



Real Estate Investments in Greece – Investor Information



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Why Greece? Why now?

In these times of uncertainty and instability in the markets, it is important to increase the component that adds confidence, stability and growth potential in the investment portfolio. The most important question in analyzing the viability of an investment is of course - **where?**

Greece is an excellent answer to this question for many reasons:

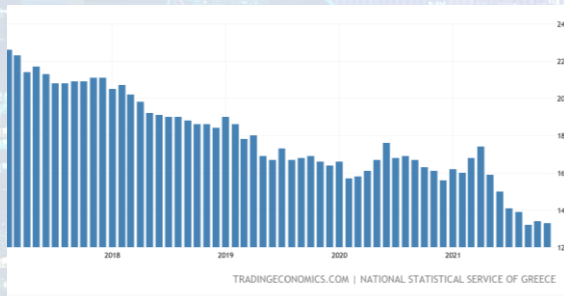
- Greece has positioned itself as the best European country to manage the crisis, by exercising proportionate measures resolutely and responding quickly to the early signs of the second wave of Covid-19.
- Thus Greece managed to maintain a low level of infection and morbidity compared to the rest of the world and in absolute numbers, less than 300 died by September.
- The Greek government has pumped a € 14 billion aid package into the economy at an early stage, with an emphasis on the tourism industry.
- Following these measures, the Greek economy enjoys investors' confidence, the European Bank announced for the first time the purchase of Greek government bonds, and interest rates on Ten-Year Government Bonds were lower than ever.
- The Greek economy returned to full operation in May with measures to modernize and improve services in the public and private sectors by offering them online.
- Greece is one of the first countries to open the sky to inbound tourism from many countries.
- Greece has the lowest minimum threshold for a Golden Visa among EU countries, \$ 250,000 per investor.
- Currently, the combination of excellent credit terms alongside the need of some property owners for liquidity due to the crisis has produced particularly attractive opportunities in Greek real estate.



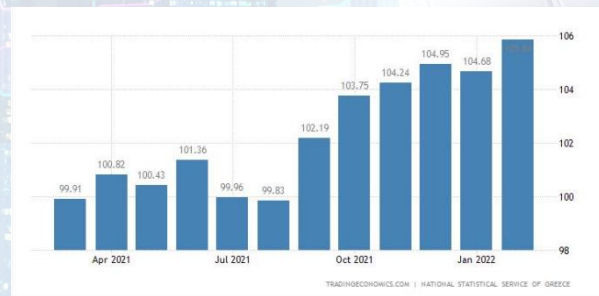
Greek Economy In Recent Years

The Greek economy has been characterized in recent years as an economy in growth after recovering from a the crisis.

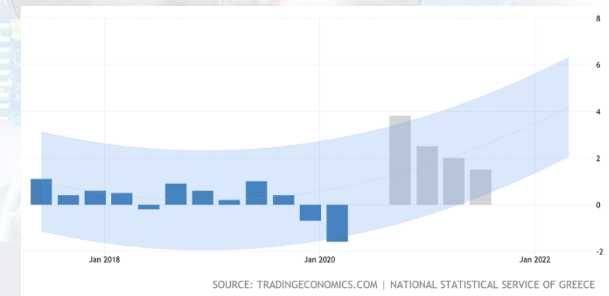
The unemployment rate in Greece has dropped significantly in the last three years



The Consumer Price Index has been rising steadily



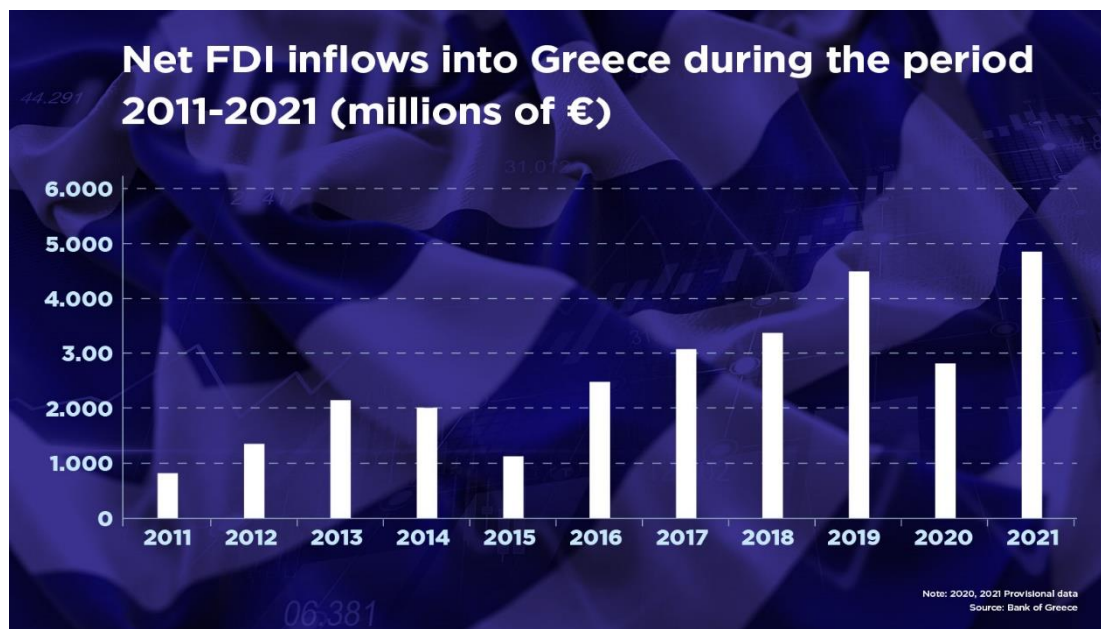
GNP has been growing slowly and steadily despite the global economic crisis.



