S1 2026 MARKET INSIGHT REPORT

THESSALONIKI MARKET REPORT

Despite heightened geopolitical tensions and a more uncertain international environment, the Greek economy continued to demonstrate resilience during the first half of 2026. Real GDP growth remained above the Eurozone average, supported primarily by private consumption, investment and exports, while economic activity continued to benefit from the implementation of Recovery and Resilience Facility (RRF) projects. Inflationary pressures re-emerged temporarily, mainly due to higher international energy prices, although the medium-term outlook remains one of gradual moderation. Ongoing geopolitical uncertainty, elevated energy costs and weaker external demand continue to pose downside risks to the economic outlook.

Macro Figures

Economic activity in Greece is set to decelerate, from 2.1% in 2025 to 1.8% in 2026, as the energy price shock erodes households' real income and dampens consumption growth. Investment growth, however, is expected to remain robust, supported by continued absorption of EU funds. In 2027, GDP growth is projected to decline slightly to 1.6% as the implementation of the RRF winds down. Inflation is expected to increase to 3.7% in 2026, fuelled by the sharp increase in energy prices. In 2027, inflation is projected to decline to 2.4%, but inflation excluding energy and food is set to remain elevated as the price shock passes through to non-energy components. Unemployment is projected to decline further, albeit at a slower pace, reaching 7.9% in 2027. Greece is expected to maintain a favourable fiscal position, with sustained surpluses over 2025–27, despite expansionary fiscal measures. Solid nominal GDP growth and budget surpluses are projected to continue driving the debt-to-GDP ratio steadily downward, moving close to 134% by end 2027.

Indicators	2025	2026	2027
GDP growth (%, y-o-y)	2.1	1.8	1,6
Inflation (%, y-o-y)	2.9	3.7	2.4
Unemployment (%)	8.9	8.3	7.9
General government balance (% of GDP)	1.7	0.8	0.6
Gross public debt (% of GDP)	146.1	140.7	134.4
Current account balance (% of GDP)	-6.0	-7.1	-6.1

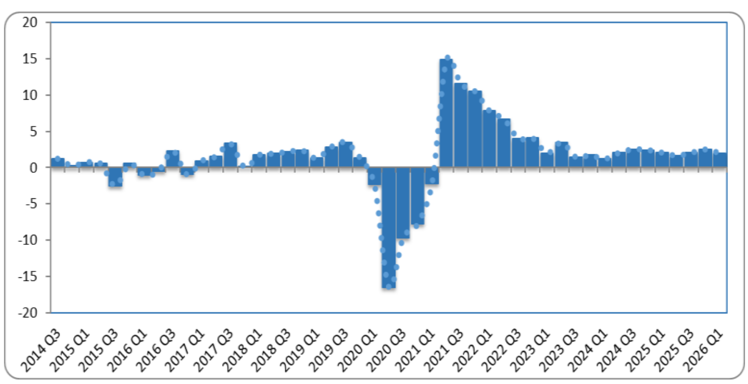
Source: ec.europa.eu

Greek Economy Overview

Economic activity in Greece remained resilient through the first half of 2026, although growth moderated compared with previous years. Real GDP continued to expand at around 2.0% year-on-year, supported by private consumption, investment activity and the ongoing implementation of Recovery and Resilience Facility (RRF) projects, despite increased external uncertainties.

Inflationary pressures strengthened during the first half of 2026, mainly driven by higher energy prices and services inflation. HICP inflation reached approximately 4.9% in May 2026, while inflation is expected to gradually ease over the medium term. Real GDP growth is projected to remain positive, reaching approximately 1.8% in 2026 and 1.6% in 2027.

