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CHANIA REAL ESTATE EXPERTS – RESTful RESEARCH PAPER n.8

CHANIA PROPERTY MARKET TOURISM TRENDS

& HOSPITALITY INVESTMENTS

SPRING 2020

ARENCORES INTELLIGENCE – CHANIA REAL ESTATE RESEARCH PAPER

Compiled and edited by Stavros Thomas

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ABOUT ARENCORES RESEARCH TEAM

ARENCORES provides advice and analysis to a range of property buyers and investors for almost every property commercial, residential or industrial. Our adv research and tools facilitates both property buyers and property owners in prope decision making.

Our Chania property market research work covers a wide range of projects and i diverse as project development economic feasibility, rental income prognosis, an business development strategy and investment advice.

We are using data mapping, BIG DATA Analytics and catchment analysis to provi reliable prognosis on the ROI prospects and risks associated with a property investment in Chania and Rethymno property market. We also publish highly respected research reports for the Chania property market.

Tourism numbers for Greece expected to hit all-time high in 2020.

According to the reports shared by several statistic organizations and governmental authorities in the next 10 years**,** the Greek tourism industry will be 10 times bigger.

Chania Old Town Buyers – Image Source: GREECE IS

In 2009 the international tourist's arrival increase by 14.9 million, and in 2016 it reached 24.8 million. Moreover, a recent report from the Bank of Greece said that growth in 2017 was 26 million and it will increase to 47 million by 2027.

According to Greece's new Tourism Minister Harry Theoharis, Greece this summer is expected to break even greater records in tourism.

Speaking to the media during the World Travel Market (WTM) 2019 expo, Minister Theoharis announced that this year tourism is closing on strong numbers and the ministry is looking towards the 2020 season with optimism. "With hard work and public-private partnerships, tourism in 2020 will break even more records in both quality and quantity," Harry Theoharis said.

During a press conference held in Athens, the minister said that arrival numbers this year are showing an approximately three percent increase, compared to 2018, which according to data hit an astounding 33.1 million international visitors. "The quality, the sustainability and the authenticity of the Greek tourism product will form the basis of our new strategy," Theoharis underlined.

Moreover, Theoharis also referred to Greece's tourism competitors. "The tourism ministry is monitoring competition and is taking the necessary steps to support the already strong Greek tourism product," he said, adding that in the medium term, the competition does not worry him: "As long as there is stability in our region, in the Southeastern Mediterranean, in North Africa and in the surrounding area, tourist flows in the region will increase and all will win. Our country has a very strong product and has nothing to fear," he mentioned.

Country's Tourism Numbers Jumped more than 20% from 2016

According to the Greek Tourism Confederation's (SETE) research arm, Greece saw the number of visitors significantly increase 20 percent over the past three years.

Numb. Of visitors:

20%

Increase since 2016

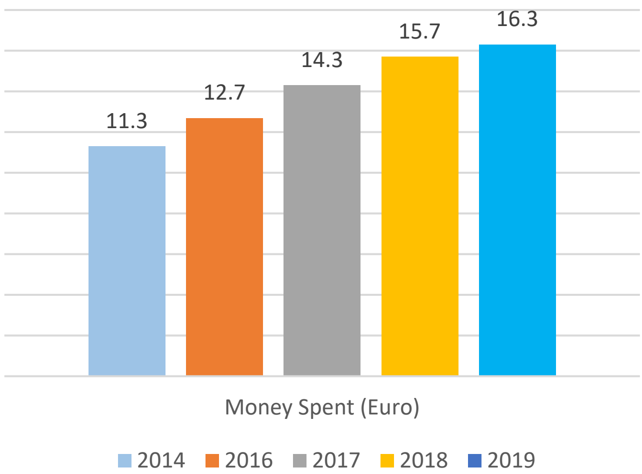
The rate jumped 10.8 percent in 2017 and 9.7 percent for 2018, with 2019 also to be a banner year. Visitors drawn to the Halikidi area of central Macedonia and the popular beaches, the southern Aegean islands, Crete, the Ionian Islands and the greater Athens area.

Athens has been voted second Best European Destination for 2020 by travelers in the online competition of the European Best Destinations (EBD), a Brussels-based organization that promotes culture and tourism in Europe.

According to EBD, the eleventh edition of the competition broke all previous records with over 600,000 votes from 179 countries.
Colmar, France, ranked first and was announced Best European Destination for 2020 with 179,723 votes which is also a record.

There was also a 19.2 percent increase in overnight stays despite an overnight tax put on by the former ruling Radical Left SYRIZA, a measure the industry said would hurt but didn't as Greece's attractions just kept people coming and they were willing to pay for it.

The critical numbers though were in how much the visitors spent and saw a jump of 22.8 percent, from 12.7 billion euros ($14 billion) in 2016 to 15.7 billion euros ($17.3 billion) in 2018, the biggest revenue engine for the country.



The record tourism seasons also carried a positive effect for workers in the sector too, with the number of those employed in that field now comprising 10.6 percent of all jobs in the country.

That was the number for the third quarter of 2018. INSETE attributed the rise to the recovery of tourism since 2014 that overcame the losses sustained in 2009-13 during the beginning of the country's long economic crisis.

Travel receipts

In 2018, travel receipts totalled €16,086 million, up 10.0% compared with 2017. This development was driven by an 11.5% increase in receipts from residents of the EU28, which came to €11,009 million or 68.5% of total travel receipts, and by a 7.3% rise in receipts from residents outside the EU28 to €4,645 million.

In particular, receipts from euro area residents increased by 12.8% year-on-year to €7,102 million, while receipts from residents of non-euro area EU28 countries also rose, by 9.2% to €3,907 million.

Among major countries of origin, receipts from Germany rose by 16.0% to €2,962 million, while receipts from France fell by 4.0% to €954 million. Receipts from the United Kingdom also decreased by 6.2% to €1,937 million. Turning to non-EU28 countries, receipts from Russia fell by 18.5% to €341 million, whereas receipts from the United States increased by 27.8% to €1,040 million.

Travel receipts by trip purpose

Looking at the breakdown of non-resident expenditure in Greece by trip purpose, trips for personal reasons represented the bulk of receipts in 2018, with a share of 94.6% in total expenditure, up from 94.3% in 2017, while the corresponding receipts increased by 10.3%.

Within this category, **leisure accounted for the largest share of total expenditure** (2019: 84.7 2018: 85.3%, 2017: 85.8%), with the corresponding receipts increasing by 9.3% to €13,728 million. Trips for the purpose of visiting family, with a share of 6.2% in total expenditure, showed a rise of 37.8% in corresponding receipts.

Receipts from trips for health purposes decreased by 11.3% to €49 million. Finally, receipts from business trips increased by 4.0%, but their share in total receipts declined (2018: 5.4%, 2017: 5.7%).

