

FOREIGN BUYERS PROP UP HOLIDAY HOME MARKET (23 05 14)

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Foreign buyers prop up holiday home market

FOCUS
BY NIKOS ROUSSANOGLOU
Kathimerini

Foreign buyers invested 285 million euros in Greek properties in the 2012-13 period, confirming the view expressed recently by a number of analysts that the housing market recovery will start in the holiday home sector. For now, the majority of buyers are from Northern Europe, and especially France, the UK, Germany and Scandinavia, but there is also increasing buying interest from Russians and Chinese.

A recent McKinsey study sees the Greek holiday property market developing gradually to the point of recording annual sales of 8,000 holiday homes to foreign buyers, with revenues adding up to 2.4 billion euros in the long term.

According to a report issued yesterday by Alpha Bank, based on Bank of Greece data, the flow of capital from abroad in 2013 for the purchase of properties – mostly consisting of holiday homes – amounted to 168 million euros, rising 48.5 percent from 2012, when 113 mil-

lion euros had been invested.

The bank's analysts estimate that there will be a much greater flow of funds into Greece for that purpose this year as a result of the increase in demand from abroad. The drop in prices over the last few years, the continued increase in tourism arrivals this year, and the adoption of measures to bolster property transactions, such as slashing the property transfer tax to 3 percent and issuing visas to buyers from outside the European Union who buy properties adding up to at least 250,000 euros, have created a particularly favorable environment for the increase in holiday home purchases by foreigners.

A recent study by Algean Property, an international property service company with offices in Athens, London and Luxembourg, reached a similar conclusion. The firm cites Fitch estimates regarding the positive prospects of the Greek holiday home market, which are supported by demand from foreigners as well as Greeks based abroad. Algean expects the bulk of demand



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to be for the Cyclades, Crete and Corfu, mostly from the UK and other EU countries as well as Russia and China.

In this context, sources from the association of estate agents on

Crete point to increased interest on the part of Chinese buyers in acquiring major plots outside town-planning zones, while significant activity by Russian potential buyers looking for holiday homes and plots

by the sea has also been noted. However the same sources say that this interest remains at the negotiations stage and has not yet translated into purchases. That is expected to happen fairly soon.