

# AREN COS

ARCHITECTURAL ENGINEERING CONSULTANCY SERVICES

Using the collective data of trusted data, proficient knowledge, and Advanced Analytic to decode the future of your project investments in Crete, Greece.

## CHANIA CONSTRUCTION MARKET TRENDS 2025-2028

Using the collective data of trusted data, proficient knowledge, and advanced analytics to decode the future of your project investments in Crete.

4th edition

2024

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4th edition

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**Biophilic Design:** An architectural approach that seeks to connect people with nature through design elements that incorporate natural materials, light, and greenery. This design philosophy aims to improve well-being, enhance productivity, and create a healthier living environment.

**Prime Properties:** High-value real estate assets that are located in desirable locations and offer premium features such as exceptional views, superior quality, and exclusive amenities. These properties often attract high-net-worth individuals and investors.

**Sustainability in Construction:** The practice of designing and building structures in ways that minimize environmental impact, promote energy efficiency, and use sustainable materials. This includes adherence to green building standards and certifications like LEED or BREEAM.

**Renewable Energy Integration:** The incorporation of renewable energy sources, such as solar, wind, or geothermal, into building designs and infrastructure. This approach aims to reduce reliance on fossil fuels, lower carbon footprints, and enhance energy efficiency..



**datanalytika**   
ENRICHING DECISION MAKING

Datanalytika is a leading firm specializing in transforming raw data into actionable insights for the real estate and construction industries. With a commitment to excellence, we leverage advanced analytics and cutting-edge technology to deliver precise and impactful data solutions. Our services encompass everything from comprehensive market analyses to strategic data consulting, helping clients make informed decisions and drive their projects forward.

We are trying to improve things in civil engineering and architectural design. We are trying to make progress. Of course, the concepts behind the words: “improve,” “better,” and “progress” are powerfully values-driven.

Our success in this area is critically dependent on the quality of our dialogue with our clients, stakeholders and investors. At the core of all decision-making is the need to balance Power with Responsibility and Project Design with Project Completion, as the vehicle for resolving the “better” question.

# Welcome

This is a crucial juncture for private investments in Crete's residential and commercial construction sectors. Despite ongoing economic challenges and record-high energy prices, we firmly believe that now is the ideal time to capitalize on the promising opportunities that lie ahead.

The strategic potential for growth and development in these sectors presents a unique chance for investors to make significant gains.

## ARENCOS

A LEADING ARCHITECTURAL & ENGINEERING FIRM IN CHANIA, CRETE



It is an absolute pleasure to welcome you to The Chania Construction Market Trends 2025-2028 Report, the fourth edition of this market-leading and uniquely comprehensive report for the entire island of Crete, Greece. In last year's edition, we detailed the surge in new constructions following the post-COVID rebound and its impact on high energy prices, materials availability, and market performance. This year's report is shaped by the lasting effects of that economic resurgence.

Rising inflation and high energy prices were the top risks cited, leading to one of the most significant interest rate hikes in history and a corresponding shift in investor behavior. The Greece construction market size was \$12.4 billion in 2023. Construction output growth in Greece eased to 5 percent year-on-year in the first quarter of 2024, compared to an 11.6 percent rise in the previous period. This marks the slowest pace of expansion in the sector since the third quarter of 2021, as production rose at a significantly slower pace for civil engineering (1.2 percent vs 14.7 percent in Q4).

Despite the ongoing challenges in the Greek construction market, this year's report argues that it is time to look beyond the crisis. We believe that investor sentiment will improve as interest rates peak and new investment opportunities emerge.

We have seized the opportunity to explore the themes we believe will dominate investor behavior this year and next.

"Building contractors and developers depend on various socio-economic factors, including property values, underlying sentiment in the housing market, the degree of optimism among downstream businesses and credit conditions."

We consider green building and eco-house construction in Crete as an emergent trend and view passive house design as paramount for the sector's further growth and performance. The future of construction is not merely about building houses but about designing and constructing future-proof buildings with minimal environmental impact throughout their entire life cycle. We are dedicated to providing you with the best advice to help you capitalize on these opportunities.

Following last year's expansion of Passive House Design Certification and TÜV Austria accreditation, we are delighted to introduce you to a new digital era via Architecture Only – an online platform dedicated to the architectural trends and construction market of Crete ([www.architectureonly.com](http://www.architectureonly.com)).

This, combined with our established architectural, engineering, and consultation firms' private client teams, positions us perfectly to help you achieve your goals in Crete and facilitate your decision-making by sharing data and knowledge that you will not find anywhere else.

Please do get in touch. Our Communication and Inquiry Team and the wider ARENCOS network are eager to assist you.

Embracing sustainability and innovation, the Chania construction market is poised for transformative growth from 2025 to 2028. As green building and eco-house construction gain momentum, and passive house design becomes a cornerstone, the future of construction in Crete is not just about building homes but about creating environmentally resilient structures.

This report offers invaluable insights and data, empowering investors and stakeholders to navigate and capitalize on emerging opportunities in this evolving market.

**Our Authors and Contributors**

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**Stavros Thomas**

Stavros, the editor and data analyst for this survey, plays a pivotal role in presenting the insights featured in this report. Holding a diploma in Computer Science, Stavros is a Senior Data Analyst and Engineer specializing in the integration of renewable energy within construction projects. His expertise in data analysis and sustainable practices ensures that our findings are both accurate and forward-thinking, reflecting the latest advancements in renewable energy integration.



**Maria Gkika**

Maria is a Senior Civil Engineer and a certified Passive House Designer, dedicated to ensuring that our projects meet the highest standards of sustainability and comply with the latest building regulations. Her expertise guarantees that every project integrates cutting-edge practices and adheres to rigorous environmental and regulatory criteria.



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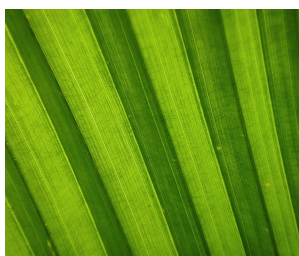
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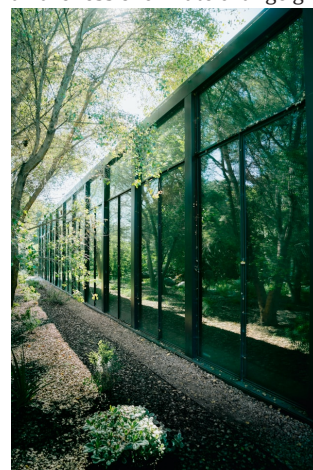


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# Key Findings

Maria Gkika, ARENCOS' Project Manager and Editor of *The Chania Construction Market Trends 2025-2028*, shares her key insights from the 4th edition.

## Sustained Growth in Tourism-Driven Developments

Crete's construction market continues to be heavily influenced by its robust tourism sector. The island remains a prime destination for international tourists, leading to ongoing investments in hospitality and infrastructure projects. New hotel developments, resort expansions, and luxury villas are set to dominate the construction landscape over the next few years. This trend is expected to persist as tourism numbers are forecasted to rise steadily.

## Infrastructure Modernization

Infrastructure modernization is a pivotal focus, with significant investments earmarked for improving transportation networks, utilities, and public facilities. Key projects include the expansion of the Heraklion International Airport and the enhancement of port facilities to accommodate larger cruise ships and increased cargo traffic. Additionally, road network upgrades and the implementation of smart city technologies in urban areas like Chania and Heraklion are prioritized to boost overall efficiency and connectivity.

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"As Crete continues to develop, the construction sector's adaptability and resilience will be key to ensuring that growth is both sustainable and inclusive, benefitting the island's economy and its inhabitants."

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## PROJECT CONSTRUCTION TURNS A CORNER

With a blend of robust tourism-driven demand, significant infrastructure projects, a strong push towards sustainability, and a dynamic residential market, the outlook for Crete's construction sector is promising. Stakeholders are encouraged to leverage these insights to navigate the evolving market landscape and capitalize on emerging opportunities.

## CHANGING INVESTMENT STRATEGIES

As the construction market in Chania adapts to new investment standards and funding opportunities, these changes will drive strategic decisions and project developments. Investors and developers will need to navigate evolving criteria and trends to capitalize on emerging opportunities and address the unique challenges of the region.

## Sustainable and Green Building Initiatives

Sustainability is at the forefront of Crete's construction strategies. There is a marked increase in eco-friendly building practices and the incorporation of renewable energy sources. The report highlights a growing number of developments adhering to green building standards, such as LEED and BREEAM certifications. Solar energy projects, both residential and commercial, are gaining momentum, alongside initiatives to improve energy efficiency in existing structures.

## Residential Market Dynamics

The residential construction market is witnessing a diverse range of activities. There is a noticeable surge in demand for high-end residential properties driven by foreign investors and expatriates seeking second homes or retirement properties in Crete's picturesque locales. Conversely, there is also a concerted effort to address affordable housing shortages, with government-backed programs and incentives encouraging the development of cost-effective housing solutions for local residents.

## Challenges and Opportunities

Despite the positive outlook, the construction sector in Crete faces several challenges. These include navigating bureaucratic hurdles, securing skilled labor, and managing fluctuating material costs. However, these challenges present opportunities for innovation and collaboration within the industry. Digitalization of construction processes, investment in workforce training, and strategic partnerships are identified as crucial measures to mitigate these challenges and sustain growth.

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Changes in investment criteria, shifts in funding sources, and evolving market trends will significantly influence investor behavior, particularly in the construction sector in Chania, Crete.

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# The Current Situation

Crete's construction industry must navigate a range of economic challenges by implementing measures to improve labor conditions and wages. This approach will not only sustain the sector's growth but also contribute to a more equitable and resilient economic framework for the island and Greece as a whole.

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## Rising Labor Costs in Chania's Construction and Residential Market

The residential and commercial construction sector in Crete is currently navigating a complex economic landscape, shaped by a longstanding economic model supported by powerful political and social forces. This model, characterized by cheap wage labor and low-cost social services, has resulted in wages being significantly lower than the actual cost of living.

This imbalance is particularly unsustainable in a context of substantial monetary circulation and high consumption levels. During the deep debt crisis, the devaluation of labor was instrumental in enhancing the competitiveness of the Greek economy.

However, it also imposed severe burdens on workers. Many of the so-called economic achievements of recent years are based on this devaluation, with notable growth in labor-intensive industries like agriculture and tourism, driven by the lower cost of labor.

Foreign investments, often heralded as economic successes, largely consist of speculative ventures in real estate and the bad debt market. These investors exploit cheap labor, setting up operations like data centers in Greece, which other European countries have actively excluded.

In recent years, a significant redistribution of wealth and power has emerged. Labor costs continue to decline relative to the explosive rise in prices, further diminishing the purchasing power of wages. This situation is exacerbated by the absence of strong political support and significant union power to advocate for wage labor.

Meanwhile, business profits, both declared and undeclared, are soaring. Remarkably, this wealth redistribution occurs with minimal resistance, highlighting the need for robust economic and social reforms. In Crete's construction sector, these economic dynamics manifest as rising labor costs and a limited pool of skilled workers, which pose substantial challenges. The sector's dependence on cheap labor, while temporarily beneficial during economic crises, is unsustainable in the long term.

Addressing these issues requires strategic initiatives to attract and train new talent, ensure fair wages, and foster a more balanced economic model that supports sustainable growth and equitable wealth distribution.

**Labour cost index was 9.00 % year-on-year in March of 2024, according to the EUROSTAT. Trading Economics provides the current actual value, an historical data chart and related indicators for Greece - Labour cost index - last updated from the EUROSTAT on July of 2024. Historically, Greece - Labour cost index reached a record high of 11.70 % year-on-year in September of 2022 and a record low of -3.40 % year-on-year in March of 2022. ▀**

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"With an hourly labor cost of 15.7 euros, Greece ranks among the European countries included in the second "cheapest" tier in the EU27, placing it significantly lower (23rd) than the bloc's average of 24 euros per hour, according to figures released by Europe's statistical authority, Eurostat.

The average hourly labor cost in the economy was calculated at 31.8 in the EU and 35.6 euros in the Eurozone for 2023, compared to 30.2 euros and 34.0 euros respectively in 2022, as the data shows."



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# Building Material Impacts on Crete's Construction Sector

The choice and use of building materials have significant impacts on Crete's construction sector, influencing everything from project costs and timelines to environmental sustainability and structural integrity. As the demand for residential and commercial properties grows, understanding these impacts becomes crucial for developers, investors, and policymakers.

## Economic Impact

The cost of building materials is a major factor in the overall budget of construction projects. In Crete, fluctuations in the prices of key materials such as cement, steel, and timber can significantly affect project viability. Import dependencies can lead to increased costs and supply chain vulnerabilities, particularly in times of global market instability. Utilizing locally sourced materials can mitigate these risks, supporting the local economy and reducing transportation costs.

## Environmental Impact

Building materials play a critical role in the environmental footprint of construction projects. The production and transportation of traditional materials like concrete and steel are energy-intensive and contribute to greenhouse gas emissions. In contrast, sustainable materials such as recycled steel, reclaimed wood, and eco-friendly composites can reduce environmental impact. Additionally, the use of energy-efficient materials and construction techniques can improve the long-term sustainability of buildings in Crete, aligning with global environmental goals and local regulations.

