40/ m² approximately. So, after making the appropriate adjustments we are of the opinion that a price of € 25/ m² is reasonable.

2.3. Fair Value

By following the above analysis, we calculate the fair value of the land parcels as follows:

Description	Surface (m ²)	Price (€/m ²)	Value (€)
Block E26 - Within Prokalissi Business Park	14,998.50	155	2,324,768
Block E31 - Within Prokalissi Business Park	69,538.91	155	10,778,531
Out of the approved town plan of Spata	25,054.56	25	626,364
	109,591.97		13,729,663

We have to stress that the subject property may have an obligation as regards the “contribution of money” due to its inclusion in the approved town plan. We have not been provided with any official information related to the said planning burden. We understand that this contribution is a future liability of the subject property and we draw your attention that it has not been taken into consideration in our valuation.

2.4. Valuation results

Having carefully considered the property, as described in this report, we are of the opinion that the Fair Value of the freehold interest as at the date of valuation is € 13,729,663, which is rounded to € 13,750,000 (Thirteen Million Seven Hundred Fifty Thousand Euros).

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3. Appendices

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3.1. Map of the area



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3.2. Photographs

