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CHAMBER OF COMMERCE



REAL ESTATE  
& DEVELOPMENT  
COMMITTEE

# 2024 Property Market Outlook for Greece

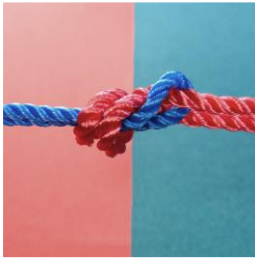
Insights for H1 and a Brief Forecast for H2

powered by the Real Estate & Development Committee

# Executive Summary



In 2023, Greece's economy experienced a **2% GDP growth**, driven by investments in construction and the Recovery and Resilience Plan (RRP). The Greek real estate market is recovering following a long recession period. Greece has a positive momentum, albeit a rather slower pace is foreseen, from the first half of 2024. Affordable housing is a pressing social issue and government stimulus may create a new asset sub-class.



The property market **strongly performed** in storage spaces, offices, and hotel/residential sectors, while residential properties as well as short-term rental spaces appeared overvalued. Positive impacts included economic recovery, political stability, and increase in tourism, though geopolitical uncertainties, inflation, and high construction costs posed challenges.



Looking ahead to the next six months, hotel/residential sector, offices, storage spaces, and vacation homes are expected to perform well. **Key drivers** for this positive outlook are economic stability, quality tourism, and investment-grade improvements, although high interest rates, inflation, and geopolitical tensions remain potential obstacles.



# Economic Outlook

## Economy

Following a very strong post pandemic recovery, in 2023, real GDP growth was still high at 2%. It remains well above Greece's long-term growth potential and the euro area average. Economic activity was driven by private consumption, that benefitted from rising real disposable incomes, by investment in construction, and by net exports, while inventories were a drag on growth. The projected gradual easing of financing conditions and the accelerated implementation of RRP-related projects are forecast to stimulate gross fixed capital formation, which is expected to pick up from 4.0% in 2023 to 6.7% in 2024. In 2025, economic growth is projected at 2.3%. Investment is expected to gain further momentum, and become a key contributor to output growth, while household spending is likely to be further supported by a rise in real income.

[https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/greece/economic-forecast-greece\\_en](https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/greece/economic-forecast-greece_en)

According to the latest available data from the Bank of Greece, (net) inflows of Foreign Direct Investment in Greece for the year 2023 reached 5 billion euros (5,022 million euros), compared to 8 billion (8,026 million euros) for the year 2022. The services sectors with significant investment interest during the period 2013-2023, representing 69.6% of the total, include “real estate activities” (especially in recent years), “financial and insurance activities” and “transportation and storage activities”.

<https://www.enterprisegreece.gov.gr/en/greece-today/why-greece/foreign-direct-investment>

GDP growth (2023)	2%
FDI, net inflows (% of GDP) (2022)	3.7%
Apartment Prices (2023)	12.4%
Office Prices (2023)	5%
Retail Prices (2023)	6.7%



World Bank: <https://data.worldbank.org/country/greece>

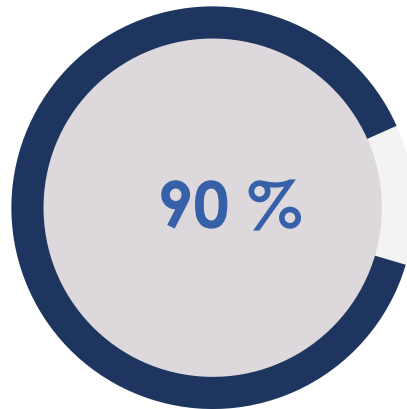
Bank of Greece: <https://www.bankofgreece.gr/en/statistics/real-estate-market/residential-and-commercial-property-price-indices-and-other-short-term-indices>



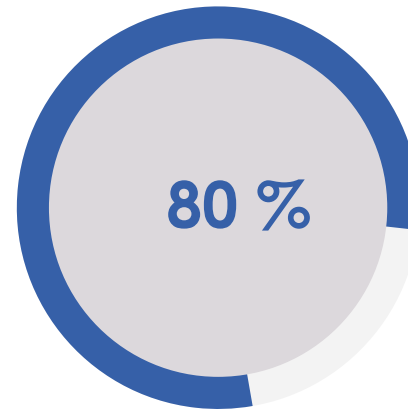
# H1 2024: Real Estate Market Performance

