

GR Research 2025



SPOTLIGHT

Savills Greece Research

Athens Residential Market

KENTRIki

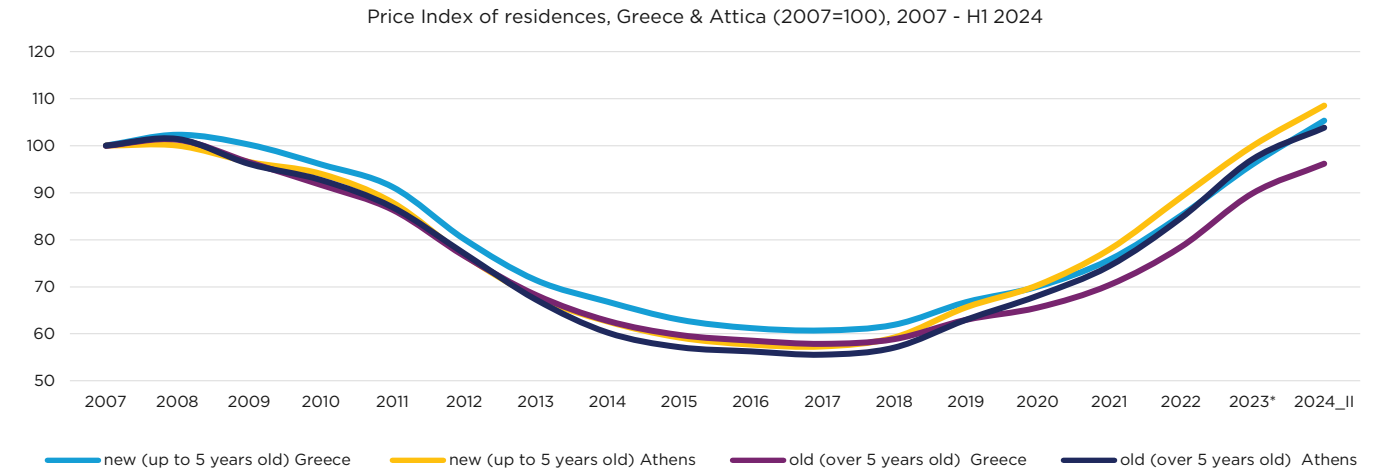




Overview

The Greek residential real estate sector in 2024 continued its upward trajectory, building on the momentum of previous years. Despite global economic uncertainties, including inflationary pressures and higher interest rates, the market demonstrated resilience and adaptability. The sector benefited from a combination of strong domestic demand, sustained foreign investment, and favorable macroeconomic conditions, solidifying Greece's position as an attractive destination for real estate investment. It is noted that the Greek economy maintained its recovery path in 2024, supported by GDP growth (expected to continue at least until 2026-although at a smaller pace), increased foreign direct investment (the largest net FDI inflows since 2002 recorded in 2022), and a thriving tourism sector. Thus, besides high energy prices that limit real income and private spending, higher funding costs and the recession across the euro area, these factors contributed to a stable economic environment, fostering confidence among both local and international investors.

The Bank of Greece's latest report (2024) highlights the market's strong performance and the strong upward pressure on residential property prices, notably in high-demand areas. The above is reflected in the evolution of residential real estate prices which already from 2023 seem to be reaching pre-crisis levels. Focusing on Athens, it is worth noting that for 2023 prices for properties constructed more than 5 years ago have increased by 14.8% (compared to 13.7% in 2022) while new-built property prices by 12.2% (14.2% in 2022). This reversal in the growth rates of new-built vs older properties could indicate that prices of new-built properties have started to reach a plateau but can also be attributed to various state incentives related to the upgrading of older properties, leading buyers to turn to this category, further contributing to the increase in their prices. Latest published data concerning H1 of 2024 reveal that prices for new-built properties are 5-8% above their pre-crisis levels.

