

# Vacation homes & proptech deep dive

October 2023



a study prepared by

 **spitogatos** insights

### **spitogatos**

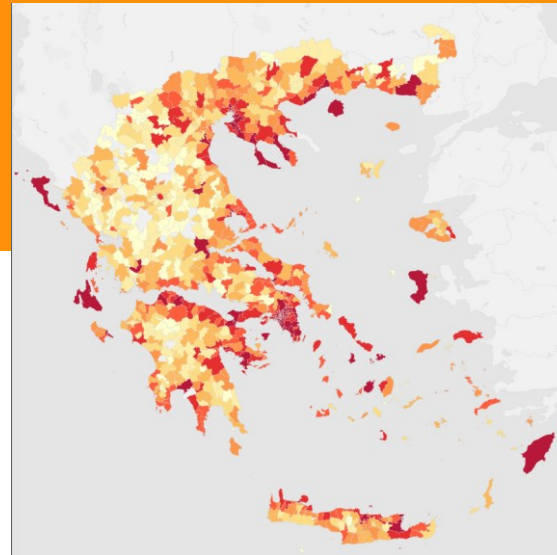
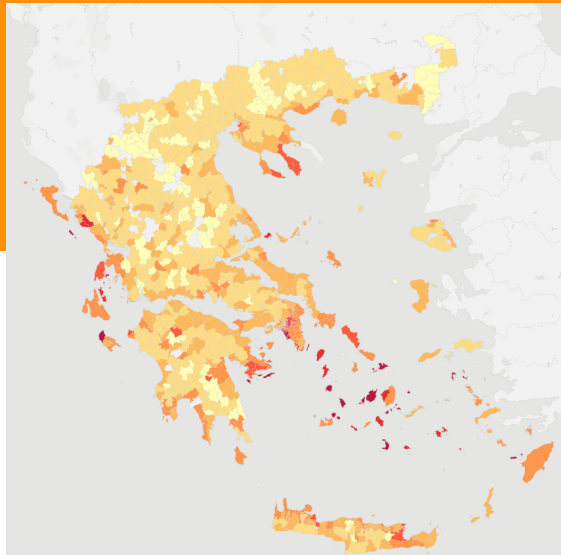
- #1 property website in Greece
- 5 property websites in Greece
- 15 property websites in 10 countries in SE Europe (including #1 in Greece & Slovenia and #2 in Croatia, Montenegro and Bosnia)
- 500k+ active listings in Greece, 1.5mio+ in the region
- 1<sup>st</sup> Greek VC-backed tech startup in 2009, part of Real Web Group since 2014
- Group has 800+ employees (including 200+ software engineers) in the real estate sector in multiple countries in Europe (Italy, Greece, Spain, Netherlands, Luxembourg)
- Transforming into a proptech company/group

### **spitogatos insights**

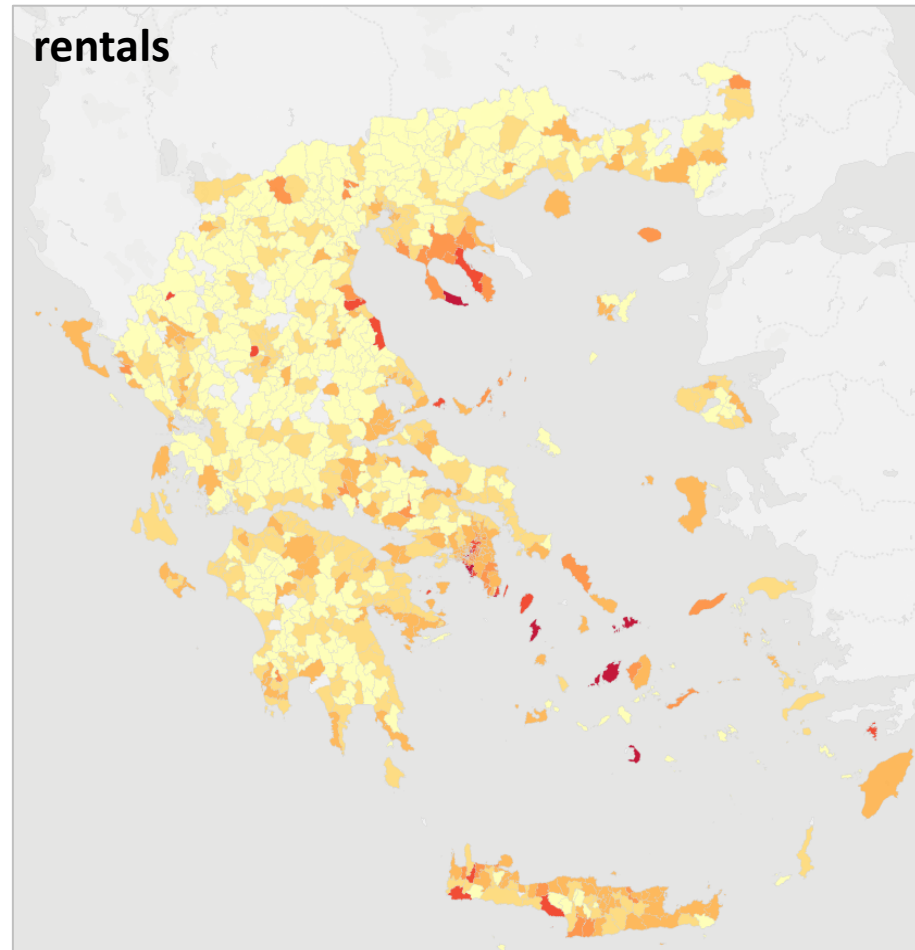
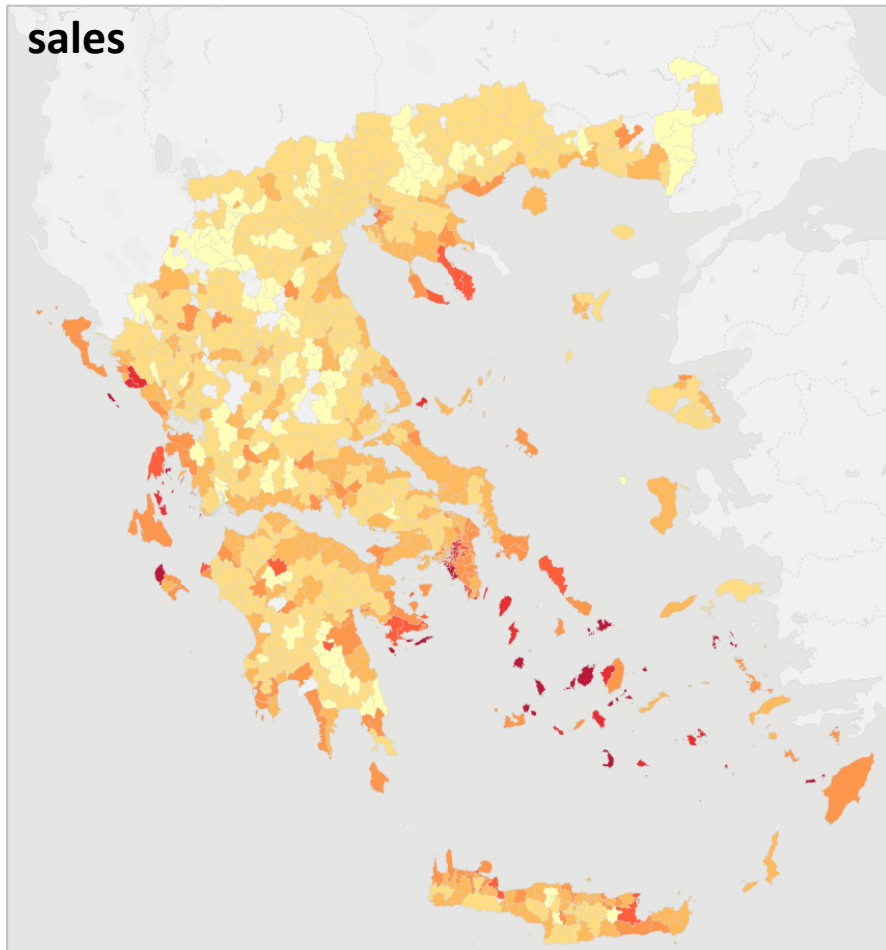
- Real Estate advanced solutions through Big Data and AI technology
- JV between Spitogatos and Immobiliare.it, leading marketplaces in Greece and Italy
- Supports real estate institutions & investors to make data driven decisions and manage their portfolios
- Services for include market reports, SaaS platform (Comparable explorer, Market insights & Asset Monitoring), portfolio analysis and delivering ad hoc real estate data requests.