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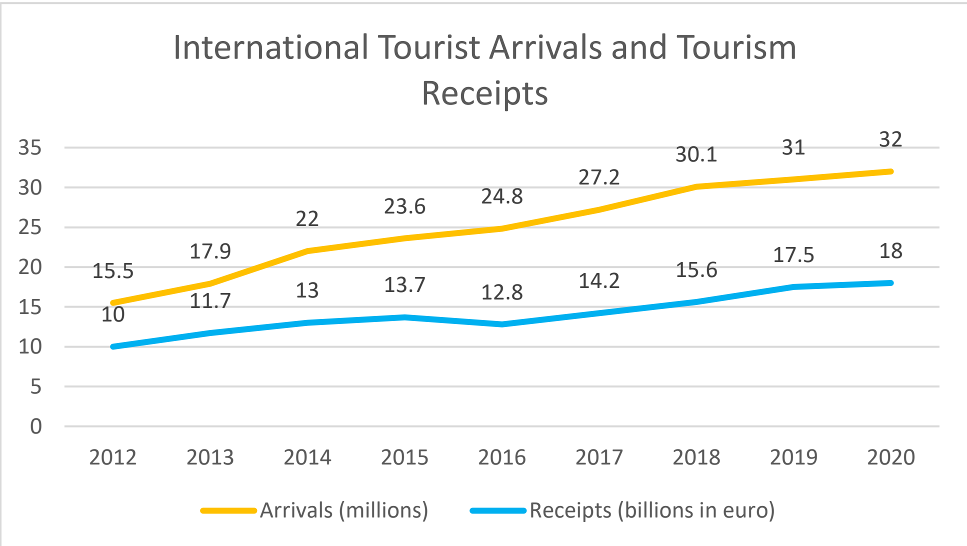
Inbound traveller flows

The number of inbound visitors in 2018 increased by 9.7% to 33,072 thousand, from 30,161 thousand in 2017. Specifically, visitor flows through airports increased by 13.6%, while visitor flows through road border-crossing points increased by 6.4%.

Visitors from within the EU28 accounted for 64.7% of the total number of visitors, while visitors from outside the EU28 accounted for 26.4%.

In 2018, visitors from the EU28 increased by 15.1% compared with 2017. This development is attributed to an increase in the number of visitors from euro area countries (up 15.9% to 11,436 thousand), as well as to a rise in the number of visitors from the non-euro area EU28 countries (up 14.2% to 9,961 thousand).

The number of visitors from non-EU28 countries rose by 1.3% to 8,725 thousand.



In particular, visitors from Germany increased by 18.2% to 4,381 thousand, while visitors from France also increased, by 7.3% to 1,524 thousand. Visitors from the United Kingdom fell by 2.0% to 2,943 thousand.

Finally, turning to non-EU28 countries, the number of visitors from Russia dropped by 11.6% to 520 thousand, whereas the number of visitors from the United States increased by 26.9% to 1,097 thousand.

Overnight stays

In 2018, the number of overnight stays in Greece totalled 230,727 thousand, up by 8.1% from 213,516 thousand in 2017. This was driven by a 10.1% increase in nights spent by residents of the EU28, as well as by a 3.4% rise in nights spent by residents of non-EU28 countries.

The rise in overnight stays by residents of the EU28 is attributed to increases by 12.2% in nights spent by residents of the euro area and by 6.8% in nights spent by residents of non-euro area EU28 countries.

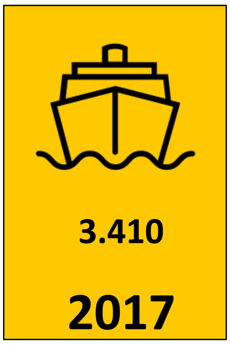
The number of overnight stays increased by 13.2% for German residents and by 12.1% for French residents, whereas it decreased by 3.1% for UK residents.

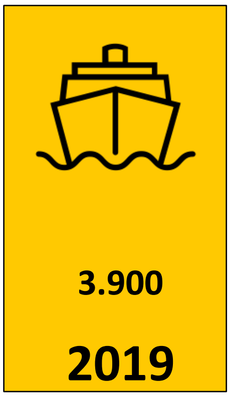
Turning to non-EU28 countries, the number of overnight stays by Russian residents fell by 12.3%, whereas overnight stays by US residents rose by 22.2%.

Cruises

Since 2012, the Bank of Greece conducts a Cruise Survey in order to enrich the data collected through its Border Survey. Following a standardised methodology, detailed cruise data for 2018 were collected at 16 Greek ports, covering 89.3% of all cruise ship arrivals in Greece.

Cruise ship Arrivals





The period under review saw 3,214 cruise ship arrivals (2017: 3,271) and 4,734 thousand cruise passenger visits (2017: 4,600 thousand). According to the Cruise survey, 90.0% of all cruise passengers were transit visitors, with an average of 1.5 stopovers at Greek ports of call, unchanged from 2017.

Total receipts from cruise passengers in 2018 rose by 2.0% year-on-year to €486 million. Of this amount, €53 million were already captured in the Border Survey data, as they represent receipts from visitors leaving the country through Greek last ports, while the remaining €433 million concern additional receipts data recorded by the complementary Cruise Survey.

The port of Piraeus ranks first with a share of 43.7% in total cruise receipts, followed by the port of Corfu with 15.7% and the port of Santorini with 9.2%. The seven most important cruise ship ports account for 92.4% of total cruise receipts and 87.1% of total cruise passenger visits.

In the period under review, total overnight stays ashore increased year-on-year by 4.2% to 4,804 thousand, and the total number of cruise visitors rose by a marginal 0.1% to an estimated 3,059 thousand, both of which had a positive impact on cruise receipts.

Average Spend Per Visit

In 2018, there were a total of 34,831k visits to the 13 Regions of the country, an increase of +12.3%, compared to 2017.

Germany, the United Kingdom and Visitors to Greece in 2018 visited an average of 1.16 regions. Long-haul markets differ significantly from the average, since during a trip to Greece they tend to visit a larger number of regions in the rest of the country.

In 2019, the average spend per visit per region decreased as a result of a reduction in the duration of the stay. Also, in 2018, the average spend per visit per region decreased as a result of a reduction in the length of the stay, even though the spend per night was increased.

At the same time, in 12 of the 13 regions the number of visits increased, in 9 of the 13 regions overnights increased, resulting in an increase of receipts compared to 2017.

Specifically:

1. The spend per visit in the 13 regions of the country in 2018 was on average €449, showing a decrease of -1.8% compared to 2017 (€458).
2. The highest spend per visit was recorded in the South Aegean Region, with €666, an increase of +6.4%. The lowest spend per visit was recorded in the Region of Eastern Macedonia-Thrace at only €167, marking a reduction of -20.3%.
3. The average spend per night in 13 Regions of the country in 2018 stood on average at €69, an increase of +1.9% compared to 2017 (€68). The highest spend per night in 2018 was recorded in the region of South Aegean at €86, showing an increase of +9.3%. The lowest spend per night was recorded in the Region of Western Macedonia at €46, a decrease of -12.0%.
4. The length of stay per visit to the regions of Greece was 6.5 overnights, a decrease of (-3.7%).
5. The minimum length of stay in 2018 was 3.4 overnights and was noted in the region of Eastern Macedonia and Thrace recording a decrease of -16.6%.

Chania Old Town – Image Source: unsplash.com/

The Most Important Markets for The Greek Tourism

The five most important markets for Greece in 2019, based on receipts ranking, are: Germany, the United Kingdom, the USA, France, and Italy.

Together with Russia – which, even though its potential has markedly decreased in recent years, is very important for certain regions and records a high per capita spend – these six countries account for 41.5% of visits, 49.7% of overnights and 52.2% of travel receipts in Greece.