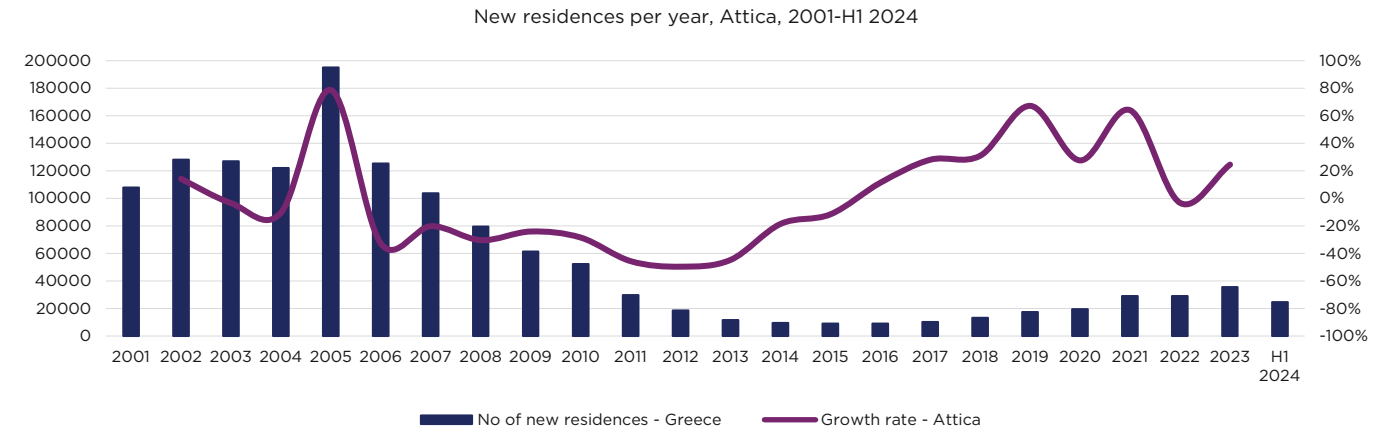


Source: Bank of Greece

Construction & Residential Activity

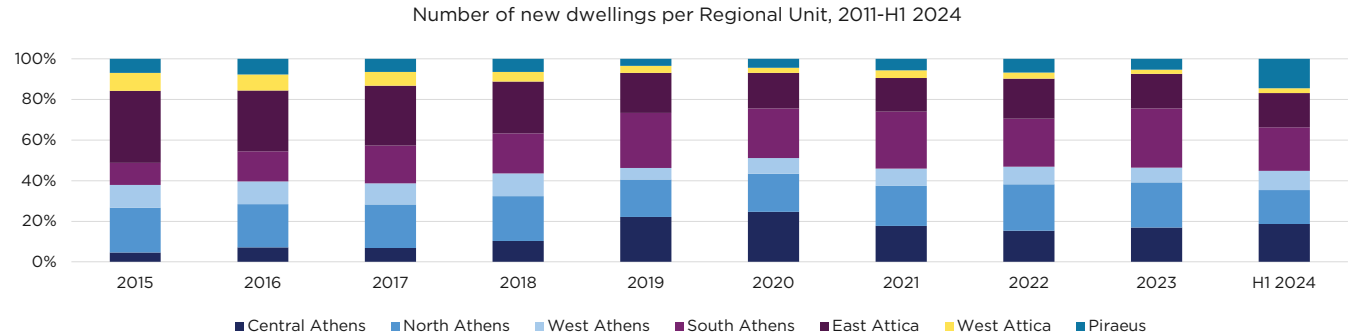
While 2023 saw robust construction activity across Greece, particularly in the Attica region, preliminary data suggests a continued, though perhaps moderating, upward trend in 2024. H1 2024 data indicate that the number of new-built residences added to the stock is on track to surpass 2023 figures, making 2024 the strongest year for construction activity in the period from 2015 to 2024.

The Construction (Building) Activity Index further underscores this trend, with the second quarter of 2024 showing continued growth, surpassing pre-crisis levels for the first time. This positive momentum is supported by optimistic business expectations for housing construction, which, after reaching an annualized growth rate of 18.1% in 2023, remain robust despite ongoing challenges such as high inflation and elevated construction costs.



