



AMERICAN-HELLENIC  
CHAMBER OF COMMERCE

# Property Market Outlook for Greece

Insights for 2025 H1 and a Brief Forecast for 2025 H2

powered by the Real Estate & Development Committee

# Executive Summary



The property market performed well across the hotel, residential sectors, and second/vacation homes, while residential properties were deemed overvalued, and industrial spaces faced a decline. Key drivers included strong foreign investors demand for residential properties, tourism growth, and urban redevelopment. However, legal uncertainty, rising construction costs, and affordability challenges continued to pose significant challenges.



Building regulations continue to impact permit approvals and construction activity, contributing to market uncertainty. At the same time, attracting new institutional international investors and facilitating large-scale acquisitions through lower capital costs remain crucial. Affordability challenges persist, as the average Greek household struggles to keep pace with rising housing costs. While the market remains generally resilient, there are early signs of pressure in certain asset classes.



Looking ahead to the next six months, the hotel sector, second/vacation homes and offices are expected to perform well, while industrial spaces, retail and short-term rental spaces are likely to underperform. This positive outlook is driven by strong political and economic stability, high foreign investor demand, and advancing large-scale development projects. However, challenges persist, including high construction costs, legal uncertainty around NOK provisions, and labor shortages, especially in skilled construction workers.

# Economic Outlook

## Economy

The Greek economy is projected to maintain its robust momentum and expand by 2.3% in 2025 and 2.2% in 2026, thanks to sustained consumption and EU-funded investment growth. Inflation is expected to moderate to 2.3% by 2026, with strong wage and demand developments still putting pressures on consumer prices. Greece achieved a significant budgetary surplus in 2024, which is set to be sustained over the forecast horizon. Helped by robust nominal GDP growth, the debt-to-GDP ratio continues to fall and is expected to reach 140.6% in 2026.

[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 data from the Bank of Greece, in January-April 2025, direct investment showed a €1.5 billion net flow under residents' external assets and a €1.7 billion net flow under residents' external liabilities, representing non-residents' direct investment in Greece. In April 2025, direct investment saw net flows of €320.7 million under residents' external assets and net flows of €465.0 million under residents' external liabilities. These figures highlight the continued interest of Greek investors in foreign markets as well as the sustained inflow of foreign direct investment into Greece, reflecting confidence in the country's economic prospects.

<https://www.bankofgreece.gr/en/news-and-media/press-office/news-list/news?announcement=97eea03e-dc6e-40d4-81e3-5d9792356bda>

GDP growth (2024)	2.3%
FDI, net inflows (% of GDP) (2024)	2.5%
World Bank: <a href="https://data.worldbank.org/country/greece">https://data.worldbank.org/country/greece</a>	
Apartment Prices (H1 2025 vs 2024)	6.8%
Office Prices (H2 2024 vs 2023)	6.2%
Retail Prices (H2 2024 vs 2023)	9.2%

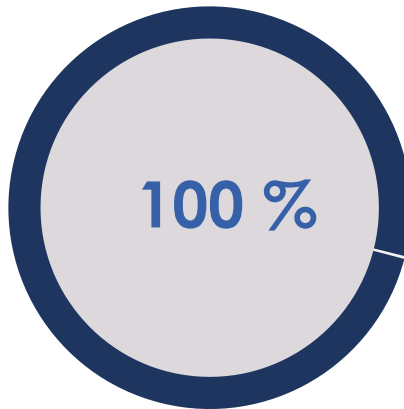


Bank of Greece: <https://www.bankofgreece.gr/en/statistics/real-estate-market/residential-and-commercial-property-price-indices-and-other-short-term-indices>

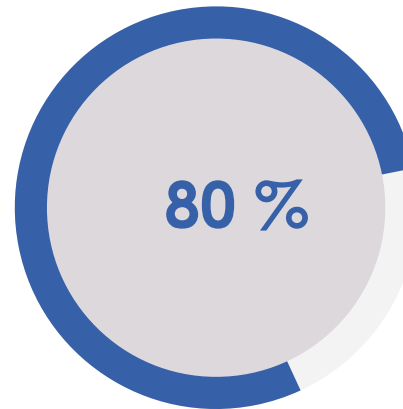
# H1 2025: Real Estate Market Performance