Regarding the country of origin, in 2019 the highest spend per night among these countries is recorded by visitors from the USA (€89), whereas visitors from Germany reached €614 per visit, due to a long length of stay (8.8 nights). 81.9% of visits, 86.2% of overnights and 88.1% of receipts from inbound tourism were accounted for by five of the thirteen regions.

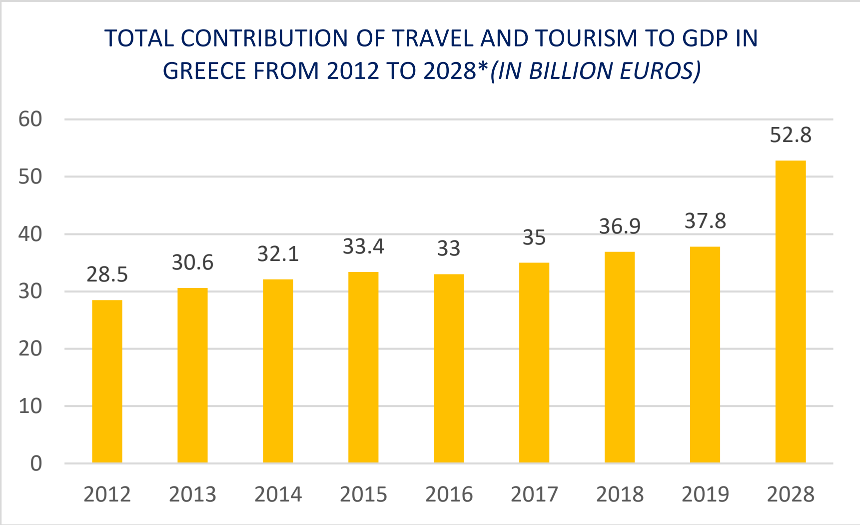
These regions are South Aegean, Crete, Attica, Central Macedonia and the Ionian Islands. Three of them (South Aegean, **Crete,** Ionian Islands), which are primarily "vacation land" and holiday destinations, are among the top 5 regions in terms of the indicators for spend per visit, spend per night and length of stay.

And the winner is... Georgioupolis

Crete is most often visited by tourists from Germany. Over 1.4 million German tourists visited the island in 2018, ranking Germany as Crete's biggest travel market by far. Other visitors include those from France, the UK and the Netherlands.

According to the SETE Institute (INSETE), the research department of the Greek Tourism Confederation (SETE); Athens, Thessaloniki, Fira on Santorini, as well as **Georgioupoli** and Rethymno on Crete, are among the most popular tourist destinations among German vacationers in the spring of the last year.

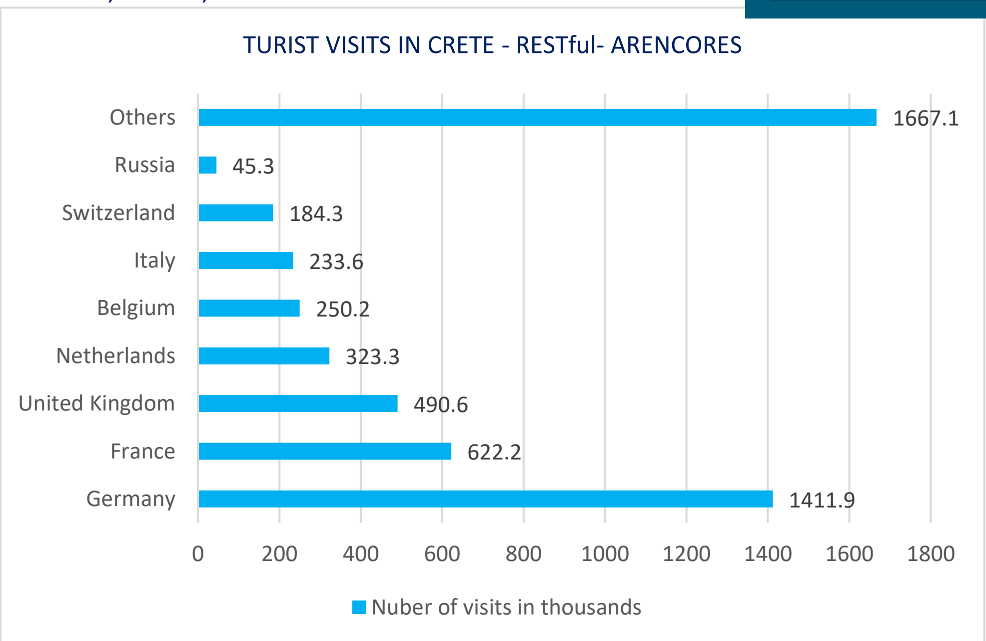
British tourists prefer Athens, Fira, and Imerovigli on Santorini, Corfu, and Thessaloniki. The fact that Georgioupoli is one of the top destinations preferred by German tourists is not a surprise: in this area with a strong tradition in welcoming vacationers from this part of the European mainland, German vacationers feel at ease and find the best facilities and amenities for a comfortable stay including high-class facilities.



Average spending per trip increases by €61 during 2019

Based on final data, the balance of travel services in January-September 2019 posted a surplus of €14,095 million, up 12.7% from a surplus of €12,507 million in January-September 2018. This development was due to the stronger increase in travel receipts (up €1,995 million or 14.1%) than in travel payments (up €407 million or 25.3%).

The rise in travel receipts in January-September 2019 compared with the same period of 2018 was driven by a rise in average expenditure per trip by €61 or 12.3% (January-September 2019: €559, January-September 2018: €498), as well as by a 1.7% increase in the number of non-resident inbound visitors.



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Chania Real Estate Market

Properties in Chania & Private Rentals

One division of the property market in Chania which is going to be a fundamental factor of the future, especially within the next 10 years, is the private rented sector (PRS). Currently, around the half of homes in Chania are rented, with that figure expected to grow by 20-30 per cent over the next decade.

As more and more people wish to spend several months in Chania, the need for high-quality rented housing (villas, luxurious apartments) will continue to grow so build-to-rent (BTR) property is going to play a significant role in supplying housing and giving renters a better choice and of where to live.

Aside from PRS, the need for smaller living spaces will become more and more common in the near future in Chania, Crete. Small apartments (one to two bedrooms) are already high in demand in Heraklion and Rethymnon, so it’s only a matter of time before design and construction companies here create more modular small apartments to keep up with trends.

Alongside PRS and small apartments, the other hot topic of the moment is low carbon footprint properties and commercial buildings (hotels) with an environmental conscience. As awareness of the environment and sustainable living increases, investors, purchasers and renters are continually looking for points of difference in where they set up properties.

Property Type	Price Range (€)
1-bedroom apartment	70,000 – 120,000
2-bedroom apartment	90,000 – 220,000
2-bedroom townhouse	95,000 – 250,000
2-bedroom maisonette	120,000 – 300,000+
Village house	50,000 – 200,000
Farmhouse (restored)	160,000 – 400,000
Stone house	150,000 – 500,000+
3-bedroom detached villa	220,000 – 500,000+
Luxury villa	350,000 – 1,000,000+

Properties in Chania & Average Prices

Demand for properties in Chania is stronger and prices shot up at an annual rate of 11.8 percent in Q3, which in some circumstances is even higher than the rates recorded during the property boom of the 2002-2008 period.

