

# GREEK REAL ESTATE MARKET PUSHES THE TOURISM INDUSTRY TOWARDS GROWTH



The Greek tourism industry hurries from one success to another. Since 2012, the visitor numbers have almost doubled – to 30 million. Adding to this cruise passengers who land in Greek ports, it is even more than 35 million. And for 2019 the country is planning a new travel record. Tourism is becoming one of the strongest engines of the economy. The real estate market has a big influence on the boom.

There have been a lot of investments in new hotels in the past years. In the last two years, only in Crete there are eleven new five–star hotels and 33 four–star hotels. 16 new hotels are under construction in Kos, on Rhodes 15 and 14 on Santorini.

## **Greek, Arab and Russian capital**

On the southwest coast of the Peloponnese, the Temes group of the ship–owner family Konstantakopoulos is investing another 250 million euros in the expansion of the golf and beach resort of Costa Navarino – **having previously invested 650 million euros in the development of the extensive complex.**

On Skorpios, the former private island of the legendary tanker king Aristotle Onassis, the Russian Croesus Dmitri Rybolovlev is building several luxury villas for around 120 million euros, which he wants to rent to wealthy jet set guests. Investors from Abu Dhabi, Kuwait and Turkey are prepared to pay 650 million euros for the complete renovation of the hotel complex Astir Palace in Athens.

Under the management of Four Seasons, the complex of two five–star hotels and 13 villas will become one of the most exclusive top destinations in the Mediterranean. But private investors can also benefit from the tourism industry boom: holiday homes in Greece are becoming interesting investment objects.

## **Interest in holiday real estate on a high**

More and more foreign buyers are interested in holiday real estate market in Greece and are not just looking for a second home. They also think about renting and for a good reason. Greek luxury holiday homes throw the highest revenue around the Mediterranean. This is the result of a study by real estate service provider Algean Properties.

Anyone buying in Greece today benefits from the problems of the past. The eight–year recession has left a deep mark on the real estate market. According to calculations by the Greek Central Bank, prices fell by an average of 42% between 2009 and 2017. While the downturn in commercial and residential real estate continued in 2017, albeit with a slight weakening effect, there was already a recovery in holiday

real estate, which has continued this year.

The sales in the third quarter of 2018 were 28% above the previous year. High growth is largely supported by buyers and investors. According to a study by the National Bank of Greece, 57% of the acquires are from foreigners. In the crisis year of 2012, just 113 million euros came from real estate purchases from abroad, while last year it was already 503 million. And in the first eight months of 2018, foreign real estate investments even rose by 171% compared to the same period last year.

### **The attractiveness of golden visa**

Some buyers are not just looking for a second home. Anyone who invests at least 250 thousand euros in a property as a foreigner from a non-EU state in Greece receives a visa for himself and his family, entitling them to travel to all Schengen states. These “golden visas” are especially attractive for buyers from China and Russia.

**In the first eight months of 2018, Greece granted 3154 of these visas. Most went to Chinese, followed by Russians and Turks.** Germans are also a group with high potential, as it is estimated that over 200 thousand Germans are interested in Greek holiday properties.

Another factor that fuels the Greek “second home market” is the sharing economy. According to a real estate study by Alpha Bank, web portals such as Airbnb or Booking.com are becoming increasingly important as platforms for holiday home owners who want to rent their properties. Through these portals, the rents for holiday properties have risen sharply in recent years and bring more returns than rental housing, resulting in a booming tourism industry for Greece in strong connection with the real estate market.

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