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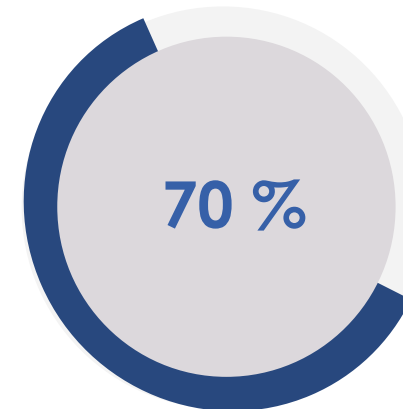
**Sectors with strong performance**



**Hotels**



**Residential**



**Second/Vacation Homes**

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

# H1 2025: Key Trends in the Real Estate Market

## Overvalued Sector

- Residential

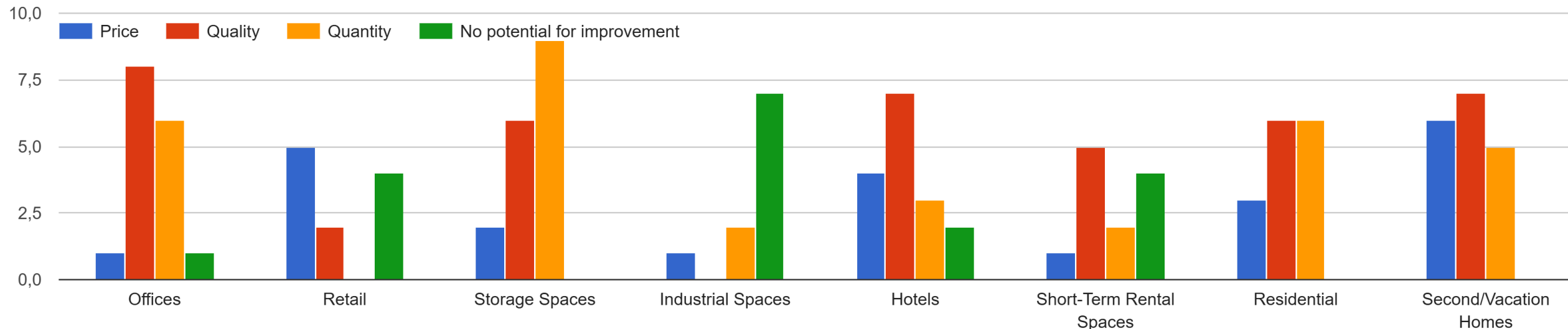
## Declining Sector

- Industrial Spaces

## Sectors with upward momentum

- Second/Vacation Homes
- Hotels
- Storage Spaces

Which sectors do you consider to have potential for improvement?



# H1 2025: Real Estate Market Drivers

## Strengths

- Stable market prices
- Macroeconomic stability and consistent GDP growth
- Sustained foreign investor interest
- Strategic urban and infrastructure redevelopment
- Record-breaking tourism performance and digital nomad dynamics
- Ongoing success of the Golden Visa program
- Strong demand from both local and foreign investors
- Increased liquidity and investment activity
- Declining borrowing costs
- Maintained investment-grade credit rating and positive stock market performance
- Rising interest in logistics, prime real estate, and hospitality sectors
- Growth in technology and innovation in asset development
- Limited supply of modern, energy-efficient properties
- Increasing relevance of ESG (Environmental, Social, Governance) factors