# Vacation homes

Deep dive on supply & demand - 2023



## Asking prices heatmaps (listings tagged as vacation homes)



Listings tagged as vacation homes Q3 2023

- 85k sales listings
- 26k rentals
- Approximately 20% of total listings in Greece

## Key points on vacation homes

### ■ Sales

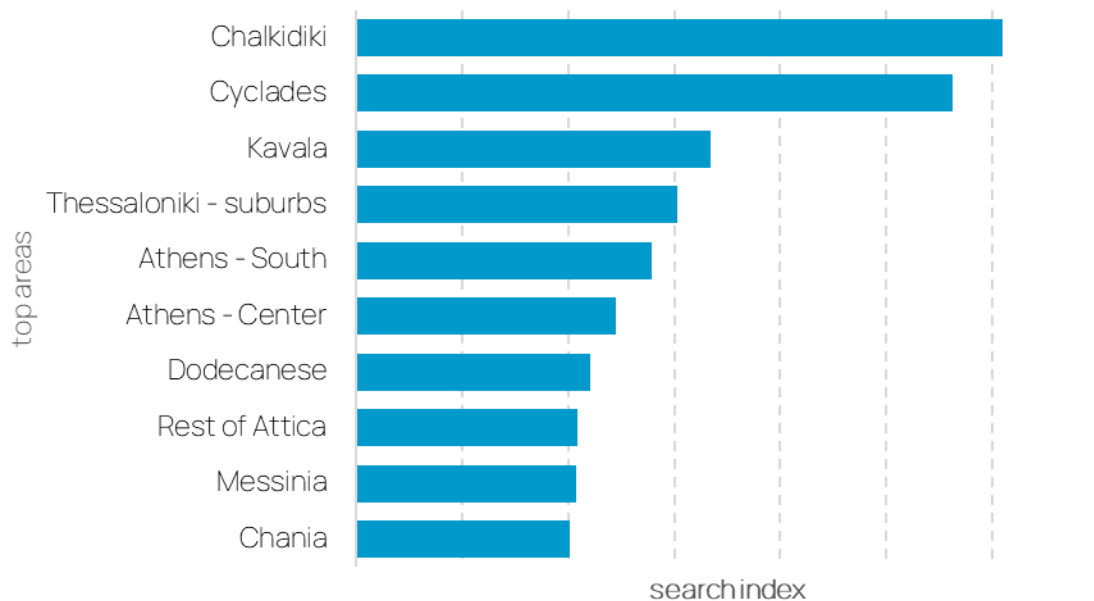
- ✓ Overall increase in asking prices by 4.7%
- ✓ International searches increased by 15%
- ✓ Domestic searches increased by 20%