Quarterly real GDP (y/y growth rate)



Source: ELSTAT

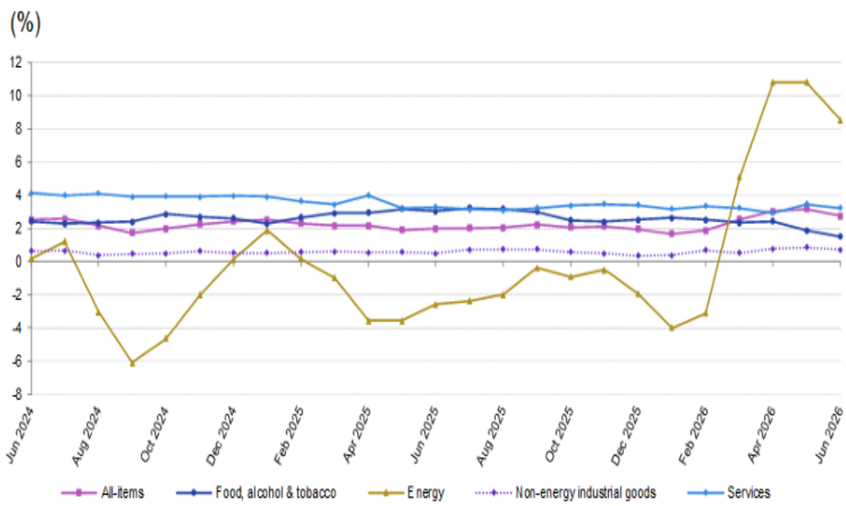
Private consumption

Private consumption remained resilient through the first half of 2026, continuing to support economic growth, although at a more moderate pace amid renewed inflationary pressures. Strong labour market conditions, rising employment and wage growth continued to support household disposable income, while investment activity remained robust, benefiting from the ongoing implementation of Recovery and Resilience Facility (RRF) projects. However, higher energy prices and increased inflation weighed on consumer confidence and are expected to gradually moderate consumption growth during the remainder of 2026.

Labour market

Labour market conditions continued to support private consumption through the first half of 2026, with unemployment remaining at historically low levels and employment growth sustaining household income. Despite renewed inflationary pressures, wage growth helped preserve purchasing power, allowing private consumption to remain resilient and continue supporting economic activity.

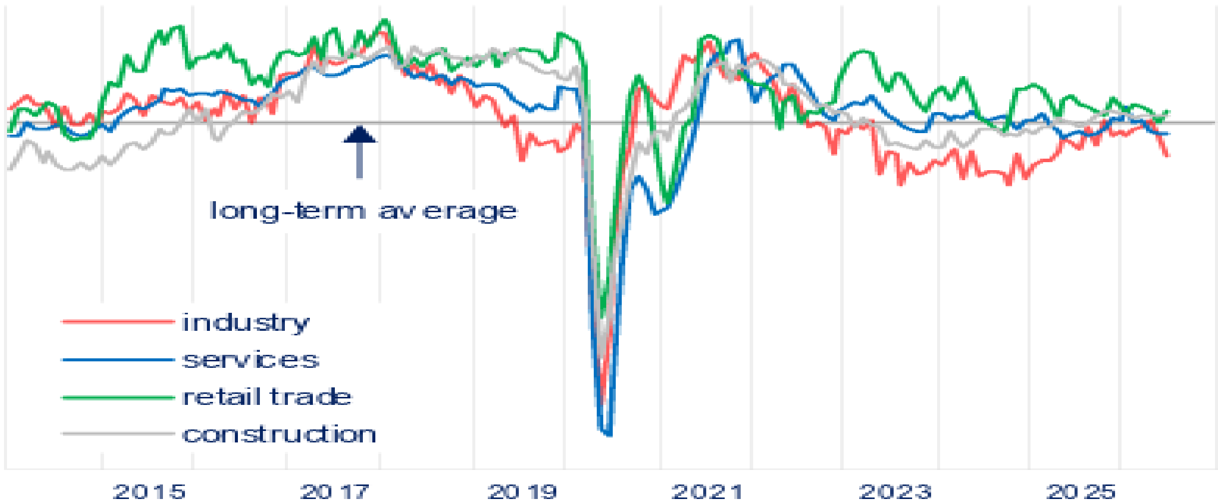
Inventory accumulation played a limited role in GDP growth during the first half of 2026, as firms maintained balanced stock levels amid more stable supply conditions and demand expectations. Domestic demand and investment continued to be the main drivers of economic growth.



