

**Achieving Your Full Potential In Cyprus**  
**ATTRACTIVENESS BEYOND TAXATION**

# **Investing In Greek Real Estate**

**Moscow, April 4<sup>th</sup>, 2012**

**Professor George Papaioannou**

**Vice-Chairman & CEO**

**Piraeus Real Estate**

# Contents

- 1 Why invest in Greece
- 2 Investment opportunities in the next 12 months
- 3 How to invest in Greece

# From Cyprus to Greece

## An upcoming opportunity?

With the Globe staring at Greece the last two years one cannot overlook the recent developments and specifically

- The Greek structural reforms (making Greece friendlier to international investors) and
- The willingness for foreign investments

Which, both create new investment opportunities in the fields of Real Estate and Renewable energy

# Why invest in Greece

## Significant recent Economic - Developments

- PSI – successful reducing debt by 107 billion Euros
- The 2<sup>nd</sup> loan agreement was secured – 130 billion Euros - from IMF and EU
- Greek economy is expected to exit recession in 2014 according to IMF
- The loan-to-GDP benchmark of 120% will be achieved at 2020
- Greece has committed to make competitive - enhancing structural reforms

## Why invest in Greece

Greece could be viewed as having most of the ingredients an international investor / developer would be looking for.

- It has unique location characteristics, being at the crossroads between Europe, Asia and the Middle East in transport and energy terms and a natural entry point to the Balkans and Central Europe for global trade flowing from the East.
- Its natural beauty and pleasant climate, the extended seashores and more than 1,000 islands render Greece an ideal vacation destination, hosting more than 15 million tourists annually.
- Traditionally, Greece has one of the most potent construction industries in the SEE, in terms of know - how, also operating abroad, especially in the Middle East.
- There is a plethora of undeveloped or underdeveloped land plots, many of them owned by the Hellenic Republic (“HR”).

# Why invest in Greece

## What has changed now?

1

**A clear strategy has been set up in order to attract international investors in one of the largest real estate divestment programmes in the world.**

The HR owns a real estate portfolio of approximately 120,000 land plots and buildings located in mainland Greece and the islands. Through the Hellenic Republic Asset Development Fund, ("HRADF"/"the Fund"), the HR is seeking to collaborate with international and local investors for the development of unique real estate projects selected from those properties. **Piraeus Bank / Piraeus Real Estate** are one of the Financial Advisors to the Fund for the recording, evaluation and development of the public real estate portfolio.

The Real Estate Development strategy is mainly based on the following categories of projects:

•**Tourism with emphasis on vacation homes:**

The location and climate of Greece, the combination of vast seaside and mountainous landscape, provide the setting for a remarkable opportunity in the vacation home and tourism market. Properties available for development span across all key tourism destinations such as Rhodes, Corfu, Crete, the Peloponnese, Central and Northern Greece.

•**Energy with emphasis on photovoltaic parks:**

Greece enjoys sunshine throughout the year, providing a competitive advantage for the development of sizeable investments in renewable energy.

•**Thematic Developments** such as Healing springs, Golf courses, Spas, Marinas, Ski Resorts that were largely unexploited in the past.

•**Development of Real Estate in urban areas.**

# Why invest in Greece

2

## Measures to counteract institutional shortcomings

The Implementation Law (Medium Term Fiscal Strategy 2012-2015) resulted in:

- The removal of existing restrictions and barriers hindering the development effort, and
- The establishment of the “Special Zoning Development Plan” (“ESHADA”), which promotes the development of HR RE assets by:
  - Creating a more friendly environment that provides fast, customized, investor focused solutions
  - Establishing the opportunity to propose change of land uses, enabling mixed use developments where previously only single use was permitted
  - Allowing for revisiting and alteration of building coefficients
  - Provision of fast track building licenses within an estimated period of 6-12 months

# Contents

- 1 Why invest in Greece
- 2 Investment opportunities in the next 12 months
- 3 How to invest in Greece

## Investment opportunities in the next 12 months

The following transactions were launched before end Q1 2012 with a view to have the process completed (following a tender procedure) by Q4 2012:

- Development projects for launching to the international market:
  - Hellinikon, Athens – launched on December 8<sup>th</sup>, 2011
  - Kassiopi, Island of Corfu - launched on March 6<sup>th</sup>, 2012
  - Afantou, Island of Rhodes – launched on March 20<sup>th</sup>, 2012
  
- Urban Properties for sale or lease extension:
  - Golden Hall – IBC, Athens – launched on March 2<sup>nd</sup>, 2012
  - 25 - 30 urban properties, located throughout Greece, to be developed through sale and lease back

## Investment opportunities in the next 12 months

- Medium - Term Privatization Targets:
  - Thermal Springs, Thematic developments, Coastal assets in Attica region: value of properties of approximately €300 million  
Launch of transactions before end of Q2 2012 with a view to have the process completed by the end of Q2 2013
  - Small luxury hotels, sizeable land plots on the islands: value of properties of approximately €250 million  
Launch of transactions before end of Q3 2012 with a view to have the process completed by the end of Q3 2013.