Charts from the website :<https://il.investing.com>



Greece sets new record in attracting Foreign Direct Investment



Greece welcomed an impressive 72.3% increase in Foreign Direct Investment last year, setting a new record and underscoring the country's growing attractiveness to foreign investors.

According to provisional data from the Bank of Greece, net inflows of FDI to Greece amounted to €4.85 billion in 2021, compared with €2.81 billion in 2020.

Under Greece's recently released National Strategy for Extroversion, the government aims to double FDI into Greece to 4% of GDP by 2023.



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What assets should you invest in?



What Should You Invest In?

Two areas that constitute significant growth engines in Greece are Tourism and Academic studies:

Tourism

- A new study by Accor, a world leading hospitality group, reveals Greece as the third most desirable European destination in 2022 for people surveyed in five key tourism markets ([news.gtp.gr/](https://www.news.gtp.gr/)).
- Greece continues to be ranked among the top 25 countries in the Global Competitive Tourism Index for sustainable tourism development out of 140 countries in the index, and among the top in the cleanliness, safety and security indices.
- Following Covid-19, Greece is leading the new trend of healthy and safe tourism.

Academy and students

- Greece is the most educated country in Europe per Capita and has more than 60 universities, dozens of colleges and over 470,000 students (about 147,000 in Athens alone).
- Higher education in Greece is free. The existing public student dormitories in Greece provide a solution for only about 5,000 lucky ones in Athens and Thessaloniki. Beyond that, there is practically no fitting solution for the student population, meaning they rent apartments privately.
- Currently, while there is a great deal of uncertainty regarding commercial real estate and office buildings, it is precisely properties intended for private tourism and student accommodation that are expected to be least affected.



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Tourism in Greece





9,873 hotels
425,973 rooms
835,773 beds
(2018 figures)

15 international airports

New
waterways under development

More than **800** ports,
of which **16** are of national importance

43 ports received
3,410 cruise ships and
4.8 mn tourists in 2018

Information from the website : www.enterprisegreece.gov.gr

- The main tourist destinations in Greece are: Athens, Crete, the South Aegean region, the Ionian Islands and Halkidiki. The resorts in the coastal areas of Rhodes, Corfu, Crete and Halkidiki are accessible and developed and therefore attract most of the inbound tourism in the year.
- Most tourists (about 67%) arrive in Greece by air, due to the increase in low-cost carriers and the relative difficulty in reaching Greece by land.
- Most tourist arrivals to Greece take place from May to October (about 80% of inbound tourism).
- According to GBR Consulting, the number of 5-star hotels in the Greek capital increased 17% in 2021, and the number of 4-star hotels increased 7%. Currently some 2,500 hotel rooms are under development in Athens and another 2,500 planned for the Hellenikon project ([enterprisegreece](https://www.enterprisegreece.com)).
- Forecasts state that in the future the tourism industry will remain one of the most contributing to the Greek economy. However, to strengthen this trend and maintain its stability requires the effort of Greek Ministry of Tourism is required mainly in identifying new target populations for tourism, identifying diverse target audiences and establishing the related services and infrastructure for tourism in Greece itself.



The tourism industry has contributed the most to Greece's economic growth in recent years, with revenues from tourism of over 16 billion euros.

