

## GREEK MARKET

NEWSLETTER OCTOBER 2019

**1. Viohalco development at Elaionas.** The government has approved a project planned by listed group Viohalco for the creation of a cluster for culture, recreation and accommodation on a plot of 65,000-70,000 square meters at Elaionas, west of central Athens.

**2. Aegean Air buys into Lamda Development and Elliniko.** Aegean Air is becoming a strategic partner in the Elliniko development with a 20-million-euro investment in Lamda Development's share capital and an agreement to promote the project at the site of Athens' former international airport.



**3. Rental costs soar 9 pct in Greece and 25 percent in some suburbs.** The latest available data from the Spitogatos Property Index, drawn up by the team at the spitogatos.gr property ads website, show that asking rates for residential rentals in the western suburbs of Athens during the third quarter of the year rose 24 percent from the same quarter in 2018 to reach 6.2 euros per square meter per month, from 5 euros/sq.m

**Shorter stays by tourists but more spending. Visitors are spending less time but more money in Greece, according to new data from the Institute of the Greek Tourism Confederation (INSETE) concerning the 2016-18 period, which also suggested that the sector is heavily dependent on five markets.**

**4. Lamda hopes to start huge development at former Athens airport in January.** The former Elliniko airport, a sprawling site of disused runways, terminals and venues used for the Athens 2004 Olympics, has been abandoned for almost two decades. Lamda plans to turn it into a complex of luxury homes, hotels, offices, a yachting marina and a casino at a total cost of 8 billion euros (\$8.8 billion), aiming to attract thousands more tourists and investors to the Greek capital.

**6. VAT plan freezes construction sector.** Property market professionals point out that, after considering the possible complications from the way the measure will apply, and the likelihood of all existing buildings being exempted from the VAT suspension, there has been a general "blackout" in the sector, as no construction business wants to take the risk of having a permit issued with a 24 percent VAT that may not apply a few months later.

**Dutch property development group Ten Brinke is gearing up to implement an investment program in Greece that is seen exceeding 70 million euros, through its local subsidiary, Ten Brinke Hellas. Its biggest project concerns the construction of a new mall on Crete. The project's budget is estimated at some 40-50 million euros.**

**7. Budget foresees little tax relief for Greek middle class.** Despite shouldering the lion's share of the tax burden during Greece's protracted financial crisis, middle-class wage-earners are set to continue doing so in the foreseeable future, according to the new tax scale included in the 2020 budget which stipulates that those earning more than 1,000 euros will see reductions of just 1.5-2 percent.

**8. Golden Visa property purchases can now be paid for via cards abroad.** The amendment tabled by Development and Investment Minister Adonis Georgiadis legitimizes payments that had become the subject of some controversy last year after it emerged that National Bank officials and the former vice chairman of the Jumbo homeware and toy retailer were involved in a case of property transactions with Chinese nationals through card terminals in China, which were in violation of capital controls in China.

**9. Greece receives ten expressions of interest in sale of Athens airport stake.** Greek state privatization fund HRADF or TAIPED) on Tuesday announced that 10 investment schemes have expressed their interest for a 30 percent stake in Athens International Airport (AIA), owned by the fund. Greece holds a 55 percent stake in the airport, Germany-based AviAlliance GmbH, owned by Canada's pension investor PSP Investments, holds a 40 percent stake in the airport and Greece's Copelouzos the rest.

## GLOBAL MARKETS

**1. Slovenia's flag carrier Adria Airways files for bankruptcy.** In another blow to the travel industry following last week's demise of Thomas Cook, the former Slovenian national airline has begun a bankruptcy procedure. Adria was bought by German investment fund 4K in 2016. Slovenia's former national airline, Adria Airways, announced that it had filed for receivership.

**2. Airbus-Boeing WTO dispute:** What you need to know. The European Union and the United States claim that each other's airplane manufacturer is unfairly subsidized. It was the US which first filed a case in 2006 claiming that Airbus, which is jointly owned by Germany, France, Spain and Britain's BAE Systems, had received \$22 billion (€19.4 billion) in illegal subsidies. The EU retaliated with a counter case, alleging that Boeing had received \$23 billion in "trade-distorting" subsidies in the US mainly for its research and development projects.

**Notre Dame cathedral fire could ease France's shortage of artisans. Restoration work on Paris' iconic cathedral has yet to begin six months since the fire, but some good has come of it. Now more people are taking an interest in learning the skilled trades needed to rebuild Notre Dame.**

**3 German businesses already incurring Brexit losses, says industry boss.** German businesses have already been suffering from the negative effects of Brexit, said Holger Bingmann, head of the foreign trade industry group BGA, pointing out losses to German exporters worth €3.5 billion this year.

**4. Apple drops Hong Kong tracking app following Chinese criticism.** iPhone manufacturer Apple has removed a smartphone app criticized by China for aiding anti-government protesters in Hong Kong. Apple said the app had "been used to target and ambush police." Apple said in a statement that the mapping app, named HKmap.live, had been removed "because it has been used to target and ambush police" and to "threaten public safety."

**5. Australia's regulator to take Google to court over data privacy.** The Australian Competition and Consumer Commission (ACCC) filed a lawsuit against the local unit of Alphabet Inc's Google on Tuesday, alleging that the company misled smartphone users

on how it collected, kept and used personal location data.

**A tale of two cities' housing crises: Dublin and Berlin. The German capital has become a minefield for renters and the problem is becoming increasingly politicized. But in the Irish capital, Dublin, the situation has developed into a full-blown housing crisis. Berlin is not an easy city to rent in right now. Demand far outweighs supply and rents are rising fast. Yet if renters in Berlin think they have it tough, they should look a little further west, to the Irish capital, Dublin. The city, and to a slightly lesser extent the entire country, is in the middle of a housing crisis that makes the problems in Berlin look almost quaint.**

**6. Vladimir Putin opens first ever Russia-Africa Summit.** The Russian president has welcomed thousands of African leaders to discuss politics and business "worth billions of dollars." Unlike China, Putin has promised to refrain from "political or other" influence. The two-day event will see more than 3,000 delegates from across Russia and Africa to discuss an array of topics from nuclear energy to mineral extraction.

**7. Porsche begins online sales.** Until now, it had only been possible to buy the vehicles directly from a dealer. Porsche predicts that 10% of all sales will be conducted online by 2025.

**8. Australia's regulator to take Google to court over data privacy.** Australia's consumer watchdog is taking tech giant Google to court over allegations that the company made false or misleading claims about which personal location data was being collected, kept and used. The Australian Competition and Consumer Commission (ACCC) filed a lawsuit against the local unit of Alphabet Inc's Google, alleging that the company misled smartphone users on how it collected, kept and used personal location data.

