

# High End Holiday Homes in the Mediterranean



YIELDS REPORT 2019

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Over the last few years the holiday home market in the Mediterranean has steadily evolved from a promising real estate branch into the most dynamic and active sector of the real estate industry in the area. Popular destinations have recorded significant growth in the yields they offer on holiday homes while new areas are emerging as alternatives, equally claiming market share.

For the fifth consecutive year Algean Property performed research across 30 popular destinations in the Mediterranean Sea recording all the latest trends and prospects in the luxury holiday home market. Having already established the industry's growth and potential through previous reports, Algean Property confirms the investment prospects of each individual market foreseeing their course in relation to the wider course of tourism and real estate market in the Mediterranean.

For 2019 our analysis shows that Mykonos, Paros and Santorini remained the leading destinations in the Mediterranean firmly establishing their investment dynamics in the holiday home market. Mykonos was again the top performing destination producing an average gross yield of 8.2%. The ever-increasing demand created by the rapid growth in tourism figures led to an increase in asking prices which resulted in a slight decline in the area's gross average yields compared to 2018(8.5%) while projections show a further decline due to price correction in both rental rates and property asking prices. Paros (6.5% recorded growth compared to last year (6.3%), while Santorini (6.3%) recorded marginal decrease (2018:6.4%). Tunisia shares 4th place along with Skiathos (6.0%), the latter however, recorded a

simultaneous decrease in asking prices and rental rates. 5th and 6th position respectively are held by Porto Heli and the Dalmatian Coast (5.1%), with Porto Heli however recording a drop comparable to last year's caused by the minor increase in asking prices. The top ten performing destinations for 2019 are completed by Chalkidiki, Chania and Rhodes (4.8%), with the latter recording negative growth due to a minor drop in average rental rates. The remaining destinations recorded the following gross average yields: Elounda (4.6%), Marbella (4.3%), Corfu (4.3%), Nice (4.2%), Kefalonia (4.1%), Budva-Tivat (4.1%) Saint Tropez (3.9%), Turkey - Mediterranean coast (3.8%), Ibiza (3.8%), Zante (3.8%), Mallorca (3.8%), Sardinia (3.7%), Messinia (3.5%), The Athenian Riviera (3.5%), Tel Aviv (3.3%), Cannes (3.2%) and Turkey - Aegean Coast(3.2%), which recorded an 18% increase compared to last year (2018: 2.7%), mainly due to the strong bounce back of Russian Tourism in the area. Capri - Amalfi Coast (3.1%), Paphos (3.0%) and Malta (2.6%) occupied the last 3 places, however Paphos recorded a remarkable increase of 20% compared to last year's performance (2.5%)


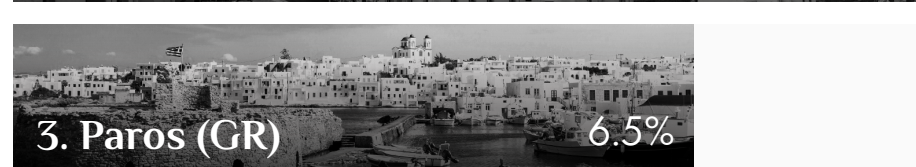
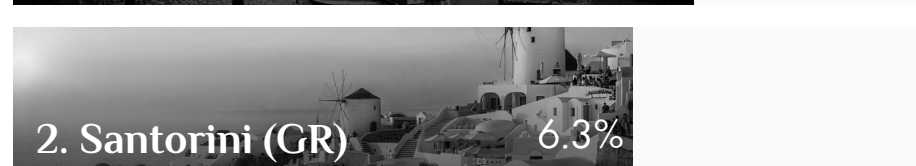
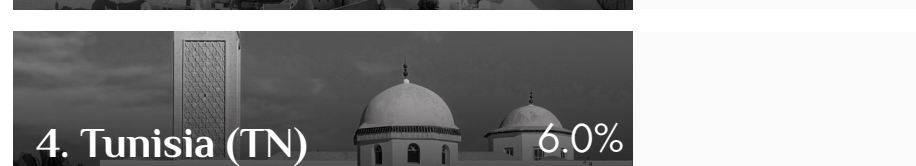
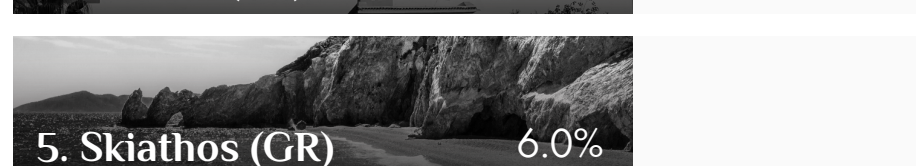
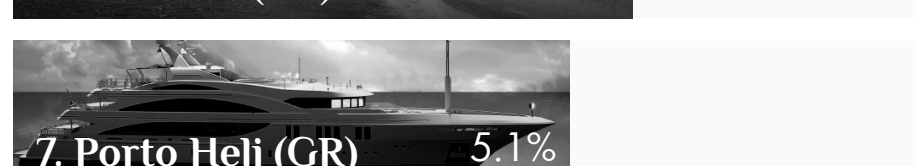