### ■ Rentals

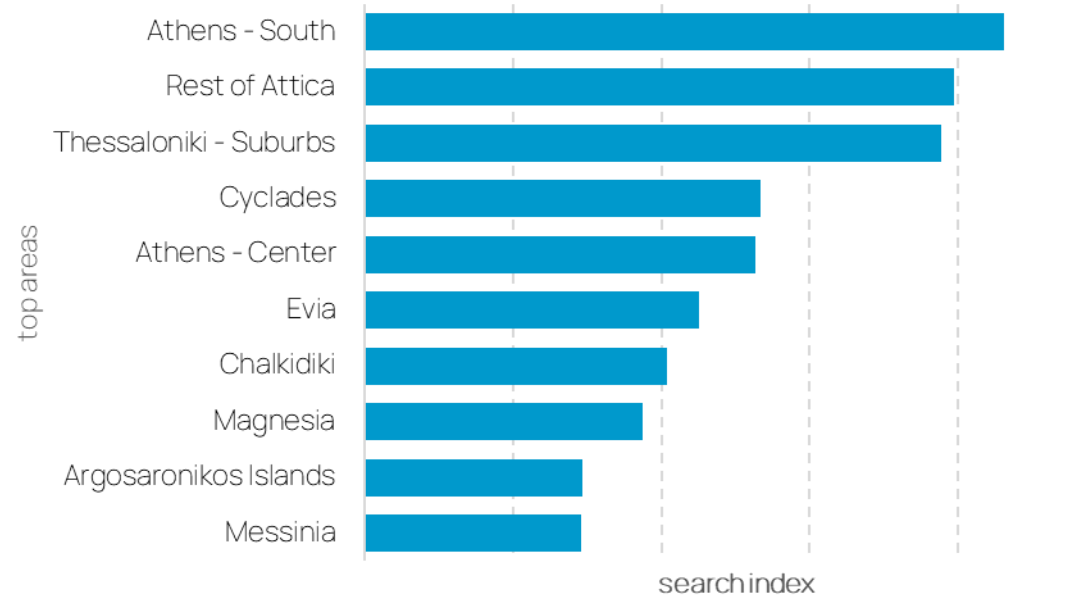
- ✓ Overall increase in vacation homes asking prices by 3%
  - Decrease in villas, increase in detached asking rental prices
- ✓ International searches increased by 5%
- ✓ Domestic searches increased by 2%



### Top 10 vacation home search locations (international)



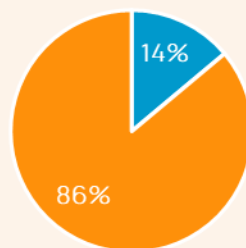
### Top 10 vacation home search locations (domestic)