In Rethymnon, prices rose 5.0 percent in the summer, while in other major areas of Crete the increase reached 5.4 percent and in the rest of the country the process have been increased to approximately 5.0 percent

Image Source: unsplash.com

Two years ago - on March 2018 - we published a research document about the prospects of small properties in the Prefecture of Chania and the opportunities behind a purchase of such a property type.

We spotted the most important areas in Chania where some small properties were available and suggested useful and strategic tips for those interested to buy a small property. Two years later such real estate opportunities are truly rare in the property market of Chania, Crete.

Additionally, our research revealed that a significant number of buyers from Scandinavia, Israel and Germany proceeded to such purchases and appeared happy with their deals in general.

Where should buyers focus their hunt in Chania?

Our analysis identifies areas of Chania which score highly on a combination of three key characteristics:

- Reliable pricing
- Easy accessibility
- Tax benefits

Source: ARENCORES

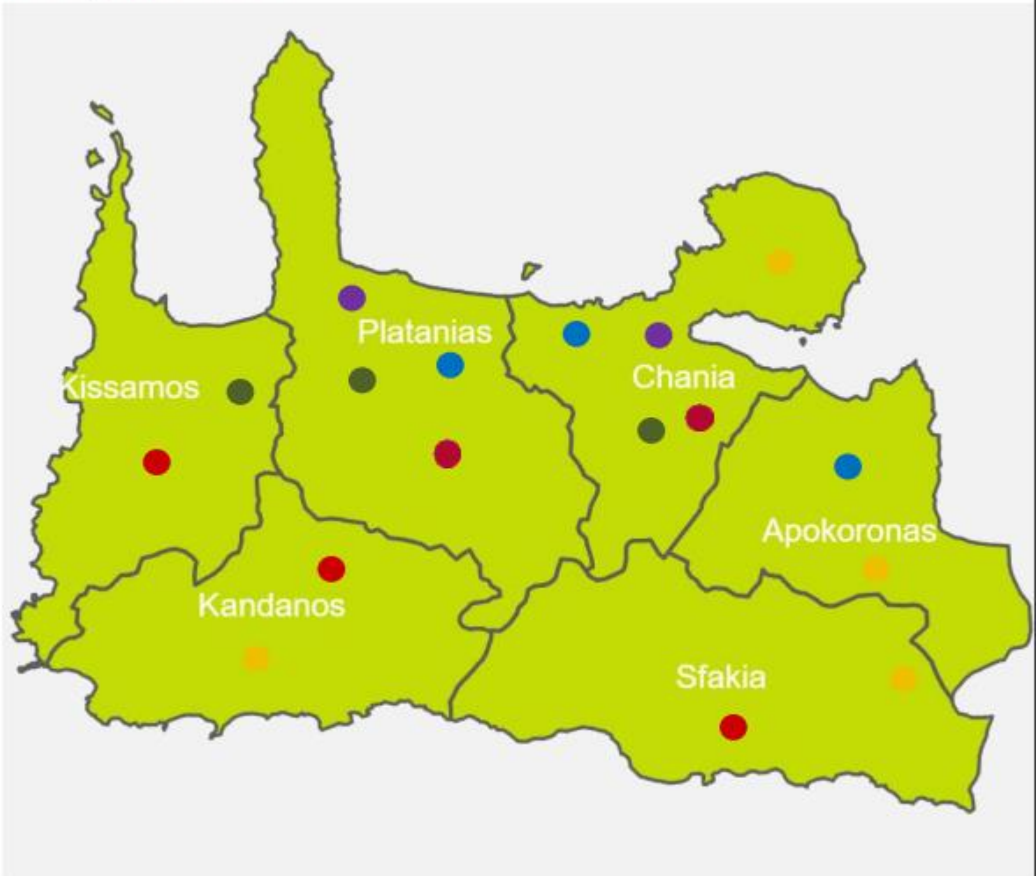
High

Low

A combination of the following criteria was used to identify areas with ideal small sized properties.

- High accessibility
- High rates of potential return of investment
- Low Taxes
- Fare pricing

*Subject to site availability. The four variables were weighted equally.



CHANIA SMALL PROPERTIES VS BIG OPPORTUNITIES

Available online at: https://www.arencores.com/chania-property-market-research/

Five areas with small-sized properties currently available for sale

Our research pinpoints areas that combine good accessibility, reliable property pricing, high investment yield and low taxes. The hotspots in red are highly promising but also suggest potential for growth and opportunity in the wider area.

	2016–2017 Average small-sized properties availability	Minimum price (per k)
Kissamos	24%	20
Sfakia	22%	16
Kandanos	23%	17
Apokoronas	15%	22
Platanias	8%	18
Chania	3%	40

Coastline length (km)	**1,046 km**
Blueflag beaches	**115**
Hours of sunshine (per year)	**2790**
Highest elevation	**2,456 m**
Capital city	**Heraklion**
Population	**635000**

Facts & Figures of Crete

Top Blue Flag Beaches in Crete

In the prefecture of Chania, which has some of the best beaches in Crete and in Greece overall there are many beaches that have been awarded Blue Flags including the popular beach resorts of Agia Marina and Platanias. Also in the Aporokoronas area of Chania you'll also find the fishing village beach resorts of Alymirida and Kalyves have both been assessed as Blue Flag Beaches. Kalyves beach is in our top 10 best beaches in Crete.

Rethymnon prefecture has many popular beach resorts that have also been judged worthy to receive Blue Flags. These include the long stretches of Crete beaches at Adelionos Kampos and Platanes. The pretty fishing village of Parnomos has also been awarded a Blue Flag.

In the Heraklion prefecture the popular Crete beach resorts of Hersonissos and Ammoudara are considered Blue Flag status beaches amongst many others around that area.

The Lassithi region has many beaches that have been awarded Blue Flags in and around the Agios Nikolaos area plus in the far east at Sitia. South coast Crete beaches that have been awarded Blue flag status include Makrigialos, Ierapetra and Matala.

Chania – 35 Blue Flag Beaches

In Chania, the total number of beaches awarded this year by the Blue Flag has increased by one. New beaches that appeared on the list are Gerani / Asterion Hotel in the municipality of Platanias and Kavros / La Mer Resort in the municipality of Apokoronas.

In 2019, the beach in Kalathas did not receive the Blue Flag. It is a disappointment, because this beach is a very popular place (especially among locals), with a beautiful sandy beach and some great facilities in the area.

Kantanos-Selino Municipality

- Voulismeni
- Grammeno
- Pachia Ammos
- Sougia
- Chalikia

Kissamos Municipality

- Elafonisi
- Kasteli / Mavros Molos-Plaka
- Falasarna / Pachia Ammos 1
- Falasarna / Pachia Ammos 2

Platania Municipality

- Gerani / Asterion Hotel
- Kolymvari
- Platanias-Limanaki / Porto Platanias Beach
- Platanias / Geraniotis
- Rapaniana / Cavo Spada

Chania Municipality

- Ag. Apostoli 1
- Ag. Apostoles 2
- Agia Marina
- Agios Onoufrios
- Kalamaki
- Marathi
- Nea Chora
- Stalos
- Stavros
- Chrissi Akti

Apokoronas Municipality

- Almyrida
- Kavros / Anemos
- Kavros Eliros Mare
- Kavros / Georgioupolis Resort
- Kavros / La Mer Resort
- Kavros / Mythos Palace
- Kalyves Xyda

- Kyani Akti
- Maistrali

- Perastikos / Mare Monte
- Perastikos / Pilot Beach

Rethymno – 17 Blue Flag Beaches

As with the previous prefecture, the number of awarded beaches is higher by 1. This is Lianos Kavos / Creta Marine beach in Mylopotamos municipality. We are happy that the awarded beach has not lost any awards.