Euro area annual inflation and its main components, June 2024 – June 2026, Source: Eurostat

Following the stabilization observed in late 2025, gross fixed capital formation (GFCF) continued to recover during the first half of 2026. Investment activity was supported by the ongoing implementation of Recovery and Resilience Facility (RRF) projects, improved absorption of EU funds and continued construction activity. Although growth remained uneven across investment categories, GFCF continued to make a positive contribution to GDP growth in the first half of 2026.

Confidence developments were sector-specific: industry confidence declined, driven by weaker production expectations and softer order books; services confidence improved markedly, supported by stronger business conditions and demand expectations; consumer confidence remained broadly unchanged, with more positive expectations regarding household finances and the general economic outlook offset by a weaker intention for major purchases; retail trade confidence strengthened, reflecting improved assessments of current sales and future demand; construction confidence weakened, mainly due to softer employment expectations and lower confidence in private construction activity.



Source: IOBE, European Commission

The labour market remained resilient, with employment growth continuing across construction, trade, and professional services, while the unemployment rate declined further to one of its lowest levels in recent years. Overall, the first half of 2026 was characterised by improving business sentiment in services and retail trade, stable consumer confidence, and continued resilience of the Greek economy despite persistent geopolitical and inflationary uncertainties.

Economic sentiment in Greece improved modestly during the first half of 2026. Consumer confidence remained broadly unchanged, while the Greek Economic Sentiment Indicator (ESI) increased to 108.3 in June, following 107.7 in May. Industry and construction confidence weakened moderately, whereas services and retail trade confidence strengthened, and consumer confidence remained stable. These developments indicate that households and businesses maintained cautious confidence, supporting resilient domestic demand and continued investment activity.

Sectoral developments were mixed, with services and retail trade expectations improving, while industry and construction moderated. Consumer sentiment remained broadly stable, reflecting more optimistic expectations regarding household finances and the general economic outlook, offset by weaker intentions for major purchases.

OFFICE MARKET REPORT

The Thessaloniki Office Market continues its structural shift towards modern, institutional-grade assets. Driven by the city's burgeoning IT, R&D and professional services sectors, demand remains robust — particularly for high-specification spaces in the Central Business District (CBD) and the key peripheral locations. The market is defined by a critical bifurcation and low vacancy rate in prime Grade A assets versus persistent oversupply in secondary buildings. This gap is widening and, absent new completions before 2027, will continue to underpin rental growth and attract renewed investor interest.

OVERVIEW

The main growth drivers are the sustained expansion of the technology, outsourcing and professional services industries, coupled with the dominant flight-to-quality trend among multinational and large domestic firms. Companies are consolidating operations from older, inefficient buildings into larger, single-tenant, energy-efficient spaces. This dynamic has resulted in a pronounced market dichotomy: high vacancy persists in secondary stock, while vacancy in prime, Grade A assets stands at just 4.5% — critically below the equilibrium threshold. The limited supply pipeline before 2027 necessitates a focus on redevelopment and mixed-use projects.

Nonagon Building, Thermi

KEY OFFICE MARKET TRENDS & PERFORMANCE

Demand and Rental Rates

Demand remains highly concentrated on modern, Grade A offices in the CBD and near major transportation hubs, including the new Metro stations. Prime Office Rent for high-specification spaces stands **at €15.5–18.5/sqm/month in H1 2026**, reflecting strong upward pressure due to scarce supply and a year-on-year increase of 3.5–5.0%. The average achieved rent across all office grades remains significantly lower, at approximately **€10.50–11.00/sqm**, due to the volume of older sub-prime stock. The growing adoption of flexible working models has driven increased activity in the co-working sector, which is actively absorbing and upgrading obsolete secondary space in the city center.

Vacancy and Stock Quality

The overall market vacancy fluctuates at 8–9%. However, this figure significantly overstates the availability of desirable space. The effective vacancy rate for modern Grade A properties remains at a critically tight 4.5%, indicating a significant supply-demand imbalance. The current stock is largely characterized by smaller, older buildings (typically 1980s–2000s construction) requiring substantial Cap.Ex. for refurbishment, driving the preference for new-build or comprehensively refurbished assets. Institutional tenants — particularly technology multinationals and professional services firms — are increasingly requiring LEED/BREEAM certification as a condition of lease, accelerating the obsolescence of non-compliant assets.

