

# Deloitte.

## Greece

## Real Estate Sector

Michael Hadjipavlou  
Chairman Deloitte  
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Audit • Tax • Consulting • Financial Advisory •



# Greece ..... *On the Rocks!*



- **GDP** falling for 6 years (2008-2013) ..... longer than 1929 Great Depression!
- **Unemployment** from 7.7% in 2008 to 29%!
- **€ 90 bn. of deposits** (38% of total) left the banks!
- **Stock market cap** from €140.7 bn. in Dec. 2007 down to € 20.1 bn. in June 2012!
- **Non-Performing Loans** from 4.7% (2007) to 33%!
- **Banks' equity** wiped out due to their holdings in Greek Government Bonds & STOPPED financing almost everything!

# Real Estate..... On the Rocks too!!

# 2

According to Central Bank of Greece Figures:

- House prices fell by 31% - 38%!
- Office & Retail Prices by 45% - 55%!
- Real estate transactions from 215,000 in 2005 down to 30,000 in 2013!
- Presence of banks in r.e. transactions from 80% to 15%!





# Signs of Turnaround!

# *From the Rocks.... to International Markets!*

- 👍 10-year Greek Bond yield from 37.1% (Feb. 2012) to 6.5% now!
- 👍 Stock Exchange up 33% in 2012 and 28% in 2013!
- 👍 Greece credit rating from “CCC” (S&P and Fitch) in March 2012 to “B” now (Fitch)
- 👍 Budget surplus in 2013
- 👍 Foreign direct investments

*From the Rocks.... to the Markets!*

**€ 3.0 bn. 5-year bond oversubscribed, by 7 times!**

# *Signs of Stabilisation and turnaround.....* # 4

## *also in real estate!*

- 👍 No. of construction licenses on the rise...
- 👍 Vacancy rates in office buildings levelling off  
3% for 'A' and 16% for 'B'
- 👍 Yields also levelling off...
  - Offices: 8.25% for 'A' and 9.50% for 'B'
  - Retail: 10.50% - 11.50%
- 👍 Rent levels also stabilised in 2013...
- 👍 Hotel prices sharply rising as a result of higher occupancy and very significant increase in tourist arrivals (18.7% in 2013)

# Incentives .....

# 5

- 👍 “Fast Track”
- 👍 Property Transfer Tax down to 3%
- 👍 New “Visa Law”
- 👍 Improvements in REITs’ benefits





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3a Fragoklissias & Granikou str., 151 25 Maroussi, Athens – Greece, Tel: +30 210 6781 100

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