Rethymnon Municipality

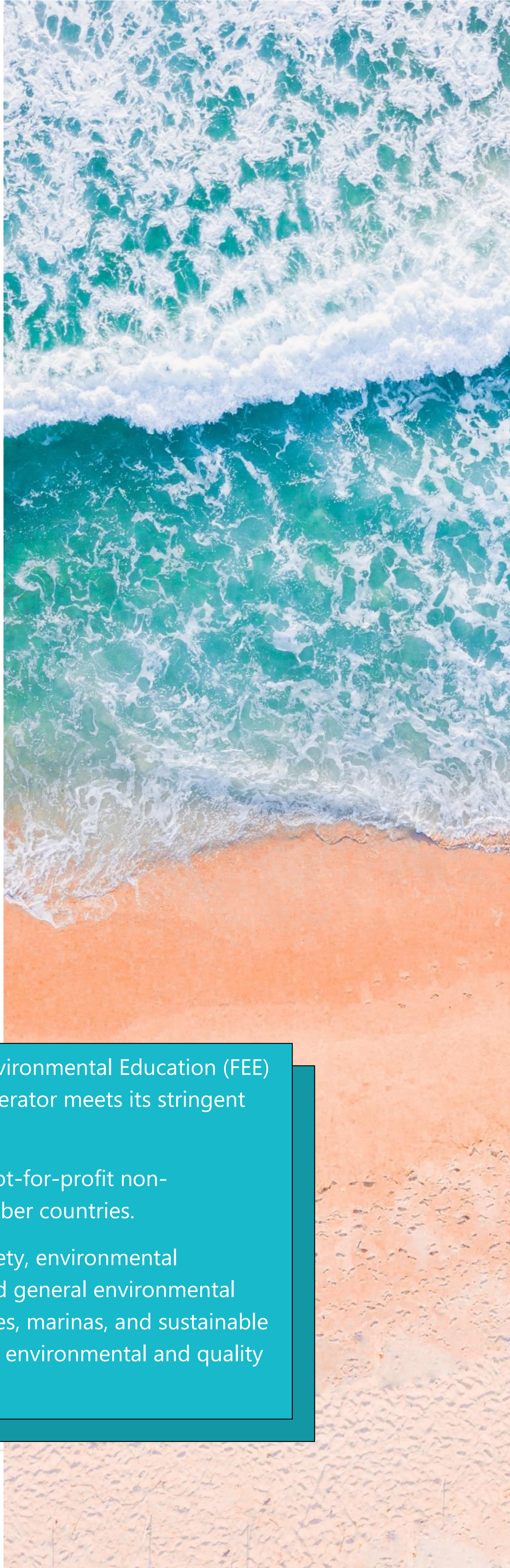
- Adelianos Kampos A / Aquila Rithymna Beach
- Pigianos Kampos / Grecotel White Palace
- Platanias B / Minos Mare Resort
- Rethymno 1 / Aquila Porto Rethymno
- Rethymno 1 / Ilios Beach
- Rethymno 1 / Kriti Beach
- Rethymno 2 / Pearl Beach
- Rethymno 3 / Steris Beach
- Rethymno 4-Myssiria / Creta Palace
- Skaleta / Creta Star

Mylopotamos Municipality

- Lianos Kavos / Creta Marine
- Lianos Kavos Lavris / Iberostar Creta
- Panorama Panormo Limni / Grecotel Club
- Marine Palace

Agios Vassilios Municipality

- Agia Galini / Ystero Varkotopi
- Plakias
- Rodakino
- Souda



The Blue Flag is a certification by the Foundation for Environmental Education (FEE) that a beach, marina, or sustainable boating tourism operator meets its stringent standards.

The Blue Flag is a trademark owned by FEE which is a not-for-profit non-governmental consisting of 65 organisations in 60 member countries.

FEE's Blue Flag criteria include standards for quality, safety, environmental education and information, the provision of services and general environmental management criteria. The Blue Flag is sought for beaches, marinas, and sustainable boating tourism operators as an indication of their high environmental and quality standards.