INVESTMENT & DEVELOPMENT OUTLOOK

Investment Yields and Appetite

The investment landscape is characterized by limited recent transactional activity in core office assets due to owner reluctance to sell in a rising rental environment. Nonetheless, investor appetite remains strong, with particular interest from institutional funds targeting built-to-suit development sites. Prime Yields are currently estimated at 7.00–7.25% for core Grade A assets — a level that reflects strong confidence in long-term rental growth prospects and represents a premium of 150–200bps versus comparable Western European gateway cities.

Pipeline and Future Supply

The most significant forthcoming development is Thess INTEC — a Technology and Innovation Park near the airport — which is projected to act as a major anchor for high-tech tenants. Its eventual completion is expected to have a transformative impact on the city's office and R&D ecosystem. Two modern office buildings have recently been delivered in peripheral prime locations, both achieving full pre-letting or leasing prior to or upon completion. The **Everon** Building in Pylaia (~4,500 sqm) has been fully pre-leased to a public enterprise and private sector companies, while the **Nonagon** building (~8,000 sqm) in Thermi has been completed and fully leased to private sector companies. Both transactions confirm the strong occupier demand for high-specification, energy-efficient office space beyond the CBD.

€15.5–18.5 Prime Rent (€/sqm/month) +3.5–5.0% YoY	4.5% Grade A Vacancy Rate Critically low	8–9% Overall Market Vacancy Secondary stock drag	7.00% Prime Investment Yield Stable, attractive

KEY INSIGHT

The Thessaloniki office market is approaching an inflection point. The current supply-constrained environment — Grade A vacancy at 4.5% with no new completions expected in H1 2026 — will sustain rental growth of 3.5–5.0% over the next 12–18 months. Prime Rents are forecast to reach €16.0–18.5/sqm/month by year-end 2026. Yields are expected to stabilize at approximately 7.00%, offering a compelling premium versus core European markets.

Market Indicator	Trend	Direction & Explanation
Rentals		Strong demand from IT and multinational firms for Grade A space, combined with critically low vacancy in modern stock, continues to decrease Prime Rents (+3.5–5.0% YoY).
Yield		Institutional confidence: Strong investor appetite for long-term secure income streams sustains prime yields at approximately 7.00% — attractive vs. Western European benchmarks.
Absorption		Consolidation and expansion: Active take-up driven by companies moving from fragmented older stock into new, larger, single-tenant modern offices.
Vacancy Rate		Supply shortage: Lack of new construction, coupled with high demand for premium space, keeps effective Grade A vacancy below 5%.

RETAIL MARKET REPORT

Thessaloniki Retail Market is exhibiting strong structural stability and continued growth in H1 2026, underpinned by robust consumer demand, growing retail spending, sustained tourist footfall, and the transformative impact of the Kalamaria Metro extension (Septenber 2026). The market is defined by a clear distinction between the high-performing prime high street zones — commanding significant rental premiums and operating at near-zero vacancy — and the stable, necessity-driven local neighborhood centers.

OVERVIEW

Key market drivers include the resurgence of international tourism, the city's large student population and the ongoing influx of international fashion, services and F&B brands. Retailers are aggressively focused on securing scarce space on prime high streets (Tsimiski, Mitropoleos) and within dominant shopping centers, to maximize brand visibility and deliver experiential retail. The Kalamaria Metro extension (September 2026) has further boosted footfall on secondary retail axes — Agia Sofia, Venizelou and Egnatia Street — creating secondary rental growth opportunities around new station catchments. The Q1 2026 demand for retail space remains strong, driven primarily by continued international chain expansion and new brand entries, including COS and ARKET (H&M Group), New Yorker and Mohito.