## Structural Impact

The durability and performance of building materials directly affect the longevity and safety of constructions. Materials must withstand Crete's specific environmental conditions, including seismic activity and coastal humidity. High-quality, resilient materials contribute to the structural integrity of buildings, ensuring they can endure the island's natural challenges and provide safe living and working environments.

## Aesthetic Impact

The aesthetic qualities of building materials influence the architectural character and cultural integration of new constructions. In Crete, there is a strong tradition of using natural stone, terracotta, and timber, which blend harmoniously with the island's landscape and historical architecture. Modern materials and designs should respect and enhance this cultural heritage, creating buildings that are both functional and visually appealing.

## Technological Impact

Advancements in building materials technology are transforming the construction sector. Innovations such as self-healing concrete, advanced insulation materials, and smart building systems enhance construction efficiency, reduce maintenance costs, and improve energy performance. Adopting these technologies in Crete can lead to smarter, more resilient buildings that meet contemporary standards and future demands.

## Social Impact

The selection of building materials also has social implications, affecting the health and well-being of occupants. Non-toxic, low-emission materials contribute to better indoor air quality and overall comfort. Moreover, sustainable building practices can foster community acceptance and support, as they demonstrate a commitment to environmental stewardship and social responsibility.

- The average Index for the twelve-month period from July 2023 to June 2024, compared with the corresponding index for the twelve-month period from May 2023 to April 2024, recorded an increase of 8.2%. The comparison of the average Material Costs Index in the corresponding previous twelve-month periods had shown an increase of 14.3%.
- The cost of new housing construction has recorded an increase of 65-70% from mid-2023.
- The lack of staff is a daily headache, which puts back the delivery times of new homes and therefore limits the supply on the market.
- The high demand for both construction and infrastructure projects, as well as the fact that many – especially economic migrants – have left the sector due to the crisis, makes it particularly difficult to replace workers and pushes wages higher.
- Another reason is that in recent years there has been significant growth in building permits and new housing developments, thanks also to the 24% value-added tax suspension measure, which has even been extended until the end of 2024. These properties are now being channeled gradually into the market. However, according to established practice in the construction business, revenue should first be secured through sales before funds can be channeled into new projects, **which means new building permits.**







# Material Costs Index In The Construction Of New Residential Buildings

The Overall Material Costs Index in the Construction of New Residential Buildings in February 2023, compared with the corresponding index in February 2022 recorded an increase of 10.1%.














## Clients Expectations

How did/do you expect your clients' total residential construction cost to change in...

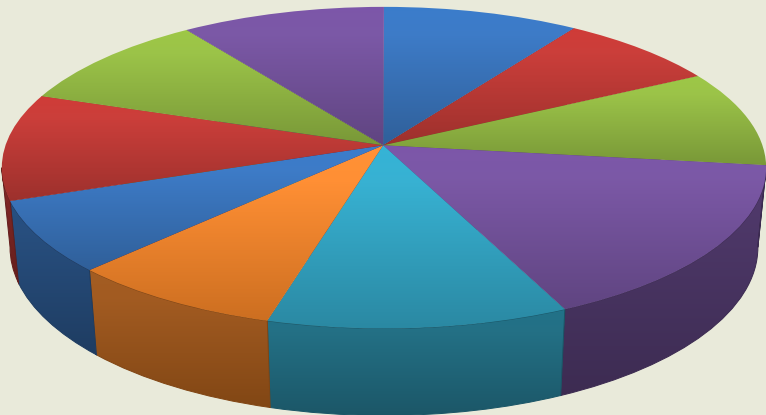
	2025	2026
INCREASE	 50%	 55%
REMAIN THE SAME	 36%	 28%
DECREASE	 -14%	 -17%


## Annual rates of change: July 2024 compared with June 2023


The main changes in the individual costs indices of the material categories are as follows:


	Cement, mortars and ready mixed concrete	10%
	Natural Stone	8.9%
	Marble products, granites	11.2%
	Artificial stone	18.5%
	Basic metals	12%
	Plumbing, heating and drainage equipment and supplies	9%
	Door and window fittings	8%
	Electrical equipment	12%
	Glass products	11%
	Insulating materials	11%
	Plumbing, heating and drainage equipment and supplies	12%


Source: ARENCOS BUILDING SURVEY






-  Cement, mortars


 Marble Products, granites


 Basic Metals


 Door and window fitting

 Glass products
-  Natural stone

 Artificial stone

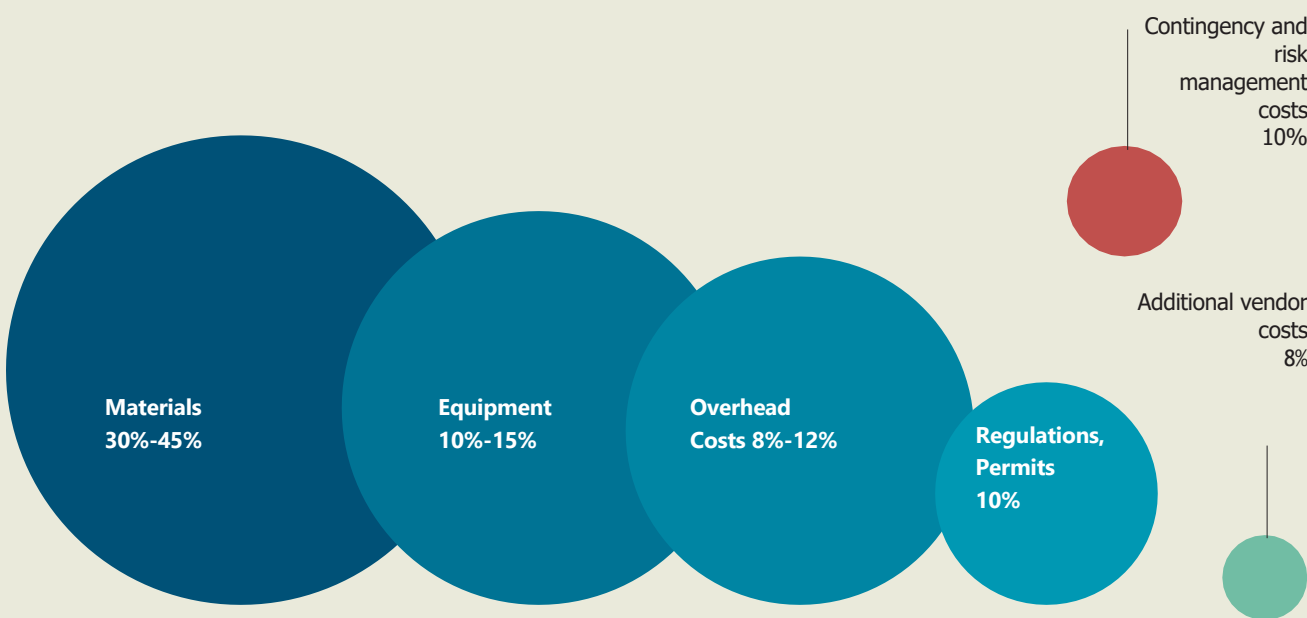
 Plumbing, heating and drainage

 Electrical Equipment

 Insulating materials

# Appetite for residential and commercial - tourism-related projects in Crete expected to remain strong despite higher rates

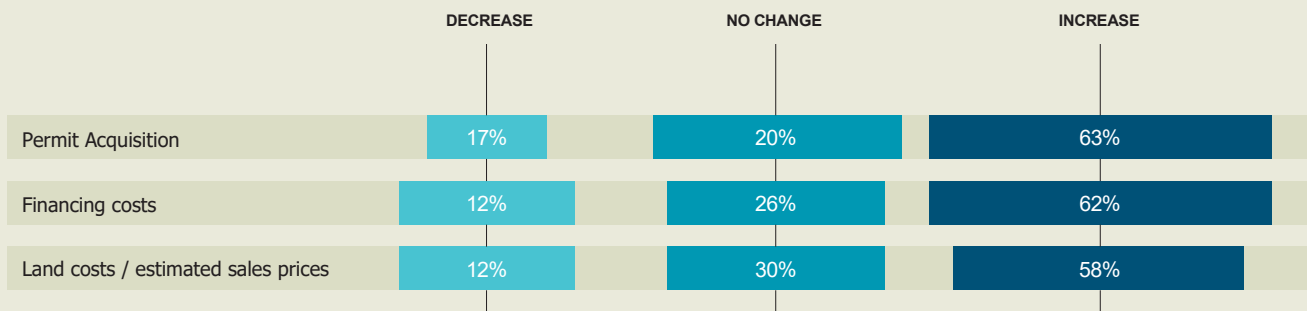
Despite rising interest rates, the demand for residential and commercial tourism-related projects in Crete is expected to remain strong. This resilience is driven by Crete's status as a premier tourist destination, which ensures consistent high demand for accommodation and services. Investors continue to see significant potential for returns through rental income and property appreciation.

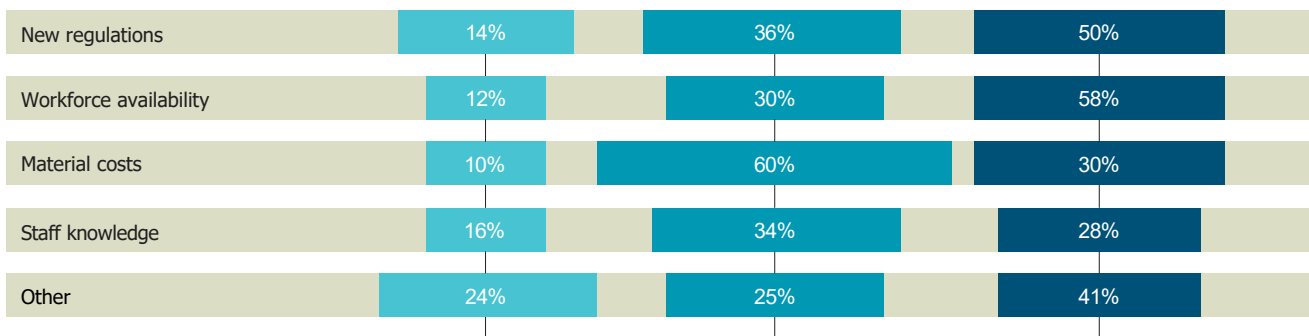


Source: ARENCOS RESEARCH AND UPDATA

## The main obstacles to construction activities

In a second category of questions, we investigated the main obstacles to developers' activities. It appears that the difficulties in permit acquisitions are a more important than financing costs in developers' opinions.





Source: ARENCOS UPDATA & SURVEY

Note: Figures may not add up to 100% as “not applicable” also an option \*.



# Financing

One of the significant obstacles in residential and commercial construction sector is securing financing. We explored how banks' attitudes toward the construction sector have evolved, with a particular focus on the perception of developers in Chania, Crete, Greece. Developers report a cautious yet supportive stance from banks, with few instances of lost confidence in the sector.

Our Survey paints a similar picture, with approximately 80% of respondents stating that they noticed a change in behaviour from banks when submitting their real estate projects while around a quarter are targeting alternatives in financing their projects.

## Key Findings

### Bank Attitude and Confidence:

Developers observe a cautious but generally positive attitude from banks towards the real estate sector. Most banks have not exhibited a loss of confidence, maintaining a supportive and creative approach to financing solutions. This trend is particularly evident with Greece's banks, where there have been no significant distressed sales.

### Preferred Financing Methods:

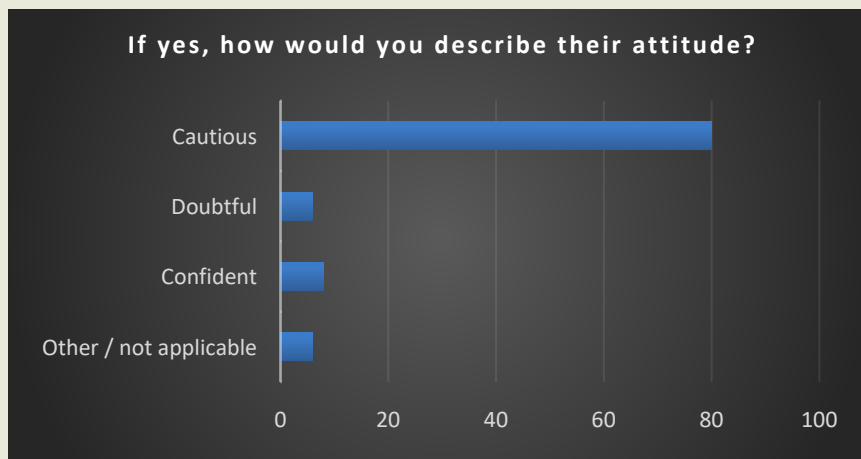
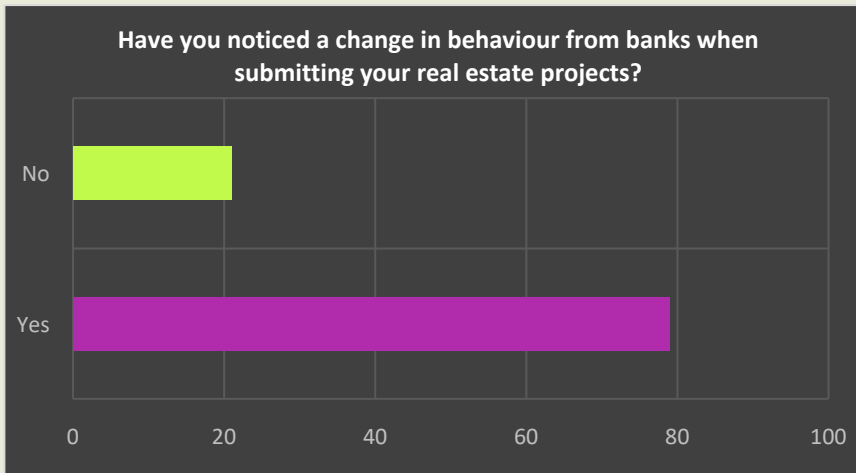
Bank financing remains the most favored method for construction - real estate projects, preferred over equity issuance, equity funds, and bond issuance. The data suggests a robust reliance on traditional bank loans as the primary source of financing for large-scale projects.

