

MARKETBEAT

GREECE

Hospitality 2024

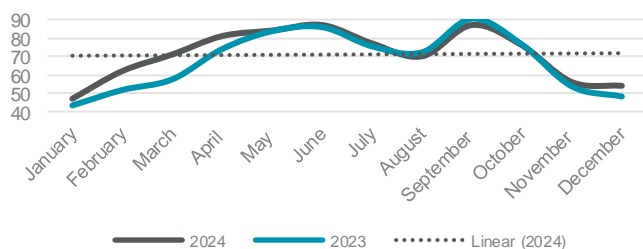
TOURISM DEMAND: Record Arrivals and Economic Growth.

In 2024, Greece's tourism sector saw a notable boom, with international arrivals rising by approximately 9.8% compared to 2023, according to the Bank of Greece. This surge not only exceeded the pre-Covid record of 31.3 million arrivals in 2019 by 15.6%, but it also provided a much-needed boost to the economy and helped maintain historically low unemployment levels. The hospitality industry experienced significant growth, with data from the Hellenic Statistical Authority (ELSTAT) showing a turnover of €11.6 billion from January to October—an increase of 10.5% from the same period last year. This surge, especially in high-end tourism, also highlighted Greece's appeal to high-end travelers, with upper-upscale hotel occupancy rates exceeding 80% during the 2024 season. However, while the tourism boom has had a positive economic impact, it hasn't been without its challenges. The increase in arrivals has raised concerns about the sustainability of the sector, particularly in terms of infrastructure strain and environmental impact. High demand in peak seasons has led to overcrowding in some popular destinations, prompting the government to consider measures for sustainable tourism development. Additionally, the hospitality industry has faced pressures related to labor shortages and rising operating costs, which may impact the long-term stability of the sector. Despite these challenges, the outlook for 2025 remains positive, with projections indicating that tourism revenue could reach €22 billion. With new investments in sustainable tourism practices and a focus on attracting high-spending visitors, Greece is positioning itself as a year-round global tourism destination. However, balancing growth with sustainability will be key to ensuring that the country continues to thrive in the future.

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

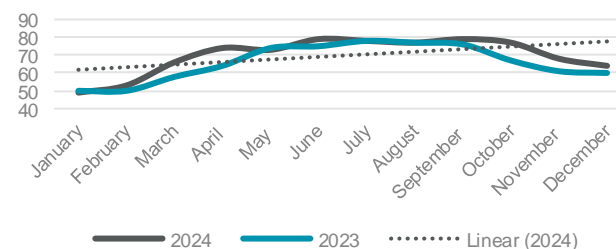
The five-star upper upscale hotel sector in Athens and Thessaloniki saw significant growth in 2024, leading to a RevPAR increase of over 15% and 10% respectively, compared to 2023, on an annual basis. Average daily rates (ADRs) in Athens and Thessaloniki reached €300 and €175, respectively, with occupancies ranged between 60% and 70%. For seasonal selected upper-upscale resorts in 2024, in Corfu, Crete and Rhodes, preliminary results indicated an average summer season occupancy slightly exceeding 80%, while ADRs were in the areas of €250. Overall, as Greece continues to position itself as a top choice for high-end accommodations and upscale resort experiences, future prospects for the hospitality industry appear promising, with opportunities for further expansion and development on the horizon, given that the tourism seasonality seems to extend.

CENTRAL ATHENS HOTELS - UPPER UPSCALE OCCUPANCY



Source: C&W Proprius

THESSALONIKI HOTELS - UPPER UPSCALE OCCUPANCY



Source: C&W Proprius

	YoY Chg	12-Mo. Forecast
36.0m International Arrivals	▲	▲
21,702.0m Tourism Revenue (€)	▲	▲
€573 Spending (€)/Visitor	▼	▲

Source: Bank of Greece – CW Proprius process

GREECE ECONOMIC INDICATORS 2024

	YoY Chg	12-Mo. Forecast
2.3% GDP Growth Rate for 2024	▼	▼
9.4% Unemployment Rate	▼	▼
2.6% Inflation Rate	▼	▼

Source: Hellenic Statistics Authority

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CUSHMAN & WAKEFIELD



Hospitality 2024

HOTEL SUPPLY: Major Hotel Investments and Developments Boost Greece's Luxury Tourism Sector.

Greece is experiencing a significant influx of hotel investments and development projects, reflecting the country's growing appeal as a tourist destination. Blackstone has expanded its portfolio with a €500 million investment in southern European hotels, including the €235 million acquisition of the Grand Hyatt Athens. The Mitsis Group has also made notable investments, including the €100 million acquisition of the 970-room Messonghi Beach Hotel in Corfu, as well as a 10-year management deal for the Belvedere Hotel, both of which will undergo upgrades. Premia Properties entered the hospitality market with a €112.5 million sale and leaseback deal for two Sunwing resorts in Rhodes and Crete, with plans for modernization. Thanos Hotels & Resorts, based in Cyprus, announced a three-year investment plan to open 10 new hotels across Greece, beginning with Amyth Hotels on Mykonos and a luxury property in Super Paradise. Wyndham Hotels & Resorts is planning to add three new properties in Greece by 2025-2026, with locations in Piraeus and Halkidiki. Isrotel is converting a former office building in Omonia, Athens, into an upscale, expected to open in 2025. Additionally, Goldair is entering the hospitality industry with plans to develop a network of premium hotels in key tourist destinations across Greece. Notably, a new Four Seasons resort is planned for the AKS site in Argolida, marking a significant addition to the luxury hotel sector in the region. Other ongoing projects include the Agia Triada development in Thessaloniki, which will create a modern hospitality and residential complex, and the Mövenpick Resort in Sivota, scheduled for a mid-2025 opening. The Mövenpick Resort will feature 67 rooms with views of the Ionian Sea, multiple pools, and diverse dining options. These developments reflect the continued growth and modernization of Greece's hospitality sector.

KEY MARKET TRANSACTIONS

LOCATION	PROPERTY	TYPE	CLASSIFICATION	INVESTOR	ROOMS	SALE PRICE (€)
Greater Omonia, Athens	Titania	Hotel (existing)	4*	H Hotels (Hatzilazarou Group)	398	ca. 74,000,000
Acharavi, Corfu	Roda Beach Resort Spa	Hotel (existing)	5*	G Hotels (Grigoriadis Group)	499	ca. 97,000,000
Hersonissos, Crete	Serita Beach Hotel	Hotel (existing)	5*	G Hotels (Grigoriadis Group)	276	
Corfu	Messonghi Beach Holiday Resort	Hotel (existing)	4*	Mitsis Group	979	ca. 100,000,000
Athens, Attica	Grand Hyatt Athens	Hotel (existing)	5*	Blackstone	548	ca. 235,000,000
Hersonissos, Crete	Knossos Royal & Villas	Hotel (existing)	5*	Karatzis Group	453	ca. 80,000,000
Total Estimated Market Transactions						>1bn

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ABOUT CUSHMAN & WAKEFIELD

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