Market Indicator	Trend	Direction & Explanation
Rentals		Intense competition: Sustained YoY growth (4.0–5.0%), driven by extreme scarcity of prime high street units and high demand from international brands.
Yield		Core investment status: Reflects the high premium placed on central, low-risk assets with secure, long-term tenant covenants from national and international retailers.
Absorption		Supply-constrained: Demand is robust, but the actual volume of absorbed space is stable due to the severe scarcity of available Grade A stock in the prime high street.
Vacancy Rate		Near-zero floor: Vacancy in core areas (Tsimiski Street) is already near zero, indicating market saturation at a critically low level.

KEY RETAIL MARKET TRENDS & PERFORMANCE

Rental Rates and High Street Performance

The retail sector is marked by the dominance of the prime high street segment. Prime Rents for flagship stores in the core zone (Tsimiski Street) reached €120–160/sqm/month in H1 2026, reflecting a year-on-year increase of 4.0–5.0% — driven by intense competition for a structurally limited supply of prime units. Secondary high street rents typically range between €60–80/sqm.

Organized shopping centers form a distinct, high-performing segment. Mediterranean Cosmos — the city's dominant scheme — sits within a LAMDA Malls portfolio that closed FY2025 at 100% occupancy, with base rents up 6% year-on-year across the group (LAMDA Development, FY2025 results). Renting a retail unit inside Mediterranean Cosmos does not follow the traditional high-street leasing structure. Instead, Lamda Development uses a dual-structured commercial matrix typical of premium shopping malls: base rent / turnover rent which are depending from the business core of the tenant and the characteristics of the store.

Retail park rents remain more competitive, reflecting their larger-format, lower-density, out-of-town positioning, in the €25–40/sqm range.

Structural Dynamics: Supply and Scarcity

The existing high street stock, characterized by small, often fragmented units, cannot meet the size and specification requirements of modern large-format international retailers. This structural constraint leads to a pronounced market dichotomy: prime Grade A assets operate with near-zero vacancy and command significant rental premiums, while **secondary** and obsolete stock outside the main commercial spots, continues to face sustained rental pressure and higher vacancy rates. New supply in the high street remains constrained due to the density of the urban core, ... redevelopment — will reform th...

€120–160 Tsimiski Prime (€/sqm/mo) +4.0–5.0% YoY	~5% Tsimiski Street Vacancy	€60–80 Secondary High Street Stable, demand-driven	5.75–6.25% Prime Retail Yield Compressed, low-risk

INVESTMENT & DEVELOPMENT OUTLOOK

Investment activity is predominantly focusing on acquiring assets with strong, long-term covenants from established national and international brands. Total investment volumes in the Greek retail sector reached approximately €534M in Q1 2026 — a figure driven primarily by the landmark Prodea Investments transaction (100 properties housing National Bank branches, sold for €510.7M) — confirming renewed institutional confidence in income-producing retail assets. Prime Retail Yields for high street assets are estimated at 5.75- 6.50%, reflecting the premium placed on central, high-visibility, high-performing assets. Secondary retail yields reach the 8.00%, reflecting the illiquidity premium required for non-core locations.

Tsimiski Street: New COS (H&M Group) store

KEY INSIGHT

The retail sector is poised for stable and resilient performance through H2 2026. Prime Rents along Tsimiski Street are forecast to maintain their strong position, with growth projected at 4.0–5.0%, primarily due to the ongoing scarcity of available prime units. Investment yields are expected to remain stable at 5.75-6.25%.

LOGISTICS MARKET REPORT

Thessaloniki's logistics market sustained exceptional momentum throughout H1 2026, further strengthening its position as the premier gateway to Southeast Europe and the Balkans. Persistently low vacancy rates, record yield compression, and the ongoing expansion of strategic port and intermodal infrastructure have brought the market to a pivotal stage of its development. Supported by robust occupier demand and transformative infrastructure investment, the sector is experiencing the strongest rental growth across all real estate asset classes, reinforcing its attractiveness to both investors and occupiers.