While bank financing is predominant, there is potential to diversify funding sources. Developers might explore equity issuance and bond markets more aggressively, especially for larger projects.

### Crowdlending:

Crowdlending is not a widely considered option among developers, with only 16% having explored this route. The low interest in crowdlending is likely due to its suitability for smaller projects, whereas the developers surveyed typically manage projects valued above €15-20 million.





Do you think that it is easy to find alternative financing for your project?



# Wider horizons

The demand for housing that accommodates people with disabilities is increasing in Chania, Crete. As the population ages and awareness of accessibility issues grows, there is a pressing need to develop real estate solutions that cater to individuals with disabilities. This includes not only physical accessibility but also considerations for sensory and cognitive impairments.

## Current Challenges

### Inadequate Existing Housing Stock:

- Many existing buildings in Chania are not designed with accessibility in mind, making it difficult for people with disabilities to find suitable housing.
- Older buildings, particularly in historic areas, often lack elevators, ramps, and other necessary modifications.

### Regulatory and Design Standards:

- There is a lack of stringent regulations and enforcement concerning accessible housing design and construction.
- Developers often lack awareness or expertise in creating spaces that are fully accessible to all individuals.

### Economic Barriers:

- The cost of modifying existing structures or building new accessible homes can be prohibitive.
- Financial incentives and support for developers to invest in accessible housing are limited.

## Innovative Design Solutions for Houses for People with Disabilities

ARENCOS Engineering & Design Team

To address the growing need for accessible housing in Chania, Crete, developers can incorporate innovative design solutions that prioritize inclusivity and functionality. Implementing universal design principles ensures that homes are usable by people of all abilities, promoting independence and enhancing the quality of life for residents with disabilities.

Key features include step-free entrances, wider doorways, and hallways to accommodate wheelchairs, accessible bathrooms with roll-in showers, and kitchens with lower countertops and accessible appliances. Additionally, smart home technologies, such as voice-activated controls and automated systems, can significantly improve the living experience by enabling residents to manage their environment easily.

However, integrating these features involves additional costs, which vary depending on the extent of modifications and the specific technologies used. Below is an estimated breakdown of these costs for a standard housing unit:

Feature	Estimated Additional Cost (€)
Step-free entrance	2,000 - 3,000
Wider doorways and hallways	1,500 - 2,500
Accessible bathroom (roll-in shower, grab bars)	5,000 - 7,000
Accessible kitchen (lower countertops, accessible appliances)	4,000 - 6,000
Smart home technologies	3,000 - 5,000
Total Additional Cost	15,500 - 23,500

These additional costs are a worthwhile investment, ensuring that homes are inclusive and accessible to all residents, ultimately contributing to a more equitable and supportive community in Chania. By adopting these innovative design solutions, developers can not only meet the current demand but also future-proof their projects, making them attractive to a broader range of potential residents.

42%

of respondents stating that they prefer to incorporate accessibility and ease-of-use design parameters into their new projects





# Investing

Residential houses offer steady rental income and value appreciation.

Multifamily complexes attract investors with the growing rental market from tourism and expatriates.

Luxury villas provide high returns through vacation rentals or long-term leases to affluent clients.

# For the record

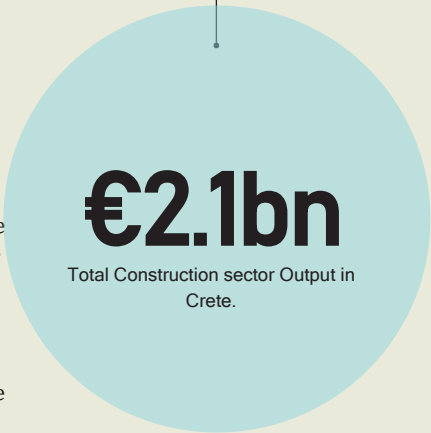
Investments in the development of tourism complex accommodation combining hospitality services and residences, available for sale or utilization, are increasing across Crete, with three projects set to see construction start this year adding up to almost 1 billion euros.

Despite some short-term challenges in specific construction sectors, Greece's medium to long-term growth outlook remains positive. The construction industry is anticipated to experience steady growth over the next year, with a projected compound annual growth rate (CAGR) of 3.8% from 2024 to 2028. By 2028, construction output in Greece is expected to reach EUR 5.08 billion.

### Housebuilding

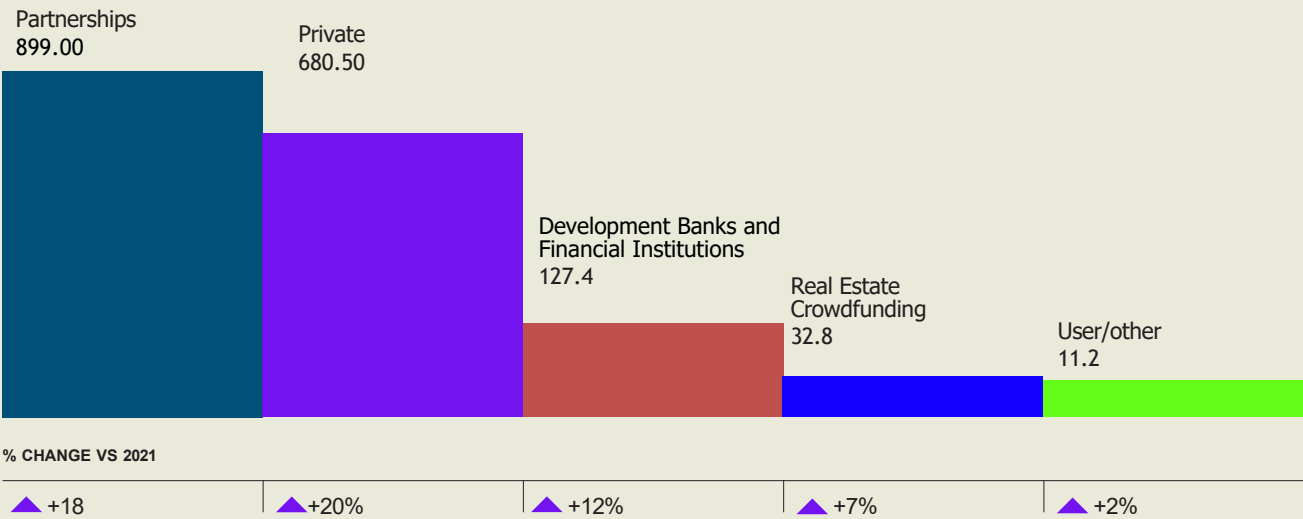
The real estate market in Crete will continue to attract investor interest in 2025, resulting in a further increase in real estate prices, especially for high-end properties,

for which the increased demand, both from abroad and domestically, is not met by the current limited supply. However, some leading indicators of the domestic real estate market, as well as price developments at the European and international level, may point to milder growth rates of real estate prices in the coming trimesters, especially for properties with lower demand. Private construction activity is estimated to increase by 45% compared to the level recorded in 2024.



### The who...

Total by investor type (€bn)

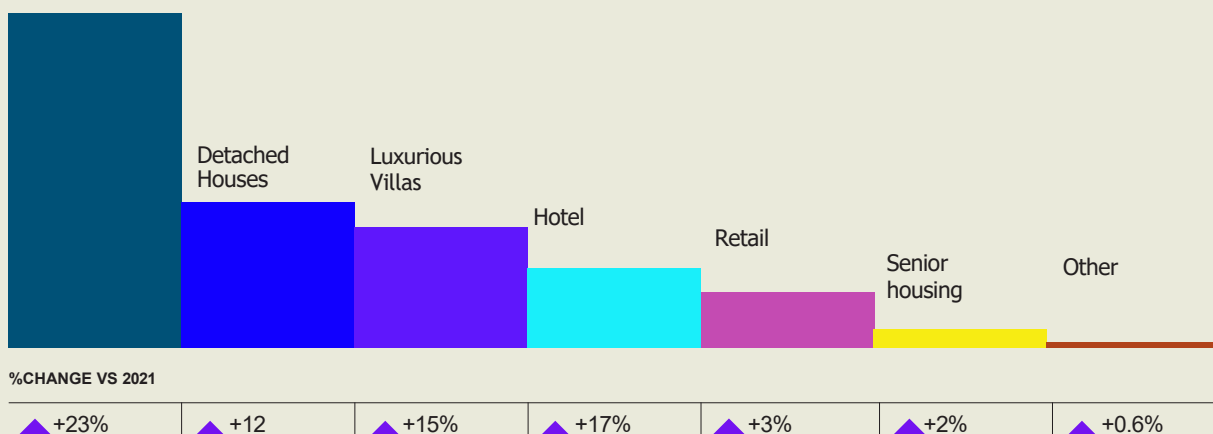


Source: ARENCOS

## • The what...

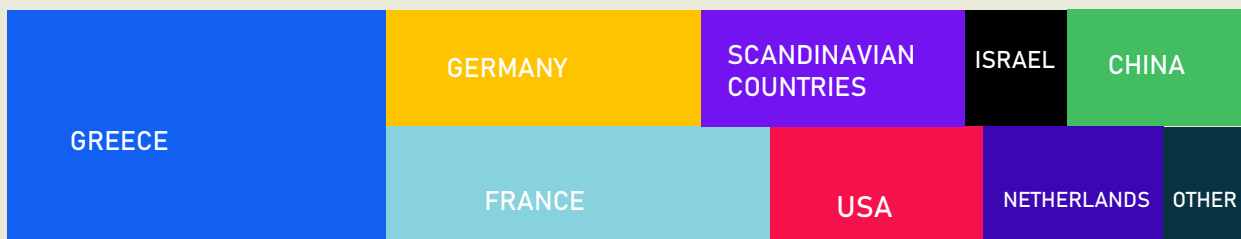
Private capital investments by type

Apartment



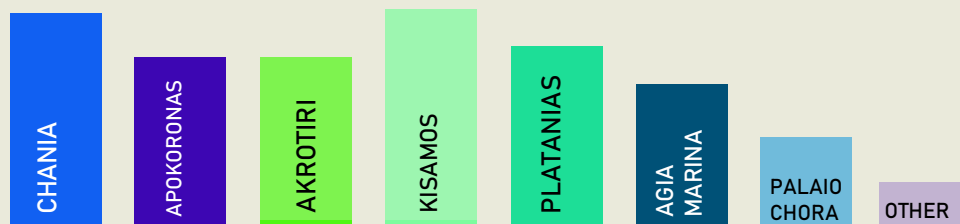
## From where...

Origin of construction project investors in Chania, Crete.



## To where...

Top 10 areas for construction projects in Chania, Crete.



# Adding up

Total Building Activity, in Crete,  
January - June 2023 and 2024

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38%

Number of Building Permits Change in Crete

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27%

Surface (in sq.m.) Change in Crete (2023: 234,776 sq.m.)

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INVESTING

Source: ARENCOS



The construction sector in Greece is poised for substantial growth, reflecting increased investments and development activities. For 2023, permits for new buildings and extensions reached 27.2 thousand, with a total surface area of 6.2 million square meters. This upward trend is expected to continue into 2024. The production value of the construction sector was estimated to reach €12.8 billion in 2023, with continued growth expected over the coming years. Projects directly related to construction will see a total of €23.9 billion mobilized between 2022 and 2026, including €12.8 billion from grants and €11.1 billion from loans. The output value of infrastructure and residential construction projects is projected to exceed €18 billion by 2025, up from €10.3 billion in 2022.

Construction investments accounted for 4.8% of GDP in 2022, with this share projected to rise significantly, potentially reaching up to 8.6% of GDP by 2025. The total turnover of the construction sector is estimated to reach €21.4 billion by 2026. Additionally, the expected increase in turnover of machinery and equipment companies will boost their bank lending, with total net bank lending to companies in the sector potentially increasing by €972 million to €1.77 billion between 2023 and 2026.

