

ARTS & WEEKEND

# House & Home

## Athenians discover suburbs-on-sea

By Diane Shugart

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The moment Theophilos Hatzopoulos saw the abandoned mill at Anitsaiou, a hilltop settlement on the island of Aegina, he knew he had found the right property for his first residential project. Set on just over 7,000 sq metres of land, with a panoramic view over the island's eastern coast, the 18th-century structure presented the perfect challenge for a developer who had previously focused only on office projects.

Working with a team of architects, Hatzopoulos added five bedrooms, living and dining areas, a modern kitchen and terrace and an open-air tub beneath a raised copper dome on the old mill's roof. He plans to sell it for about €1.2m. "It's a price that's viable for Aegina for the upper end of the market," he says.

As recently as a decade ago, that wasn't the case. Living on any Greek island was more a romantic idea than a practicable one. But, thanks to improved communications and transport networks, many of these markets now have the infrastructure to sustain the needs of new part- and full-time residents. Longer working hours and growth in the private sector, where it is more difficult to take leave in a single chunk, have helped, encouraging more Greeks to buy year-round holiday homes close to their primary ones. And domestic demand is starting to be matched by foreigners, with some market analysts projecting that northern Europeans could snap up as many as 1m homes in Greece over the next decade. British and German buyers have so far focused mainly on Corfu and Crete but estate agents say they are now looking further afield.

"I believe there's great pent-up demand internationally for holiday homes in Greece," says Angelos Seferiades, a partner in developer Kihli Enterprises.

Not surprisingly, it is the Saronic islands, closest to the rapidly expanding Greek capital of Athens, that have benefited most from these trends. The group includes Aegina – just 30 minutes by hydrofoil from the port of Piraeus – Poros, Hydra and Spetses – the furthest away at an hour and 50 minutes, all served by half a dozen daily sailings to and from the mainland even in winter. Each island has its own character. Aegina is, for example, especially popular as a summer escape among middle-income families while upmarket Spetses is steeped in a patrician tradition that once included a British-inspired private boarding school. This is reflected in property prices, which range from €1,300 per sq metre on Aegina to €5,000 per sq metre on Spetses.

So far, much of the activity has been on Aegina, already the most developed island and the place where people working in Athens – mostly Greek and a few foreign shipping executives – first established a suburban foothold.

The island's traditional role as a producer of high-quality pistachio nuts has been supplanted by a construction and services boom that has created jobs. And there has been a proliferation of small estates, made up of three or four holiday homes with a shared pool, particularly at Marathonas, a seaside resort on the island's western coast. This trend is the product of a zoning law that bans construction on lots smaller than four stremmas (roughly one acre). With construction officially limited to 280 sq metres on a four-stremma lot, a contractor opts to build between three and five small units as a single development.

More upmarket projects may be on the way, however. "Aegina is a market I believe in," Hatzopoulos says. He looked at Spetses first but "didn't find a piece of land that spoke to me". And, with cookie-cutter maisonettes at Perdika, a seaside resort on the island's south-west, selling for as much as €850,000, he thinks the island is ripe for luxury offerings.

According to Frosso Fouflia, a civil engineer for the Aegina municipality, prices on Aegina have increased by about 20 per cent a year since 2003, with the biggest jumps seen at Perdika, the seaside resort of Vagia on the

northern coast, and Kypseli, an inland settlement midway between Vagia and the secondary port at Souvala. "People initially look for a holiday home but that potentially becomes a year-round residence," Fouflia says.

Though farther away and more expensive, Spetses is seeing similar growth. Older homes boasting high quality traditional architecture are in high demand, wealthy Greeks are buying up large plots to build extravagant villas and property values have climbed about 30 per cent over the past two years, according to a local official. The extent of new construction is such that this summer an entire ferry had to be dedicated to transporting concrete mixers across the strait separating the island from the Peloponnese.

"Land prices have changed a great deal; they've almost doubled in the past decade, mainly because of the lack of lots," says Seferiades at Kihli Enterprises, who built and sold his first development on the island between 1998 and 2001. "There's very little land left within the town limits and there's very little turnover in existing houses. And to build outside the zoned area, you need a very large lot, so the alternative is quite expensive.

"There's definitely an increase in the middle-market segment," he adds. "These are people who aren't interested in the location on Spetses but simply want to have a house there."

Foreigners make up a small minority of buyers. "The main barriers are language and the legal framework. There's also the issue of maintenance for the time you're not there and the slim potential for revenue," Seferiades says. "But I don't think these are insurmountable."

His latest development, Spezzie, is located in the Kasteli district overlooking Dapia, the main town. The seven detached villas, priced at about €1m, range from 200-280 sq metres. Each comes with pool, garage and a view over the town to the sea.

"Spetses is really a high-end suburb of Athens, beyond being an island or a resort," he says. "If you compare prices to Ekali or Kolonaki [districts of Athens], these are not unrealistic prices."

Local agents

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