OVERVIEW

Northern Greece's logistics market continues to be defined by critically low vacancy levels, sustained investment in modern warehouse developments, and the ongoing enhancement of strategic port and intermodal infrastructure. Thessaloniki's investment proposition is anchored in its strategic geographic position as the European Union's primary gateway to the Balkans and the Black Sea, a competitive advantage that is being further reinforced by the continued expansion of the Port of Thessaloniki. A key catalyst for the region's long-term growth is the Pier 6 expansion project at the **Port of Thessaloniki**, which is expected to materially increase container handling capacity, improve operational efficiency, accommodate larger vessels, and strengthen the port's role within regional and international trade corridors. Collectively, these structural investments are reinforcing Thessaloniki's position as one of Southeast Europe's most important logistics and distribution hubs, while underpinning sustained occupier demand and long-term investment performance.

€5.00–5.50 **Grade A Prime Rent (€/sqm/mo)** +12.5% YoY — highest growth	**<3%** **Overall Vacancy Rate** Critically low — near zero for A	**€3.50–4.00** **Grade B Rent (€/sqm/mo)** Stable, firm	**7.50-8.00%** **Prime Investment Yield**

KEY MARKET TRENDS & PERFORMANCE

Rental Market and Price Appreciation

The Thessaloniki logistics rental market exhibited robust appreciation in H1 2026, driven by near-zero vacancy rates for modern stock and intense institutional competition for high-specification warehouses. Prime Rents for Grade A facilities in the core Industrial Zone (Kalochori/Sindos) reached €5.00-5.50/sqm/month — an exceptional 10% year-on-year increase, that places Thessaloniki among the fastest-growing logistics hubs in Southeast Europe. By contrast, average rents for Grade B facilities remained stable in the €3.50–4.00/sqm range, while older Grade C assets command rents typically below €3.00/sqm. The widening gap between Grade A and lower-tier assets underscores the structural shift towards modern, ESG-compliant infrastructure.

Investment Performance and Yield Compression

The continued strong influx of institutional capital — primarily from Northern European logistics REITs and pan-European fund managers — has accelerated yield compression. Prime Yields for core Grade A assets stabilized at 7.50-8.00% in H1 2026, confirming Thessaloniki's successful transition into a mature and highly sought-after investment market. Grade B yields are estimated at 8.50–9.00%, reflecting greater management risk and required CapEx — creating a significant spread versus Grade A.

Market Indicator	Trend	Direction & Explanation
Rentals	↑	Small vacancy rate for Grade A assets and intense institutional competition generate the strongest rental growth of any Thessaloniki real estate sector at +10% YoY.
Absorption	↑	Consolidation and e-commerce: Active take-up driven by Balkan distribution hub formation and secular e-commerce growth. Vacancy below 3% with Grade A effectively at zero.
Yield	↓	Historic low at 7.75%: Continued institutional inflows compress yields further.

INFRASTRUCTURE PIPELINE & OUTLOOK

The most significant single infrastructure development is the **Port of Thessaloniki (ThPA)** Pier 6 expansion — targeting a 45% increase in container capacity — which remains on schedule and will further cement Thessaloniki's role as a trade and logistics gateway for Southeastern and Central Europe. A €350 million intermodal freight terminal, which opened in July 2025, has already improved last-mile connectivity and reduced logistics costs for operators using Thessaloniki as a Balkan distribution hub.

The redevelopment of the former Gonou Military Camp into an intermodal freight center, combined with three major logistics parks totaling 450,000 sqm announced by private developers, will address demand backlogs from 2027 onwards.

RESIDENTIAL MARKET REPORT

The residential market in Thessaloniki Prefecture continued its strong upward trajectory into H1 2026, with Bank of Greece data confirming apartment prices rose 6.4% year-on-year in Q1 2026 — maintaining Thessaloniki's position as one of the strongest-performing major urban markets in Greece. The most critical trend remains significant price dispersion, with prime areas in the Centre, Nea Paralia (sea side) and Kalamaria recording asking prices that, in many cases, exceed €7,000/sqm for new or luxuriously renovated properties. The Kalamaria Metro extension (September 2026) has been the defining H1 2026 catalyst, generating immediate repricing in Eastern suburb locations gaining direct transit access.

