

Discover Greece's Secrets – All 6000 Of Them

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Those thinking of investing in property on Corfu, Crete, Mykonos or Rhodes should be gladdened by the news that GB Airlines has increased the number of its weekly flights to these popular islands. The airline only started flying to Greece two years ago, with just two flights a week to Crete. This summer it has increased the number of its weekly flights to Crete to five*, to Corfu four times a week**, Rhodes twice a week and Mykonos*** twice a week.

These additional flights will reduce lengthy ferry crossings and therefore quickly open up certain locations as key weekend destinations. This increased access will soon highlight the value for money that property on these islands offer compared to certain other islands in the Med such as Malta, Mallorca or Cyprus. Plus, this should lead to a significant increase in the demand for both existing and new build properties and in turn will influence prices. As a result, investment potential and rental returns look extremely positive.

More good news for potential investors is that one of Greece's top banks is now making it easier for people to purchase in Greece and its islands. From its London office, Piraeus Bank offer Greek Euro mortgages to British and Irish citizens. Mortgages up to 80% - residential and 70% - land can be arranged, plus the refinancing of existing loans on Greek property and equity release can be organized. An interest only option for up to two years is available and mortgages can run from 5 to 25 years with the minimum loan of €75,000. Piraeus Bank offer competitive interest rates, currently around 5.25%. For a quick decision as to whether you are eligible for a Piraeus Bank mortgage, log on to www.piraeusbank.co.uk and click on "Quick decision in principle".

Piraeus Bank has long believed in the tourist appeal and real estate opportunities in Greece and recently conducted a survey amongst 292 people planning to buy overseas property within the next two years. Greece made it to the top of the popularity stakes with nearly 20% of those surveyed finding it the most appealing property destination.

Greece is very keen to keep the tourists and investors pouring in to the country and in preparation for the Athens Olympics in 2004 it made a concerted effort to improve its infrastructure and amenities to make the country even more attractive. Now the government are investing time and effort into promoting winter tourism in Greece - great news for existing and potential investors looking for year-round rental returns.

The birthplace of democracy and western philosophy already welcomes over 16 million tourists annually and apart from Athens, the majority of visitors head for the islands. Of a total of 6,000 Greek islands, only 227 are inhabited and out of these the British and Irish investors have traditionally been drawn to the larger islands of Crete, Corfu and Rhodes. Mykonos too has been popular since the 60s and is known as the playground of the rich and famous. Other areas like the Peloponese are gradually becoming popular with investors as well as the smaller islands, such as Santorini, Skiathos, Skopelos, Zakynthos and Kefalonia.

Every Greek island has something different to offer the investor, long-term holiday home owner and retiree alike:

Corfu

This best known and second largest Ionian island lies to the north of the Ionian Sea at the entrance to the Adriatic. It is the greenest of the Greek islands with three million olive trees. More than any other Greek island, Corfu has strong British influences (having been occupied during the 19th century). It is also a favourite with the Brits because it is the nearest island to the UK, just a three hour direct flight from London.

Demand for property on the island remains healthy with a good number of Brits seeing Corfu as the perfect retirement location and seeking property which allows them either a summer home or for year-round living. Newly-built houses are scarce so the market revolves mainly around resale, and comparable prices are high vis-à-vis most other islands because of the relative lack of supply.

Locations in the north and north-west of the island are popular while to the south of Corfu, villages such as Benitses continue to suffer a hangover from the down-market tourism which the island unwisely encouraged during the 1990s.

A two-bedroom, two-storey home in a stunning waterfront location with views across to the mainland is available for €255,000 at the Corfu Country Club while at the top end of the market one can commission a local architect to design a modern, luxurious villa in the exclusive Kassiope area for €1.5M. Resale properties, which in most cases were built originally by locals for locals, tend to be away from the coast and accordingly carry less of a price premium.

Rhodes

Rhodes is the fourth largest Greek island and, known as the “Island of the Sun”. With over 300 days of sunshine a year, it is considered to have more sun than any other location in the country, therefore attracting year-round holidaymakers and thus increasing the length of the rental season. The island also attracts tourists in droves to its legendary Colossus of Rhodes, one of the Seven Wonders of the World. Visitors also come to admire the island’s many historical castles, temples and stadiums, plus the medieval splendour of the World Heritage listed old town, the classical appeal of Lindos and the quiet cool of peaceful mountain villages.

The property market offers a mix of new and resale properties with purpose-built villas a feature in premium locations. Prices for a two-bedroom property start at between €150,000 - €200,000 for a new-build in a development in the less commercial south-east of the island, while the more adventurous might consider buying a renovation property in a village for around €50,000. €500,000 buys a four-bedroom villa and at the upper-end prices range upwards of €1,000,000 for a luxury property in a premium location. As with the Greek market in general, prices in Rhodes are increasing at round 10% - 15% per annum with higher rates of increase in select areas where demand exceeds supply.

Crete

Crete is Greece’s largest and most southerly island. Set in the Aegean Sea, it plays host to almost a quarter of Greece’s tourists and its capital – Iraklio (Heraklion) – is Greece’s fifth largest city. It is also the birthplace of Europe’s first advanced civilization, the Minoan and the island still has many Minoan sites to explore.