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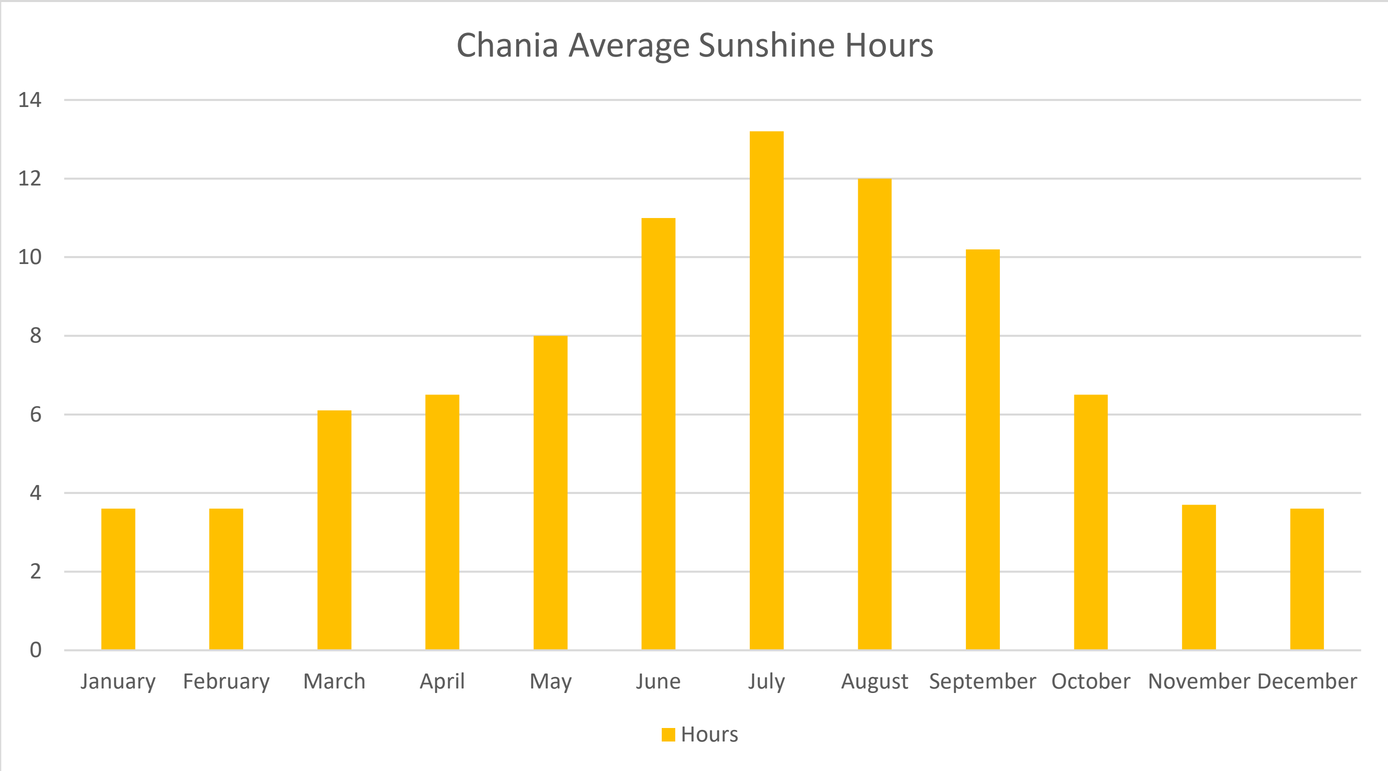
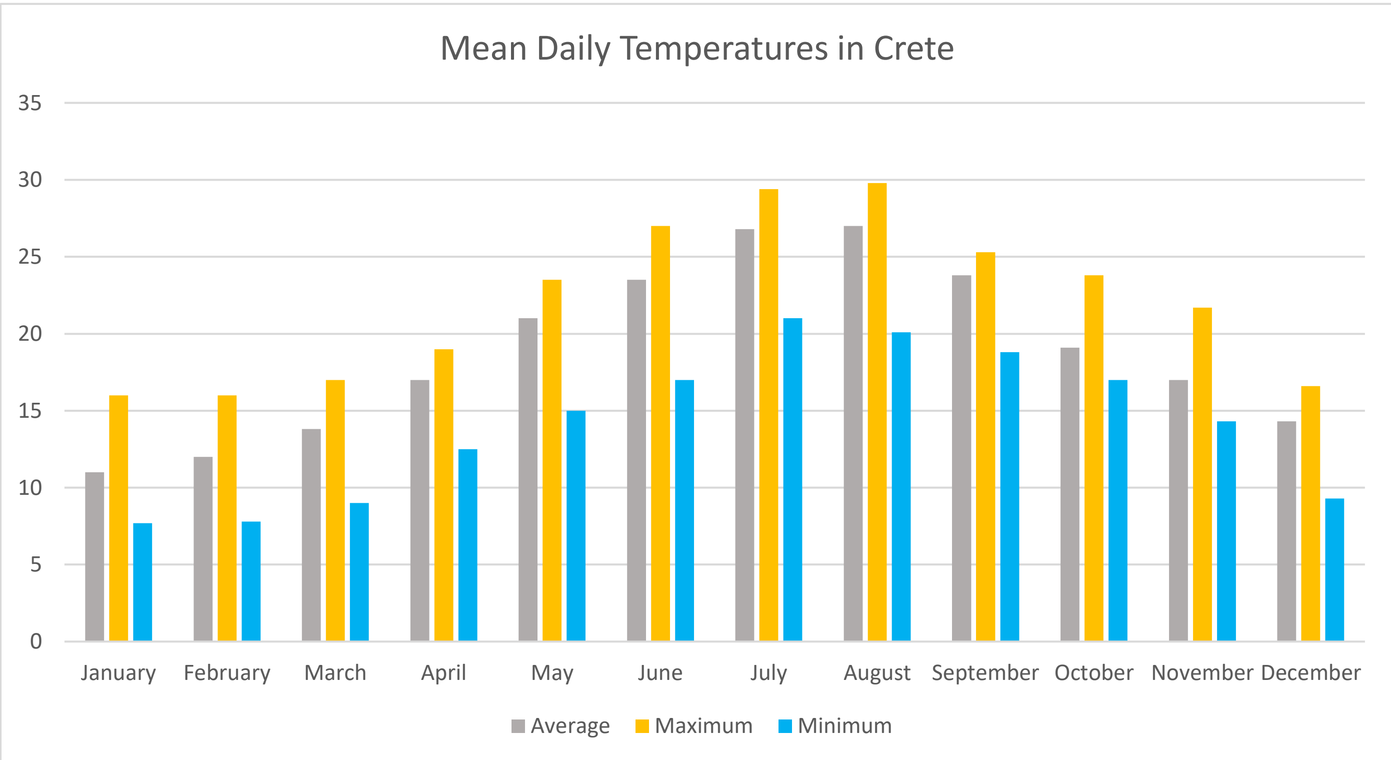


Source: RESTful-ARENCORES 2020



Source: RESTful-ARENCORES 2020

The Climate in Crete

Crete's climate varies between temperate and subtropical, with an annual average precipitation of about 25 inches (640 mm) and hot dry summers.

Winter temperatures are relatively mild. The air in the mountains is temperate and cool. Precipitation in that region is much higher than elsewhere on the island, and the mountains are often covered with snow in the winter (November to May), which may remain on the highest peaks throughout much of the year.

The White Mountains – Image Source: Discover Greece

The Cretan Anaglyph, Flora & Fauna

Crete is dominated by harsh mountains rising out of the sea. The island's east-west mountainous range consists of four main groups that rise to the island's highest point, Idi mountain, 2,456 metres in elevation.

To the west the White Mountains reach 2,452 metres, and to the east the Dikti Mountains extend to 2,148 metres in elevation.

Those mountains rise above the high upland plains of Nida, Omalos, and Lasithi and are marked by several gorges, the best known of which is the Samaria Gorge. The gradually sloping northern coast provides several natural harbours and coastal plains, where such major towns as Chania, Rethimnon and Heraklion are located.

The Messara Plain extends along the south-central part of the island for about 29 km and is Crete's major expanse of flatlands. Sandy and pebble-strewn beaches dot the coastline. Crete has six small rivers as well as springs, seasonal watercourses and ponds, one natural freshwater lake (Lake Kournas), and several artificial lakes.

The Cretan landscape is dominated by characteristic Mediterranean scrub (maquis or garigue). Palm trees are intermittent along the coasts, and cedars can be found in the east.

An array of plant species (notably flowers) thrive in the moderate climate, many of them native to the island. Hundreds of migratory bird species visit Crete, and there are some small wild animals.

The wild goat, is found in remote mountainous areas and on offshore islands, where it finds protection in wildlife reserves. Endemic species of wild plants are especially plentiful in and around the Samaria Gorge, the centrepiece of Samaria National Park, in the southern part of the island in Omalos about 42 km south of Chania.

People

The population consists almost entirely of Cretans who speak Greek and belong to the Greek Orthodox Church. English, German, or French are also spoken by many of the younger and urban Cretans.

Since the 1970s the population has been shifting from rural areas to the three main cities—Heraklion, Chaniá, and Rethymno—where nearly half of the island's population now resides (with nearly one-fourth in the Greater Heraklion area alone). Cretans are known for their hospitality and vitality, and much emphasis is placed on bonds between family members.

If there's one thing that sets Greece apart from every other holiday destination on the planet it's the warmth of the Greek people. An open heart and genuine hospitality is part of our DNA. We probably inherited it from Zeus Xenios, the ancient patron of hospitality.