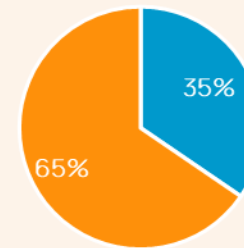
### Vacation homes demand split

- domestic
- international

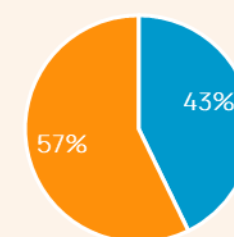
#### Athens - south



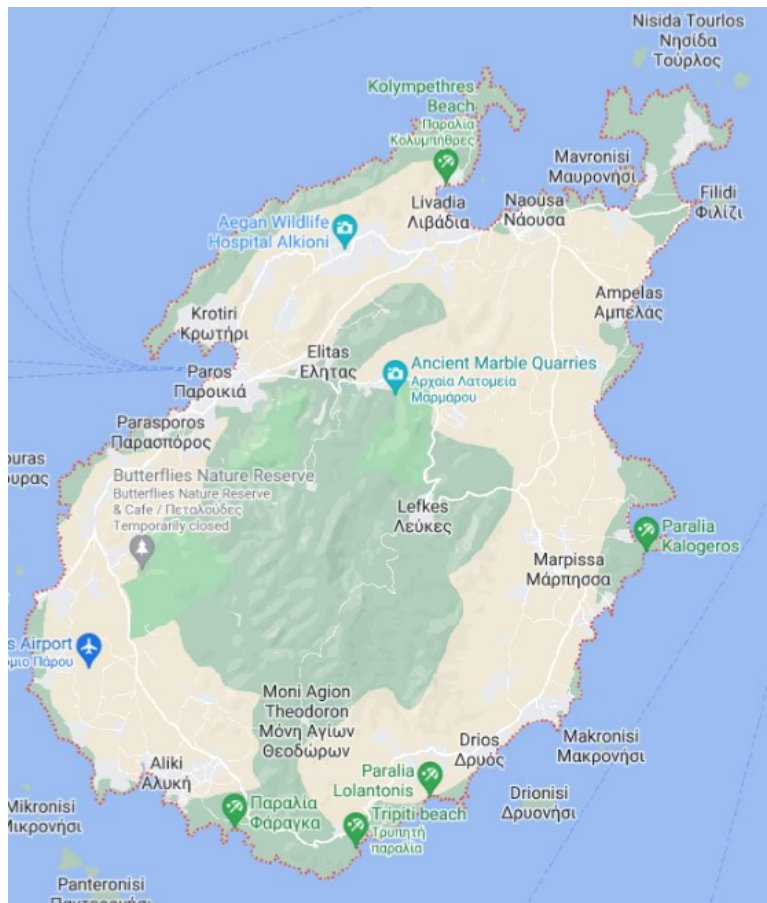
#### Cyclades



#### Chalkidiki



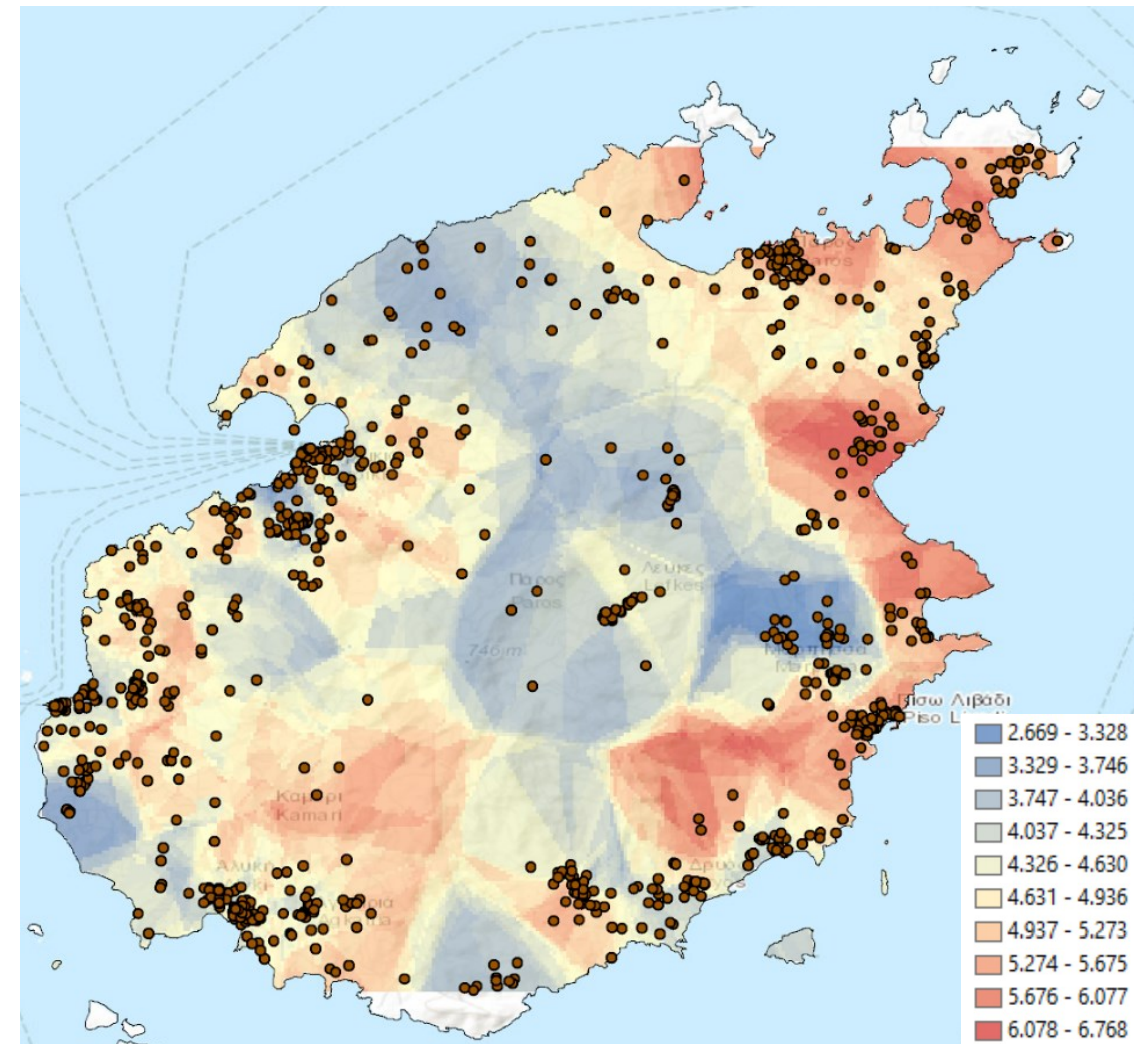
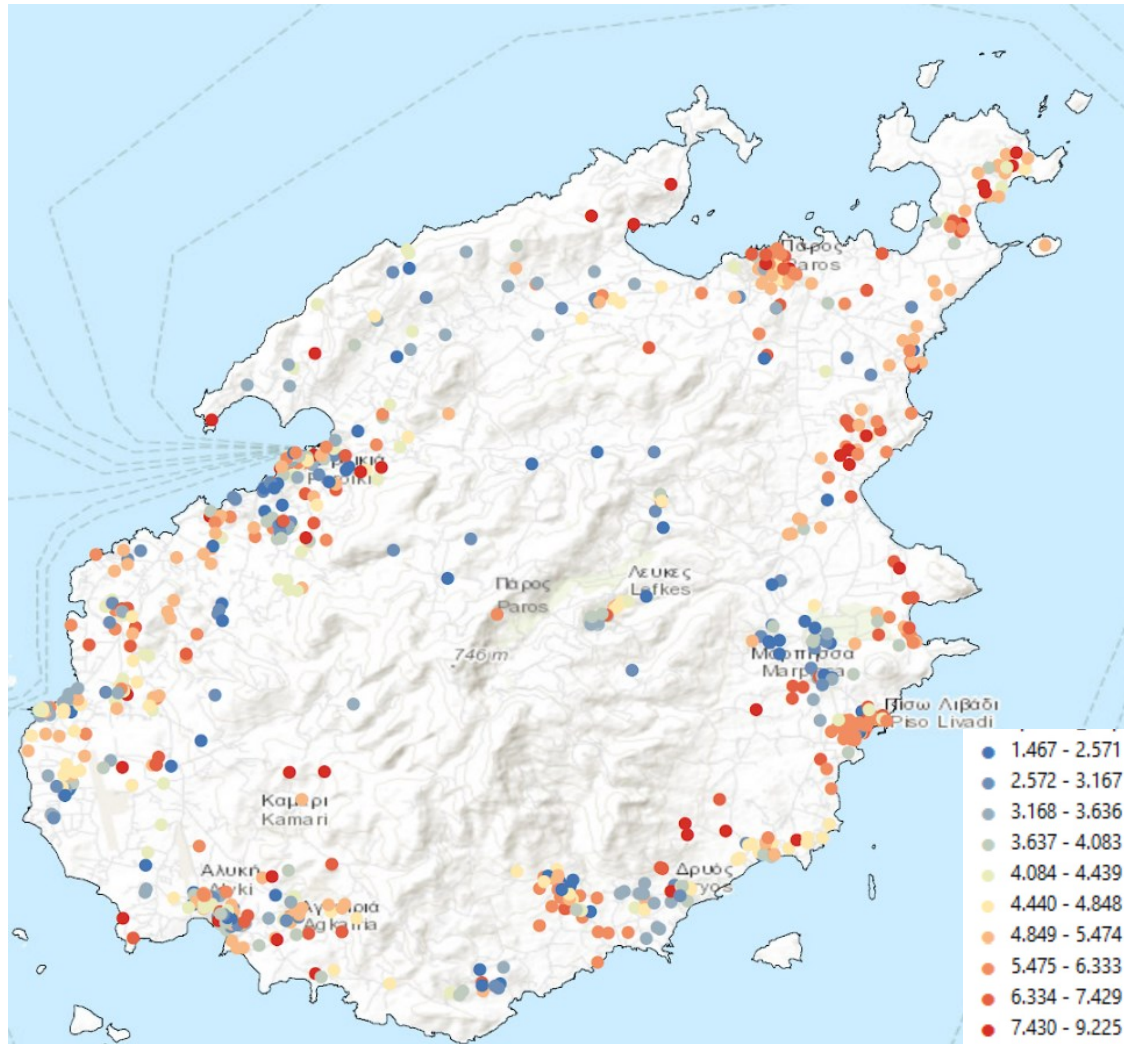
## a deeper look into Paros



### Q3 2023

- 804 vacation home listings for sale
- 73% of total Paros sales listings are tagged as vacation homes
- 4.852 EUR/m2 average asking price (Q3 2023)
- +21.15% vs. Q3 2022 in asking prices
- Stock increased by +2.4% YoY
- Searches in increased by 7% YoY
  - ✓ 10% domestic searches
  - ✓ +1% international searches
- Vacation homes breakdown
  - ✓ 40% detached
  - ✓ 25% maisonettes
  - ✓ 20% villas
  - ✓ 15% rest