Overall, these projections indicate a strong upward trend for Greece's construction sector, driven by significant investments and a growing market demand.

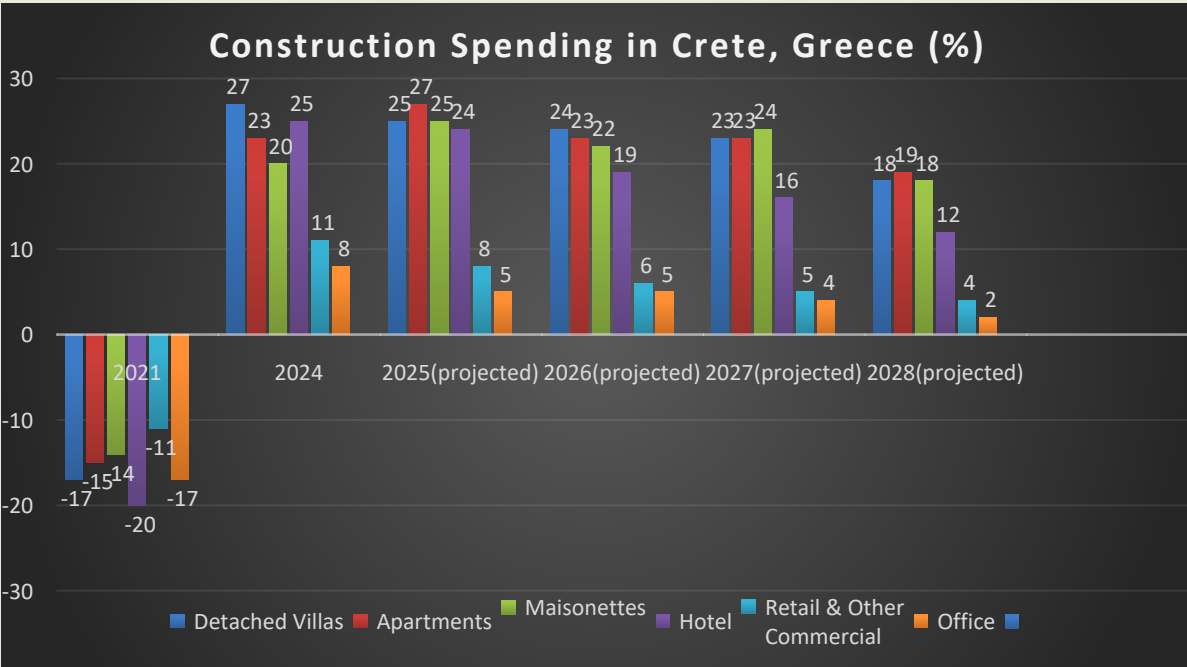
“The prospect of strong growth in domestic construction activity will create additional demand for workers of various specializations.”

The latest data on Crete's construction sector indicates significant growth across all segments in 2023, with notable increases in the residential and tourism-related sectors. The residential sector saw a surge in new building permits and investments, reflecting the strong demand for housing. Meanwhile, the tourism sector, particularly hotel and resort construction, experienced substantial growth driven by the island's booming tourism industry.

Looking ahead, the residential and tourism sectors are expected to continue growing through 2024, although at a slower pace by 2025. Conversely, commercial real estate, including office and retail spaces, is projected to face some contraction over the next two years due to changing market dynamics and economic conditions. These projections are based on data aggregated from several trusted industry publications and local authorities, providing a comprehensive outlook on Crete's construction market.

### Mixed Projections for Some Project Types;

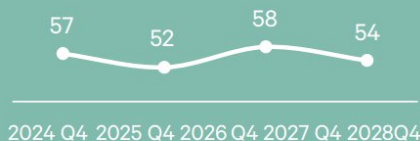
Growth seen in all sectors last year will slow in 2024. The American Institute of Architects' (AIA) Consensus Projected Spending shows previous years spend volume and projected future years spend on recent data. All sectors saw sizable growth in 2025, with the largest gains seen in the residential construction sector. Commercial constructions are projected to contract over the next two years. Hotel and retail construction projects are anticipated to continue growing through 2025 but slowing in 2026.



## ENR Confidence Index

54

Q4 2027



The ENR Confidence Index measures executive sentiment about the current market and its expected direction over the next 3–6 months and 12–18 months, on a 0–100 scale. Ratings above 50.0 indicate a growing market.

The ABC Construction Confidence Index measures contractors' outlooks for the coming quarters in three categories: Sales, Profit Margin, and Staffing Levels. Ratings above 50.0 indicate an expectation of growth in the market.

## ABC Confidence Index – Sales

57



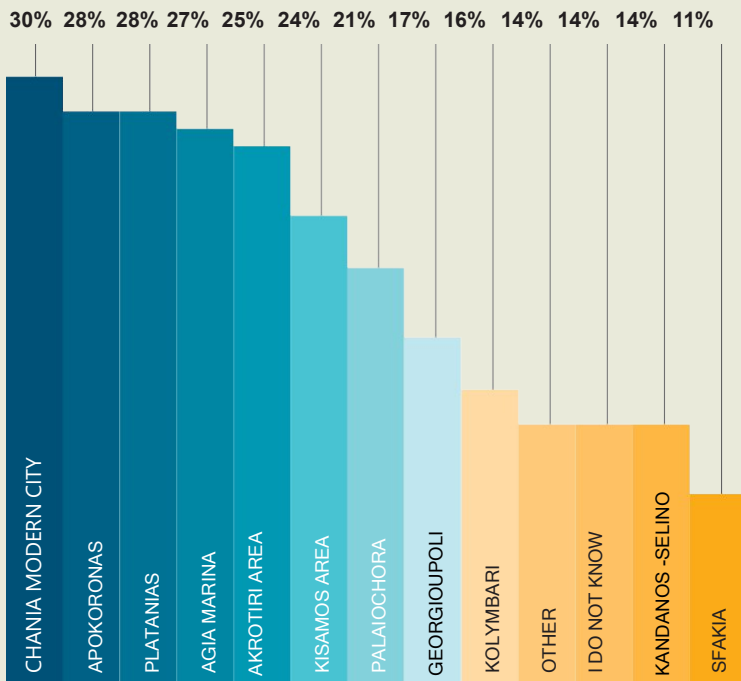
Q4 2027



Source: ARENCOS UPDATA SURVEY

## In the spotlight

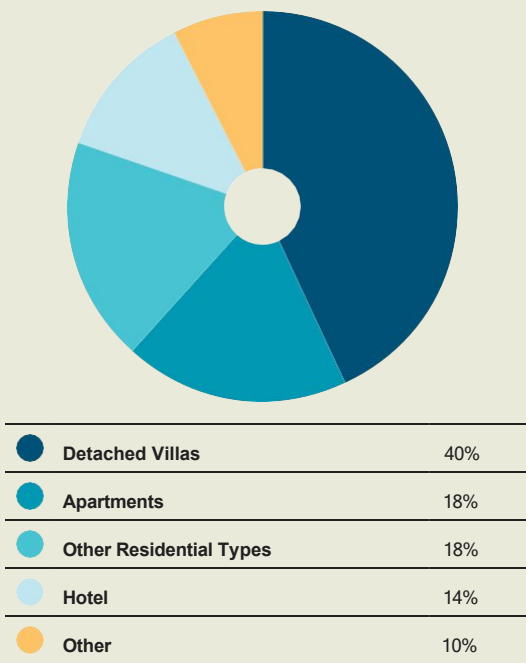
Location of focus for Corporate Investors and Venture Capitalists in 2025 for the Prefecture of Chania, Crete, Greece



Source: ARENCOS Survey  
Note: Respondents could choose multiple sectors

## Investment Strategy for 2025

Target property types for private cross-border capital investment in 2025



Sources: ARENCORES Research  
Note: Based on Big Data Analytics only and may not represent all flows into or out of each market. Figures are preliminary and subject to change.

The dominant property type in Chania is detached houses, comprising 40% of the market, while apartments and other residential property types are expected to receive an 18% share, hotels 14%, and other types 10%. We forecast Chania modern city and the Apokoronas region to be the top targets for private investors in the Chania property market.

More traditional property types will remain in demand for private investors, although alternative property types are also likely to be targeted. A previous survey from ARENCOS, highlighted that just over a third of respondents were looking to invest in ecohouses and biophilic-related properties in 2024, marking the second consecutive year this asset class topped the wish list.

The results also indicated strong demand for the private rented sector, leisure, hotels, student accommodation, retail buildings, and data centres. These more specialist sectors are often counter-cyclical and benefit from structural drivers, making them particularly attractive to investors during times of uncertainty, especially in Greece, where the economy is still very problematic.

### Who will be the most active?

Investors from France, the USA, Germans and from the Scandinavian countries (Denmark, Norway, Sweden) are forecast to be the most active, accounting for roughly half of all global private cross-border capital into the construction sector of Chania, Crete.

“We forecast detached residential house to be the top target for private investors next year”

Chania Old Town - Chania is attracting hundred of investors and developers.

Likely targets include the areas in Chania Modern City (Nea Chora, Agioi Apostoloi, Agios Mathaios, Chrissi Akti, Stalos, Souda) Apokoronas (Vamos, Gacalomouri, Kalives, Almirida, Kokkino Chorio, Vrises, etc) Akrotiri (Stavros, Pithari, Chorafakia, Agios Onoufrios, Kounoupidiana), and Kisamos as well as the wider area of Kandalos-Selino.

Private investors from the Netherlands, Israel, and China are also expected to be active in the next three years. Close to 30% of respondents in our Construction Confidence Section Survey were looking to complete a transaction of €450.000 - €1.000.000 or more in 2025. This figure jumps to 20% for investors from the Chinese mainland and 15% for those from both the USA and Germany.



# Is It Time for a Biophilic Design Shift in Chania ?

For the past five years, ARENCOS has been assisting private investors in meeting and integrating biophilic design principles into their construction and renovation projects through Total Architecture.

As investors, property owners, developers, and contractors are now well aware, ESG encompasses three critical investment criteria: environmental themes (E), social outcomes (S), and governance issues (G). The rapid advancements in environmental regulations across the EU and Greece underscore the necessity for prioritizing the environmental (E) aspect of their portfolios. This priority resonates with ARENCOS's biophilic design philosophy, which emphasizes the incorporation of natural elements to foster sustainability and environmental balance in our construction and renovation endeavors.

With the increasing codification of environmental standards for buildings and investments, the benefits of integrating S and G with E have become more debatable. There is potential merit in streamlining ESG investment objectives and, as argued by The Economist last year, enhancing the impact of environmental improvements by concentrating primarily on E—reinterpreted to focus on "emissions" rather than the broader, more ambiguous "environment." This approach aligns directly with our commitment to biophilic design, which naturally promotes lower emissions and improved environmental quality.

Our investigation into private investor goals indicates support for this strategy. By concentrating on the environmental aspect of ESG and integrating biophilic design principles, ARENCOS aims to fulfill the interests of investors, property owners, developers, and contractors in environmentally-centric projects while advancing sustainability in the construction and renovation projects.

“Aligning with ARENCOS's Biophilic Design Approach for New Constructions and Renovation Projects”

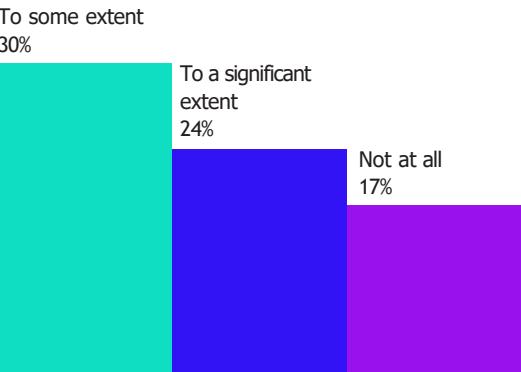
## Biophilic Design Constructions

Considerations for a biophilic design shift in construction investment decisions

1	Economic Value
2	Health and Well-being
3	Minimising waste of resources
4	Minimising consumption of resources

## Biophilic Design's Impact on Investment Decisions

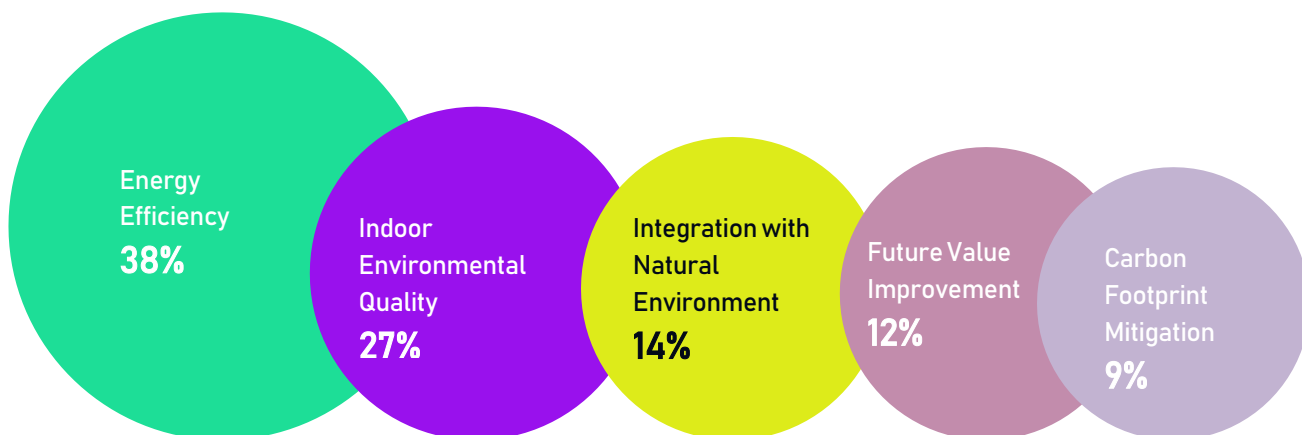
How far a biophilic design approach impacts an investment decision for your construction project?



