

# Hospitality Market at a Glance Q3 2018

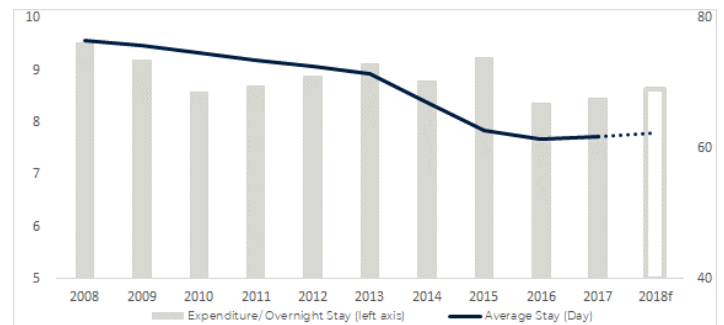
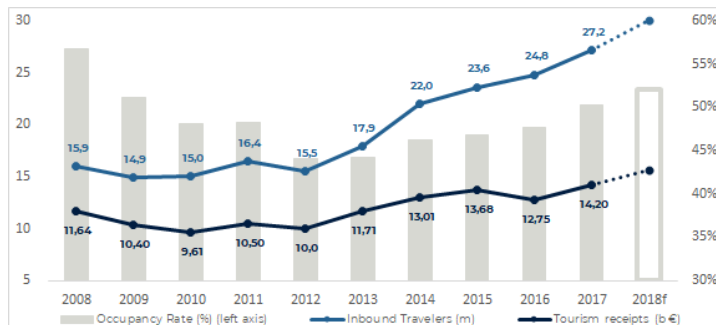
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## Main Tourism Indicators

Inbound travelers reached 25,96m in 9M 2018, recording a 10% yoy increase. Travel receipts increased by 8,7% yoy to €13,77b (w/o cruise figures). A new record in terms of tourist arrivals and receipts is expected for 2018 overall with over 30m tourist arrivals and €15b of receipts. The positive performance of the tourism sector continued for the 6<sup>th</sup> year in a row, positively influencing the recovery of the Greek economy. The perceived seasonality remains the major weakness of the Greek hospitality sector with over 60% of receipts and stays being recorded during the 3<sup>rd</sup> quarter of the year.

Without cruise figures	2015	2016	2017	9M 18	9M 17	9M 16
Inbound Travelers (m)	23,6	24,8	27,2	25,96	23,54	21,34
Travel receipts (b €)	13,68	12,75	14,20	13,77	12,67	11,4
Overnight Stays (m)	185	190,4	209,9	200	185,2	169
Average Stay (Days)	7,84	7,68	7,72	7,71	7,87	7,92
Expenditure/ Day €	73,9	67	67,7	68,84	68,39	67,42
Occupancy Rate (%)	46,8	47,7	50,2			



### Seasonality – Overnight Stays per quarter (2017)



### Purpose of Travel (Share of receipts 2017)



## Top Five

Inbound Travelers (m)			Travel receipts (b €)			Average Stay (Days)			Expenditure/Day €		
Country	2017	9M 18	Country	2017	9M 18	Country	2017	9M 18	Country	2017	9M 18
Germany	3,71↑18,1%	3,65↑25,1%	Germany	2,55↑20%	2,59↑20,3%	Australia	12,8↑3,4%	13,68↓1,4%	Australia	95,2↑9,5%	85,85↑11,1%
UK	3↑3,7%	2,61↓0,5%	UK	2,06↑6,2%	1,74↓7,2%	Canada	12,4↑0,7%	14,4↑13%	Switzerland	86,2↓0,9%	85,99↑0,7%
Italy	1,44↑3,9%	1,53↑15,7%	France	0,99↑11,8%	0,84↓9,7%	USA	11↑5,1%	10,88↑1,6%	USA	85,2↓4,2%	88,96↑1,6%
France	1,42↑8,1%	1,33↓2,9%	USA	0,81↑11,8%	0,82↑18,9%	Cyprus	10,6↑8,1%	8,30↓8,1%	France	81↑5,5%	69,65↑15,7%
Romania	1,15↑12%	1,28↑19,4%	Italy	0,75↑4,3%	0,88↑24,6%	Germany	10,2↓3,4%	10,1↓6,7%	UK	77,8↑6,3%	76,25↓3,5%