Source: Hellenic Statistics Authority

Attica, particularly the southern part of the region, remains the epicenter of construction activity in Greece, accounting for the majority of total square meters developed in 2024. This area’s appeal is driven by its proximity to the seafront, the city center, and the airport, as well as its high-quality leisure and retail offerings, which continue to attract both domestic and foreign buyers. However, the lack of available land for new developments has become a growing constraint, particularly in southern Attica, where construction activity has begun to stabilize. In contrast, Central Athens is showing signs of a rebound in 2024 after several years of compressed growth. Preliminary data suggest a resurgence in construction and residential activity in this area, likely fueled by urban renewal projects and increased demand for properties in gentrifying neighborhoods. This shift highlights the evolving dynamics of the Greek real estate market, with buyers and developers increasingly turning their attention to central urban areas.



Source: Hellenic Statistics Authority

Market Activity

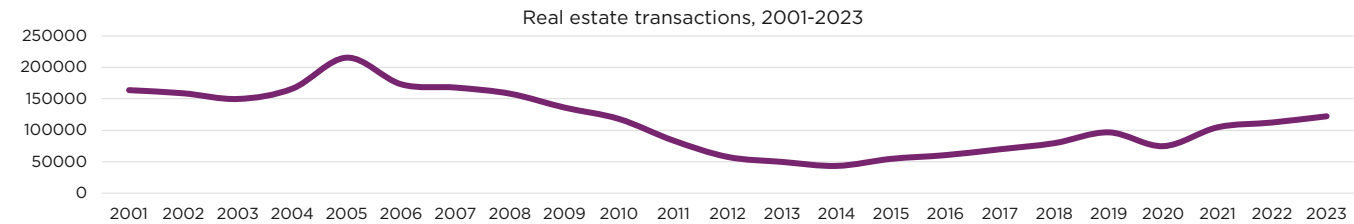
The residential real estate market in Greece demonstrated remarkable resilience and growth in 2024, primarily driven by robust tourism activity and sustained foreign investment, which have significantly influenced the housing market, particularly through the short-term rental sector. According to the latest data from the Bank of Greece, real estate transactions in 2024 continued to rise, albeit at a moderated pace, reflecting a steady demand for residential properties. Preliminary figures indicate that residential sales at the national level reached approximately 51,000 units, marking a 4% increase compared to 2023.

Despite the positive trends in property transactions, the mortgage market in 2024 faced challenges. The total volume of new mortgages decreased by 1.5% in 2024, following a 1.3% decline in 2023. This trend underscores the lingering impact of higher borrowing costs, which have persisted due to the European Central Bank’s efforts to combat inflation through elevated interest rates. However, the Bank Lending Survey for Q2 2024 revealed a stabilization in mortgage demand, signaling a potential turnaround after two years of declining interest in housing loans. It is noted that the

inflationary market conditions have made prospective home buyers increasingly cautious, resulting in delaying purchases or even in choosing smaller, more affordable properties.

The gradual reduction in Euribor rates observed in 2024 is expected to alleviate some of the pressure on prospective homebuyers, making mortgages more affordable and potentially revitalizing market activity. Additionally, the Greek Ministry of Finance has made significant strides in reducing non-performing loans (NPLs) within the banking sector. This progress has enhanced banks’ capacity to lend, further supporting the prospects for increased investment in the real estate market.

Moreover, by introducing favorable lending arrangements for specific population groups, the government aims to facilitate transactions of residences older than 15 years. It is noted that the public discussion which has lately begun by the Greek Government for introducing the so-called affordable housing initiatives, is expected to also affect positively the residential market activity and bring younger parts of the population into the market.



Source: Hellenic Statistics Authority

Rental Market

Residential rental prices in Attica have continued their upward trajectory in 2024, reflecting broader trends in the real estate market. On average, rents have increased by approximately 7.6% compared to 2023, with certain areas experiencing even more significant hikes. This rise is driven by a combination of factors, including high demand, limited supply, and ongoing urban regeneration projects.