Vacation homes searches in Paros by country, per quarter (2023)

2023-Q1		2023-Q2		2023-Q3	
Greece	63,16%	Greece	64,58%	Greece	67,20%
United States	5,80%	United States	6,17%	Germany	4,46%
France	4,58%	Germany	3,48%	United States	4,35%
Germany	3,08%	France	3,32%	United Kingdom	3,65%
United Kingdom	3,03%	United Kingdom	2,70%	France	2,21%
Switzerland	2,28%	Italy	2,42%	Canada	1,78%
Australia	1,83%	Switzerland	1,86%	Switzerland	1,59%
Netherlands	1,41%	Australia	1,61%	Netherlands	1,45%
Italy	1,22%	Netherlands	1,36%	Italy	1,29%
Belgium	1,13%	Bulgaria	1,34%	Belgium	1,16%

Search filters per quarter

quarter	Avg. max price	Avg. min area	avg. spending potential
2023-Q1	344.303 €	94,1	5.122 €
2023-Q2	300.453 €	130,94	4.414 €
2023-Q3	303.683 €	84,93	4.293 €

Breakdown per typology – supply and demand (leads)

	holiday homes % of total	# holiday homes	average sqm	avg EUR / sqm
apartment	68%	113	77	4.502 €
detached	70%	325	190	4.878 €
maisonette	68%	195	151	4.338 €
penthouse	80%	6	76	5.705 €
studio	67%	4	40	5.500 €
villa	87%	161	264	5.621 €
<b>Total</b>	<b>73%</b>	<b>804</b>	<b>178</b>	<b>4.852 €</b>

	leads / listing average	time to sell	pct 1 lead
apartment	7,4	5,8	85%
detached	4,2	6,2	62%
maisonette	4,5	8,7	66%
penthouse	12,8		83%
studio	17,0	1	100%
villa	4,2	9,7	62%

# Proptech applications in real estate finance

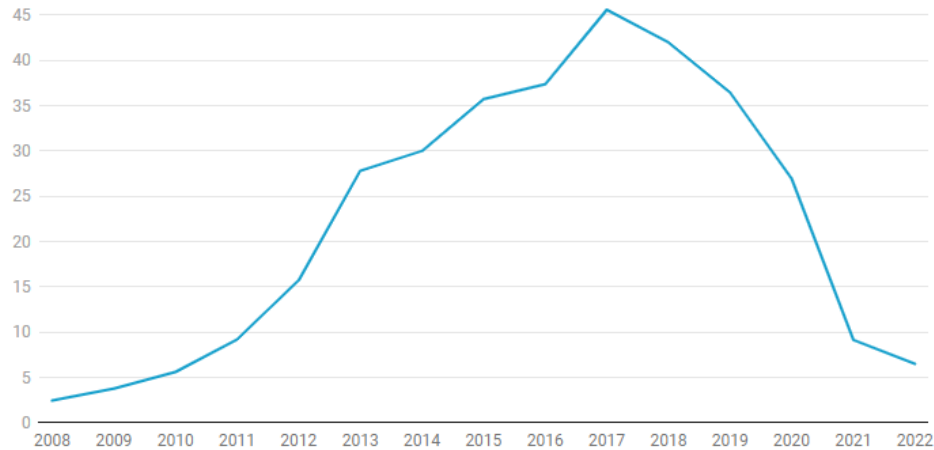


### Key points

- Role of real estate in the banking sector
- PropTech applications in real estate finance
  - Back-testing valuations using AVMs
  - EPC data retrieval and remediation on existing collateral portfolios
  - Comparables provisioning into the appraisal process

## Role of real estate in the banking sector

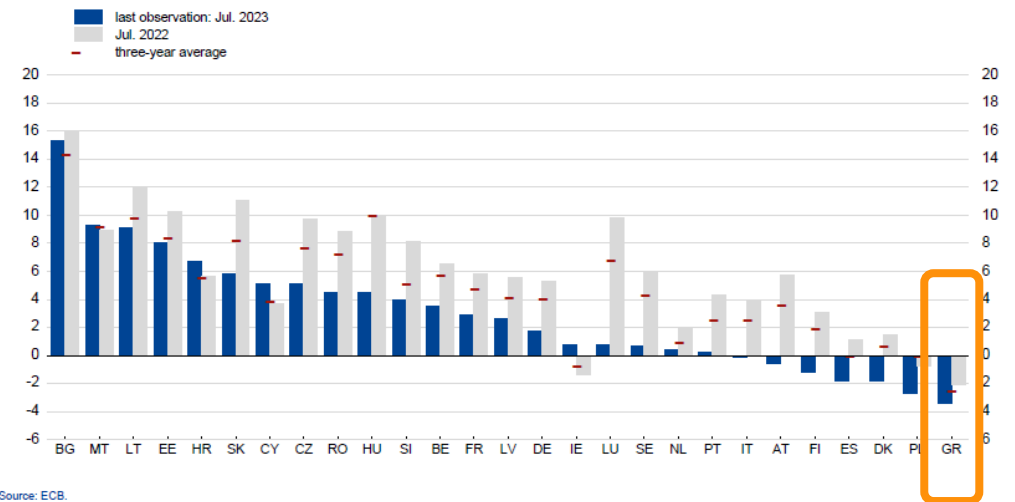
### Greek banks' nonperforming loans to total gross loans (%)



Source: World Bank • Get the data • Created with Datawrapper

- Dramatic NPL reduction 45% of total loans in 2017 to 7% in 2023
- 40bln € disposals in 2021
- But only 3bln € in 2022
- Real estate mortgage book has shifted to the servicers and secondary market

