



Retreat
Exclusive

Holiday High End

Luxury Escape Privacy

Return Investment Income

Profit Asset Real Estate Yield

A photograph of a sunset over the ocean. The sun is low on the horizon, creating a bright orange glow. In the foreground, there is a potted plant with dark, rounded leaves. The water in the foreground is dark blue with a shimmering reflection of the sun.

Yields Report 2018:

High End Holiday Homes in the Mediterranean

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It has become clear that the holiday home market is the most evolving branch of the real estate market in the Mediterranean. Having identified the market's dynamics, Algean Property continued its research on the average gross yields in high-end holiday homes across 30 unique destinations in the Mediterranean. By studying and presenting how asking prices and rental rates of luxury holiday homes interacted in comparison to other sectors of each region's economy (tourism), Algean Property recognizes the prospects a holiday home offers as an investment asset, urging perspective investors to take advantage of the market's positive momentum and to exploit this opportunity to produce a steady and ever growing income year after year.

For 2018 our analysis shows that Mykonos, Santorini and Paros provided the highest returns in the Mediterranean, thus being the reference point for investing in the holiday home market. Mykonos marginally increased its results, producing an average gross yield of 8.5%. Despite maintaining a strong performance (as in 2017 with an 8.4%), the data demonstrates that holiday home returns on Mykonos have reached their peak. Santorini retained its dynamic for a third year in a row (6.4%) while Paros recorded a marginal decrease compared to last year (6.3%). Tunisia recorded an average gross rental yield of 6%, however this was due to the simultaneous fall in asking prices and the small increase in rental rates. The top ten are joined by Skiathos, which increased its performance (5.9%) compared to 2017 (5.6%), followed by Rhodes (5.3%), Porto Heli (5.3%), the Dalmatian Coast (5.1%) - which increased its results

from last year (4.8%) - and Elounda (4.8%), sharing 10th place with Chalkidiki and Chania. From the remaining destinations, Corfu (4.3%) achieved the best returns, having returned to its 2016 performance, followed by Kefalonia, Nice and Budva-Tivat, all of which shared the same returns for 2018 (4.1%) and recorded an impressive 20.6% increase compared to 2017 (3.4%). As for the rest, the order is as follows: Marbella (4.0%), Ibiza (3.9%), Turkey - Mediterranean coast (3.8%), Saint Tropez (3.8%), Zante (3.6%), Sardinia (3.5%), Mallorca (3.5%), Messina (3.4%), The Athenian Riviera (3.4%), Tel Aviv (3.1%), Cannes (3.1%) and Capri - Amalfi Coast (3.0%). Finally, for a third year in a row, Turkey - Aegean coast (2.7%), Malta (2.6%) and Paphos (2.5%), occupied the last three places, improving however their performance from last year, having each produced a 2.4% average gross yield.

With the exception of 4 areas which recorded a drop in asking prices (Tunisia, Porto Heli, Budva-Tivat and Malta), all other regions remained stable or moved upwards, confirming the positive climate prevailing in the holiday home market in the Mediterranean. Rental prices across the area had a positive upturn, with Greece recording the highest growth and Mykonos standing out as the top performer for 2018, in terms of nominal increase (+€1,000 on average weekly rental rate). The island's impressive performance in tourism over the last five years, coupled with the rapid improvement of its tourist infrastructure, both qualitatively and quantitatively, have made it a pole of attraction for all types of investors, attracting











perspective buyers from all over the world. Characteristically, international arrivals for April 2018 recorded a +58% y-o-y increase while the same number for 2017 was 15.9% higher compared to 2016.

Tourism is by far the leading factor behind the increase of holiday home yields in Greece. In recent years, the holiday home market served as an auxiliary service to the domestic hospitality sector, covering the growing demand for holidays in Greece. This, in return, led to an increase in holiday home rental rates, which, coupled with the price correction recorded in the Greek housing market due to the financial crisis since 2008, put all major Greek destinations as top performers within the Mediterranean. Taking into account that the number of incoming tourists to Greece for 2017 (27,194 million) increased by 9.6% compared to 2016 (24,799 million) confirms the positive correlation between increased gross average yields in key tourist destinations in Greece and the increased numbers in Greek tourism.

Ultimately, our research confirms that the Greek holiday home market continues to be the most attractive market in the Mediterranean offering the highest yields compared to its immediate competitors in the area. The steady course of the Greek economy coupled with the price correction in the holiday home market and the recorded rental rate growth, mainly due to the major upturn of the country's tourist figures, point out that the holiday home market will continue to have an upwards course over the years to come.