The most pronounced rental increases have been observed in Piraeus and its surrounding areas, where rents surged by over 20% in some neighborhoods, such as Neo Faliro (31.4%) and Drapetsona (23.2%). This growth aligns with the area’s revitalization efforts, including infrastructure upgrades and the development of new commercial and residential spaces. Similarly, areas with medium sales prices per square meter, such as Nea Philadelphia (Athens West) and Penteli (Athens North), have also seen notable rent increases, driven by their affordability relative to prime locations.

The announcement of new metro stations has further fueled rental growth in areas like Goudi and Kaisariani (CBD fringe), where improved connectivity is expected to enhance property values and attract tenants. These micro-locational trends highlight the impact of infrastructure development on rental dynamics. While rental prices have risen significantly, they have generally grown at a slower pace compared to sale prices. This divergence can be attributed to the slower transmission of construction cost increases to the rental market, as well as the broader economic pressures faced by tenants, such as rising living costs and stagnant wage growth.

Pricing

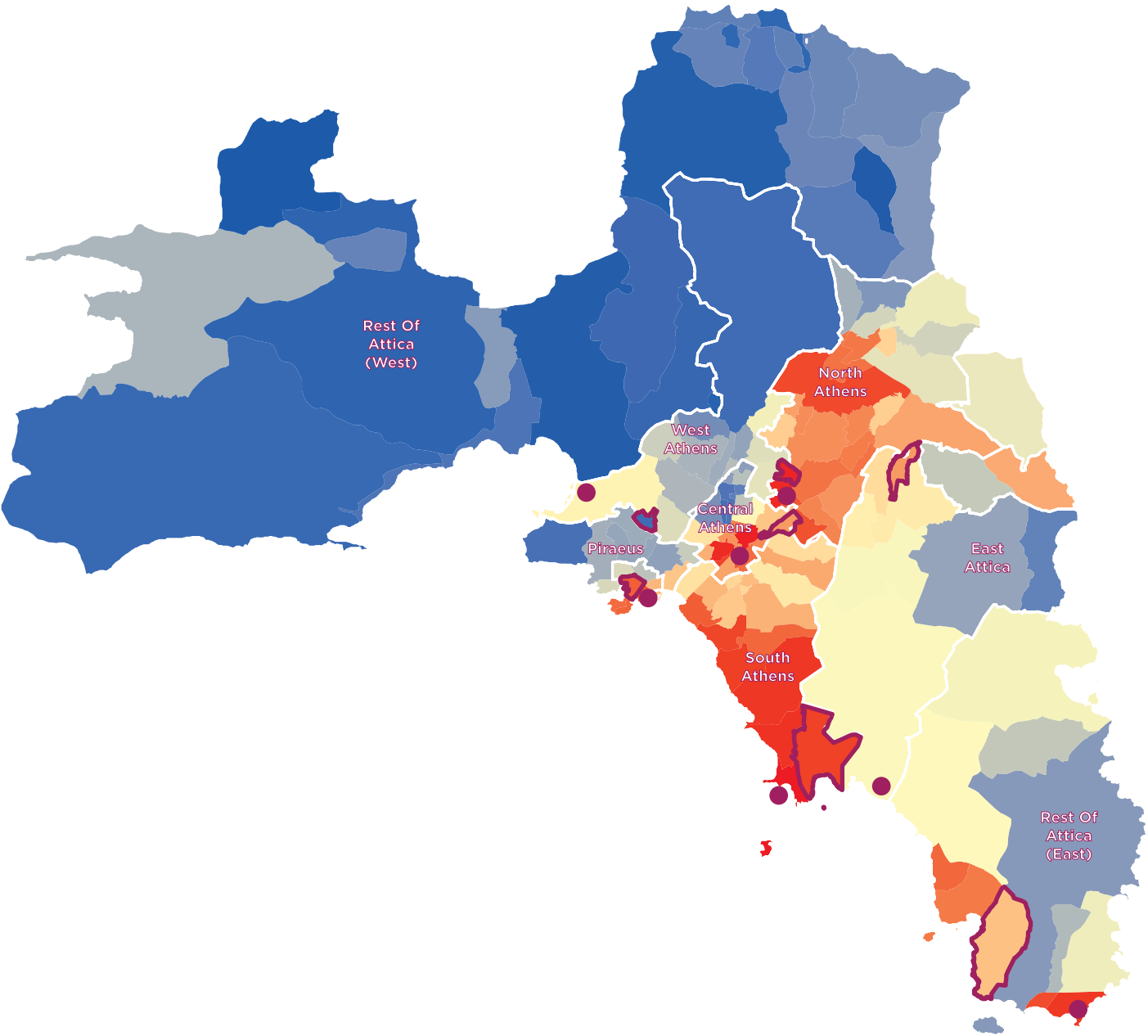
The confluence of factors such as the city’s cultural richness, historical significance, and vibrant atmosphere has positioned Athens as a favored destination among tourists. This, coupled with the evolving landscape of short-term rentals and a growing influx of investors, has reshaped the residential property market in the Greek capital with residential property prices in Athens witnessing a notable surge, outpacing the broader trend observed across Greece. As a result, homeowners and investors alike are experiencing a notable uplift in property values, placing Athens as a dynamic and promising real estate market in the current context.