It is interesting to see that development is moving from the better known and more developed areas to lesser known and more affordable ones. Buyers and developers are now slowing moving away from the north western coast of Crete to the south coast and even the far eastern corner of it.

Property prices start at around €85,000 for a one bed, one bath apartment and €290,000 for a three bed, two bath villa. In Chania a two bed room apartment can

cost around €145,000 / £100,050 and a three bed villa with pool around €270,000 / £186,300

Mykonos, The Cyclades (The Aegean Sea)

Mykonos has long been considered the Greek equivalent of St. Tropez, its up-market appeal based on the wonderful sandy beaches and the haute-cuisine restaurants, trendy bars and luxury boutiques which overlook picture-book harbours and bays. This property market on this unique island in the Cyclades has its own special characteristics with controls on the density of development stricter than anywhere else in the country which consequently are driving prices towards those found in other jet-set locations around the world. The architecture of the Cyclades is also very special with its traditional cubic style now being blended with local stone to great effect.

A small studio in Mykonos will sell for €150,000 while a luxury villa set on 4,000m² with four bedrooms (each with en-suite), private pool and superb sea views can cost upwards of €2,000,000. Yet while prices are high, the cachet which the island offers is such that property remains an attractive investment with premium prices demanded during the summer season for top-quality villa rentals and capital values continue to appreciate as Mykonos becomes increasingly exclusive.

Santorini, The Cyclades (The Aegean Sea)

Santorini has been voted Europe's top island again by Travel & Leisure Magazine. A 40 minute flight from Athens will bring you to the 73km² island with a population of just 13,600 (2001). Towering cliffs, blindingly white houses, unspoilt landscapes, delightful villages and the warm hospitality of the local people attract house buyers and tourists alike.

House prices vary enormously depending on location. Properties in the north can go for €10,000 per m², whereas in the east they are around €3,200 per m². The north easterly coast is cheap but not easily accessible. New homes are being built around the island; a new development of one, two and three bed detached luxury villas with private pools has been built on the east coast of the island, 200 meters from the beach and within easy reach of Kamari village and Santorini international airport. Prices start from €85,000.

Skiathos, The Sporades (The Aegean Sea)

Although smaller and less well-known Skyathos Island nevertheless has over 60 sandy beaches overlooked by heavenly scented pine groves and green hills. The main settlement of Skiathos Town offers a chic, sophisticated lifestyle, whereas the sleepy outlying villages boast beautiful traditional houses and a more laid back way of life.

Direct flights from the UK into the island's airport may be obtainable from one of a number of British tour operators who bring holidaymakers to the island.

A one bed, one bath town house in five minutes walk from Skyathos Town centre can be snapped up for €90,000 or a three bed, 90m² town house with private courtyard and patio for €200,000.

Skopelos, The Sporades (The Aegean Sea)

Located half an hour by boat from Skiathos or 4½ hours by road and hydrofoil from Athens; Skopelos is said to be the greenest of the Greek Islands because of the number of pine trees it is covered in. Its population of just 4,696 (2001) is mainly located in the main port and municipal centre of the island – Skopelos Town (pop 3,027), generally recognised to be one of the most beautiful harbour towns in the whole of Greece. The entire town is now under a conservation order designed to preserve these features and new buildings must adhere to the old style.

A 2/3 bed townhouse in Skopelos Town with a roof terrace can be found for €220,000. Outside the old town the choice of property is wide and varied - from luxury villas to tumbledown kalives (little country houses) that may need complete renovation, but offer peace and quiet in the middle of an olive grove. The village of Glossa (pop 1,195) has its own charm and identity and there are reasonably priced properties here.

It is interesting to note that Skopelos is also a year round retirement destination for Northern Europeans.

Irini Tzortzoglou, Head of Retail Banking at Piraeus Bank comments on Greece as a property investment location: "Although the land in Greece carries a higher price than many new entrants to the investment property market such as Morocco, Romania, Egypt, etc, it is still very much affordable when compared to the other European countries around the Mediterranean. The country is a firm tourist favourite and the chances of letting one's property is much higher than countries less discovered or with a shorter holiday season. Plus there is still the chance to acquire land on the seafront, in the most beautiful locations. The combination of relatively low prices with a maturing and competitive mortgage market, as well as a marked improvement in the infrastructure, service standards, education and cheap air travel, makes Greece a shrewd long term holiday home, investment and retirement destination."

If you are considering purchasing a property in Greece or its islands and would like information about the finance options available please contact Piraeus Bank mortgage service on 0207 920 6000 or visit www.piraeusbank.co.uk

ENDS

* on Mondays, Wednesdays, Fridays and Saturdays from £130 return including tax

** on Thursdays and Sundays from £150 return including tax

*** on Thursdays and Sundays from £138 return including tax

NOTES TO EDITORS - 12 Things You Didn't Know About Greece

1. 6,000 islands and islets (only 227 are inhabited)
2. 10,706,290 population (2007 estimate)
3. 659,719 tourism sector workers (16.5% of total employment for 2004)
4. 528,000 farmers (12% of total labour force)
5. 752 thermo-metallic springs
6. 51 marinas
7. 16 million+ tourists per year
8. 15th position on the World Tourism Organisation list of countries with inbound tourism
9. 44 airports (15 international)
10. 9,036 hotels
11. 756,014 beds (62.6% of hotel beds are found on the islands)
12. 340+ campsites

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