



Sun, sea and a lavish holiday rolled into one



By Leonidas Stergiou

It is often said that there are two categories of investors interested in upmarket Greek real estate.

The first comprises individuals, usually foreign, with high incomes. They are mostly businesspeople, with annual incomes in excess of 200,000 euros, looking for small villas, mainly on the islands, which cost more than 750,000 euros. Most come from Libya, the Gulf states, Israel, Russia, Scandinavia and the UK. They aim to spend one to three months a year at the property and let it out for the rest of the

year, eyeing annual returns of around 5 percent. According to Algean, such a return is feasible and such properties are easily leased to Greeks or foreigners.




The second category is made up of investment funds targeting luxury villas and five-star hotels. They are usually based in the UK or Switzerland and invest no less than 1 billion euros. They have a short-to medium-term time frame, around five years, and are normally interested in properties and large plots on the islands. They are also willing to sink money into big hotels or a number of smaller units that are in close proximity to create one big unit. Islands with a busy tourist season are preferred, though there is also interest in Athens and the region of Attica in general.

The surplus of new summer homes in Greece remains stable at approximately 50,000 properties as a result of the slowdown in construction. Moreover, supply of high-caliber summer properties remains low. Experts believe that the surplus will not be large enough to cover demand in the coming years and that this is an area which will attract an increasing number of investors.

What people are looking for in a luxury summer home in Greece is pretty standard: a building made using quality construction materials, at least three bedrooms and a swimming pool. Any additional amenities, such as proximity to an airport and good beaches, are considered pluses.

However, in the market the term luxury is not just used to refer to expensive services and products. For example, an expensive car may not be considered luxurious if it is not associated with something that gives its owner a certain image or profile. So a luxury product must be both expensive and attribute its owner with the characteristics that will place him or her in a certain social sphere. A 5-star hotel, with all the bells and whistles, may not be deemed luxurious unless it is also defined by a certain culture and, more importantly, is manned by staff who have been expertly trained to speak to guests in a certain manner: usually polite, though not obsequious. Staff need to show that they enjoy their work, they shouldn't show it if they feel tired or fed up, and they are expected to take the initiative.

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