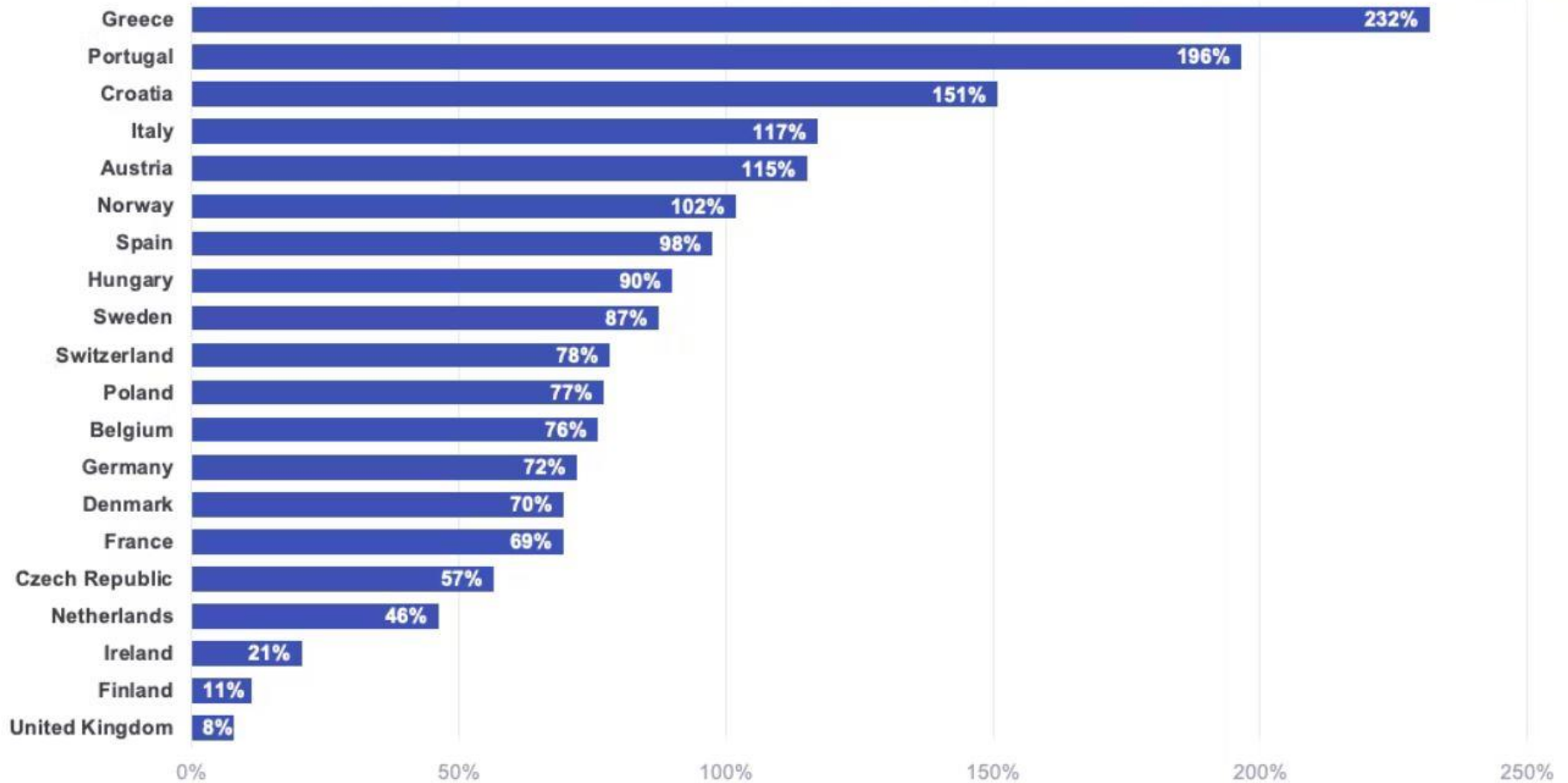
- The tourism industry has enjoyed consistent and stable growth: the number of tourists visiting Greece is rising steadily, the length of stay remains stable, tourist spending is stable and the number of countries of origin of tourists entering Greece is also rising steadily.
- Most hotels in Greece are 4-star and the vast majority meet international standards. In recent years there has been a noticeable trend of change and many hotels are undergoing renovations and upgrades and becoming 5-star hotels.
- More than 400 hotels in Greece are currently in need of renovation (estimated total cost of about 2.6 billion euros).
- The trend today in Greece is to focus on upgrading existing hotels (rather than building new ones), renovating and adapting from a 3-star hotel to a 4-star hotel, and from a 4-star hotel to a 5-star hotel. All this—these, while maintaining compliance with international standards.
- According to data collected from the AIRBNB website, Greece is a 232% rise in demand (top of all countries) compared to last year (see graph on the next page).





Summer (June-Sept.) Demand Pacing as of 1st March by Country 2022 vs. 2021

AIRDNA



Source: AirDNA



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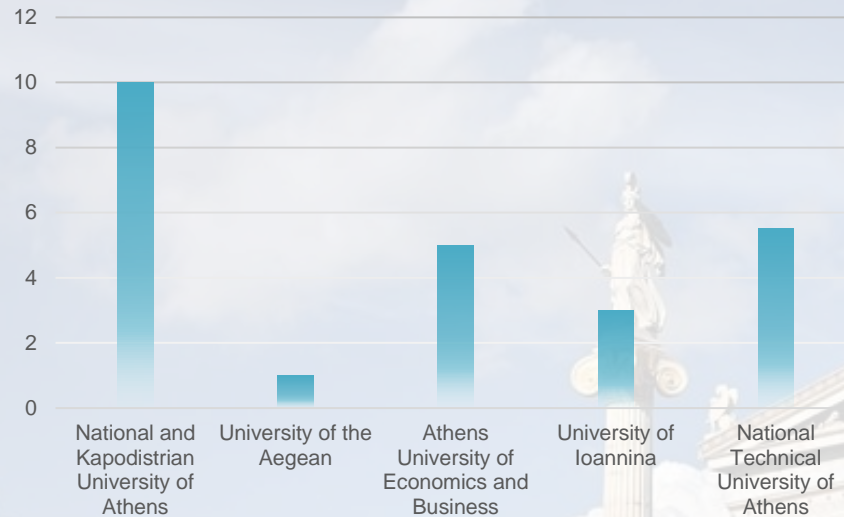
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Academy and students in Greece



Greece leads in Higher Education

% OF FOREIGN STUDENTS IN THE LEADING UNIVERSITIES IN ATHENS



Student to Population Ratio



Source: European Statistical Bureau

- Greece is the country with the highest number of students per Capita in the world.
- Greece in general and Athens in particular, have high-level academic institutions. The University of Athens School of Economics and Business Administration, the National Technical University of Athens and National and the Kapodistrian University of Athens are ranking high in the ranking of the best universities in the world (according to the Times Higher Education and QSWU Rankings)
- Universities in Greece are public institutions and are free or at a very low cost for EU residents, while and living expenses in Greece are considered among the lowest in the EU.
- Academic studies in Greece offer the opportunity to study in a fascinating academic and historical environment, rich in world-famous tourist attractions.
- In addition, students enjoy the comfortable weather throughout the year, the relaxed and pleasant nature of the local population and the well-known Greek food and nightlife.