Compared to Savills’ previous analysis results regarding residential prices 3 years ago (post Covid-19 era), significant increases are recorded in almost all the Region of Attica at a rate of approximately 25% on average, with the highest growth recorded in Piraeus. This strengthening of the prices is mainly attributed to the significant increase in the construction costs, the maintainable levels of demand, along with the slowdown in the rate of construction activity recorded in the last 2 years.

Inflationary conditions, increased energy costs and high interest rates seem to lead to a restraint of growth rates and in some cases to a correction of prices, especially in areas where demand is limited. At the same time, interventions of the Greek government towards the strengthening of supply and the limitation of investment demand for residential properties placed on the short-term rental market and the Golden Visa (especially in high demand areas) are expected to further contribute to this direction.

This trend is also reflected in our annual analysis of residential property prices, which indicates minimal changes compared to the previous year. Variations are primarily observed in areas where prices had remained low in previous years, reflecting the upward trend of recent years in high-demand locations, as well as in sought-after neighborhoods of the northern suburbs and the city center. More specifically, price increases continue to be recorded in areas such as Filothei (Athens North) and Kolonaki (CBD), which are traditional high-demand markets that attract buyers with high incomes, while the same applies to high-end properties whose demand is not sufficiently covered by the existing market supply. Furthermore, regeneration projects also seem to contribute to the further increase in prices of the areas in which they are located, such as around The Ellinikon Project (Athenian Riviera) and in Piraeus. It is noted that in the case of the latter, where the highest price increases have been observed, it appears that the rise in the minimum Golden Visa thresholds across the rest of Athens has redirected investor interest to the area, further driving up prices.

As can be seen from the map, the highest values per sqm are found in the south suburbs (mainly in the southernmost areas where prices gradually increase as proximity to the sea is easier), followed by the center of Athens (particularly around the historic center) and the north suburbs. It is apparent that in terms of location, the factors that create a premium are the proximity to the sea for the south suburbs, abundance of large open green spaces for the north suburbs and proximity to the CBD and/or Acropolis and other attractions for the City Centre. We can also observe that characteristics such as low population density, low building heights and low building density are also common between the north and south suburbs which constitute the majority of the prime residential market of Athens.



Regional Unit	Average Growth range	Average Price range (€/sqm)	Highest Growth	Upper market Price
Central Athens	16-28%	2,750 - 4,500	Goudi	Kolonaki – Lykavittos (10,800 €/sqm)
South Athens	14-23%	3,250 - 4,750	Vari - Varkiza	Vouliagmeni (15,000 €/sqm)
North Athens	8-20%	3,550 - 4,100	Filothei	Palaio Psychiko (9,000 €/sqm)
West Athens	10-28%	2,450 - 2,850	Agia Varvara	Chaidari (3,500 €/sqm)
Piraeus	28-53%	2,500 - 2,950	Center - Port	Kastella – Pasalimani (6,000 €/sqm)
East Attica	16-30%	2,800 - 3,350	Anthousa	Koropi (3,900 €/sqm)
Rest of Attica	16-45%	2,250 - 3,450	Palaia Fokaia	Sounio (5,200 €/sqm)

* The adjacent heatmap shows our 2024 estimated sale prices (€/sqm) for residential apartments in each Municipality of Attica. These are derived from regression models combining houses’ building characteristics as well as spatial variables based on asking prices of apartments for H2 2024.

