



Lamda Development's landmark Hellinikon project

Photo: Lamda Development

The Midas Touch in real estate

With property prices at an all-time low, Greek real estate is offering golden opportunities for international investors

Greek real estate has historically been one of the country's main growth engines, responsible for over 20% of annual GDP growth. It suffered during the crisis, with investments shrinking by two thirds. But many think the time is right to start investing again based on comparatively high yields coupled with quality. As Aris Karytinis, CEO of Greece's leading real estate investment company, NBG Pangaea, explains "here you can find yields that are more than 15% higher than what you can find in other European countries."

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Odisseas Athanassiou, CEO, Lamda Development

It is no coincidence that several leading foreign investors have put Greek real estate on their radar again, as shown by the acquisition of a 67% stake in NBG Pangaea by Dutch company Invel Real Estate and, most recently, the strategic agreement between Lamda Development – Greece's foremost retail real estate developer and owner of two of the country's biggest malls – and US-based Varde Partners.

Odisseas Athanassiou, CEO of Lamda Development, says that the partnership provides them with important growth capital and prospects to invest in its pioneering Hellinikon project. "Extroversion and collaborations with foreign investors are essential for increasing investor confidence" he states.

NBG Pangaea invests in a wide range of commercial property, mainly in Greece, but also in other southern European countries. Some of the biggest investments made in Greece during the crisis were in real estate and NBG Pangaea, which sees itself as a long-term investor, was at the forefront: "we've invested €600 million, of which 70% has been in Greece," states CEO Aris Karytinis.

Karytinis believes companies like his are an ideal way to take advantage of the opportunities in Greek property. "If you don't

know the people or the market, the practicalities can be difficult. It's far better to enter indirectly and invest in real estate through a portfolio like ours," he argues.

One opportunity is a result of Greece's non-performing loans. A large part of these are backed by real estate collateral, Karytinis explains, "so we will have an increasing supply of property on the market for at least five years."

The ongoing privatization of the state's real estate assets through a subsidiary of the Hellenic Corporation of Assets and Participations, represents another huge opportunity. "I'm confident risk-weighted returns of 15% and above can be achieved," says Athanassiou. The best example of what privatization can deliver is probably the Hell-

inikon development, on the site of a former airport near Athens. One of Europe's biggest urban regeneration projects and Greece's largest privately funded investment, it's owned by a consortium led by Lamda Development (part of the Latsis Group) and includes Global Investment Group, with both Emirati and Chinese capital.

"It will be the first integrated resort and the largest coastal park in the world," says Athanassiou,

adding "the Hellinikon Project means €8 billion in investments, 75,000 jobs and a 2% increase in annual GDP." He sees it as a game changer for the country, that will have multiple positive effects in areas like construction, culture, attracting investment and tourism: "it will be a landmark and attract tourists to Greece." It will also, he adds, put Greek real estate back on the map and be "a reference point for many years to come."

NBG PANGAEA

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