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Where to Invest?



Where To Invest?

From an in-depth familiarity with the Greek real estate market and related activities, we identify two areas where one can find attractive opportunities:

Athens

- Athens is the largest city in Greece and currently has a population of just over 3 million, and close to 4 million in the wider metropolis area.
- Greece's main airport is located 35 km east of Athens city center and serves over 16 million passengers a year.
- The City of Athens displays one of the most famous ancient monuments in the world, the Acropolis.
- The city of Athens has 455 schools and universities and is one of the most educated cities in Europe.
- The city has a well-developed public transport infrastructure that includes buses, metro as well as sea transport via port of Piraeus and port of Rafina.
- Athens alone has over 140,000 active students each year and the existing dormitory rooms cater to only a few thousand.

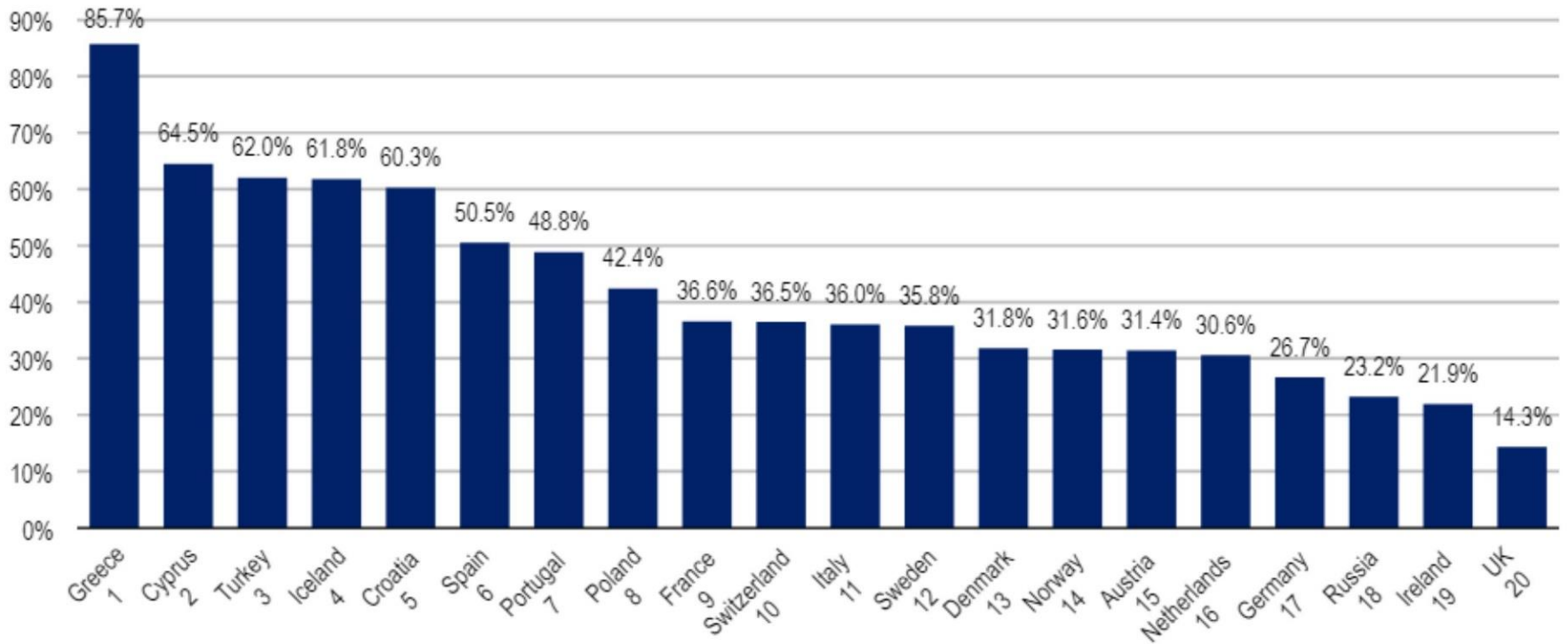
Crete

- The vast majority of tourists who enter Greece each year (about 60%) choose Athens or Crete, which are also the most profitable hotels on average.

