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Yields Report 2017:

High End Holiday Homes in the Mediterranean



High End Holiday Homes in the Mediterranean

The holiday home market has always been a dynamic sector in the Mediterranean. The region's natural beauty, mild climate, quality of life and infinite coastline have always attracted international buyers.

The increasing demand for luxury holiday home rentals and the competitive sale prices in a number of Mediterranean destinations have made the holiday home market an attractive investment. It has captured the interest of investors from the US, Australia, Europe and Middle East countries such as UAE, Lebanon, Israel, Egypt, Kuwait and Saudi Arabia, who search both for a holiday home, but are also keen on making a good investment.

For the third year in a row, Algean Property conducted research on the average gross rental yields of high end holiday homes in 30 destinations across the Mediterranean. Analyzing the current trends in prime holiday destinations and highlighting the future prospects of the market. Algean Property recommends to

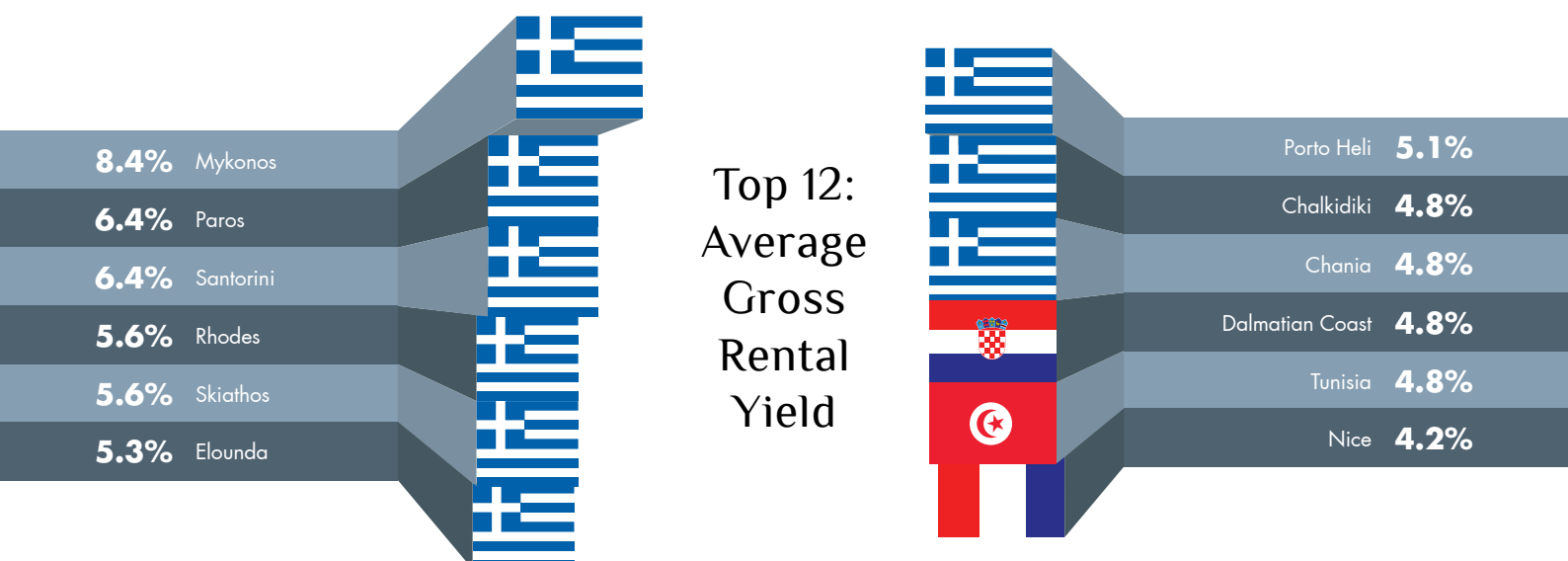
potential holiday home buyers to consider their purchase not only as a place to spend their vacation, but also as a valuable investment asset, with the opportunity of lucrative rental returns and a value appreciation in the future.

Our analysis shows that Mykonos, Paros and Santorini remained the top three performers for a third consecutive year. The ranking continues with another four Greek destinations, Skiathos, Rhodes, Elounda and Porto Heli, offering returns higher than 5%. A wide number of established – Chalkidiki, Nice, Corfu, Ibiza, Saint Tropez, Sardinia – or promising – Dalmatian Coast, Budva-Tivat, Messenia, Athenian Riviera - destinations follow, with a substantial yield that ranges from 3.1% to 4.8%. The ranking completes with Paphos, Malta and Turkey-Aegean Coast, recording a lower but sustaining return at 2.4%.

Asking prices remained relatively stable compared to last year, except for destinations in countries

that were the target of recent terrorist attacks, including Cannes and Nice. Rental prices recorded a slight slowdown, especially in high end destinations such as Mallorca, Sardinia, St. Tropez, Cannes, Nice and Marbella. In Greece, asking prices remained stable, reflecting the market's steady recovery, while rental prices remained high, driven by the outperformance of the Greek tourism sector in the last years.

A holiday home remains an attractive investment option and, as our analysis shows, Greece has firmly consolidated its position in the holiday home market as the top performer in the Mediterranean. The combination of competitive sale prices and high rental yields have made Greece the most attractive investment destination, while the ever increasing performance of tourism is a guarantee for the further development of the Greek holiday home sector.





#	Country & Region	Sale Price (€/m ²)	Weekly Rental Rate (€)	Average Gross Yield	#	Country & Region	Sale Price (€/m ²)	Weekly Rental Rate (€)	Average Gross Yield
1	Mykonos	6.000	10.500	8,4%	16	Antalya Province	2.500	2.000	3,8%
2	Paros	3.750	5.000	6,4%	17	Marbella	6.000	4.750	3,8%
3	Santorini	6.000	8.000	6,4%	18	Saint Tropez	16.000	12.500	3,8%
4	Rhodes	3.000	3.500	5,6%	19	Sardinia	8.000	6.000	3,6%
5	Skiathos	4.250	5.000	5,6%	20	Zante	5.000	3.750	3,6%
6	Elounda	5.000	5.500	5,3%	21	Budva - Tivat	3.500	2.500	3,4%
7	Porto Heli	4.750	5.000	5,1%	22	Messenia	3.500	2.500	3,4%
8	Chalkidiki	4.000	4.000	4,8%	23	Athens Riviera	5.000	3.500	3,4%
9	Chania	4.000	4.000	4,8%	24	Mallorca	9.000	6.000	3,2%
10	Dalmatian Coast	4.500	4.500	4,8%	25	Capri - Amalfi Coast	11.000	7.250	3,2%
11	Tunisia	1.250	1.250	4,8%	26	Tel Aviv	8.500	5.500	3,1%
12	Nice	10.000	8.750	4,2%	27	Cannes	14.000	9.000	3,1%
13	Kefalonia	3.500	3.000	4,1%	28	Paphos	5.000	2.500	2,4%
14	Corfu	4.750	4.000	4,0%	29	Malta	5.500	2.750	2,4%
15	Ibiza	7.500	6.000	3,8%	30	Turkey - Aegean Coast	4.000	2.000	2,4%

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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