Source: ARENCOS Survey

## Checklist

The top five biophilic & eco-related criteria consider when evaluating new residential developments in Chania, Crete.



Source: ARENCOS INSIGHTS SURVEY

A recent survey conducted by ARENCOS Insights and Surveys has revealed the top biophilic and eco-related criteria for evaluating new residential developments in Chania, Crete. Energy efficiency emerged as the most critical criterion, with 38% of respondents highlighting its importance.

This underscores the growing emphasis on using renewable energy sources and incorporating energy-efficient systems and materials to reduce the carbon footprint of new residential projects. The findings reflect a broader trend towards sustainability, where energy efficiency is seen as a pivotal factor in both environmental stewardship and cost savings.

Indoor environmental quality was the second most important criterion, accounting for 27% of the responses. Stakeholders are increasingly prioritizing natural lighting, ventilation, and the use of non-toxic, sustainable materials to improve indoor air quality and promote occupant well-being. This focus on creating healthier living environments aligns with the biophilic design philosophy, which emphasizes the human-nature connection and its positive impact on physical and mental health.

Integration with the natural environment was ranked third, with 19% of respondents considering it essential. This criterion involves preserving existing natural landscapes and incorporating native plant species to enhance biodiversity and maintain ecological balance. By prioritizing the integration of natural elements, developers can create harmonious residential spaces that not only appeal aesthetically but also support local ecosystems.

**“The three top-performing criteria all related to enhancing the environmental quality and sustainability of constructions.”**

Future property value improvement and carbon footprint mitigation were also noted, with 12% and 9% of respondents respectively highlighting these criteria. The importance placed on future property value improvement indicates a long-term perspective among stakeholders, recognizing that sustainable and biophilic designs can enhance the marketability and financial performance of residential developments.

Meanwhile, carbon footprint mitigation remains a crucial consideration, reflecting ongoing efforts to combat climate change through responsible construction practices.

Overall, the survey results highlight a strong preference for sustainability-focused criteria in evaluating new residential developments in Chania, Crete. These insights from ARENCOS Insights and Surveys can guide developers in aligning their projects with market expectations, ultimately contributing to more sustainable and appealing residential communities.

With most private investors confirming an interest in environmental objectives, reinforced by stringent regulations in the EU and Greece, a focus on sustainability has become paramount. Given the survey results from ARENCOS Insights and Surveys, which highlight a strong preference for biophilic and eco-related criteria, emphasizing environmental factors may be the most effective way to align with private investors' primary non-financial objectives. This streamlined approach ensures that investment decisions prioritize ecological balance, energy efficiency, and overall sustainability, addressing the top concerns of modern investors.



# Top Investment Strategies

ARENCOS Insights and Surveys have gathered expert opinions on investing in Chania’s residential and construction market. Here are the top strategies for aligning with environmental trends and maximizing returns from 2025 to 2028

With the growing interest in environmental objectives among private investors, ARENCOS Insights and Surveys sought expert opinions on investing in Chania’s residential and construction market. The results of this survey, along with insights from industry experts, offer valuable guidance for those looking to invest between 2025 and 2028.

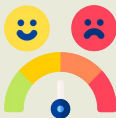
Experts unanimously agreed that prioritizing energy efficiency remains paramount for residential developments. The importance of renewable energy sources, such as solar panels, and incorporating energy-efficient systems cannot be overstated.

“Investing in Chania’s residential market requires a keen focus on sustainable design and energy efficiency, ensuring both immediate appeal and long-term value.”

These measures not only significantly reduce operational costs but also appeal to the environmentally conscious buyer, who is increasingly influential in the market. Evaluating the long-term savings and incentives available for energy-efficient installations is crucial. This approach not only boosts the property’s value but also ensures compliance with evolving regulations, making it a wise investment strategy in or more. Knowin

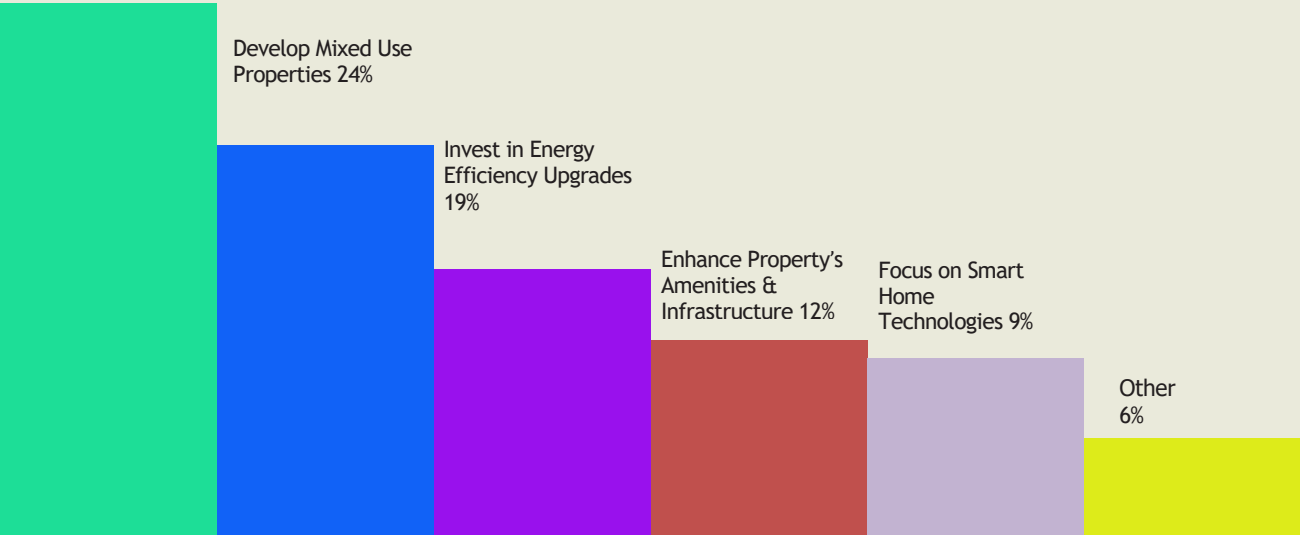
## Chania Construction Market

What are the top investment strategies for residential developments in Chania from 2025 to 2028?



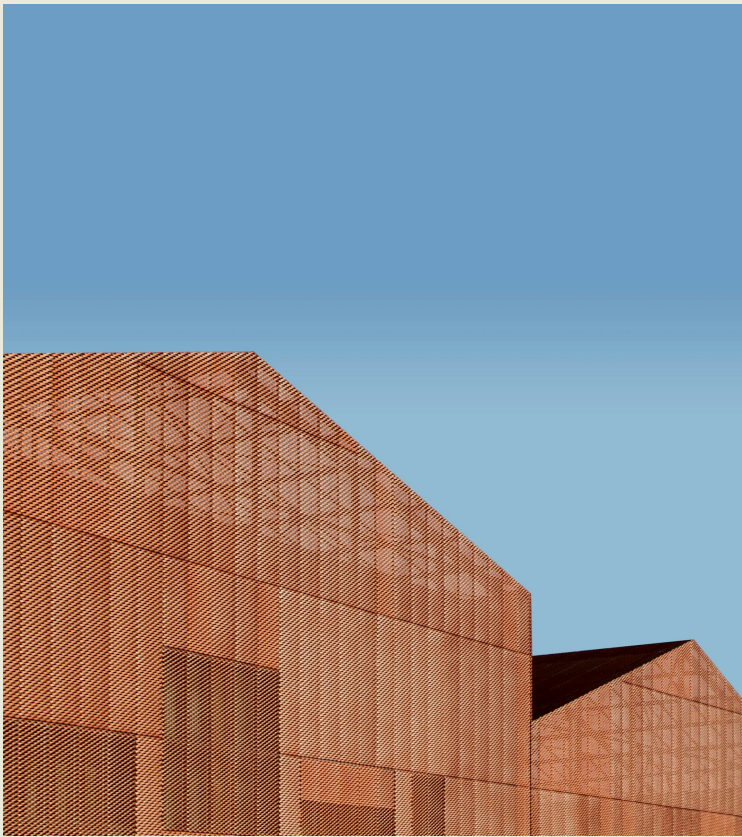
ARENCOS RESEARCH & SURVEY

Focus on Sustainable Design  
30%



Source:ARENCOS UPDATA





### What other trends are you seeing among property investors and developers in Crete ?

**Luxury Agritourism:** Investors are developing high-end properties on working farms or vineyards, offering exclusive experiences like wine tasting and farm-to-table dining, catering to affluent travelers seeking unique stays.

**Expansion of Residential Communities:** New residential developments are incorporating comprehensive amenities such as schools and healthcare facilities, aiming to provide a complete lifestyle solution for families and retirees.

**Green Infrastructure and Water Management:** Projects are increasingly featuring sustainable practices like rainwater harvesting and drought-resistant landscaping to address water conservation challenges and support environmental sustainability.

**Senior Living Communities:** There is a growing focus on developing high-quality retirement communities with specialized care, healthcare facilities, and social amenities tailored to the needs of elderly residents.

▲  
**HIGHLIGHTS –**  
01. Chania's luxury retail market is appealing  
02. High life - Living sectors are a top target  
03. Turning tide - Renewable energy is in the spotlight

### What are your top tips for those looking to invest?

Focus on Sustainable Design (30%) tops the list, reflecting a priority on integrating green building practices and biophilic elements into residential projects.

Develop Mixed-Use Properties (24%) represents a strategy to create versatile spaces that combine residential and commercial uses, catering to evolving market demands. Enhance Property Amenities (12%) shows significant interest in adding value through high-quality amenities that improve the living experience. Focus on Smart Home Technologies (9%) highlights a growing interest in integrating advanced technologies for convenience and efficiency. ■

### What are the opportunities for 2025 and beyond?

1. **Sustainable Tourism Developments:** Invest in eco-friendly resorts and sustainable tourism projects that appeal to environmentally conscious travelers, capitalizing on growing demand for green vacations.
2. **Renovation of Historic Properties:** Take advantage of opportunities to restore and modernize traditional Cretan properties, blending historical charm with contemporary amenities for unique investment potential.
3. **Luxury Residential Projects:** Develop high-end villas and seaside properties targeting affluent buyers and renters seeking luxury and exclusivity in prime coastal locations.
4. **Urban Regeneration Initiatives:** Participate in revitalizing urban areas with mixed-use developments that combine residential, commercial, and cultural spaces to enhance city life and attract new residents.
5. **Smart Home Technologies:** Integrate advanced smart home features in new developments to appeal to tech-savvy buyers and renters seeking modern, efficient living spaces.
6. **Senior Living Communities:** Develop specialized retirement communities offering tailored services and amenities for an aging population, addressing the growing demand for high-quality senior living options.
7. **Renewable Energy Investments:** Engage in renewable energy projects, such as solar and wind farms, to support sustainable development goals and benefit from long-term energy cost savings and incentives.





# Residential Properties

Explore the latest insights and analysis on residential properties performance and maintenance now and in the future.

# Insights

These insights highlight how residential property performance and maintenance are evolving in response to technological advancements, environmental concerns, and changing buyer preferences. Investors and property owners who stay ahead of these trends will likely achieve better performance and long-term value from their properties.

## Current Performance:

### Rising Demand for Energy Efficiency:

Today's residential properties with high energy efficiency are performing well in the market. Features like energy-efficient windows, high-performance HVAC systems, and solar panels are increasingly valued by buyers due to rising energy costs and environmental concerns. Homes that offer lower utility bills and greener footprints are attracting premium prices and faster sales.

### Importance of Smart Home Technologies:

Smart home technologies are becoming standard expectations rather than luxury add-ons. Features like smart thermostats, security systems, and lighting controls enhance convenience and security, driving their adoption in both new builds and renovations. Properties equipped with these technologies are experiencing higher demand and improved market performance.

### Focus on Indoor Air Quality:

Health and wellness trends have heightened the importance of indoor air quality. Properties with advanced ventilation systems, non-toxic building materials, and good natural light are performing better. Buyers are increasingly seeking homes that promote well-being and reduce allergens and pollutants.

## Future Outlook:

### Integration of Sustainability Standards:

Future residential properties are expected to incorporate advanced sustainability standards. This includes not just energy efficiency but also water conservation measures, green roofs, and sustainable materials. Properties meeting stringent environmental criteria will likely see increased valuation and demand.