International arrivals to Greece in July-August 2021

Exhibit 38: International arrivals in July-August 2021, indexed to 2019 levels (based on air ticket data)

Greece was the strongest performer, seeing c86% of 2019 international arrivals in Jul-Aug, while the UK was the weakest of the top 20 destinations surveyed



Source: ForwardKeys, BofA Global Research

BofA GLOBAL RESEARCH



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Athens





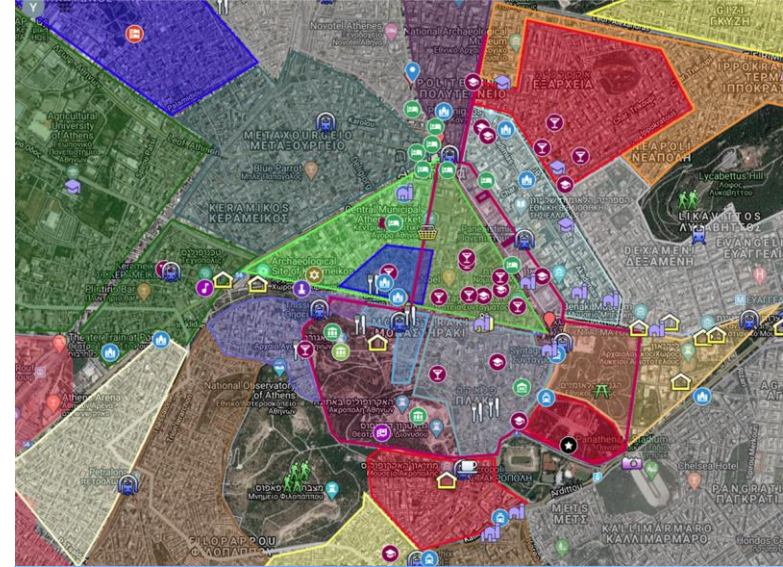
Athens – One Of The 100 Best Cities In The World

- Athens was ranked in 2020 among the 100 best cities in the world, in 67th place, in the Resonance ranking based on the weighting of job opportunities and housing options, natural and urban environment, local institutions, attractions and infrastructure, diversity and the quality of population, Online presence and accessibility, economic prosperity, and the quality of the art, culture, restaurants and nightlife scenes.
- The city of Athens has many attractions for tourists seeking history and culture such as the most famous ancient monument in the world, the Acropolis and the new Acropolis Museum. In addition, Athens is one of the three major archaeological research sites in the world.
- The city attracts over 8 million tourists annually and has 276 hotels and 28 hotel chains.

Investments in Public Domain in Athens

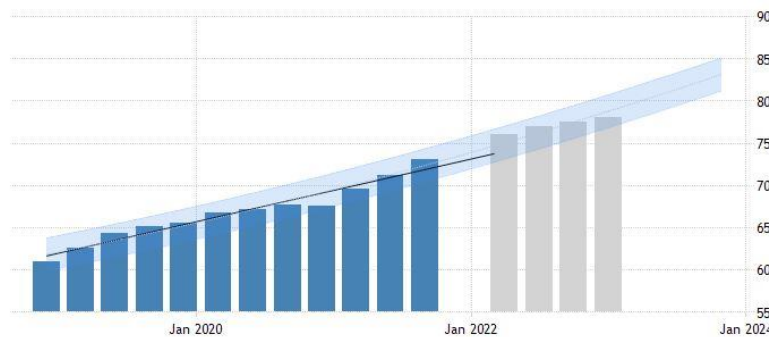
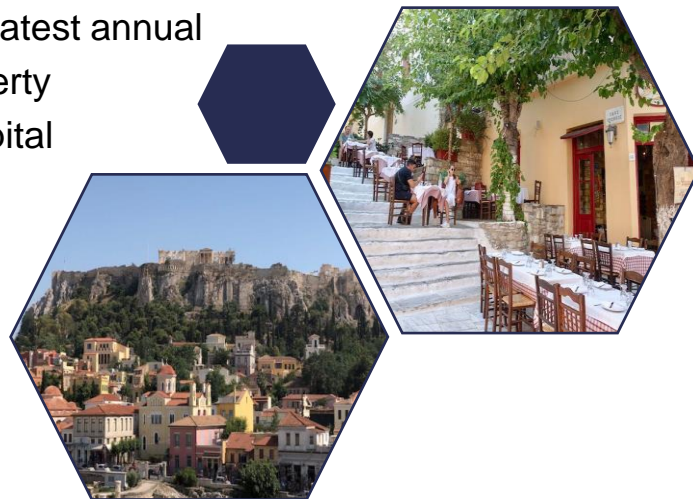
Lately, large-scale plans have been and are being implemented to improve the city of Athens and make it more user-friendly for pedestrians, cyclists and tourists including:

- Construction of a well-maintained seven-kilometer-long sidewalk that will link archaeological sites and important historical landmarks. The project will be completed in 2022.
- Renovation and care of major points of interest in the city such as Omonia Square, the Archaeological Museum Garden, the Ceramicus-Plato Academy area and more.
- Cleaning graffiti and arranging sidewalks and bicycle roads.
- Initiation of three new metro stations in the city.