8/10\*

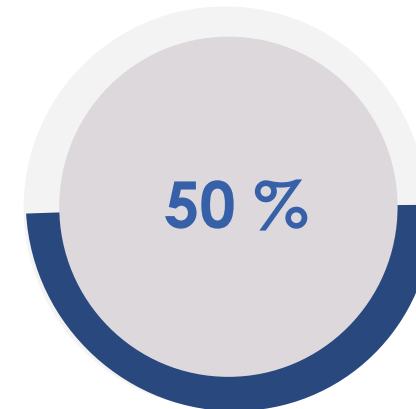
Sectors with strong performance



Hotels & Storage Spaces



Residential



Offices

\*(rating 1 to 10, poor to excellent)

# H1 2024: Key Trends in the Real Estate Market

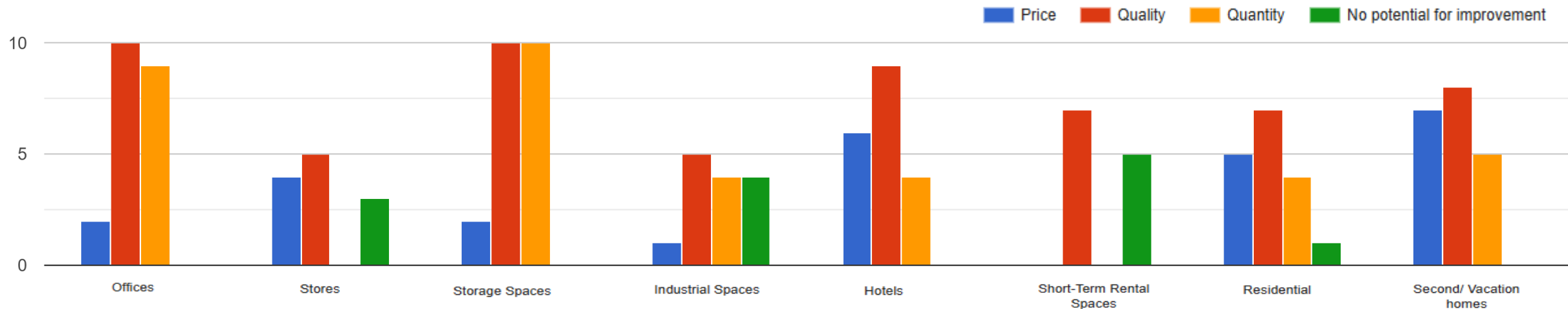
## Overvalued Sector

- Residential
- Short-Term Rental Spaces

## Sectors with upward momentum

- Second/Vacation Homes
- Hotels
- Offices

Which sectors do you consider to have potential for improvement?



# H1 2024: Real Estate Market Drivers

## Strengths

- Economic Recovery
- Continued Demand by Foreign Buyers
- Robust FDI & Increased Investment Interest
- Limited Supply of Quality Properties
- Positive Reputation & Momentum
- Investment Grade Rating
- Tourism Growth
- Political Stability
- Expected Decline in Interest Rates for Commercial Real Estate
- Stabilized Unemployment Rate
- Support Programs & Incentives
- Urban Regeneration & Redevelopment

## Challenges

- Global Uncertainties (War in Ukraine, US and European Elections)
- High Interest Rates
- Increasing & Stagnant High Construction Costs
- Market Decline in Other European Countries
- Lack of Workers
- Increased Cost of Living
- Inflation
- High Property Prices
- Environmental Challenges
- Delays in Reforms



# H2 2024: Real Estate Market Performance Forecast

Sectors with the potential to strongly perform



Hotels



Offices



Residential



Second/  
Vacation  
Homes



Storage  
Spaces



# H2 2024: Real Estate Market Drivers Forecast

## Strengths

- Tourism Momentum & International Influx Growth
- Reduction in Interest Rates
- Strong Demand
- Positive Economic Growth
- High-Specification Real Estate Products
- Investment Grade Rating & Economic Rebound
- Political Stability
- Technological Development & Innovation
- Tax Incentives
- Active Management of Public Properties

## Challenges

- Geopolitical Uncertainty & Political Developments
- European Economic Changes
- High Interest Rates
- High Construction Costs
- Shortage of Construction Workers
- High Cost of Living
- Inadequate Infrastructure
- Inflation
- Environmental Challenges
- Delays in Reforms







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