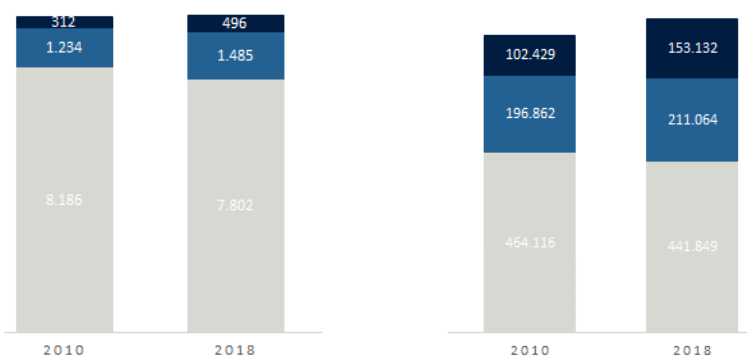
A circa 70% of travel arrivals and receipts is coming from European countries, while Germany and UK remain the lead markets, accounting to c. 25% of total inbound travellers and over 30% of travel receipts.

On the positive side is the improvement of the average spending per day, a trend that seems to be continuing in 2018 after bottoming out in 2016. Distant countries recorded higher than average staying period per visitor. Visitors from Australia, Switzerland and USA traditionally are among the top performers also regarding the average spending per day.

## Hotel Supply

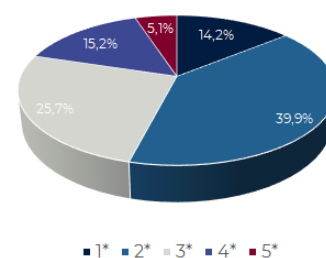
The hotel capacity remained essentially unchanged since 2010, recording 0,5% increase in hotel units and 5,6% in hotel beds. 5-star hotels recorded an increase of 49,5% in hotel beds as lower star hotels are being upgraded.

Despite the significant upgrade of the country's hotel stock only the 19% of the hotel beds are listed in the 5-star category while a considerable amount of them are old or need a considerable refurbishment.

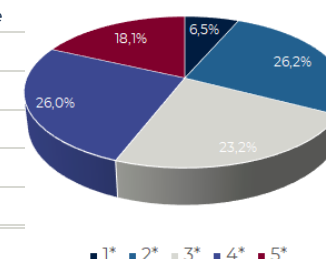


Units	% difference	Beds
-4,7%	<b>1,2 &amp; 3 star</b>	-4,8%
20,3%	<b>4 star</b>	7,2%
59%	<b>5 star</b>	49,5%
<b>0,5%</b>	<b>All Categories</b>	<b>5,6%</b>

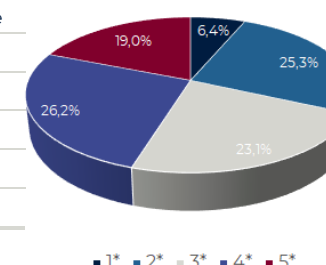
	Units
1 star	1.387
2 star	3.900
3 star	2.515
4 star	1.485
5 star	496
<b>Total</b>	<b>9.783</b>



	Rooms	Av. Size
1 star	26.926	19,4
2 star	108.383	27,8
3 star	96.129	38,2
4 star	107.805	72,6
5 star	74.884	151
<b>Total</b>	<b>414.127</b>	<b>42,3</b>



	Beds	Av. Size
1 star	51.600	37,2
2 star	204.193	52,4
3 star	186.056	74
4 star	211.064	142,1
5 star	153.132	308,7
<b>Total</b>	<b>806.045</b>	<b>82,4</b>



## Travel & Tourism Competitiveness Index

	Overall		Environment		T & T Policy & Conditions		Infrastructure		Natural & Cultural Resources	
	2017	2015	2017	2015	2017	2015	2017	2015	2017	2015
Rank (out of 136)	<b>24</b>	<b>31</b>	46	48	12	33	29	24	25	35
Score (out of 7)	<b>4,5</b>	<b>4,36</b>	5,2	5,1	4,7	4,4	4,6	4,8	3,6	3,2

## Demand

The economic potential of Greek tourism attracts the interest of investors and hotel operators. Their interest mainly concerns the well-known touristic destination as well as Athens.

During the last years, many hotels were upgraded, relaunched and/or rebranded under new international operator's management while in many cases such hotels were redeveloped, especially in Athens, where new international operators established presence, and/or the existing operators extended their positions.

The main transactions were completed between international or local investors and Greek banks, a trend that is expected to continue in the next few years as the hospitality sector is still overleveraged with banks having almost €3b of non-performing exposures (NPEs).