Last Chance To Buy Real Estate In Athens At a Bargain

- **Athens, the 2022 commercial property capital of Europe** - The latest annual survey by PwC and the Urban Land Institute on the European property market shows that the Greek capital will lead the ranks in future capital gains and rental hikes among 31 cities. Notably, the Athens market gained the highest marks regarding the future course of both rental rates and sale prices ([ekathimerini](#)).
- According to data from the Airbnb website, **the demand for holiday apartments in Athens has increased by 66% per year since 2010**, compared to Paris (30%), Berlin (40%) and Barcelona (40%). The most popular areas in Athens as shown on the site are: Keramikos, Koukaki, Makrygianni, Metaxourgeio, Monastiraki, Plaka and Thisio.
- In Athens, an annual increase in house prices was measured of 5.61% until the third quarter of 2020. In the last quarter of 2020, house prices rose by 0.73%. **Forecast for future growth in housing prices:**



TRADINGECONOMICS.COM | BANK OF GREECE



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Crete



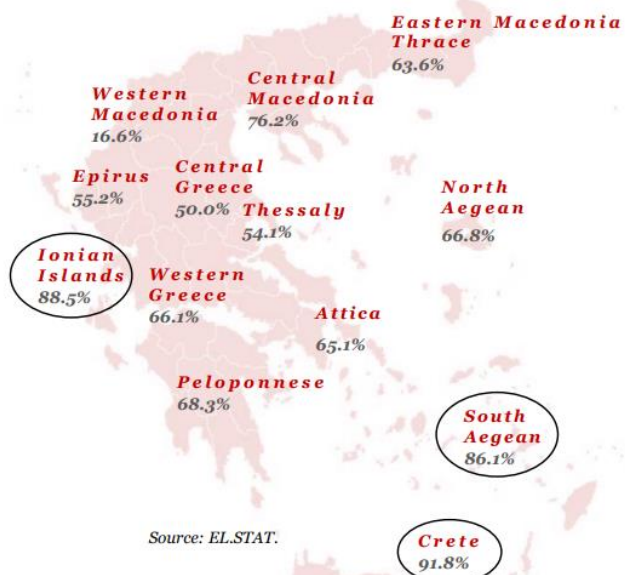
Crete - The Largest and Most Important of the Greek Islands

- Crete is the largest island in of the Greek islands, and its landscape is characterized by white sand coves, olive groves, vast vineyards and rich vegetation.
- The island offers tourists a wonderful combination of archaeological sites alongside a busy nightlife, bustling and romantic cities and even unique and impressive natural phenomena.
- Due to the above, more than 8.5 million tourists come to the island of Crete on average, every year.
- Crete is home to Heraklion International Airport, which is the second busiest airport in Greece after Athens.
- The island has another international airport in the city of Chania and three international seaports.
- The island's economy is mainly based on tourism and goods passing through the important seaport of Heraklion.

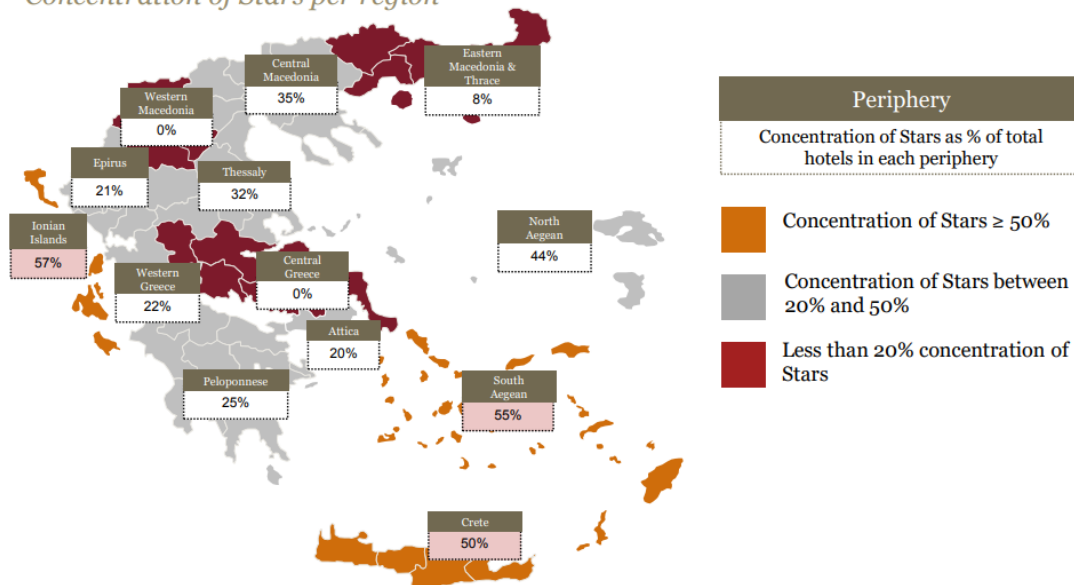


- In Crete, you can find the largest concentration of hotels with a rating of 4 and 5 stars, with a high average profitability rate and the highest occupancy rate at the peak of the tourist season.
- According to forecasts, it seems that at the peak of the tourist season of 2022 there will be a shortage of hotel rooms in the main tourist areas: Crete, the South Aegean and the Ionian Islands. An additional 24,000 beds will be required to meet demand.