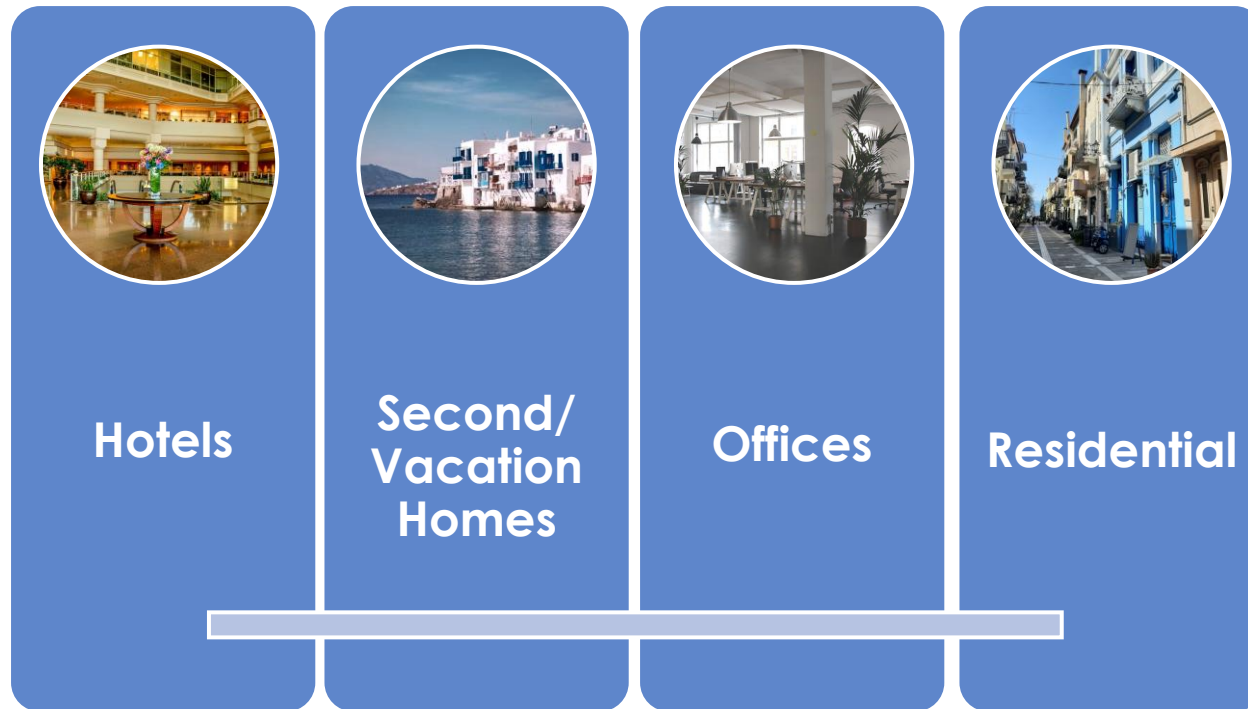
## Challenges

- Heightened international political and economic uncertainty
- Rising construction costs driven by stricter energy and seismic regulations
- Suspension of key development incentives under the New Building Regulation (NOK) creating widespread permit delays
- Legal uncertainty from Council of State rulings disrupting urban planning and investment activity
- Persistent supply chain disruptions and inflation volatility
- Affordability challenges due to high living costs and financing constraints
- Limited availability of developable land in high-demand areas
- Slowing market momentum after years of uninterrupted growth
- Geopolitical tensions and trade risks impacting investor sentiment globally



# H2 2025: Real Estate Market Performance Forecast

Sectors with the potential to strongly perform



poorly performance



# H2 2025: Real Estate Market Drivers Forecast

## Strengths

- Strong political and economic stability reinforcing market confidence
- Declining interest rates and improved access to capital
- Consistent GDP growth and falling unemployment
- High and sustained foreign investor demand, particularly in residential, hospitality, and logistics sectors
- Significant liquidity in the market and reduced cost of capital
- Ongoing support programs, reforms, and investment incentives
- Advancing large-scale development projects boosting long-term confidence
- Continued tourism growth supporting real estate demand
- Positive outlook contingent on successful NOK reform implementation and ECB monetary easing

## Challenges

- Persistent international economic and geopolitical uncertainty
- High construction costs and ongoing inflationary pressures
- Elevated interest rates for domestic borrowers limiting affordability
- Labor shortages, especially in skilled construction workers
- Legal uncertainty surrounding NOK provisions delaying development activity
- Bureaucratic inefficiencies and planning delays undermining investor confidence
- Decline in foreign direct investment due to regulatory unpredictability
- Increased competition from alternative markets offering clearer legal frameworks
- Risks of losing key tourism segments amid regional instability
- Limited infrastructure and local political instability affecting long-term planning







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