### Maintenance Innovations:

Predictive maintenance using smart technology will transform how property upkeep is managed. Sensors and IoT devices will allow homeowners to monitor systems like plumbing, electrical, and HVAC in real-time, predicting issues before they become serious problems. This proactive approach is expected to reduce long-term maintenance costs and extend property lifespan.

### Adaptation to Climate Change:

Future residential properties will need to adapt to the impacts of climate change. This includes designing for resilience against extreme weather events, incorporating flood defenses, and using materials that can withstand changing environmental conditions. Properties that are built or retrofitted to handle these challenges will be more attractive to future buyers.

CHANIA CITY ▲ 26% NEA CHORA ▲ 21%

PLATANIAS ▲ 18% AGIA MARINA ▲ 14%

AKROTIRI ▲ 16% APOKORONAS ▲ 20%

AVERAGE ANNUAL CHANGE BY MARKET TYPE

CITY ▲ 7.9%

TOP 5

NEA CHORA  
KOUIM KAPI  
AGIOI  
APOSTOLOI  
AGIOS  
MATHAIOS  
SOUDA

APOKORONAS

▲ 8.4%

TOP 5

VAMOS  
GAVALOCHORI  
ALMIRIDA  
KOKKINO CHORIO  
VRISES

AKROTIRI ▲ 8.3%

TOP 5

STAVROS  
CHORAFAKIA  
KOUNOUPIDIANA  
KALATHAS  
MARATHI

1. ▲	CHANIA CITY CENTER
2. ▲	AGIOI APOSTOLOI
3. ▲	CHRISSI AKTI
4. ▲	AGIOS MATHAIOS
5. ▲	HALEPA
6. ▲	NEA CHORA
7. ▲	MARATHI
8. ▲	KOUM KAPI
9. ▲	AGIA MARINA
10. ▲	PLATANIAS
11. ▲	MODI
12. ▲	PITHARI
13. ▲	SOUDA
14. ▲	PIRGOS PSILONEROU

15. ▲	KLADISOS
16. ▲	MEGALA HORAFIA
17. ▲	GERANI
18. ▲	KATO GALATAS
≈18. ▲	PANO GALATAS
19. ■	GERANI
20. ■	STALOS
21. ▼	VAMVAKOPOULOS
22. ▼	AGIA
23. ▼	DARATSOS
24. ▼	MOURNIES
25. ▼	KATHIANA
26. ▼	PAZINOS
27. ▼	CHORDAKI

Notes: Price changes are measured in local currency and correspond to the period between July 31, 2023 and 31 July 2024 unless otherwise stated.



# Average Percentage Change by Property Type in Chania

The residential property market in Chania is set for robust growth across various property types, with apartments, detached villas, and maisonettes all showing strong annual percentage increases. This trend underscores the region’s appeal and the positive outlook for property investments in Chania.

The residential property market in Chania is showing positive growth across various property types, reflecting strong demand and increasing investor confidence. Below are the average percentage changes expected for key property types:

**1. Apartments:** Apartments in Chania are projected to see a significant increase in value. This growth is driven by rising demand from both local and international buyers seeking affordable and conveniently located housing options. The average percentage change for apartments is estimated to be around 12% annually, reflecting their appeal as both primary residences and investment properties.



## 2. Detached Villas:

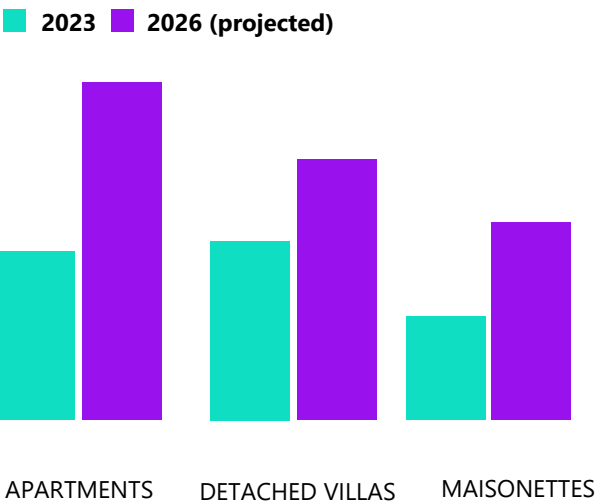
Detached villas are experiencing robust growth, particularly in prime coastal and scenic locations. The increasing interest in luxury living and second homes is fueling this demand. The average percentage change for detached villas is expected to be approximately 15% per year, as buyers prioritize spacious, high-end properties with privacy and premium amenities.

## 3. Maisonettes:

Maisonettes, offering a blend of apartment and detached house living, are also seeing a healthy increase in value. These properties are popular among families and those looking for more space without the full commitment of a detached villa. The average annual percentage change for maisonettes is projected to be around 10%, driven by their versatility and appeal to a broad range of buyers.

## Measuring the CHANGE

Average % change by property type





# Market Factors Driving Growth

Chania's property market is being propelled by a combination of factors, including the thriving tourism industry, foreign investment, economic stability, infrastructure improvements, lifestyle appeal, and favorable financing conditions.

## Tourism and Short-Term Rentals:

Chania's booming tourism sector plays a crucial role in driving property demand, particularly for apartments and detached villas. The influx of tourists has led to a thriving short-term rental market, where property owners can capitalize on high occupancy rates and lucrative rental yields. This trend significantly contributes to the increase in property values as more investors seek to purchase homes that can be rented out to tourists during the peak seasons.

## Foreign Investments:

International buyers continue to show strong interest in Chania's property market, drawn by the region's appealing lifestyle, favorable climate, and investment potential. Foreign investors from countries such as Germany, the UK, and Scandinavia are particularly active, purchasing properties both for personal use and as investment opportunities. This inflow of foreign capital helps drive up property prices and stimulates market growth.

## Economic Stability:

Greece's improving economic stability and recovery from previous financial crises have bolstered confidence among property buyers and investors. Government initiatives to attract foreign investment, including the Golden Visa program, which offers residency to non-EU investors purchasing property worth over €250,000, have further incentivized property investments. As the economy strengthens, more people are willing to invest in real estate, contributing to the upward trend in property values.

## Infrastructure Developments:

Ongoing infrastructure improvements across Chania enhance the region's attractiveness to potential buyers and investors. Upgrades to road networks, public transportation, and utilities make it easier and more convenient for residents and tourists to navigate the area. Additionally, the development of amenities such as shopping

centers, healthcare facilities, and educational institutions boosts the overall quality of life, making Chania a more desirable place to live and invest.

## Low-Interest Rates and Favorable Financing:

The availability of low-interest rates and favorable financing options also supports property market growth in Chania. Buyers and investors can secure mortgages at competitive rates, making property purchases more accessible and affordable. Financial institutions are increasingly offering tailored loan products to meet the needs of different buyer profiles, further stimulating market activity.

## Lifestyle Appeal:

Chania offers a unique blend of natural beauty, cultural heritage, and modern amenities, making it an attractive destination for both domestic and international buyers. The picturesque landscapes, beautiful beaches, and historic charm appeal to those looking for a high quality of life. This lifestyle appeal drives demand for various property types, from modern apartments in the city center to luxurious villas along the coast.

# Facts & numbers

The property market in Chania is experiencing significant growth, driven by a combination of tourism, foreign investment, economic stability, and infrastructure improvements.

Sources: MYPLACE IN CHANIA, ARENCORES

## 90%

### **Tourism Impact**

The average occupancy rate for short-term rentals in Chania reached 75%, with peak seasons seeing rates as high as 90%.

## 2.3%

### **Favorable Financing**

Mortgage interest rates for property buyers in Greece averaged 2.5% in 2023, among the lowest in the EU.

## 60%

### **Sustainability Initiatives**

Over 60% of new residential developments in Chania now include eco-friendly features such as solar panels and energy-efficient systems.

## 4.1%

### **Economic Stability**

Greece's GDP growth rate stood at 4.1% in 2023, indicating a stable and improving economy that fosters investment confidence.

## 15%

### **Property Price Growth**

Detached villas saw a 15% annual increase in value, driven by luxury market demand and foreign investment.

# Fair Market Properties

A key indicator of this market's health is the number of fair market properties available. These properties, priced competitively and reflective of true market values, are essential for both investors and homebuyers seeking reliable investments.

Sources: ARENCORES, DATANALYTIKA

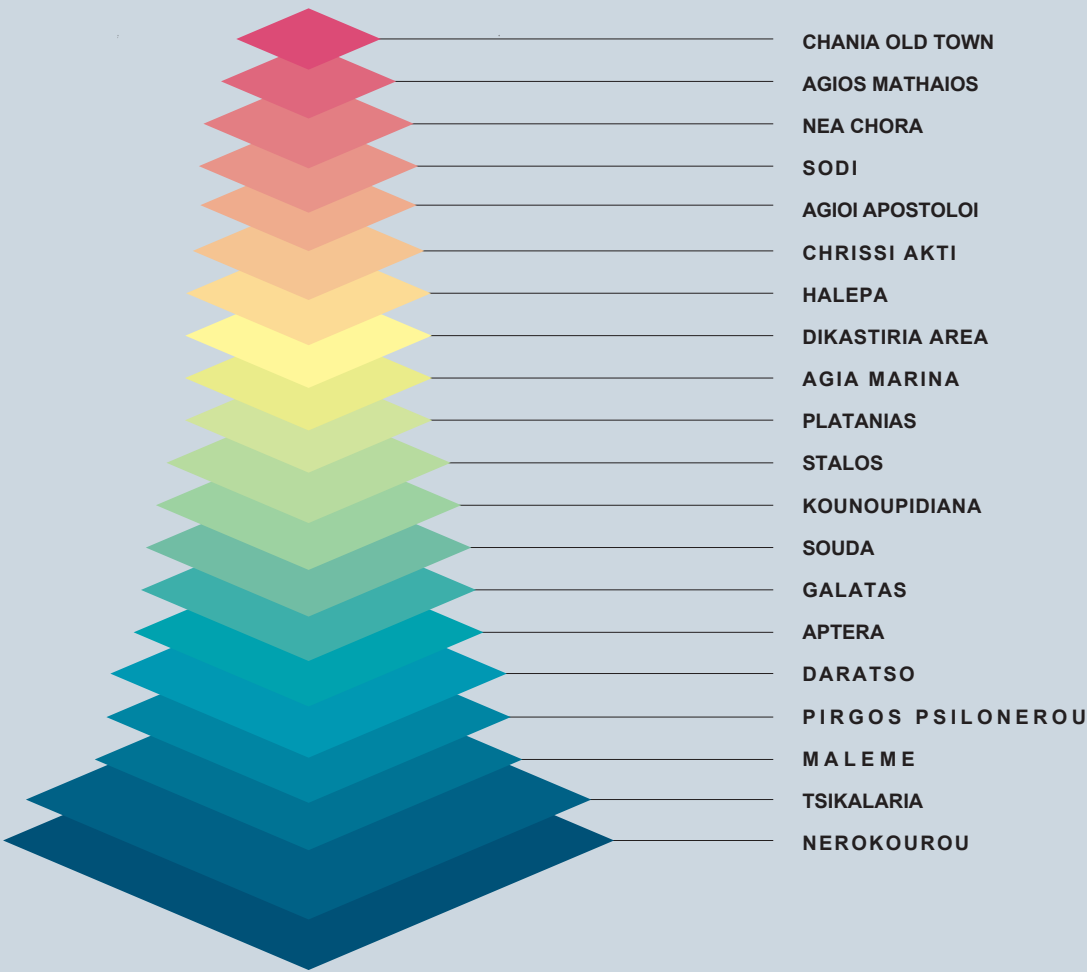
Understanding the availability of fair market properties is crucial for both investors and potential homeowners looking to enter the Chania real estate market. Fair market properties, characterized by their competitive pricing and alignment with current market values, offer a transparent and reliable investment opportunity. This section explores the number of such properties identified in Chania, providing insight into the market's current status and potential growth..

## Relative values

How many fair market properties have been identified in the Chania real estate market?

Fair asking price properties

LOCATION SQ.M./ price



# Property Owner Origins and Investment Destinations in Greece

Understanding global property ownership is crucial for predicting future investment patterns. By leveraging big data analytics, we explore ownership trends across key markets within the Prefecture of Chania, uncovering valuable insights to guide strategic investment decisions.

Our data confirms that the primary countries of origin for property owners are the UK, France, Germany, the USA, and the Scandinavian countries, followed closely by the Netherlands, Israel, Italy, and China..

The table below confirms the top 10 markets in Greece. Apart from Athens, Chania is positioned in the 5th position as the leading investment destination.