Basis of analysis: a typical, new-built apartment of 90 sqm, with 2 bedrooms and parking space.

- Highest Price (Per Regional Unit)
- Highest Growth (Per Regional Unit)



Investment Activity

The upward trend recorded in recent years in Foreign Direct Investments in real estate activities (8% increase compared to 2022 with a total volume of over €2 billion) continued in 2023, showing stabilization trends. “Housing and other constructions” were the only category with upward movement (compared to other investment categories in the country for 2023), while there was a jump in the share of real estate in total Foreign Direct Investment, reaching almost 45%. The above seems to be driven due to the changes announced in the conditions for the golden visa. Additionally, approx. €1.15 billion has already been invested in the real estate sector in the 1st half of 2024.

Investment in housing, a key indicator of residential market dynamics, saw a substantial 20.7% increase in 2023, reaching €3.8 billion (compared to €3.15 billion and 33.7% growth in 2022), according to ELSTAT. While this represents significant growth, housing investment as a percentage of GDP remains relatively low at 1.9% (Bank of Greece). Preliminary data for the first half of 2024 suggests investment levels around €1.9 billion, indicating a potential stabilization at or slightly below 2023 figures.

In 2023, Real Estate Investment Corporations (REICs) and development companies focused significant capital on institutional residential projects, with Attica attracting the

largest share of these funds. This trend toward institutional investment has continued, with Purpose-Built Student Accommodation (PBSA) and Built-to-Rent (BtR) projects remaining attractive to REICs, private equity funds, and family offices. Recent incentive programs for retirees, digital nomads, and other particular expat segments, along with the constantly increasing demand for housing either from students or young professionals has led to an increase in developments of such assets, mostly in central locations of Athens. Areas located near universities or with excellent public transport connectivity, such as Zografou, Neos Kosmos, Aigaleo, and Piraeus, remain highly attractive to investors seeking to diversify their portfolios. Capital investments in these areas reflect sustained confidence in the student housing market. Notably, the total investment in Purpose-Built Student Accommodation (PBSA) across Greece has now surpassed €700 million (€7-13 million per asset), with the majority of these funds stemming from collaborations between private investment firms and public sector entities, including state universities. The PBSA sector’s growth is further supported by government initiatives aimed at enhancing the quality of student living conditions and fostering public-private partnerships. These efforts have not only attracted domestic investors but also drawn significant international capital, particularly from funds specializing in educational infrastructure.

Looking ahead, several factors contribute to a positive investment climate. Continued progress in reducing non-performing loans, coupled with the Greek economy’s resilient performance (outperforming the Eurozone average in recent years despite broader economic headwinds), reinforce the positive outlook signaled by international rating agencies. Further maintaining the investment-grade rating and the stable if not positive prospects awarded by three agencies in 2024 is expected to further attract private investment. Recent studies reveal a marked increase in investment willingness in Greece, rising from 28% in 2020 to 51% in 2024, positioning the country at the top of regional investment prospects and exceeding overall European attractiveness.



Golden Visa Program

The Greece Golden Visa, launched in 2013, remains one of Europe’s most compelling residency-by-investment programs, offering non-EU citizens a gateway to Greek residency through real estate and other investment options. Over the past decade, it has drawn substantial global interest, solidifying Greece as a leading destination for investors seeking not only residency but also access to the wider Schengen Area. Initially requiring a minimum investment of just €250,000—the lowest threshold in Europe—the program catalyzed a wave of demand that contributed to Greece’s dynamic real estate market. This surge in popularity, alongside the notable rise in property values in high-demand areas such as Athens, Thessaloniki, Mykonos, and Santorini, has led to a strategic refinement of the program’s terms to ensure sustainability and align with market realities. As of September 1, 2024, the revised thresholds reflect the diverse opportunities for investment across Greece:

