

MARKETBEAT GREECE



CUSHMAN &
WAKEFIELD

PROPRIUS

Hospitality Q2 2023

8,187,591
International Arrivals

YoY
Chg



12-Month
Forecast



5,439.9m
Tourism Revenue (€)



€664
Spending (€)/Visitor



ECONOMIC INDICATORS Q2 2023

2.2%

GDP growth rate
2023 (estimation)

YoY
Chg



12-Month
Forecast



11.1%

Unemployment Rate



1.8%

Inflation June 2023



TOURISM DEMAND: Remarkable surge in Q2 2023, with tourism revenue much higher than Q2 2019.

The tourism sector in Greece has witnessed a remarkable surge in Q2 2023, with international visitor arrivals increasing by 18.5% compared to the same period in 2022, as reported by the Bank of Greece. Staff shortages and the rise of operational costs remain among the main challenges in the industry. Compared to Q2 2019, tourism revenue increased by approximately 17% for the same period, while international arrivals also increased by 10%. Furthermore, according to ELSTAT, turnover for hotel related services accounted to €2.5bn for the period April to June, which is an indication of 16.6% increase compared to 2022.

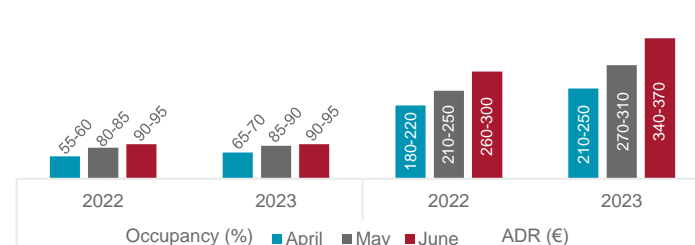
HOTEL SUPPLY: Major investments for the Greek Hospitality Market.

In April, the Varko Bay mixed-use project successfully obtained its development approval. The project encompasses 116 suites and 45 branded residences that will be offered for sale. Additionally, there are plans to establish a private marina capable of accommodating yachts up to 40 meters in length. The total investment for this project is anticipated to exceed 182 million euros, with operations scheduled to commence in 2026. In May, Scarlet Beach achieved approval for its inclusion in strategic investments aimed at the development of a mixed-use project in Petrothalassa, Argolida. This undertaking will be managed by a renowned international high-end brand. The project will showcase a collection of luxurious suites and residences available for sale, which could also be incorporated into the hotel's room inventory. The projected investment for this venture is estimated to be around 200 million euros. Meanwhile, the Cretan Tales investment initiative, focusing on the enhancement of the greater Rethymno area, secured its development approval. The comprehensive plan involves the creation of five residential units, two luxury hotels, and a private marina. The combined investment for this project is expected to surpass 230 million euros. Preliminary findings for Q2 2023 suggest that the value of hospitality transactions amounted to around 40 million euros. A transaction which is not included in the previous figure, is the purchase of Casa Cook's & Cook's Club brand, by Goldman Sachs Asset Management.

OUTLOOK: Upper-upscale performance of city Hotels in Athens and Resorts in Greece.

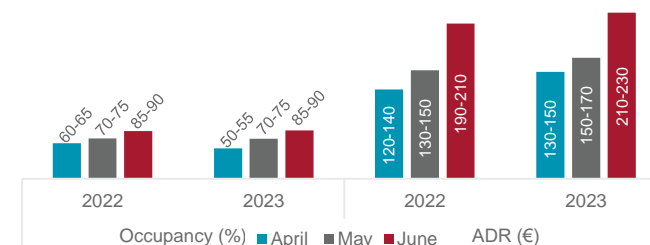
During the second quarter of the year, upper upscale hotels in central Athens showcased remarkable performance, driven by a notable surge in tourist traffic. Occupancy rates exhibited a noteworthy growth of approximately 5-10% when compared to the same period in 2022. Furthermore, the average daily rate (ADR) achieved an exceptional upswing, experiencing a remarkable increase of 25%-30%. Meanwhile, upper upscale resorts located around various destinations in Greece, including both the islands and the mainland, followed a slightly different trend. Resorts encountered a modest decline of 5% in occupancy rates, however, their Revenue Per Available Room (RevPar) displayed an upward trajectory. This was attributed to a substantial surge in the ADR, which experienced a rise in the range of 15%.