OVERVIEW

The upward trajectory of residential prices has become a structural characteristic of Thessaloniki's housing market, underpinned by the limited availability of modern housing stock, the ongoing revitalization of the city center—including the Metro, waterfront and port redevelopment and the entry of international hotel brands—together with resilient domestic and international investor demand and the continued attractiveness of the Golden Visa program.

€2,325 **Avg. Asking Price €/sqm (Pref.)** +7.4% YoY (Jan 2026)	**€2,625** **Municipality Avg. €/sqm** +9.4% YoY	**€10.4** **Avg. Rent €/sqm/month** +7.8% YoY	**4.7–4.8%** **Gross Rental Yield** Stable — workable returns

MARKET PERFORMANCE & KEY INDICATORS

Price Performance

According to Bank of Greece data, Thessaloniki apartment prices rose 6.4% year-on-year in Q1 2026 — the strongest growth among all Greek urban categories surveyed, against a national average of 5.7%. For full-year 2025, the revised figure stood at 9.7%. Asking price data from Spitogatos and Indomio places the current average at €2,325/sqm for the Prefecture and €2,625/sqm for the Municipality of Thessaloniki. Prime waterfront and luxury properties on Nikis Avenue, Nea Paralia and the White Tower range from €5,700/sqm to over €7,000/sqm, confirming the emergence of a distinct luxury residential tier in the city.

Rental Market

Asking rents reached €10.4/sqm/month in the Municipality, recording the highest annual rental increase in Greece — approximately 7.8% year-on-year in early 2026, building on the exceptional +13.5% YoY rate of Q1 2025. Greece recorded the second-highest rental increase in the EU in 2025 at +10.1% — a trend strongly felt in Thessaloniki, where 28.9% of the population already spends over 40% of income on housing. Despite rapid price appreciation, gross rental yields have maintained a workable 4.7–4.8%, supported by the tight vacancy environment (residential vacancy in city center and Kalamaria estimated at 3–4%).

Neighborhood Pricing — H1 2026

- **City Center / Waterfront:** €2,800–3,200/sqm (prime waterfront up to €7,000+). Highest demand, near-zero new supply.
- **Kalamaria:** €2,450–3,100/sqm (+8.1% YoY). Metro extension creating immediate repricing. Strong family and investor demand.
- **Pylaia / Thermi:** €2,000–2,950/sqm. Steady growth driven by proximity to airport, university and new commercial developments.
- **Panorama:** €2,500–4,000+/sqm. Premium established suburb, panoramic views, exclusive community positioning.
- **Toumba:** €1,800–2,400/sqm. Strong rental demand from university population. Highest rental yields in city.
- **Western Districts (Stavroupoli, Evosmos):** €800–1,400/sqm. Proastiakos Sindos Line catalyst. Highest yield potential (6–8%) with value-add opportunity.

Key Insight

Thessaloniki led all major Greek cities in residential price growth for 2025 with +9.7% (Bank of Greece, revised data). In Q1 2026, growth moderated to +6.4% — a natural deceleration from exceptional peaks, not a structural reversal. Two infrastructure catalysts — the Kalamaria Metro extension and the Sindos Proastiakos — are reshaping residential desirability across the entire metropolitan area. Price growth is forecast at 4–7% for FY 2026, remaining structurally supported by supply scarcity, strong rental yields and robust international investor demand.

DEMAND FACTORS & INFRASTRUCTURE CATALYSTS

Kalamaria Metro Extension (September 2026): The defining H1 2026 event for the residential market. Areas gaining direct transit access — Kalamaria, Aretsou, Nea Krini, Mikra — are experiencing immediate repricing. The full urban regeneration impact is expected to be progressively realized through 2026 and beyond, as development planning around station catchments accelerates.

Golden Visa Program: Thessaloniki remains a strategic hub despite the increase in the investment threshold to €800,000 for central areas. This change is channelling demand towards larger properties in the centre and prime Eastern suburbs — sustaining price growth in the prime segment. International buyers, particularly from Israel, Germany, the Balkans and the Middle East, account for over 30% of demand in prime micro-markets. Notably, following Spain's closure of its Golden Visa programme in April 2025 and Portugal's earlier withdrawal of the direct real estate route, Greece now stands as the last major EU residency-by-real-estate programme — a positioning that is further reinforcing international investor demand for prime Greek assets.

