

INVITATION FOR SUBMISSION OF PROPOSALS TO ACT AS ADVISOR FOR THE PREPARATION OF A STUDY FOR SECOND HOMES MARKET IN GREECE

February 16th , 2012

A. INTRODUCTION

Second Homes is a special tourist product which is rapidly developing worldwide whether as part of large resorts or independently as residence communities often in association with special tourist infrastructure (i.e. golf courses, ski centers, marinas etc) or even thematic parks (i.e. health facilities etc). They can range from independent luxury villas to townhouses or apartment buildings depending on the particular characteristics and potential tourist destinations. There is also a wide diversity of legal and organizational forms and structures under which tourist residences appear from simple independent properties to more complex forms such as timesharing, condo hotels or residence clubs and many more.

HRADF is running an international tender procedure for the selection of an Advisor who will undertake a study for the potential of the second homes market in Greece.

B. SCOPE OF WORK

The study's aim is to provide comparative international market analysis and practical policy recommendations for the support of the analysis of the Hellenic Republic Asset Development Fund's (HRADF) strategy for the development of public real estate assets.

This study is expected to address the following topics as a minimum:

✓ GLOBAL AND REGIONAL (MEDITERRANEAN) SECOND HOME MARKET OVERVIEW

- Global and regional (Mediterranean) second home market overview
 - Introduction:
 - Overview of market trends over the past 10 years both globally and regionally (Mediterranean).
 - Identification of comparable markets (e.g Florida, Spain, Turkey, Cyprus, etc) [to be agreed with the Fund]
- Analysis of comparable markets
 - Demand (historic data for the past 10 years, current levels and trends for the next 10 years):
 - Profile of buyers (nationality of buyers, age/stage of buyers, motivation of buyers, identification of potential buyers)
 - Top favorite destinations – international / domestic buyers
 - Preferred unit types (e.g. villa / apartment / townhouse)
 - Purpose of acquisition (owner occupation, investment)
 - Profile of investors (e.g. institutional, high net worth individuals)
 - Demand – Current target groups
 - Tourism market analysis:
 - Total tourism arrival numbers (historic data for the past 10 years with connecting flight arrivals excluded)
 - Tourism expenses per capita
 - Tourism nights / Tourism nights per capita
 - Access / infrastructure / airports
 - Supply

- Historic Data for the past 10 years and current levels of second home developments & stock
 - Future supply of high quality second home developments
 - Development activity – Projects in the pipeline – Analysis by region (East Med, West Med, etc), number and type of dwellings, pricing, absorption, ownership by nationality
 - Values
 - Rental and capital values per region (East Med, West Med, etc) and per accommodation type (current, historic data)
 - Business environment (legislation, taxation, etc)
 - Social environment (cost of living, safety, health, cultural context etc)
- ✓ GREEK SECOND HOME MARKET OVERVIEW – CURRENT SITUATION
 - Greek second home market overview – National and Regional
 - Introduction:
 - Overview of market trends over the past 10 years.
 - Identification of key regions/ tourist destinations to be covered by the analysis
 - Stock:
 - Stock of second Home dwellings (national and regional)
 - Estimated second home ownership by non-nationals (National and regional)
 - Demand – Survey:
 - Profile of buyers (nationality of buyers, age/stage of buyers, motivation of buyers, identification of potential buyers)
 - Top favorite destinations – international / domestic buyers
 - Preferred unit types (e.g. villa / apartment / townhouse)
 - Purpose of acquisition (owner occupation, investment)
 - Profile of investors (institutional, high net worth individuals)
 - Channels for the attraction of buyers and execution of transaction
 - Demand – Current target groups:
 - Tourism market analysis:
 - Total tourism arrival numbers, Greece (historic data for the past 10 years with connecting flight arrivals excluded)
 - Total tourism arrival numbers, by region (historic data for the past 10 years with connecting flight arrivals excluded)
 - Tourism expenses per capita
 - Tourism nights / Tourism nights per capita
 - Access / infrastructure / airports
 - Supply:
 - Existing supply of second home developments (stock)
 - Future supply of second home developments
 - Projects in the pipeline – Analysis by region, number and type of dwellings, pricing, absorption, ownership by nationality
 - Values
 - Rental and capital values per region and per accommodation type (current, historic data)
 - Institutional/legal context and framework

✓ GREECE AS A GLOBAL DESTINATION FOR THE SECOND HOME INDUSTRY

- SWOT analysis [Comparative analysis (strengths and weaknesses) of Greek second home market against the comparable markets and identification of saturation points and opportunities]
- Scenarios for the future: Greece as a market
 - Key Source Markets (incl. wholesalers)
 - Key type of product and targets (i.e. socioeconomic)
- Regional scenarios in relation to Special Plan for Tourism
- Strategic Recommendations regarding the development of second home industry in Greece

The Market Report should be based on desk top research and be prepared in English.

Optional Services

Apart from the aforementioned Market Report the advisor may be asked by the HRADF to determine the maximum number of tourist developments or units, for maximum four (4) geographical clusters [to be determined by HRADF], taking into account local conditions such as infrastructures, climate, present developments or pipeline of similar developments, etc.

Duration of the Engagement (excluding optional services): Maximum six (6) weeks.

Maximum Budget (excluding optional services): The maximum available budget for the assignment (Market Report, excluding optional services) is **€50,000** (plus VAT).

C. NECESSARY QUALIFICATIONS

HRADF invites specialized firms to submit their proposals, in writing which should include the following:

1. Composition of the team that will be dedicated to the Transaction including short CV of each team member
2. A short description of the specialized firm's organizational structure and activities in Greece, and/or of the companies they will collaborate with in the preparation of this study
3. Specialized company's track record in international real estate exposure relevant to the transaction
4. A preliminary timetable for the completion of the activities described in the Scope of Work
5. A quote for the remuneration of services for the elaboration of Market Report and a separate quote for the remuneration of the optional services

Interested parties and the members of the proposed teams must declare in writing that they do not have a conflict of interest. Such declaration as to conflict of interest will be in effect throughout the term of the Adviser's engagement.

D. SELECTION PROCESS

1. The assignment will be awarded in accordance with the provisions of the Procurement Regulation of the HRADF approved by decision of the Minister of Finance (Government Gazette B' 2241/06.10.2011). The assessment shall take into consideration the above mentioned in article C qualifications and requirements and the fee proposal, according to the procedure mentioned in Article 3 Paragraphs 2.2 and 3 of the above Regulation.
2. The HRADF will evaluate proposals according to the criteria set out in article C above and may require clarifications, additions or adjustments of the submitted offers as deemed necessary. Following the assessment process, up to three (3) candidates may be chosen to present their proposals to the HRADF.
3. Candidates that do not comply with the criteria set in Article C hereof will not be allowed to participate in the process.
4. The HRADF reserves, at the fullest extent possible and at its exclusive discretion, the right to cancel, suspend, amend or postpone at a later time this procedure, without any prior notice, as well as to terminate any negotiations or discussions at any stage of the process, without incurring any liability whatsoever as against any participant and/or any third party.

Interested parties should submit their credentials via e-mail to HRADF at the e-mail address info@hraf.gr marked "**REAL ESTATE ADVISOR FOR SECOND HOMES MARKET**". Additionally, a hard copy of such offer may also, at the discretion of the interested parties, be submitted, in a sealed envelope, at the offices of the HRADF (1, Kolokotroni & Stadiou Street, 7th Floor, Postal Code: 105 62, Athens, Greece). Offers must be submitted not later than **February 24th, 2012, 17:00, Athens time**, irrespective of the way of submission.