CENTRAL ATHENS HOTELS - UPPER UPSCALE PERFORMANCE



Source: C&W Proprius

GREECE SEASONAL RESORTS - UPPER UPSCALE PERFORMANCE

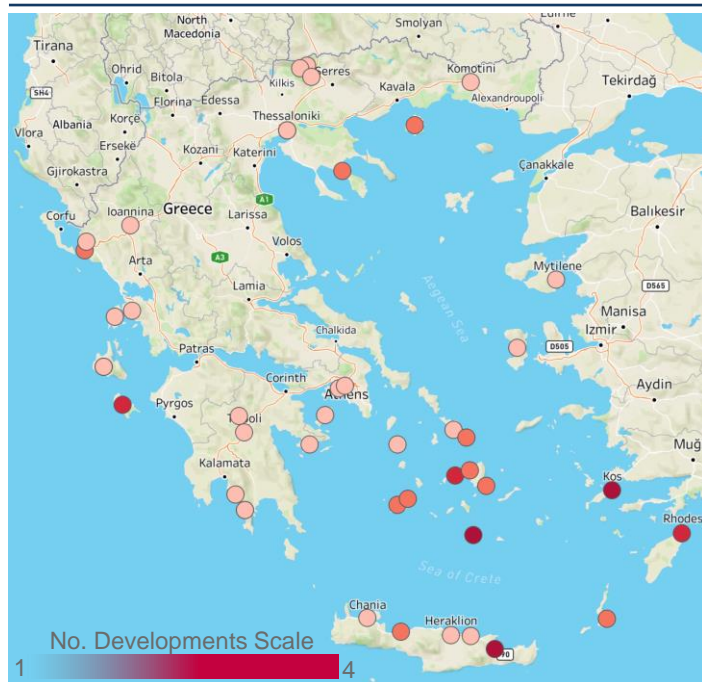


Source: C&W Proprius

MAJOR HOSPITALITY RELATED TRANSACTIONS – Q2 2023

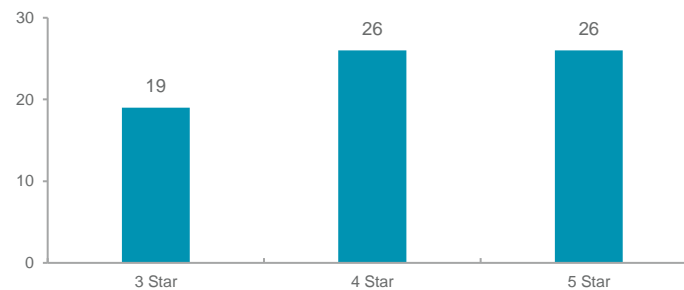
LOCATION	PROPERTY	TYPE	CLASSIFICATION	INVESTOR	ROOMS	SALE PRICE (€)
Elounda, Crete	Elounda Gulf Villas	Hotel (existing)	5*	Every	33	Confidential
Sfaka, Crete	ex. Aldiana Club Kreta	Hotel (existing)	4*	HIG Capital	171	Confidential
Agios Nikolaos, Crete	ex. Kallithea Apartments	Hotel (existing)	3*	CHC Hotels	60	Confidential

APPROVED HOTEL DEVELOPMENTS – Q2 2023



Source: Ministry of Digital Governance – Clarity Sector & CW Proprius process

APPROVED DEVELOPMENTS / HOTEL CATEGORY – Q2 2023



Source: Ministry of Digital Governance – Clarity Sector & CW Proprius process

TOP-6 DEVELOPMENT DESTINATIONS – Q2 2023



Source: Ministry of Digital Governance – Clarity Sector & CW Proprius process

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