At the same time, over 20 greenfield developments of integrated hotel resorts all around Greece have been announced that are expected to put on the market over 7.000 rooms during the next decade. The total investment ticket is estimated at circa €5b.

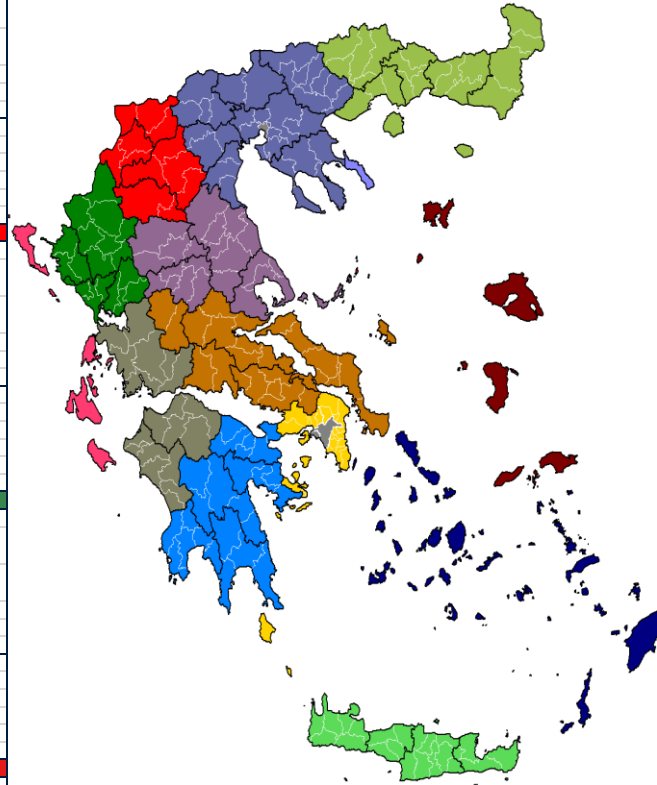
Strong activity is also recorded, mainly in the center of Athens, related to reconstruction/redevelopment of old buildings to modern apartment flats. The investors are looking to benefit from the increasing demand for apartments through Airbnb or similar platforms.

## Indicative Deals 2018

Investor	Asset	Category	Rooms	Location	Amount	Seller	Comments
Atlantica Hotels	Lakitira Resort & Village	4*	239	Kos	€62,9m	Lakitira SA	Price/room: €111.723
	Lakitira Suites	5*	83				
	Helona resort	5*	241				
National Pangaea REIC	Lazart Hotel	5*	74	Thessaloniki	€7m	-	Price/room: €94.595 – Lease agreement with Zeus International for 25 years
Grivalia Properties REIC	Melia Palace hotel	4*	158	Malia, Crete	€9m	Hellenic Palace SA	Price/room: €56.962
Briq Properties	Mr. & Mrs White Paros	4*	49	Naousa, Paros	€3,5m	-	Price/room: €71.429
Alltours	Malia Beach	4*	280	Malia, Crete		Greek Family	
HIG	Amilia Mare	5*	591	Rhodes		TEN SA	
	Paradise Village	4*	200				
Evergolf Tourist Investments	Blue Palace	5*	1.238	Crete	-	Golf Residences (Sbokos family)	70% share of Golf Residencies
	Village heights	5*					
	Cretan Malian Park	4*					
	Agapi Beach Resort	4*					
	Koutouloufari Village Holidays Club	3*					
Lampsa SA	Sheraton Resort Hotel	5*	401	Rhodes	€7,7m	Golf Residences	50% share of Sheraton Rhodes Resorts. Lampsa became 100% owner of the hotel.
Grivalia Hospitality	Amanzoe Porto Heli	5*	38 suites Plus villas	Porto Heli	€82,3m	Dolphin Capital	Dolphin keeps the management. Debt: €76,5m (included).
Invel Real Estate and Dolphin Capital Partners	Nikki Beach Resort & Spa	5*	66	Porto Heli	€6,6m plus liabilities	Dolphin Capital Investors Fortress Investment Monarch Alternative Capital	Invel owns a 70,4% share and Dolphin a 15,2 share in the hotel. The remaining 14,4% share is in the ownership of Oakhill Advisors. Dolphin will continue to manage the venture under a different management team.
Mitsis Hotels	Grand Hotel	5*	405	Rhodes	€50,1	National Bank of Greece	Price/room: €123.704
Skyserv	Aktia Loung & Spa	5*	202	Crete	€18,1m	Piraeus Bank	Price/room: €89.604