### 3.1 Annual growth rates of MFIs loans to households (EU; percentages)



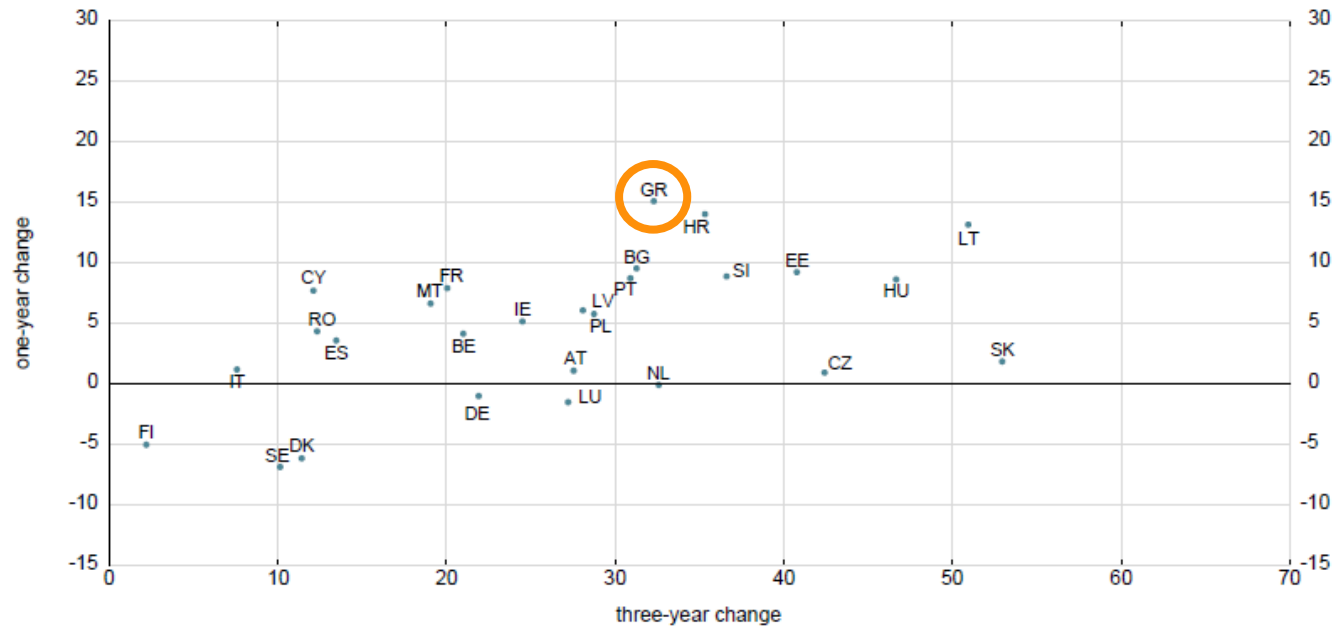
Source: ECB.

- July 2023 worst negative growth of loans to households
- Small outstanding mortgage book (27bln)
- High interest rates on new loans
- High % variable interest rates on existing mortgages



# Role of real estate in the banking sector

3.13 Change in nominal residential property prices  
(EU; percentages; last observation: Q1 2023)

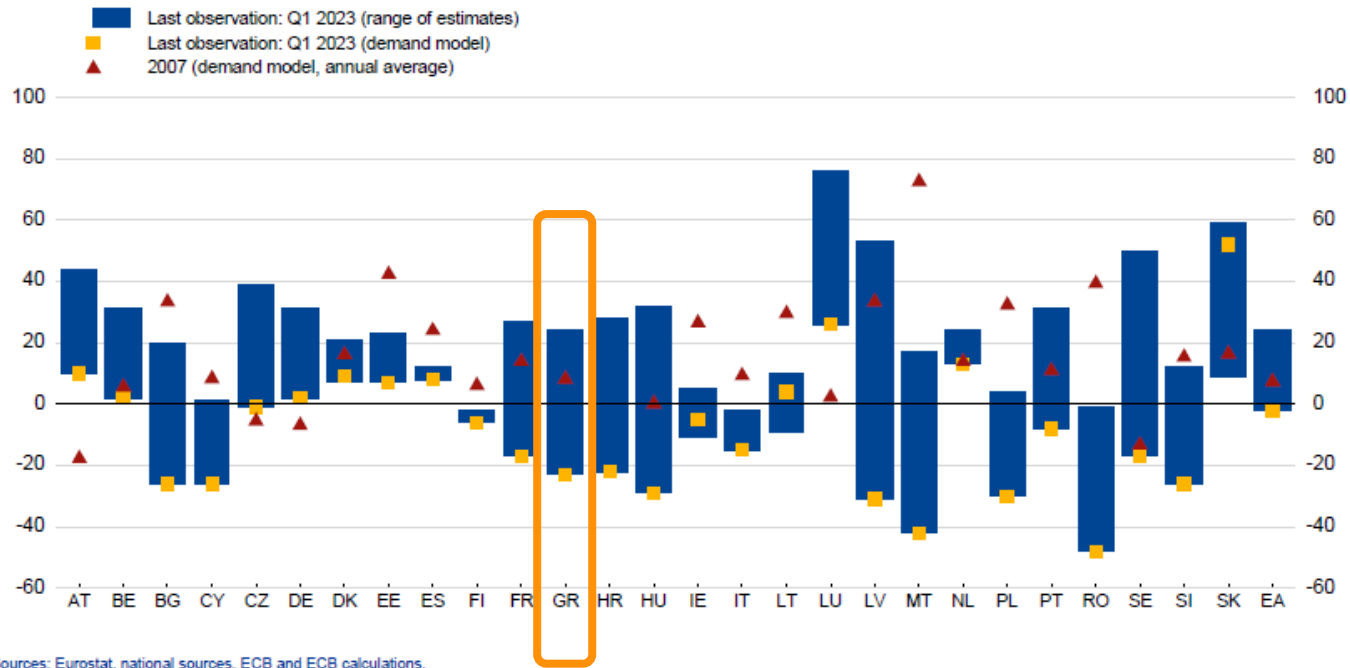


Sources: ECB, national sources and ECB calculations.