- **Affordable Entry Point:** A minimum investment of €250,000 remains available for properties converted into residential use or for restoring historic buildings. This incentivizes the preservation of Greece’s rich architectural heritage while offering accessible options for investors.
- **Balanced Growth:** Investments in single properties of at least 120 m² in less densely populated cities or islands start at €400,000, promoting regional development and unlocking high-potential areas with promising returns.
- **Prestigious Urban Options:** For those targeting prime locations, such as Athens, Thessaloniki, or larger islands, the program offers opportunities for €800,000 investments, which ensure access to some of the most vibrant and sought-after markets in Europe.

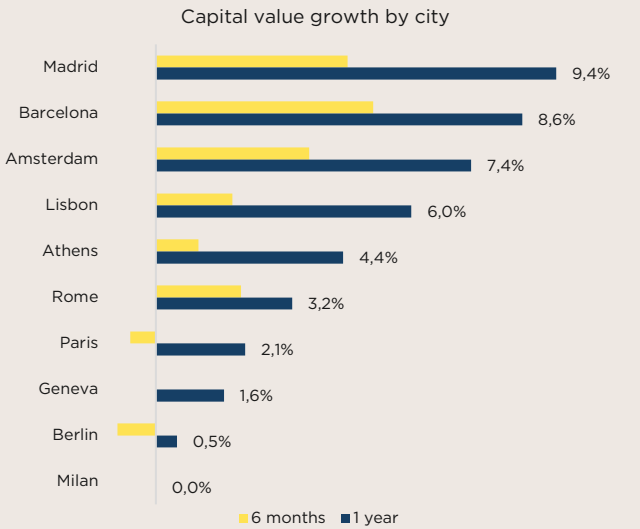
Since its inception, the Golden Visa program has attracted over 12,700 successful applicants as of Q3 2024, demonstrating its enduring appeal. Investors from around the world—particularly China, Turkey, Lebanon, Iran, and the United Kingdom—have collectively contributed over €2.6 billion to Greece’s economy as of 2021. This illustrates the program’s role not only as a residency facilitator but also as a driver of economic growth and regional development. The changes to the program are not merely adjustments but opportunities for investors to tap into a robust market, where property values and demand continue to rise.

Prime Residential

The prime residential market in Athens has continued to demonstrate resilience and growth in 2024, solidifying its position as one of Europe’s most dynamic markets. According to the Savills Prime Residential Index, Athens ranked 5th among European cities for prime residential price growth, with an increase of 4.1% over the year. This performance places Athens behind Lisbon (9.4%), Amsterdam, Barcelona, and Madrid, but ahead of other major capitals such as Rome and Paris.

The sustained growth in Athens’ prime residential market, which is expected to reach a +2% y-o-y change in 2025, can be mainly attributed to the limited stock of high-end properties, creating a supply-demand imbalance, further driving price appreciation. Moreover, properties in Athens are still significantly more affordable than those in Lisbon, Madrid, or Barcelona, offering excellent value for money in a prime European location especially for the southern European part.

Additionally, the city’s unique combination of historical heritage, coastal proximity, and urban vibrancy continues to attract high-net-worth individuals (HNWIs) and investors. In 2024, non-EU nationals accounted for nearly 30% of prime property transactions, with buyers from the UK, the US, and the Middle East showing strong interest. Areas such as Kolonaki (CBD), Kifisia (Athens North), and the Athenian Riviera (Athens South) have seen particularly strong demand, with luxury properties in these neighborhoods achieving record prices. The Riviera in particular, has become a hotspot for international buyers, with prices for waterfront residences increasing by up to 15% in 2024.



Source: Hellenic Statistics Authority

Trends & Challenges

Despite the sector’s strong performance, challenges persist. High construction costs and inflationary pressures continue to weigh on housing loan demand, while regulatory uncertainties add complexity to the operating environment. Nevertheless, the Greek government’s commitment to increasing the housing stock and improving infrastructure, as outlined in the 2025 Budget Draft, provides a supportive framework for future growth.