# Regional Indicators

Central Macedonia			
	2017	9M 18	
Foreign Visitors (m)	7,26	6,8	+13,6%
Tourism receipts (b €)	1,85	2,02	+9,7%
Seasonality (%)	68,3%		
Average Stay (Days)	5,6	5,9	
Expenditure/Day €	45,67	50	
Top 3 Markets - Arrivals	BUL, FYROM, SER		
ADR for UC (€)	180		
Capacity: Beds - Share	90,727	11,3%	
Av. Size: Rooms - Beds	38,4	76,1	
Capacity UC: Beds - Share	34,897	9,6%	
Av. Size UC: Rooms - Beds	111,6	225,1	
West Macedonia			
	2017	9M 18	
Foreign Visitors (m)	0,22	0,31	+32,9%
Tourism receipts (b €)	0,04	0,052	+33,7%
Seasonality (%)	44,1%		
Average Stay (Days)	3,9	3,3	
Expenditure/Day €	52,31	49,7	
Top 3 Markets - Arrivals	ALB, GER, BUL		
ADR for UC (€)	85		
Capacity: Beds - Share	6,252	0,8%	
Av. Size: Rooms - Beds	23,3	49,2	
Capacity UC: Beds - Share	1,079	0,3%	
Av. Size UC: Rooms - Beds	25,5	54	
Ipeiros			
	2017	9M 18	
Foreign Visitors (m)	0,71	0,71	+0,4%
Tourism receipts (b €)	0,22	0,2	+0,7%
Seasonality (%)	67%		
Average Stay (Days)	5,1	4,1	
Expenditure/Day €	59,39	66,8	
Top 3 Markets - Arrivals	ALB, GER, UK		
ADR for UC (€)	130		
Capacity: Beds - Share	17,060	2,1%	
Av. Size: Rooms - Beds	20,6	41,3	
Capacity UC: Beds - Share	5,986	1,6%	
Av. Size UC: Rooms - Beds	26,8	55,9	
Ionian Islands			
	2017	9M 18	
Foreign Visitors (m)	2,97	2,95	+20,7%
Tourism receipts (b €)	1,77	1,6	+18%
Seasonality (%)	74,6%		
Average Stay (Days)	8,4	7,9	
Expenditure/Day €	71,2	68,9	
Top 3 Markets - Arrivals	UK, IT, GER		
ADR for UC (€)	180		
Capacity: Beds - Share	93,440	11,6%	
Av. Size: Rooms - Beds	51,6	100,2	
Capacity UC: Beds - Share	34,973	9,6%	
Av. Size UC: Rooms - Beds	107,5	212	
West Greece			
	2017	9M 18	
Foreign Visitors (m)	0,56	0,56	+9,8%
Tourism receipts (b €)	0,16	0,18	+9,1%
Seasonality (%)	51,9%		
Average Stay (Days)	5	4,9	
Expenditure/Day €	56,4	64,6	
Top 3 Markets - Arrivals	ALB, UK, GER		
ADR for UC (€)	120		
Capacity: Beds - Share	18,851	2,3%	
Av. Size: Rooms - Beds	36	69,8	
Capacity UC: Beds - Share	7,498	2,1%	
Av. Size UC: Rooms - Beds	83	166,6	



Seasonality: Share of Q3 2017 overnight stays  
 Top 3 Markets: Top countries in terms of inbound travelers per region  
 GER: Germany  
 UK: United Kingdom  
 FR: France  
 USA: United States of America  
 CY: Cyprus  
 IT: Italy  
 ALB: Albania  
 BUL: Bulgaria  
 TURK: Turkey  
 FYROM: Former Yugoslav Republic of Macedonia  
 SER: Serbia  
 ADR: Average Daily Rate  
 UC: Upper Category, 4 star & 5 star hotel units  
 Capacity: Beds: Number of beds in the region  
 Capacity: Share: Share of region's beds  
 Av. Size: Rooms: Average number of rooms per hotel unit in the region  
 Av. Size: Beds: Average number of beds per hotel unit in the region

