

Press Release

Ioannis Ganos at Delphi Economic Forum VII: *“Greek real estate has been a foreign direct investment champion in recent years”*

Speaking during the session “On the future of NPL’s Portfolios and REOs deals” of the Delphi Economic Forum VII, in which he participated as a panel member, the **General Manager of Alpha Real Estate Management and Investments, Ioannis Ganos**, referred to the course of the Greek real estate market after the 10-year economic crisis.

*“After a 10-year period of significant downward price adjustment, the **real estate market has clearly been on the rise** since 2018; this rise was not halted by the pandemic and we do not expect it to be halted by the rise in energy costs either”* said Mr. Ganos, adding that *“**we are now in a stage of a virtuous economic cycle**, in which prices are rising and demand is strong, both from the internal front (households, businesses) and from abroad.”* He also noted that *“**real estate has been attracting a significant number of foreign direct investments and is perhaps the champion in recent years, accounting for over Euro 2 billion of foreign direct investments.**”*

“Investments in real estate offer protection against inflation”

The **General Manager of Alpha Real Estate Management and Investments** pointed out that the banks have cleaned-up their balance sheets, having settled over Euro 60 billion of Non-Performing Loans, while, through the share capital increases they have carried out, they are now able to grant loans and are fully committed on this.

*“**The market is at the start of the upward cycle,**”* he stressed, mentioning that in 2018 the housing loans granted totaled Euro 300 million, while in the years before the crisis the corresponding annual volume stood at over Euro 3 billion. In 2019, the housing loans granted reached Euro 600 million; the upward cycle was discontinued in 2020, as a result of the pandemic, to resume in 2021, when the housing loans granted totaled Euro 900 million. *“A lot of ground must be covered and the banks are there to support this. The question is whether households will eventually apply for loans,”* Mr. Ganos wondered, mentioning that the memories of the economic crisis are still fresh, causing a reluctance to the public. Nevertheless, he expressed his belief that **inflation will boost demand in the market, as investments in real estate offer protection against inflation and are a solution for people wishing to place their deposits.**

Residential leasing: a new financing solution for Greek households

Responding to a question from the panel moderator about the consequences of the sanctions imposed on Russia on the world economy and, by extension, on the Greek real estate market, Mr. Ganos stressed that these will be seen in the coming years, as *“**the world economy and the global economic process enter a period of deglobalization.**”*

*“**The flows of people and capital will be gradually cut back,** something that will perhaps make us more introverted, while we do not yet know how price levels will be affected or how difficult or easy it will be for people to buy an affordable property.”* As he said, despite the exogenous shock to the economy, *“liquidity in Greece will probably continue to grow and demand for real estate is there,”* further noting that *“**apart from housing loans, there is also residential leasing, which, although not yet tested in our country, offers to households an additional long-term home financing option.**”*