- Strong price growth over both time periods (1year, 3year growth)
- High percentage of transactions not supported by mortgages
- Hot property market and tighter mortgage policies slow domestic purchases

## Role of real estate in the banking sector

3.12 Over/undervaluation of residential property prices  
(EU; percentages)

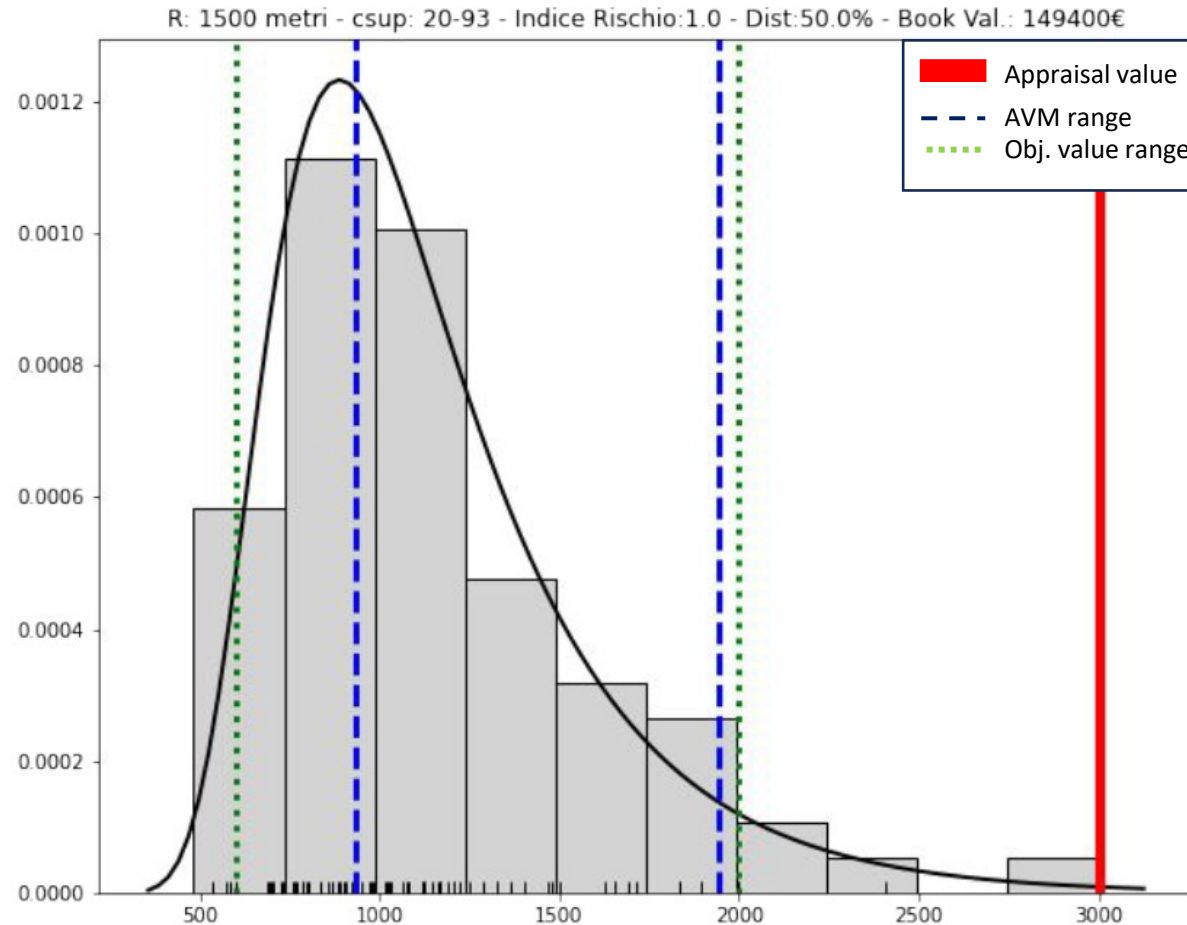


Sources: Eurostat, national sources, ECB and ECB calculations.

- Wide range of estimates of value of residential property
- Models indicate at Q1 2023 that values could be underestimated
- Further potential equity in collateral if properly revalued using up-to-date AVM model?