- 1 Athens
- 2 Thessaloniki
- 3 Santorini
- 4 Mykonos
- 5 Chania
- 6 Naxos
- 7 Rhodes
- 8 Paros
- 9 Lakoniki Mani
- 10 Kithnos

## WHO OWNS WHERE?

Digging deeper into our data we can identify the lead international owners at country level in a range of key prime markets in the Prefecture of Chania:

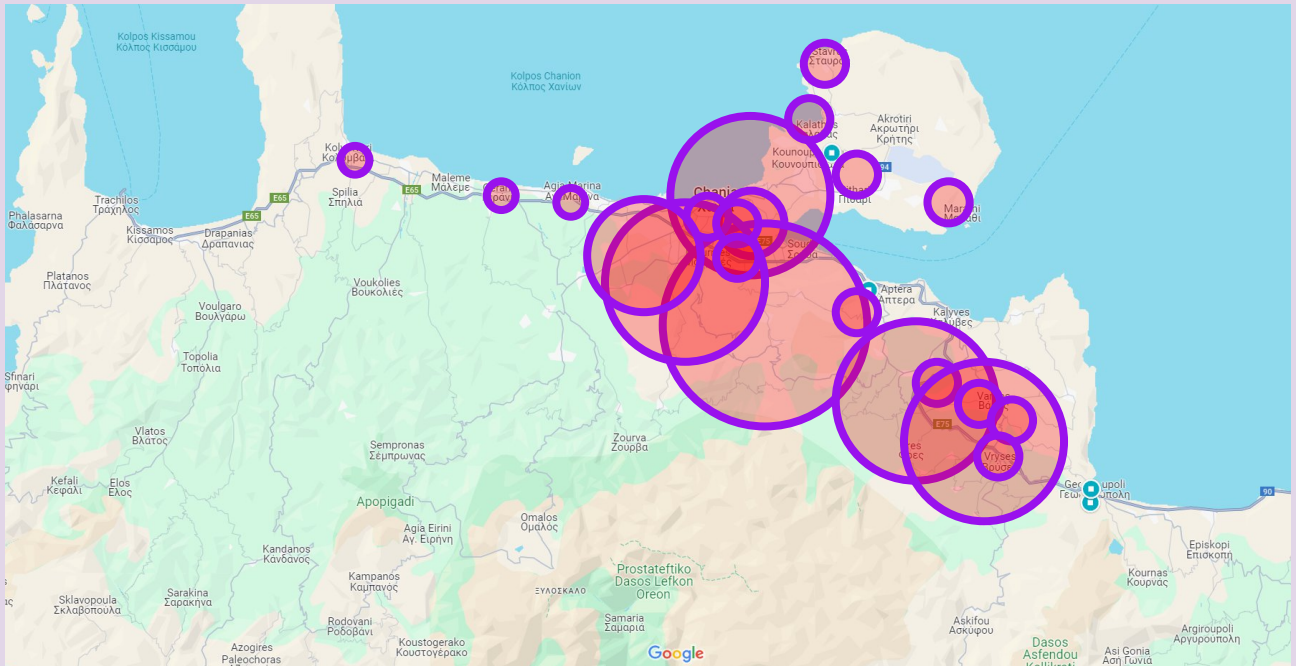
CHANIA	
1	UK
2	SWITZERLAND
3	NETHERLANDS
4	ISRAEL
5	US
6	GERMANY
7	FRANCE

APOKORONAS		AKROTIRI
1	UK	USA
2	GERMANY	FRANCE
3	FRANCE	GERMANY
4	DENMARK	NETHERLANDS
5	NORWAY	SWEDEN
6	USA	ITALY
7	ITALY	SWITZERLAND

PLATANIAS		AGIA MARINA
1	FRANCE	SWEDEN
2	UK	UK
3	NETHERLANDS	USA
4	US	FRANCE
5	FRANCE	GERMANY
6	DENMARK	NETHERLANDS
7	NORWAY	CHINA

## Current Real Estate and Construction Activity Hotspots in Chania

This map highlights the key areas of active real estate and construction activity in Chania. Notable regions, including Chania City, Apokoronas, Akrotiri, Agia Marina, and Platanias, are currently experiencing the highest levels of development and investment. These hotspots reflect the most dynamic sectors of the market, showcasing where significant growth and opportunities are taking place.



Source: ARENCOS Research

### VALUE MATTERS

One key insight from our analysis is the significant role of property pricing in shaping the construction development trends. In more affordable markets, domestic buyers typically dominate the landscape. Conversely, in higher-priced markets, international investment plays a more prominent role, highlighting the influence of pricing on the composition of property ownership.

### APOKORONAS IN FOCUS

Our analysis reveals a strong correlation between the diversity and density of international demand and the rising value and exclusivity of properties in Apokoronas. As the area continues to attract a broad range of international buyers, its property market is becoming increasingly sought after and competitive.

**"In more expensive markets, the importance of international investment rises"**





# Significant Growth in Building Activity in Greece and Crete in 2024

According to data from the Hellenic Statistical Authority (ELSTAT), the total building activity, encompassing both private and public sectors, has seen significant growth in the first four months of 2024. Compared to the same period in 2023, there was a 41.5% increase in the number of building permits issued, a 38.4% increase in the total surface area, and a 26.2% increase in the volume of construction.

Focusing on Crete, there has been a notable rise in private building activity. In April 2024 alone, the number of building permits issued jumped by 42% compared to April 2023. Last year, 169 permits were issued in April, whereas this year the number surged to 240. These statistics highlight a robust growth in the construction sector, indicating a strong and expanding market, particularly in Crete, where private construction activities are flourishing.

“Investment is expected to gain further momentum, and become a key contributor to output growth, while household spending is likely to be further supported by a rise in real income.”

Construction output growth in Greece eased to 5 percent year-on-year in the first quarter of 2024, compared to an 11.6 percent rise in the previous period.

This marks the slowest pace of expansion in the sector since the third quarter of 2021, as production rose at a significantly slower pace for civil engineering (1.2 percent vs 14.7 percent in Q4). On the other hand, output advanced further for building construction (10.9 percent vs 6.6 percent).

On a quarterly basis, construction output fell 4.4 percent, the biggest decline in nearly four years, reversing from a 10.4 percent surge in the last quarter.



Construction Activity in Crete, Greece







# Sustainability

Market preferences evolve as  
awareness of climate change grows

# Urgent Alignment of ESG Priorities for 2025-2028

As the push to net zero accelerates in Europe, failure to implement changes to meet these goals could soon become a significant business liability. In Crete, occupiers, developers, and investors will increasingly seek closer alignment in their ESG priorities, goals, and time frames to stay competitive and sustainable.

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**Decarbonizing the built environment is becoming a critical focus for climate change mitigation strategies in Crete. Occupiers, developers, and investors on the island are likely to urgently align their priorities, ESG goals, and timeframes to address this crucial challenge.**

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**With carbon-intensive assets at risk of value depreciation, we anticipate an increase in incentives and strategies for financing retrofits and refurbishments in Crete. The transition towards renewable energy sources is also expected to accelerate, further driving sustainable development.**

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**Leveraging technology and digital solutions to automate data collection is becoming crucial to address gaps in the availability of quality data. In the coming year, key emerging trends are expected to include the social value of real estate, biodiversity, and the integration of Artificial Intelligence (AI).**

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# 69%

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The percentage of property investors and developers looking to invest in sustainable constructions in 2025, according to our Developers & Investors Attitudes Survey

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## 1. Sustainable and Resilient Design

Sustainability is a critical focus for Crete, given its delicate ecosystem and the impacts of climate change. The island's future construction will prioritize:

**Eco-Friendly Materials:** The use of locally sourced, recycled, and renewable materials will become standard. Innovations in materials science will bring advanced products that blend sustainability with durability.

**Energy Efficiency:** Passive design strategies will reduce energy consumption, with buildings incorporating enhanced insulation, advanced glazing, and natural ventilation.

**Renewable Energy:** Solar panels and other renewable energy systems will be integrated into building designs, aiming for net-zero energy structures, taking advantage of Crete's abundant sunshine.

## 2. Smart Buildings and IoT Integration

Crete's construction sector will increasingly adopt smart technologies, enhancing building operations and occupant experience:

**Automation:** Automated systems for lighting, heating, cooling, and security will optimize energy use and improve comfort.

**Predictive Maintenance:** IoT sensors will monitor building systems in real-time, predicting and addressing maintenance needs proactively.

**Enhanced Connectivity:** Buildings will be equipped with advanced telecommunications infrastructure, supporting smart home devices and seamless connectivity.

## 3. Modular and Prefabricated Construction

To meet the rising demand for efficient and high-quality construction, Crete will turn to modular and prefabricated methods:

**Factory-Built Components:** Prefabricated components will ensure precision and quality, reducing construction time and on-site waste.

**Scalability:** Modular construction will allow for flexible designs that can be easily expanded or modified as needs change.

**Environmental Benefits:** Prefabrication will minimize construction waste and lower the environmental impact of building activities.

## 4. Adaptive Reuse and Renovation

Crete's rich historical heritage presents unique opportunities for adaptive reuse and renovation:

**Preserving Heritage:** Repurposing historical buildings for modern use will preserve Crete's cultural identity while meeting contemporary needs.

**Sustainability:** Renovation is often more sustainable than new construction, reducing the demand for new materials and limiting waste.

**Urban Revitalization:** Adaptive reuse projects will revitalize urban areas, bringing new life to underutilized spaces and supporting tourism.

## 5. Human-Centric Design

Future architectural designs in Crete will prioritize human well-being, focusing on health, comfort, and productivity:

**Biophilic Design:** Integrating natural elements such as greenery, natural light, and water features will enhance the connection to nature and improve mental well-being.

**Healthy Buildings:** Emphasis on indoor air quality, thermal comfort, and acoustics will create healthier indoor environments.

**Flexible Spaces:** Adaptable spaces will support diverse activities, promoting collaboration and community engagement.



ARENCOS RESEARCH & SURVEY

# Key Findings

The survey results indicate a strong commitment among developers and investors in Crete towards sustainability and decarbonization. While there is high confidence in implementing sustainable practices, there are calls for clearer guidelines, better incentives, and support to overcome existing challenges. The focus on smart technologies, community value, and biodiversity reflects a forward-thinking approach,

## Confidence in Sustainability

**High Confidence in Sustainable Practices:** 68% of respondents expressed high confidence in their ability to implement sustainable practices effectively. This reflects a growing commitment to integrating sustainability into their projects.

**Emerging Challenges:** 22% indicated moderate confidence, citing challenges such as high costs and regulatory hurdles. The remaining 10% reported low confidence, mainly due to uncertainties about long-term returns on investment.

**Strong Alignment:** 75% of developers and investors are actively aligning their projects with ESG goals. This includes integrating renewable energy solutions, using sustainable materials, and enhancing the social value of their developments.

**Need for Better Guidelines:** 15% believe that while they are working towards ESG goals, clearer guidelines and benchmarks are needed to improve alignment. 10% reported a lack of resources or expertise to fully integrate ESG considerations.

## Decarbonization Strategies

**Investment in Retrofits and Refurbishments:** 60% of participants are investing in retrofitting and refurbishing existing properties to meet decarbonization targets. These strategies include upgrading insulation, improving energy efficiency, and integrating renewable energy systems.

**Future Plans:** 30% plan to increase their investments in retrofits over the next three years, driven by the anticipated regulatory changes and market demands. The remaining 10% are still evaluating the cost-benefit ratio of these investments.

## Perceptions of Policy and Incentives

**Supportive Policies:** 55% of respondents believe that current policies and incentives in Crete are supportive of sustainability and decarbonization efforts. However, 30% feel that more robust and targeted incentives are necessary to accelerate progress.

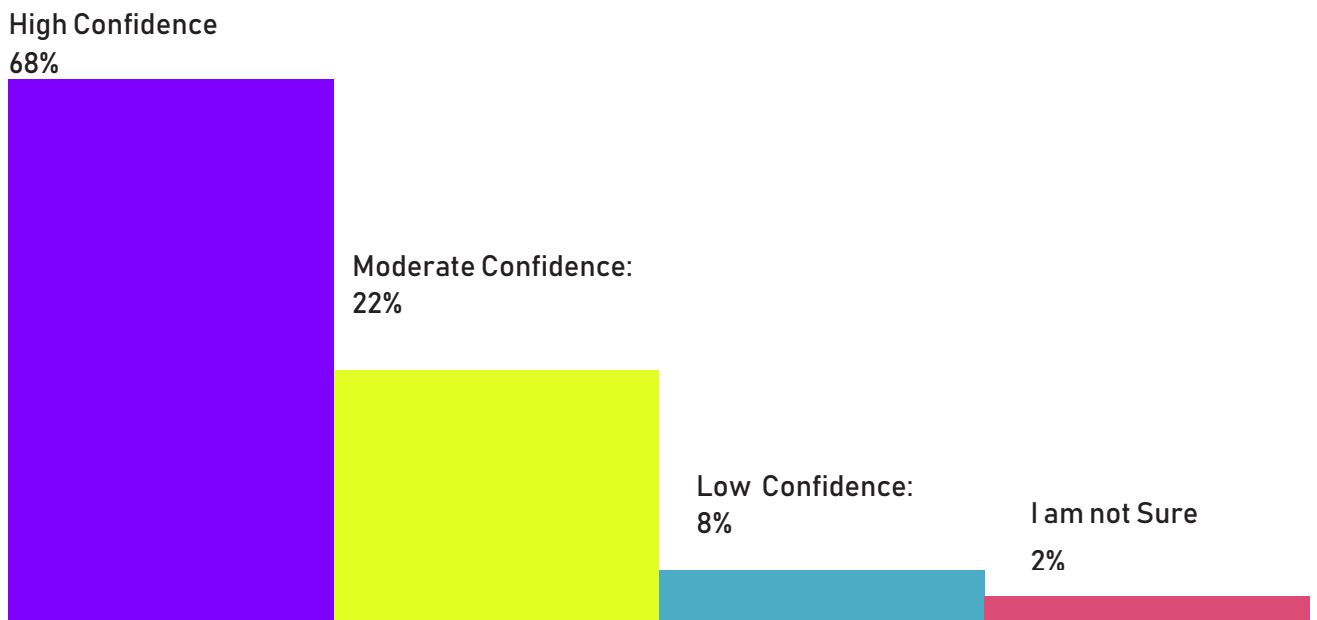
**Regulatory Concerns:** 15% expressed concerns about regulatory inconsistencies and bureaucratic delays, which they believe hinder their ability to implement sustainable practices efficiently.