Occupancy rates by region in August 2017



Concentration of Stars per region





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More about Tourism & Real Estate in Greece



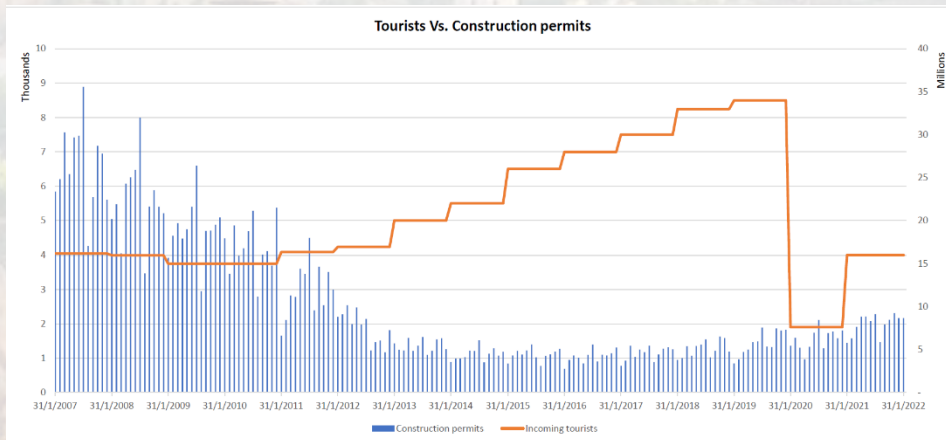
Tourism Properties on Airbnb

- Airbnb properties add about 96,000 accommodation beds to the tourism sector (an increase of about 12%).
- Most of the Airbnb properties offered for rent are concentrated in cities and most of them are inhabited for one to three months throughout the year.
- About 30% of Airbnb properties are concentrated in Crete, followed immediately by Athens with 17% of the properties offered on Airbnb.
- It seems that in the big cities - Athens and Thessaloniki, most bookings are international and are made throughout the year.
- In terms of revenues from Airbnb, Santorini and Mykonos are the leaders, with an average of about 3,400 euros per month.

Airbnb activity		(Indicative destinations)			
Location	Active Rentals	Average Daily rate	Occupancy Rate	Avg Monthly Revenue	Average # of Bedrooms
Cities					
Athens	8,068	54	80%	1,005	1.5
Thessaloniki	1,641	40	65%	606	1.4
Prime Resort Destinations					
Crete	14,650	80	50%	950	2.1
Corfu	3,897	75	53%	1,001	2
Santorini	3,039	220	76%	3,936	1.7
Mykonos	2,738	277	50%	3,150	2.8
Rhodes	2,312	89	52%	1,138	2.1
Kassandra	2,187	97	40%	936	2.3
Paros	2,085	111	36%	1,146	2.2
Zakynthos	1,830	90	43%	952	2.2
Kefalonia	1,649	90	53%	1,177	2
Naxos & Small Cyclades	1,424	85	46%	960	1.8
Lefkada	1,374	117	46%	1,279	2.2
Sithonia	1,148	89	50%	990	2.1
Total	48,042	108	53%	1,373	2.03

Source: AirDNA (data does not include all destinations)

- In the last decade, the gap between the growing inbound tourism and the number of permits granted each year for the construction of new hotels has increased.
- Most of the hotels currently offered for sale in Greece are concentrated in the main destinations in of Greece.
- It is 60% cheaper to buy an existing hotel than to build a new hotel.



Peripheries	Advertisements - Published				Sample based	Asking Price/
	No of Hotels	Asking Price/hotel (€ k)	No of beds	Asking Price/bed (€ k)	Imputed Cost of construction*/bed (€ k)	Cost of construction (x)
South Aegean	7	6,829	1,336	35.8	44.4	0.8
Crete	5	6,140	998	30.8	45.4	0.7
Ionian Islands	8	4,628	865	42.8	33.4	1.3
Central Macedonia	5	4,240	763	27.8	49.6	0.6
Attica	5	5,986	688	43.5	74.6	0.6
Main destinations	30	5,555	930	36.1	49.5	0.7
Peloponnese	4	3,375	582	23.2	91.7	0.3
Central Greece	1	2,200	120	18.3	37.9	0.5
Lesser destinations	5	3,140	351	20.8	64.8	0.3
Total	35	4,348	765	31.7	53.9	0.6