East Macedonia & Thrace			
	2017	9M 18	
Foreign Visitors (m)	1,35	1,6	+1%
Tourism receipts (b €)	0,28	0,28	+43,8%
Seasonality (%)	58,5%		
Average Stay (Days)	4	3,5	
Expenditure/Day €	52	50,3	
Top 3 Markets - Arrivals	TURK, BUL, GER		
ADR for UC (€)	140		
Capacity: Beds - Share	22,048	2,7%	
Av. Size: Rooms - Beds	29,1	57,7	
Capacity UC: Beds - Share	6,370	1,7%	
Av. Size UC: Rooms - Beds	75	151,7	
North Aegean			
	2017	9M 18	
Foreign Visitors (m)	0,36	0,37	+11%
Tourism receipts (b €)	0,17	0,15	+27,6%
Seasonality (%)	67,5%		
Average Stay (Days)	8,8	7,8	
Expenditure/Day €	51,9	52,7	
Top 3 Markets - Arrivals	TURK, UK, USA		
ADR for UC (€)	120		
Capacity: Beds - Share	22,253	2,8%	
Av. Size: Rooms - Beds	30,1	56,9	
Capacity UC: Beds - Share	4,764	1,3%	
Av. Size UC: Rooms - Beds	59,7	113,4	
Thessaly			
	2017	9M 18	
Foreign Visitors (m)	0,69	0,6	+2,9%
Tourism receipts (b €)	0,29	0,25	+3,9%
Seasonality (%)	67,6%		
Average Stay (Days)	7,2	6,2	
Expenditure/Day €	57,7	65,6	
Top 3 Markets - Arrivals	IT, UK, GER		
ADR for UC (€)	160		
Capacity: Beds - Share	29,333	3,6%	
Av. Size: Rooms - Beds	26,2	51,5	
Capacity UC: Beds - Share	9,700	2,7%	
Av. Size UC: Rooms - Beds	32,8	66	
Central Greece			
	2017	9M 18	
Foreign Visitors (m)	0,38	0,44	+8%
Tourism receipts (b €)	0,11	0,16	+3,4%
Seasonality (%)	50,9%		
Average Stay (Days)	5,4	5,6	
Expenditure/Day €	56,2	65	
Top 3 Markets - Arrivals	USA, GER, FR		
ADR for UC (€)	110		
Capacity: Beds - Share	29,122	3,6%	
Av. Size: Rooms - Beds	29	55,6	
Capacity UC: Beds - Share	6,918	1,9%	
Av. Size UC: Rooms - Beds	63,9	128,1	
Attica			
	2017	9M 18	
Foreign Visitors (m)	5,14	4,4	+13,1%
Tourism receipts (b €)	2,08	1,73	+20,1%
Seasonality (%)	38,4%		
Average Stay (Days)	5,7	5,5	
Expenditure/Day €	70,8	71,3	
Top 3 Markets - Arrivals	USA, UK, CY		
ADR for UC (€)	170		
Capacity: Beds - Share	59,878	7,4%	
Av. Size: Rooms - Beds	49,2	92,4	
Capacity UC: Beds - Share	29,337	8,1%	
Av. Size UC: Rooms - Beds	106,8	203,7	

Peloponnese				Crete				South Aegean					
	2017	9M 18			2017	9M 18			2017	9M 18			
Foreign Visitors (m)	0,73	0,74	+13,8%		4,81	4,54	+5,9%		5,84	5,82	+11,8%		
Tourism receipts (b €)	0,31	0,36	+5%		3,26	2,8	+5,3%		3,65	3,99	+16,5%		
Seasonality (%)	55,8%				58,3%				61,7%				
Average Stay (Days)	7,2	7,8			8,4	8,6			7,9	7,9			
Expenditure/Day €	58,4	63			81	71,8			79,1	86,9			
Top 3 Markets - Arrivals	GER, USA, FR				Top 3 Markets - Arrivals	GER, UK, FR				Top 3 Markets - Arrivals	GER, UK, FR		
ADR for UC (€)	160				ADR for UC (€)	185				ADR for UC (€)	270		
Capacity: Beds - Share	37,773	4,7%			Capacity: Beds - Share	174,225	21,6%		Capacity: Beds - Share	205,073	25,4%		
Av. Size: Rooms - Beds	29	57,3			Av. Size: Rooms - Beds	57,6	110,5		Av. Size: Rooms - Beds	49,6	97,8		
Capacity UC: Beds - Share	14,212	3,9%			Capacity UC: Beds - Share	92,446	25,4%		Capacity UC: Beds - Share	116,016	31,9%		
Av. Size UC: Rooms - Beds	48,5	98,7			Av. Size UC: Rooms - Beds	124,3	247,2		Av. Size UC: Rooms - Beds	106,6	214,1		

Sources: Elstat, Eurostat, Bank of Greece, The Foundation for Economic & Industrial Research, World Economic Forum, Hellenic Chamber of Hotels, SETE, INSETE.

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