# Investment opportunities in the next 12 months

## Hellinikon - Athens

### General information

<b>Landmark:</b>	<p>The size of the project, combined with the quality of the site and development possibilities, represent a unique investment proposition for real estate and infrastructure investors.</p> <p>It has the potential to become a true “landmark” project for the wider Eastern Mediterranean and is a significant project for both Athens and Greece, in financial, economic and development terms.</p>
<b>Location:</b>	<p>Located in Athens, Hellinikon is at the cross way between Central Europe, the Eastern Mediterranean and the Middle East.</p> <p>The property is situated in one of the Greek capital’s prime suburbs, short driving distance from and with excellent connectivity to the city center.</p> <p>In close proximity to the Piraeus port and to the new international airport, nearly all major European capitals are within a three-hour flight range.</p>
<b>Size:</b>	<p>The land plot is c. 620 hectares and extends from the seafront up to the prime residential and commercial areas of Southern Athens.</p>
<b>Development Concept:</b>	<ul style="list-style-type: none"><li>• High grade , sustainable residential units in a green and service – oriented environment.</li><li>• Class A office infrastructure</li><li>• 5-star hotels</li><li>• State-of-the-art yachting marina</li></ul>



# Investment opportunities in the next 12 months

## IBC – Golden Hall – Athens

### General information

<b>Location:</b>	<p>The property is located in Maroussi, Athens, on the Kifissias Av. &amp; Spyrou Loui Av. junction, 15 km. to the north of the CBD. Maroussi is considered to be the prime office market of Athens accommodating a number of the largest domestic and international companies in Greece.</p> <p>The property is an income producing property with average income 8,5million Euros per year.</p>	
<b>Size:</b>	<p>The land plot on which the buildings have been constructed is c. 64,000sq.m., and forms part of the wider area of the Olympic Athletic Center of Athens (OAKA) which is c. 974,000sq.m.</p>	
<b>Existing Buildings:</b>	<p><b>GOLDEN HALL</b>  <b>Total area c. 132,200sq.m.</b></p> <ul style="list-style-type: none"> <li>• Above-ground area: c. 73,000sq.m.</li> <li>• Basement Parking &amp; Storage space area: c. 59,200sq.m.</li> </ul>	<p><b>ADDITIONAL AREA (vacant)</b>  <b>Total area c. 21,600sq.m.</b></p> <ul style="list-style-type: none"> <li>• Above-ground area: 14,300sq.m.</li> <li>• Basement Parking area: 7,300sq.m.</li> </ul>
<b>Golden Hall Anchor Tenants:</b>	<p>Inditex Group (Zara, Zara home, Massimo, Oysho, Pull &amp; Bear, Stradivarius), Attica Golden, Notos home.</p>	
<b>Development Concept:</b>	<p>Apart from the exploitation of the existing shopping mall, additional uses associated with the available vacant area can be established. Suggested uses include cultural multifunctional uses (museums), entertainment – recreation (cinema, gym etc) and retail and office uses.</p>	

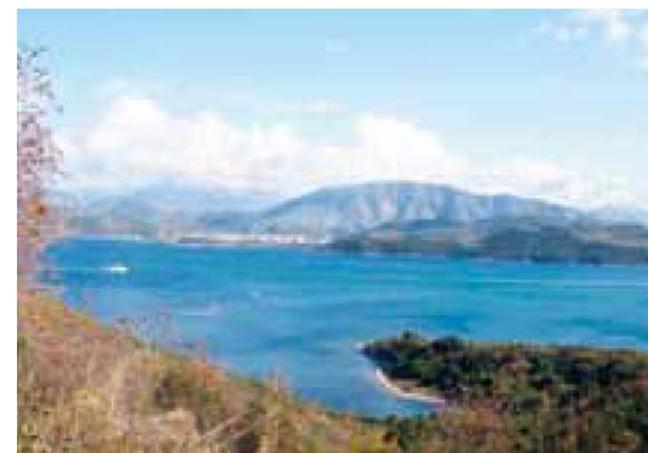


# Investment opportunities in the next 12 months

## Kassiopi peninsula – Island of Corfu

### General information

<b>Location:</b>	<p>Seafront property with breathtaking natural beauty, in one of the most cosmopolitan tourist settlements of Northern Corfu.</p> <p>The property is located c. 38km North (one hour drive) from the island's main city and 30km from the airport.</p>
<b>Size:</b>	<p>The size of the property is approximately 489,000 sq.m., (121 acres), more than half of its area being covered by a private forest including a small lake.</p> <p>The property has a coastline around 725m, neighbouring very exclusive properties such as the Rothschild and Agnelli estates.</p>
<b>Development Concept:</b>	<p>The property, which is of great natural beauty, is located on a part of the island of Corfu that is largely unexploited. It is suitable for exclusive use in harmony with the surrounding estates, however it could equally present a great development opportunity for an investor seeking to create an upscale residential complex, focusing on vacation homes and hospitality / leisure facilities.</p>