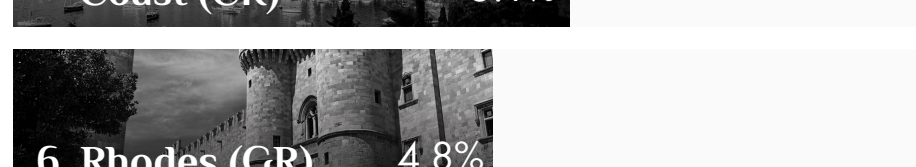
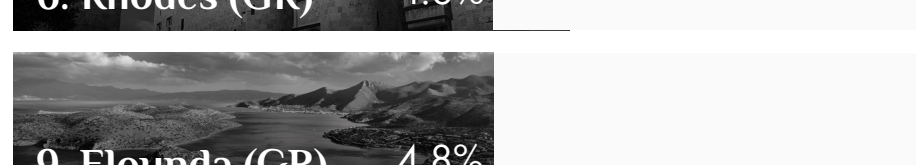
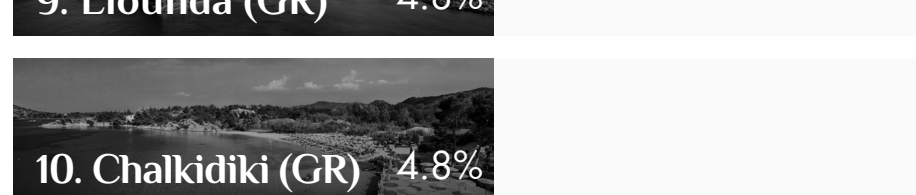
With the exception of Rhodes, where the decline recorded was significant compared to last year (-12.7%), most areas maintained or even increased their performance, and more specifically in areas that typically recorded low yields indicating a shift towards alternative destinations in the Mediterranean as well as an increasing trend for holiday home in the area overall. For 2019 the areas that stood out were Paphos and the Turkish Mediterranean Coast. Despite its slight decline this year (-3.5%), Mykonos remains the leading destination































in the Mediterranean when it comes to investment in the holiday home sector continuing to produce solid yields by combining the region's comparative advantages (mild weather, beautiful sea shores ) with its powerful brand name as the top holiday destination in the area.

The rapid increase in incoming tourism over the last years has had a significant impact on the recovery of the Greek real estate market and the consolidation of the holiday home as a top investment product in the sector. Specifically, for 2018 on the whole, the increase in net inflow of foreign capital for property purchase in Greece was 172.1% (€ 1,128.2bil.), while for the first half of 2019, the increase recorded in relation to the corresponding period of 2018 was 94.6% (€ 736.6bil.), with a large proportion directed towards the purchase of a holiday home.

With tourism continuing its positive course in conjunction with the recent government announcements pertaining to the real estate market (suspension of VAT on new construction for three years), prospects for the domestic holiday home market are ever increasing. Additionally, as the legal framework for investing in real estate in Greece is completed and the short-term rental market normalized, the holiday home will continue its upward trend and consolidate as a number one investment product, both domestically and internationally.