Changes in Consumer Preferences:

Renovated properties gained significant traction in 2024, as buyers increasingly sought move-in-ready homes to avoid the costs and complexities of renovations. This trend also led to the conversion of commercial buildings into residential buildings, mainly concerning student accommodation units (PBSA schemes) or serviced apartments (BtR), especially in areas close to the CBD. Moreover, there is a strong demand for quality properties, especially in easily accessible central areas of Athens. This demand is reinforced by the limited supply of new construction, creating an imbalance between supply and demand. Additionally, there is growing demand for eco-friendly and energy-efficient homes, reflecting a broader trend toward sustainability in real estate, which is expected to lead to further increases in construction costs.

Regeneration initiatives:

Central Athens continued its transformation in 2024, with urban renewal projects and gentrification driving demand in neighborhoods such as Metaxourgeio, Kypseli, and Patisia (CBD fringe). These areas, once considered less desirable, saw increased interest from buyers and investors due to their lower prices and potential for value appreciation. The above along with urban regeneration projects in Elliniko and Piraeus and (construction of new subway lines stretching to new parts of the metropolitan area) are enhancing the appeal of specific areas and reshaping the residential real estate landscape.

Affordability Concerns and Government Initiatives:

The steady rise in property prices mainly in the CBD along with the rising demand for short-term rentals mainly in popular tourist hotspots (21,3% increase compared to 2023), has made housing increasingly unaffordable for local residents. This affordability crisis has prompted calls for government intervention to address housing

shortages and regulate short-term rentals. To this context, a new program has been established concerning the allocation of plots in prime areas of Athens by the state to developers, with the sole obligation to lease a percentage of the houses that will be built at low rent levels, while the remaining houses will be sold on free market terms. These initiatives are expected to further boost construction activity and house prices.

Simplification of Bureaucratic Difficulties:

The Attica real estate market continued to grapple with regulatory complexities, including delays in property electronic identification with the National Cadastre, legal settlement procedures, and urban planning challenges, such as inconsistent decisions from the Council of State concerning height and volume restrictions. These bureaucratic procedures, which can delay the development of new projects further limiting the supply of housing, are expected to be simplified, enhancing the development of the sector. In addition, the above challenges are expected to lead to a reduction in prices for available plots, further encouraging investment interest.

Looking ahead, the Greek residential real estate market is poised for continued growth, supported by favorable macroeconomic conditions, government incentives, and sustained foreign interest. Nevertheless, external influences such as geopolitical tensions and global economic fluctuations play a critical role in shaping market trends, particularly through their effects on construction costs, borrowing rates, and overall investor sentiment.

It is noted that the market’s distinct characteristics, such as moderate price increases compared to other international markets and competitive yields, position it as a resilient and attractive investment destination. Particularly in the luxury property segment, interest remains robust, supported by strong demand from both domestic and international buyers. The reduction in mortgage rates, coupled with improved banking sector health, is expected to further stimulate market activity. Additionally, ongoing infrastructure projects and urban renewal initiatives, particularly in Athens, are likely to enhance the attractiveness of the city for both domestic and international buyers.



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Head Of Office

Dimitris Manoussakis
Head of Office, Head of Valuations
+30 21 0699 6311
dman@savills.gr

Agency

Konstantina Dotsikas
COO, Director, Residential RE Agency
+30 21 0699 6311
k.dotsikas@savills.gr

Sofoklis Dimitratos
Senior Associate, RE Agency
+30 21 0699 6311
s.dimitratos@savills.gr

Research

Konstantinos Lykostratis
Associate Director, Asset Mngt & Research
+30 21 0699 6311
k.lykostratis@savills.gr

Danae Tsakiris
Director, RE Advisory & Agency
+30 21 0699 6311
d.tsakiris@savills.gr

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Athens | Thessaloniki | Corfu | Crete

Head Office | 64 Louise Rencourt Str. | 115 23 Athens | +30 21 0699 6311 | kentriki@savills.gr