Cretan Fests – Image Source: picbear.org/

Cultural Life

A melting pot of cultures from Europe, Asia, and Africa, Crete is where the first European civilization—the Minoan—thrived. Minoan remains and sites are found at Knossos Phaestus (Phaestos), and numerous other locations throughout the island. The Archaeological Museum of Heraklion contains a collection of most of the Minoan civilization's major artifacts; other Minoan remains are housed in regional museums, whereas remnants of Hellenic, Roman, Byzantine, Venetian, and Turkish structures found virtually everywhere are reminders of other periods of Crete's rich history.

Cretans are the friendliest folks in the country – and that's saying something. Many travellers soon become regular visitors to this wonderful island and many of them develop long-lasting friendships with the locals.

You can truly feel at home here, even if you come from thousands of miles away.

Fresco Three Minoan Women Knossos – Image Source: fineartstorehouse.com

Why Chania

is coming soon...

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Cretan Cuisine

Cretan cuisine has become internationally renowned for its healthfulness. It is based on the use of fresh vegetables and fruits, olive oil, freshly caught fish that is either grilled or baked, and such local cheeses as graviera and myzithra. Meals typically are accompanied by homemade wine and such desserts as patouda (a nut-filled tart) and yogurt made from sheep's milk with honey.

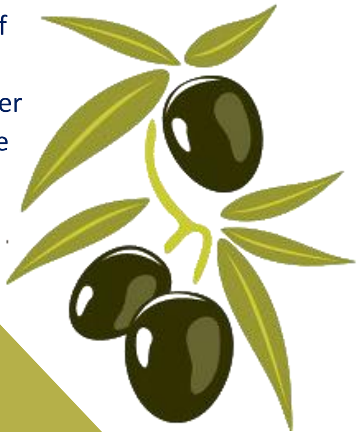
Crete has one of the oldest and most delicious gastronomic traditions in the world. Sure, it's similar to the rest of Greece, but there's something unique and special about the Cretan way of cooking.

It's healthy, it's fresh (so fresh!), simple, yet extremely flavourful and of course, downright delicious. There wasn't a meal we didn't love on this island and we thoroughly enjoyed sampling our way through some of Cretan's classic dishes, along with making our own homemade Greek Salads with the fresh produce from the markets.

The Cretan Cuisine – Image Source: Unsplash.com

Facts & Figures

- The average olive oil consumption in Germany and the USA runs about 0.5 litres/person annually. In Crete, it's 25 litres per person, per year.
- Cretans eat the largest quantities of fruit and vegetables in the Western world.
- The tomatoes of Crete contain large quantities of antioxidant substances. Why? They are all ripened naturally without the use of any hormones.
- You'll very rarely find cows in Crete or even Greece for that matter. They can't handle the rocky terrain. More commonly you will find sheep and goats and the traditional cheeses are made with their milk.
- Crete features over 1.5 million olive trees.
- It is recorded that over 500 different types of greens and herbs are used raw in salads or cooked in small and large pies in various ways.
- Raki (famous local drink) is for Crete what ouzo is for the rest of Greece.
- At most restaurants, after every meal, you are offered grapes/fruit and a small dessert on the house. No need to order more dessert.



The Cretan Economy - Image Source: Unsplash.com

Economy in Crete

Unemployment is relatively low on Crete, with a large proportion of its labour force employed in the services sector, notably in occupations related to tourism. Tourism has replaced agriculture as the economic mainstay of the island and contributes a large proportion of the gross domestic product.

Since the 1970s—when the number of tourists visiting the island increased dramatically—much of the traffic has come in the form of package tours for people who prefer to enjoy the sunshine and amenities of hotels along the coast rather than trekking in the mountains and staying in the smaller towns and villages.

Cruise ships also provide a large proportion of tourists, while large numbers of summer residents and retirees from northern Europe also add to the population.

Only about one-third of Crete's total area can be cultivated, and its farmers have traditionally worked small patches of land with little help from mechanization.

The one exception is the Mesara Plain, which is relatively well watered and is one of the few areas that can be farmed efficiently using large machinery, but even there the grain crops are for domestic consumption only.

Despite its inefficient agriculture, Crete is one of Greece's leading regions for producing olives and olive oil, grapes, vegetables (tomatoes, potatoes,

Because the Mediterranean has been overfished since the 1960s, fishing does not significantly contribute to the island's economic prosperity, but it satisfies local needs.

Crete's industry is largely confined to food-processing equipment (grape and olive presses), building materials (quarried stone and marble, processed lime, and building blocks), and a few ceramics, textiles, soap, leather, and beverage-bottling enterprises. Crete has to import all but the most basic items, including fuels.

Crete has a good road network. There are two international airports, one in Heraklion and the other in Chania, the cities where the island's principal seaports are also located. A smaller airport in Sitia handles domestic flights. Smaller ports are in Rethymno and Agios Nikolaos. Ferries operate between Crete and mainland Greece as well as other islands in the Aegean.

