

Logistics: the New High Street. Is Greece Capable of Following the Example of Poland?

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SUMMARY

Many investors, especially pension funds and sovereign wealth funds, prefer to invest in real estate because real estate offers a stable income stream, attractive returns and the potential capital appreciation. At the same time, many investors start to seek alternative sectors to invest in order to move up the risk curve. One of these sectors is the industrial and logistics market. Could a country use this trend for its own benefit and growth?

During the last few years, Polish real estate sector seems to be a market that attracts investors not only from Europe but from all over the world. The main advantage of the Polish market is the location of the country. This strategic location facilitates the distribution of goods and products in the countries of central Europe. In this way Poland achieved high real estate performance, attracting investors from all over the world. Greece is a country that experiences a financial crisis and is in the seventh consecutive year of recession. Could Greece identify potential real estate investors in order for its economy to rise up again?

This paper is trying to answer this question and its aim is to identify the way Greece could take advantage of its logistics real estate market. Using an economic analysis, it is examined why the industrial and logistics real estate market is considered to be the new most attractive alternative real estate sector. By taking into consideration all the economic, political, geographical and social factors that could transform a country into an attractive real estate market, the specific fundamentals of Poland and Greece are described. The next section of this project concerns the comparison between the two countries. Finally, conclusions are drawn as regards the factors that drive performance in Polish logistics real estate market and help the economy of the country to boom. The result of this paper is the description of the way that Greece could potentially follow the Polish example.