Average Gross Rental Yield 2018 - Top 10

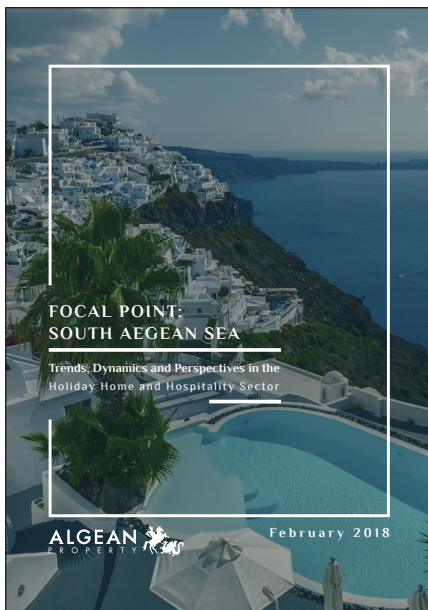
 <p>1. Mykonos (GR) 8.5%</p>	<p>Sale Price (€/m²): 6,500</p> <p>Weekly Rental Rate (€): 11,500</p>
 <p>2. Santorini (GR) 6.4%</p>	<p>Sale Price (€/m²): 6,000</p> <p>Weekly Rental Rate (€): 8,000</p>
 <p>3. Paros (GR) 6.3%</p>	<p>Sale Price (€/m²): 4,000</p> <p>Weekly Rental Rate (€): 5,250</p>
 <p>4. Tunisia (TN) 6.0%</p>	<p>Sale Price (€/m²): 1,000</p> <p>Weekly Rental Rate (€): 1,250</p>
 <p>5. Skiathos (GR) 5.9%</p>	<p>Sale Price (€/m²): 4,250</p> <p>Weekly Rental Rate (€): 5,250</p>
 <p>6. Rhodes (GR) 5.5%</p>	<p>Sale Price (€/m²): 3,250</p> <p>Weekly Rental Rate (€): 3,700</p>
 <p>7. Porto Heli (GR) 5.3%</p>	<p>Sale Price (€/m²): 4,500</p> <p>Weekly Rental Rate (€): 5,000</p>
 <p>8. Dalmatian Coast (CR) 5.1%</p>	<p>Sale Price (€/m²): 4,500</p> <p>Weekly Rental Rate (€): 4,750</p>
 <p>9. Elounda (GR) 4.8%</p>	<p>Sale Price (€/m²): 5,500</p> <p>Weekly Rental Rate (€): 5,500</p>
 <p>10. Chalkidiki (GR) 4.8%</p>	<p>Sale Price (€/m²): 4,250</p> <p>Weekly Rental Rate (€): 4,250</p>



#	Country & Region	Sale Price (€/m ²)	Weekly Rental Rate (€)	Average Gross Yield
11	 Chania	4,000	4,000	4.8%
12	 Corfu	5,000	4,500	4.3%
13	 Nice	10,500	9,000	4.1%
14	 Kefalonia	3,500	3,000	4.1%
15	 Budva - Tivat	3,250	2,750	4.1%
16	 Marbella	6,000	5,000	4.0%
17	 Ibiza	8,000	6,500	3.9%
18	 Antalya Province	2,500	2,000	3.8%
19	 Saint Tropez	16,500	13,000	3.8%
20	 Zante	5,000	3,750	3.6%
21	 Sardinia	8,500	6,250	3.5%
22	 Mallorca	9,000	6,500	3.5%
23	 Messenia	3,500	2,500	3.4%
24	 Athens Riviera	5,250	3,750	3.4%
25	 Tel Aviv	9,000	5,750	3.1%
26	 Cannes	14,500	9,250	3.1%
27	 Capri - Amalfi Coast	11,500	7,250	3.0%
28	 Turkey - Aegean Coast	4,000	2,250	2.7%
29	 Malta	5,000	2,750	2.6%
30	 Paphos	5,250	2,750	2.5%

The above analysis is based on more than 3,000 comparable properties, selected by the Algean Property research team. Each property features a minimum of 3 bedrooms, a private pool, and high quality fittings. Our assumptions are based on properties with an average area of 250 m². The operational rental period is assumed at 12 weeks. The average gross rental yields are before expenses and taxes.

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