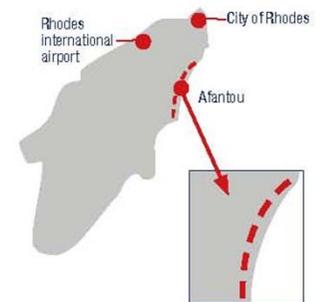


# Investment opportunities in the next 12 months

## Afantou – Island of Rhodes

### General information

<b>Location:</b>	The Afantou Rhodes project comprises two neighbouring land plots, including an existing 18-hole golf course, situated on the beachfront, 20km from the town of Rhodes and 20km from Rhodes International Airport.
<b>Size:</b>	<b>Golf Afantou plot:</b> c. 1,527,000 sq.m., including an 18-hole golf course with c. 5km of waterfront exposure designed by Donald Harradine covering an area of over 450,000 sq.m. <b>Afantou South plot:</b> c. 331,000 sq.m. with c. 2km waterfront exposure.
<b>Development Concept:</b>	The island of Rhodes is a well established vacation destination, as such, the planned development concept focuses on a large scale integrated golf, leisure and residential development comprising vacation homes, hotels and associated facilities.



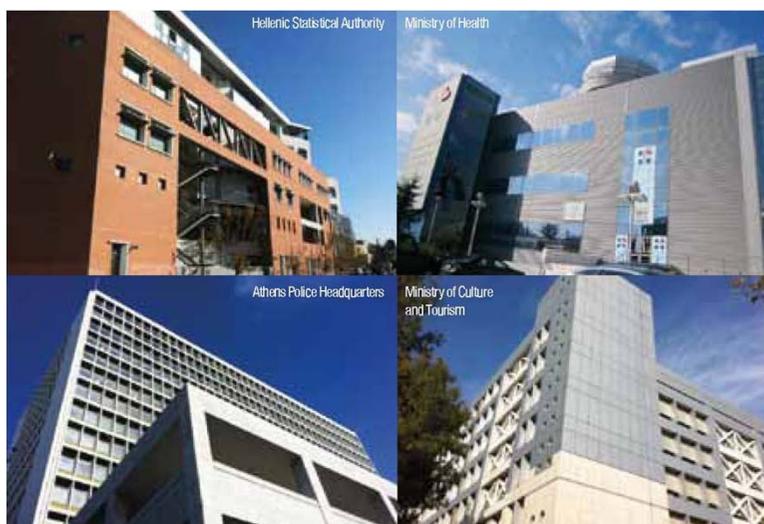
# Investment opportunities in the next 12 months

## Sale and Leaseback

The HR is in the process of structuring a 25-30 year Sale and Leaseback transaction of approximately 30 urban properties (the “Portfolio” or the “Properties”), all of which are being used by various ministries and government agencies / departments (e.g. Ministry of Finance, Ministry of Justice, Police Headquarters, etc).

The properties are located throughout Greece and the total portfolio area amounts to c. 271,716 sq.m.

The Gross Leasable area of the properties varies from c. 1,000 sq.m. to 40,000 sq.m.



Location	Total Area
Attica	c. 237,017 sq.m.
Thessaloniki	c. 20,799 sq.m.
Xanthi	c. 6,990 sq.m.
Corinth	c. 2,612 sq.m.
Chalkida	c. 2,520 sq.m.
Serres	c. 1,778 sq.m.
<b>Total Area</b>	<b>c. 271,716 sq.m.</b>

# Contents

- 1 Why invest in Greece
- 2 Investment opportunities in the next 12 months
- 3 How to invest in Greece

## How to Invest in Greece

- The real estate development programme aims at attracting significant international capital flows that will contribute to restarting the Greek economy and fueling economic growth.
- The Hellenic Republic Asset Development Fund, ("HRADF"/"the Fund") has been charged with the realization of this unique and ambitious privatization programme and bases its efforts on three pillars:
  - clarity of purpose: clear and market oriented privatization concepts
  - clarity of process: transparent privatization procedures
  - speed: fast preparation and execution of privatizations.
- Investors play an instrumental role in the implementation process. Each project is customized in such a way to facilitate the investor's vision. HR ensures that investor's views are taken into account by actively seeking regular feedback throughout the implementation process.
- In all cases a full transparent international tender process is followed
- **Piraeus Bank / Piraeus Real Estate, being one of the Financial Advisors to the Fund, is happy to support and assist all international investors willing to invest in Greece in general and in the real estate sector in particular**

## Private owned Real estate Market

- Piraeus Real estate provides integrated services in all real estate sectors in Greece, and can identify investment opportunities relating to distressed and private owned Real estate assets.
- The decrease in prices of all the real estate asset types during the last 3 years (since 2009) and
- The expected economic growth (from the latter part of 2013)

Indicate that the Real estate down cycle in Greece is nearing its bottom. Thus opportunities will arise in certain market segments.