Chania International Airport – Image Source: South Taxi

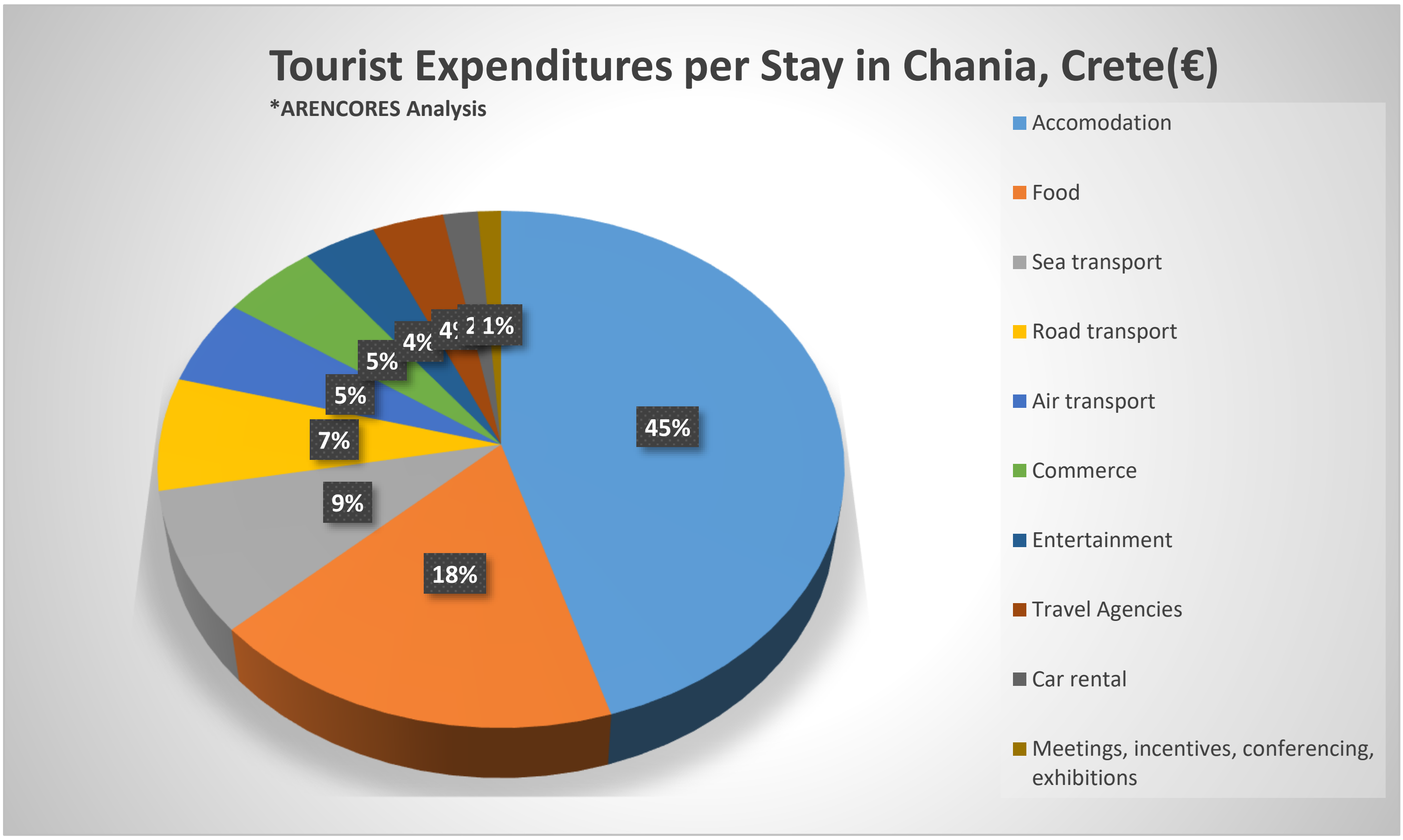
Cretan Tourists’ Profile & Motives

Germans, who represent a significant portion of visitors used to stay longer in Greece, but reduced their trips by approximately 3 days since 2007, whilst visitors from the UK, Italy and France by 1.4 -1.6 days

The top countries in terms of length of stay are non-European (Australia, USA, Russia) mainly because to travel distance. Historically, independent travellers stay for longer and it seems that the length of stay has stabilized. In the case of packaged tours, their average has been significantly increased in 2019 after a big drop in 2016 and remained roughly 1.5 to 2 days less than that of independent travellers.

The bulk of expenditure goes to accommodation services and food expenditure, while transportation is the next larger expense of tourists with the most revenue directed in sea transport then road and the least being air transport.

Destinations, like South Aegean, **Crete** and Ionian islands, where foreign tourists prevail, are more expensive. Destinations driven mainly by domestic demand lie below the average daily spent North Aegean, Central Macedonia and East Macedonia & Thrace attract lower budget foreign tourists.



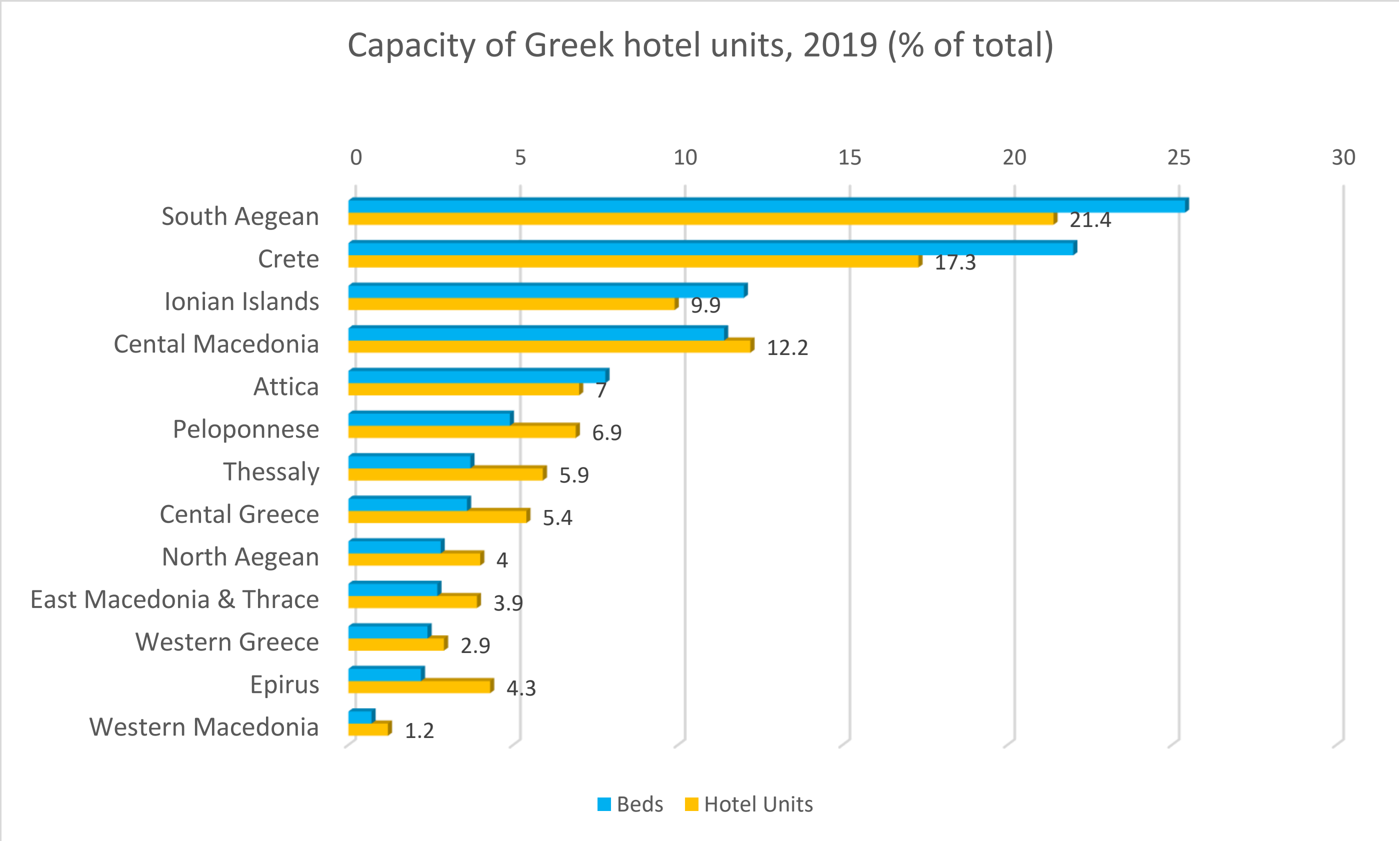
Data Source: SETE – Analysis RESTful, ARENCORES

Almost 77% of the country’s total bed capacity resides at the main destinations. The average hotel unit in Greece has 42 rooms and 82 beds, while in the Ionian Islands, South Aegean and Crete the average unit has 53 rooms and 103 beds.

HOTELS AND AIRBNB FACTS & TRENDS

The average hotel unit in Greece has 42 rooms and 82 beds, while in the Ionian Islands, South Aegean and Crete the average unit has 55 rooms and 108 beds. About 24,000 new beds will need to be constructed until 2022 in Greece to meet demand at the three destinations that are close to full capacity.

Airbnb adds about 96k beds* (12%) to the market. Most registered rentals are located in Crete, which accounts 30% of total rental activity, while Athens is following with 17%. Airbnb appears to cater for self-catered tourists with large families or for low cost urban holiday makers.



Data Source: SETE – Analysis RESTful, ARENCORES

Destinations, such as **Crete**, the Ionian Islands and South Aegean, that are close to **full capacity**, are expected to need about **24k** additional beds by **2022**, to meet demand during peak months.

ARENCORES

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