## Technology and Innovation

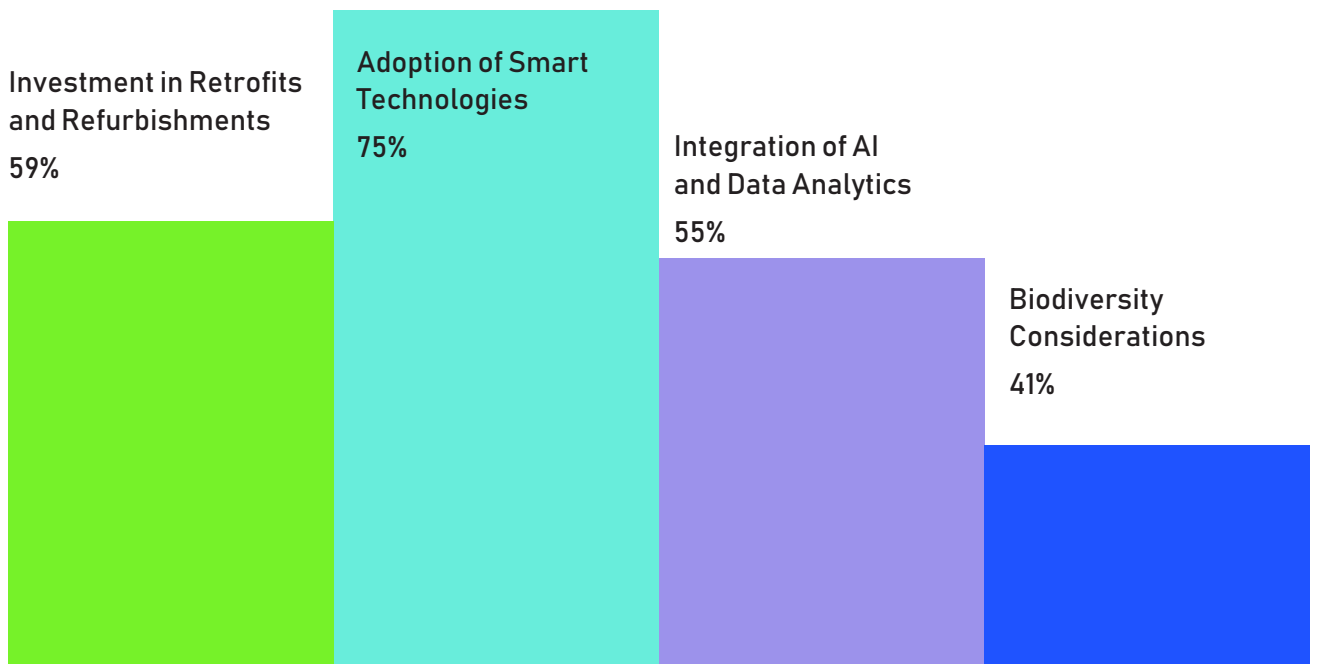
**Adoption of Smart Technologies:** 70% of developers and investors are actively exploring or implementing smart technologies and digital solutions to enhance energy efficiency and automate data collection.

**Interest in AI and Data Analytics:** 40% see Artificial Intelligence (AI) and advanced data analytics as critical tools for optimizing building performance and achieving sustainability goals.

The majority expect these technologies to become more prevalent in the next few years.



Confidence in Sustainability Practices Among Developers and Investors in Crete



Key Focus Areas for Sustainability (Percentage)







# ARENCOs TEAM



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**Marie-Anne Engel**  
Interior Designer - Architect



# DEVELOPMENT + CONSTRUCTION



BY ARENCOS

With a commitment to delivering valuable insights, updates, and expertise, our blog serves as a go-to resource for professionals, enthusiasts, and anyone interested in the ever-evolving world of construction and development.

To exploit the potential of value creation, we strive to deliver sustainable, yet reliable real estate solutions by harnessing extensive data and market insights to execute on all aspects of a property's purchase lifecycle and drive better results.

- 01. ARCHITECTURE
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Datanalytika assists clients replace information with reliable data for the real estate and construction activity in Crete, Greece and turn information into insight.

**datanalytika** 

ENRICHING DECISION MAKING

[www.datanalytika.com](http://www.datanalytika.com)

# Databank

See below for a selection of findings  
from The CHANIA CONSTRUCTION  
MARKET TRENDS 2025-2028

## CONSTRUCTION & DEVELOPMENT TRENDS

What proportion of your clients are willing to invest in Chania, Crete construction sector (% respondents)

	SCANDINAVIA	GERMANY	FRANCE	ISRAEL	USA	CHNIA	OTHER
	20%	19%	14%	8%	20%	6%	13%

On average, how did your clients’ investment strategies change in 2024? (% respondents)

Increased significantly (above 10%)	24%
Increased marginally (below 10%)	40%
Remained the same	7%
Decreased marginally (below 10%)	25%
Decreased significantly (above 10%)	5%

On average, how do you expect your clients’ total wealth to change in 2025? (% respondents)

Increase significantly (above 10%)	41%
Increase marginally (below 10%)	28%
Remain the same	22%
Decrease marginally (below 10%)	5%
Decrease significantly (above 10%)	4%

# RESIDENTIAL PROPERTY

How satisfied/confident are you..

	EXTREMELY HAPPY	VERY HAPPY	HAPPY	MODERATE	NOT HAPPY	UNHAPPY	DISAPPOINTED
with the progress towards achieving your sustainability targets in your construction project in Crete?	12%	15%	18%	12%	16%	21%	6%
that your construction project will meet its sustainability targets by the planned completion date?	18%	8%	14%	10%	18%	24%	8%

To what extent do you believe that integrating advanced technologies (e.g., AI, smart systems) has enhanced the effectiveness of your sustainability efforts in your construction project?

Significantly Enhanced	45%
Moderately Enhanced	25%
Slightly Enhanced	18%
Not Enhanced	12%

If purchasing a new home, where is it most likely to be located? (1 = most likely, weighted by times chosen)

1	APOKORONAS
2	AKROTIRI
3	CHANIA CITY
4	PLATANIAS
5	KISAMOS
6	AGIA MARINA
7	PALATIOCHORA
8	OTHER



## INVESTMENT PROPERTY

What % of your clients' construction-development portfolio is held in ?

	APOKORONAS	CHANIA OLD TOWN	CHANIA MODERN CITY	AKROTIRI	PLATANIAS	KISAMOS	OTHER
	22%	18%	16%	16%	12%	12%	4%

What % of your clients are planning to invest in the next three years...

Directly in commercial property in 2023?	44%
Indirectly (e.g. through EU ESPA program or debt funding)	56%

Which sectors do your clients currently invest in? (% respondents)

Residential Properties	<b>30%</b>
Industrial & logistics	<b>4%</b>
Retail	<b>7%</b>
Residential private rented sector (PRS)	<b>16%</b>
Hotels & leisure	<b>32%</b>
Development land	<b>5%</b>
Student housing	<b>4%</b>
Data centres	<b>1%</b>
Life sciences	<b>1%</b>

What ESG-related criteria do your clients prioritize when evaluating property investments? (% of respondents)

	AVERAGE
Energy source (e.g. solar, wind, heat pump)	<b>57%</b>
Opportunity for refurbishments	<b>33%</b>
Materials used/embodied carbon footprint	<b>30%</b>
Accessibility	<b>29%</b>
Social impact	<b>27%</b>
Building accreditations	<b>25%</b>
Electric vehicle charging facilities	<b>24%</b>

Given the current economic environment in Greece and interest rate environment in 2024, what do you intend to do with the following? (% respondents)

	INCREASE	DECREASE	NO CHANGE
Investment portfolio	<b>42%</b>	<b>16%</b>	<b>32%</b>
Cash reserves	<b>44%</b>	<b>24%</b>	<b>32%</b>
Travel overseas	<b>49%</b>	<b>28%</b>	<b>23%</b>
Personal expenditure (social activities, cultural activities, dining, etc.)	<b>36%</b>	<b>34%</b>	<b>26%</b>
Business operations	<b>30%</b>	<b>20%</b>	<b>50%</b>
Holdings of residential property	<b>38%</b>	<b>16%</b>	<b>46%</b>
Holdings of commercial property	<b>28%</b>	<b>26%</b>	<b>24%</b>

To what extent will inflation levels influence your investment decisions this year? (% respondents)

To some extent	<b>53%</b>
To a significant extent	<b>37%</b>
Not at all	<b>10%</b>

If you are considering investing in commercial property, where are you likely to invest? Please select all that apply (% respondents)

In Crete	<b>38%</b>
In other part of Greece	<b>48%</b>
Not in Greece	<b>14%</b>

Do environmental considerations impact your development – construction investment decisions... (% respondents)

To some extent?	<b>56%</b>
To a significant extent?	<b>38%</b>
Not at all	<b>6%</b>

Which of the following statements best describes your view on the attractiveness of the Chania real estate market? (% of respondents)

I believe the real estate market of Chania still has a lot of potential	<b>28%</b>
I think the Chania real estate market is currently at its peak	<b>32%</b>
I feel the Chania real estate market is starting to decline.	<b>28%</b>
I am uncertain about the future of the Chania real estate market.	<b>22%</b>

# Epilogue: Insights & Facts

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“The insights gleaned from this survey will undoubtedly inform future strategies and initiatives, paving the way for a resilient and sustainable built environment in Chania—an effort that should not be underestimated.”

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As we conclude the Chania Construction Market Trends and Insights Survey for 2025-2028, it is evident that the construction and real estate landscape in Chania is undergoing significant transformation. The survey highlights a dynamic shift towards sustainability, technological integration, and a renewed focus on community-centric developments. These trends are poised to shape the future of Chania's built environment, reflecting broader global movements while catering to local needs and characteristics.

The increasing importance of sustainability is a recurrent theme among developers and investors in Chania. With carbon-intensive assets at risk of value depreciation, there is a marked rise in the adoption of green building practices and renewable energy integration. This shift is not merely a response to regulatory pressures but also a strategic move to enhance long-term asset value and marketability. The commitment to decarbonizing the built environment underscores a broader recognition of the urgent need to mitigate climate change impacts.

Technological advancements are also playing a pivotal role in the evolution of Chania's construction sector. The integration of smart technologies and IoT is transforming how buildings are designed, constructed, and managed. Developers and investors are leveraging these innovations to enhance energy efficiency, automate building operations, and improve overall project sustainability. The adoption of AI and data analytics is further optimizing construction processes enabling predictive maintenance and informed decision-making.

The survey reveals a strong alignment among stakeholders in their ESG priorities, goals, and timeframes. This alignment is crucial for fostering a cohesive approach to sustainable development. However, it also highlights the need for clearer guidelines and robust incentives to support these initiatives. Policymakers and industry leaders must collaborate to create an enabling environment that facilitates the seamless implementation of sustainability practices.

The adaptive reuse and renovation of existing structures are emerging as key strategies for sustainable urban development in Chania. This approach not only preserves the island's rich cultural heritage but also offers a sustainable alternative to new construction. By repurposing historical buildings and revitalizing urban areas, developers can create vibrant, sustainable communities that honor the past while meeting contemporary needs.

In conclusion, the Chania Construction Market Trends and Insights Survey for 2025-2028 paints a picture of an industry in transition. As developers and investors navigate the challenges and opportunities of this evolving landscape, their commitment to sustainability, technological innovation, and community value will be critical.

By embracing these trends, Chania can position itself as a leader in sustainable development, setting a benchmark for other regions to follow. The insights gleaned from this survey will undoubtedly inform future strategies and initiatives, paving the way for a resilient and sustainable built environment in Chania.

## ABOUT ARENCOS

At ARENCOS, we approach architectural design and construction engineering as a comprehensive, holistic process of exploration and discovery. Our philosophy is driven by limitless thinking, where creativity and innovation merge to transform ideas into reality, pushing the boundaries of what's possible in the built environment.

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Civil Engineering  
Mechanical, Electrical, and  
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