# Average Gross Rental Yield 2019 - Top 10

 <b>1. Mykonos (GR)</b> 8.2%	Sale Price (€/m <sup>2</sup> ): 5,750 Weekly Rental Rate (€): 11,500
 <b>3. Paros (GR)</b> 6.5%	Sale Price (€/m <sup>2</sup> ): 4,250 Weekly Rental Rate (€): 5,750
 <b>2. Santorini (GR)</b> 6.3%	Sale Price (€/m <sup>2</sup> ): 6,250 Weekly Rental Rate (€): 8,250
 <b>4. Tunisia (TN)</b> 6.0%	Sale Price (€/m <sup>2</sup> ): 1,000 Weekly Rental Rate (€): 1,250
 <b>5. Skiathos (GR)</b> 6.0%	Sale Price (€/m <sup>2</sup> ): 4,000 Weekly Rental Rate (€): 5,000
 <b>7. Porto Heli (GR)</b> 5.1%	Sale Price (€/m <sup>2</sup> ): 4,750 Weekly Rental Rate (€): 5,000
 <b>8. Dalmatian Coast (CR)</b> 5.1%	Sale Price (€/m <sup>2</sup> ): 4,750 Weekly Rental Rate (€): 5,000
 <b>6. Rhodes (GR)</b> 4.8%	Sale Price (€/m <sup>2</sup> ): 3,500 Weekly Rental Rate (€): 3,500
 <b>9. Elounda (GR)</b> 4.8%	Sale Price (€/m <sup>2</sup> ): 5,750 Weekly Rental Rate (€): 5,500
 <b>10. Chalkidiki (GR)</b> 4.8%	Sale Price (€/m <sup>2</sup> ): 4,500 Weekly Rental Rate (€): 4,500

	Country & Region	Residence Surface(m <sup>2</sup> )	Sale price (€/ m <sup>2</sup> )	Weekly Rental Rate (€)	Annual Rental Income (€)	Average Gross Yield
	Mykonos	250	5,750	11,500	138,000	8.2%
	Paros	250	4,250	5,750	69,000	6.5%
	Santorini	250	6,250	8,250	99,000	6.3%
	Tunisia	250	1,000	1,250	15,000	6.0%
	Skiathos	250	4,000	5,000	60,000	6.0%
	Porto Heli	250	4,750	5,000	60,000	5.1%
	Dalmatian Coast	250	4,750	5,000	60,000	5.1%
	Rhodes	250	3,500	3,500	42,000	4.8%
	Chalkidiki	250	4,500	4,500	54,000	4.8%
	Chania	250	4,250	4,250	51,000	4.8%
	Elounda	250	5,750	5,500	66,000	4.6%
	Marbella	250	6,100	5,500	66,000	4.3%
	Corfu	250	5,000	4,500	54,000	4.3%
	Nice	250	10,750	9,500	114,000	4.2%
	Kefalonia	250	3,500	3,000	36,000	4.1%
	Budva Tivat	250	3,500	3,000	36,000	4.1%
	Saint Tropez	250	16,500	13,250	159,000	3.9%
	Ibiza	250	7,800	6,250	75,000	3.8%
	Mediterranean Coast	250	2,500	2,000	24,000	3.8%
	Zante	250	5,000	4,000	48,000	3.8%
	Mallorca	250	8,500	6,750	81,000	3.8%
	Sardinia	250	8,500	6,500	78,000	3.7%
	Messinia	250	3,750	2,750	33,000	3.5%
	Athens Riviera	250	5,500	4,000	48,000	3.5%
	Tel Aviv	250	9,200	6,250	75,000	3.3%
	Cannes	250	14,500	9,750	117,000	3.2%
	Aegean Coast	250	3,750	2,500	30,000	3.2%
	Capri - Amalfi Coast	250	11,750	7,500	90,000	3.1%
	Paphos	250	5,250	3,250	39,000	3.0%
	Malta	250	5,000	2,750	33,000	2.6%

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 m<sup>2</sup>. The operational rental period is assumed at 12 weeks. The average gross rental yields are before expenses and taxes.



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