According to data presented by PwC Analysis and the Greek media

Real estate investments in Greece and the Covid-19 crisis

Housing data in Greece before the Covid-19 crisis

3.9%

Average Yield

1,438 €

Average Monthly Rent

3,619 €

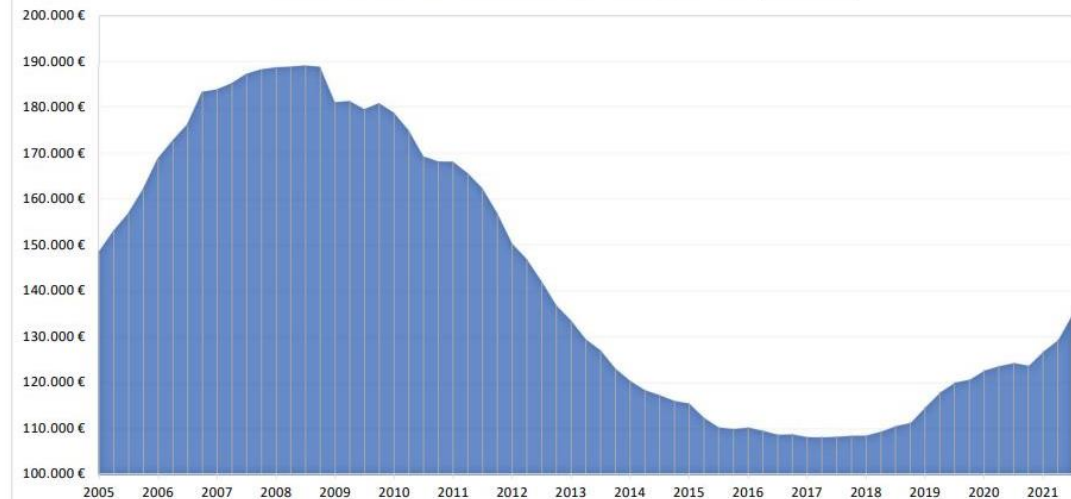
Average Price per SQM

Source: Global Property Guide, January 2020

* The data are nationwide and refer to apartments of 120 sqm

- Greek real estate investors enjoyed an annual return of 7% -10%.
- As of the end of 2019, prices in Greece were at the level of 60% –70% of housing prices before the 2008 crisis.
- Investors who bought apartments and rented them out for long term were not particularly affected by the Covid-19 crisis, apart from a temporary 40% reduction in the rent required by the state, to tenants whose income was adversely affected by the crisis.

AVERAGE PROPERTY PRICE IN GREECE (EUROS)

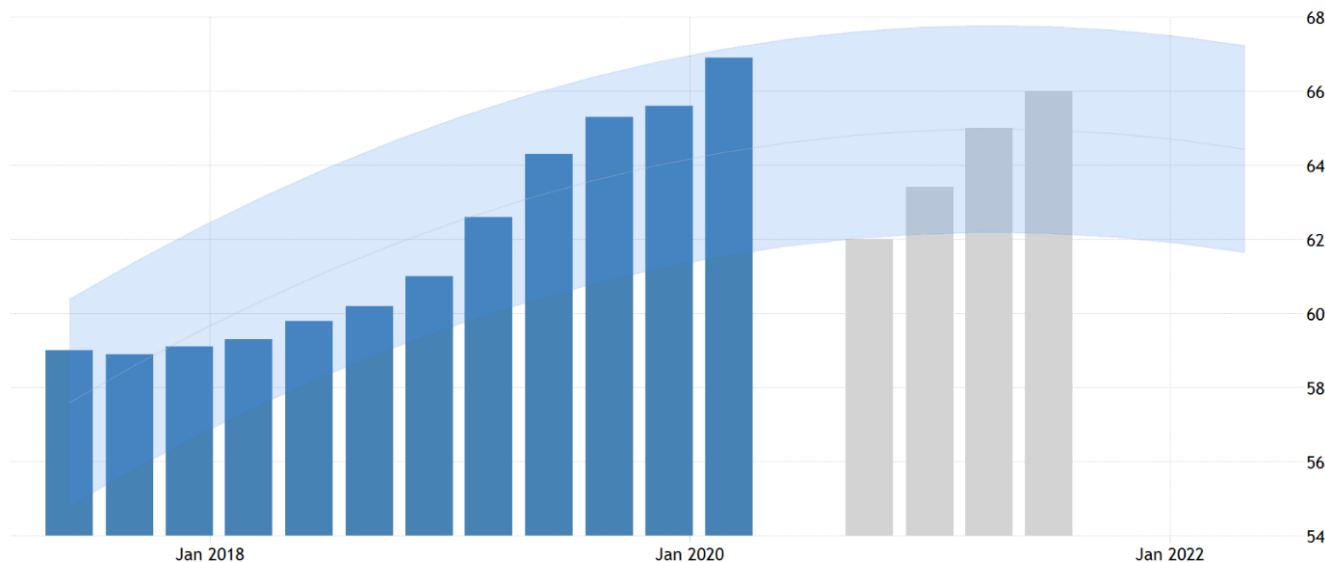


According to data presented on the TheMarker website in June 2020

Forecast for Future Growth in Property Prices in Greece

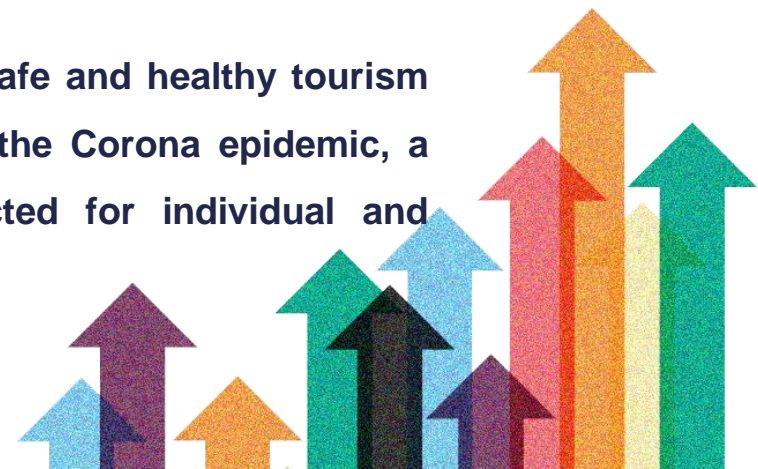


According to macro-global models and analysts' forecasts, the Greek housing price index will maintain its value by the end of 2020, and in the long run, is expected to grow to around 68.00 points in 2022.



As long as Greece continues to lead the world in the safe and healthy tourism trend and in light of the tourist preferences following the Corona epidemic, a long-term increase in property prices can be expected for individual and exclusive tourism.

Information from the website: <https://tradingeconomics.com>





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