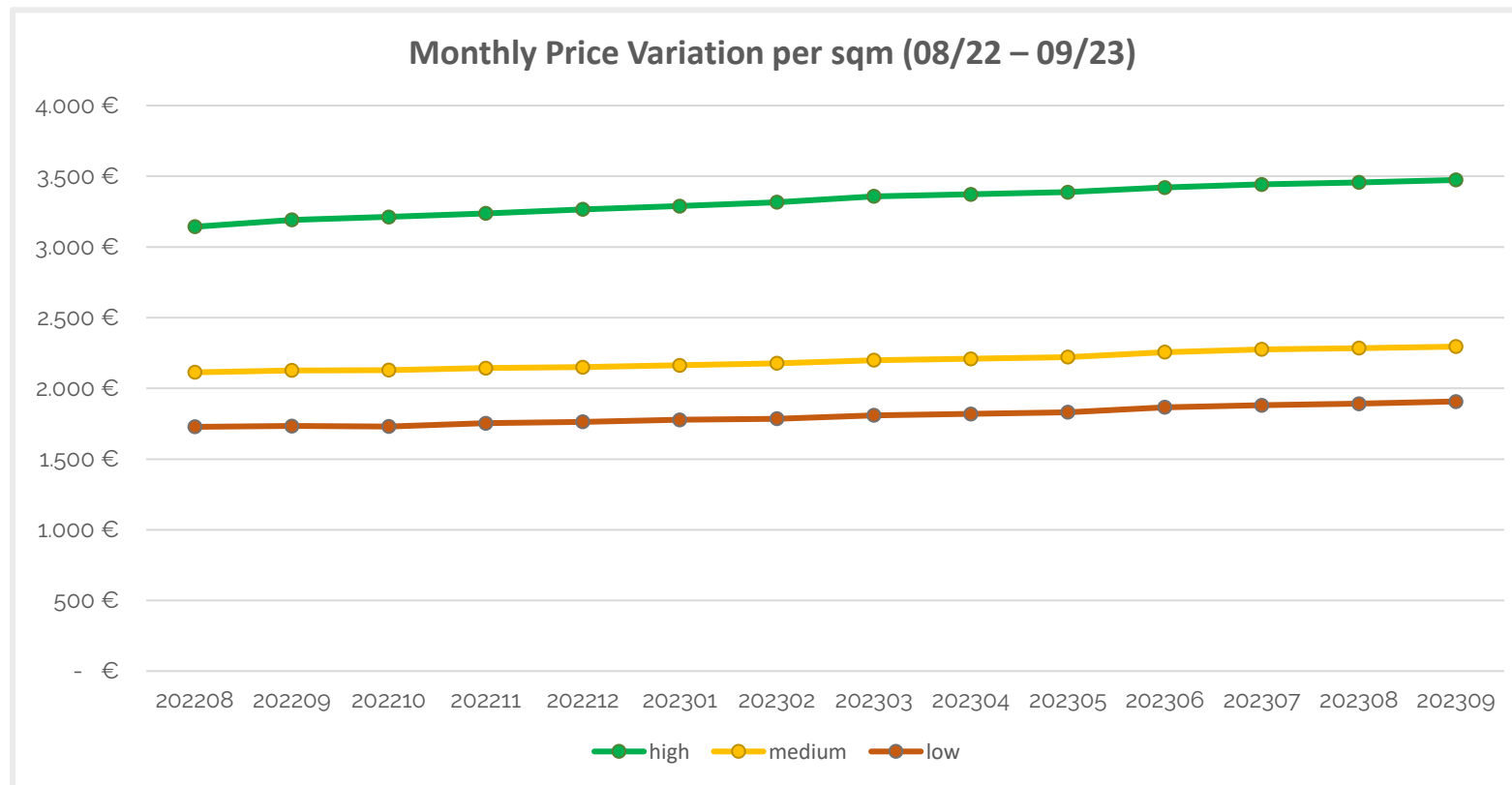


## Back-testing property valuations through AVMs

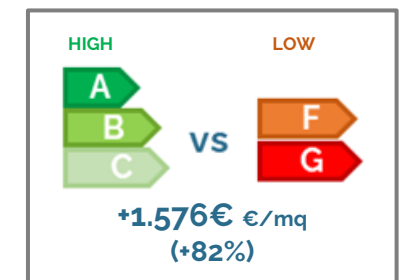


- EBA Guidelines in effect since 2021 require back-testing of appraisals on periodic basis
- AVM technology allows the bank to reprocess all appraisals and measure distance from benchmarks
- Outliers are easily spotted for in-depth human review

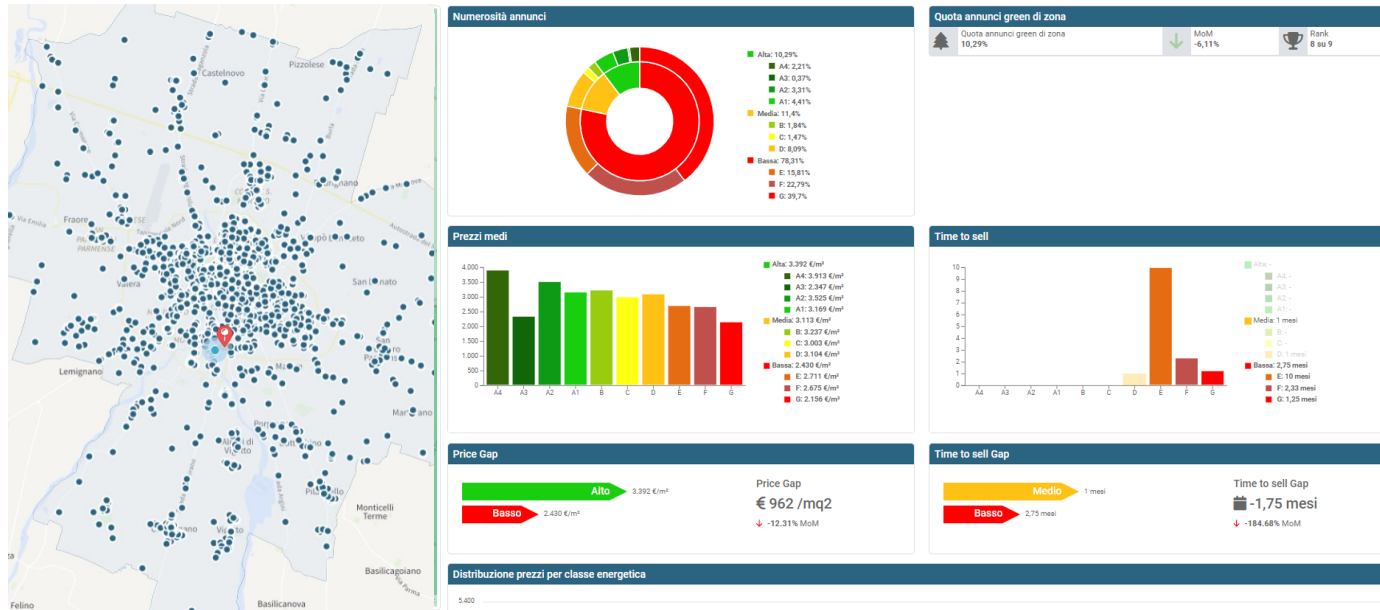
# Residential property prices already effected by a “greenium”



Energy Rating	€ / mq
High	3.474
Medium	2.296
Low	1.907



# EPC data retrieval and remediation on existing portfolios



- Leverage real estate listings data to extract EPC information
- Machine learning models to assess energy performance
- Data remediation on collateral portfolios to segment properties
- EBA Guidelines compliance

# Comparables provisioning into the appraisal process

The screenshot displays a real estate listing platform interface. On the left, a map shows the island of Salamina with several blue circular markers indicating property locations. The top navigation bar includes filters for 'Abelakia (municipality)', 'Listings', 'Sale', 'Published', 'All asset type', 'When', and 'Other filters'. The main content area shows a list of 210 results, sorted by 'Most recent'. The first three listings are 'Detached' properties:

- Detached Σαλαμίνα**: 190.000€ 792€/m<sup>2</sup>, 240m<sup>2</sup>, Rooms 4, Floor ground floor of 2, 1.668m
- Detached**: 320.000€ 2.207€/m<sup>2</sup>, 145m<sup>2</sup>, Rooms 3, Floor ground floor, 828m
- Detached Σαλαμίνα-Αμπελάκια**: 75.000€ 962€/m<sup>2</sup>, To renovate, 78m<sup>2</sup>, Rooms 2, Floor ground floor, 1.594m

The fourth listing is a 'Plot' for 15.000€ 44€/m<sup>2</sup>. The interface includes a pagination bar at the bottom showing '1 of 22' and an 'Export (210)' button.

- API extraction from multiple data sources of property listings
- Reduce time to search for comps
- Rank comparables in relation to subject property
- Reduce human error or comp manipulation



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Let's talk.