Short-Term Rentals (STR): Continuous growth in tourism fuels demand for investment properties on STR platforms. New regulations restricting Airbnb registrations in central Thessaloniki areas — expected to be implemented in 2026 — are moderating STR supply growth while supporting long-term rental price levels.

TOURISM & HOTEL MARKET REPORT

Thessaloniki's tourism sector continues its strategic evolution, solidifying its status as a robust, year-round 'city break' destination. This shift is validated by significant international accolades — including being voted 'Best City Break Destination 2025' — strong performance indicators, and an accelerating pace of high-quality hotel investment. The 'Makedonia' Airport (SKG) closed FY 2025 with a record 7.98 million passengers (+8.2% YoY) and carried that momentum into 2026, reaching 3.66 million passengers in H1 2026 (+4.9% YoY), with international traffic up approximately 10% in FY 2025 — the highest rate among all 14 Greek airports operated by Fraport Greece. For Summer 2026, the airport is expanding further with 8 new routes and 3 new airlines.

OVERVIEW

Thessaloniki's international appeal is confirmed by its record airport performance and its consolidation as a premier European MICE (Meetings, Incentives, Conferences, Exhibitions) hub. The city reached 28th place in Europe in ICCA conference rankings in 2024 — up from 111th in 2014 — surpassing Munich and Zurich. Momentum continued in 2025, with 778 international and pan-Hellenic conferences and meetings hosted, drawing 130,000 participants and an estimated €170 million in economic impact (Thessaloniki Convention Bureau). The cruise sector is also expanding, with 58 cruise ship calls scheduled for 2026 (Thessaloniki Port Authority). Hotel performance metrics confirm the transition to a 12-month destination: off-peak occupancy (January–March, November–December) grew 5.3% in H1 2025, validating the sustainability of the city's tourism model beyond traditional summer peaks.

AIRPORT PERFORMANCE & CONNECTIVITY

'Makedonia' Airport SKG closed FY 2025 with a record 7.98 million passengers — effectively achieving its 8 million passenger target — with 5.44 million on international routes, and carried that momentum into 2026, reaching 3.66 million passengers in H1 2026 (+4.9% YoY). This represents a 64% increase in international traffic since Fraport Greece assumed management in 2016. International traffic grew approximately 10% in FY 2025 — the highest growth rate among all 14 Fraport Greece airports — led by Germany (+5.8%), Cyprus (+9.6%), Poland (+12.7%), Turkey (+23.2%) and Israel (+52.1%). For Summer 2026, the airport is expanding its network with 8 new routes and 3 new airlines — Finnair, Royal Jordanian and Animawings — adding connections to Amman, Cairo, Bolzano, Dubrovnik, East Midlands and several Romanian cities, with additional frequencies on 10 existing routes including Amsterdam, Bristol, Copenhagen and London Gatwick.

A notable downside risk to winter connectivity emerged in May 2026, when Ryanair announced the closure of its three-aircraft base at Thessaloniki Airport for Winter 2026, resulting in the loss of 10 routes and approximately 500,000 seats (-60% versus Winter 2025). The airline attributed the decision to rising airport charges at Fraport Greece-managed airports, following the operator's failure to pass on the Greek government's 75% reduction in the Airport Development Fee (ADF) introduced in November 2024. The development poses a risk to the city's year-round tourism ambitions and off-peak connectivity, though summer 2026 operations remain unaffected.

Hotel Performance

Thessaloniki's hotels enter 2026 on a more moderate footing after a strong 2025: Q1 2026 shows a slight occupancy pullback (-1.1% YoY) alongside continued rate growth (ADR +3.7%, RevPAR €60) — GBR Consulting. This follows a 2025 in which the city outperformed Athens: occupancy +4.3% (H1), ADR +4.4%, RevPAR +5.3% (FY2025), with off-peak occupancy up 5.3%, confirming the shift to a 12-month destination. Average daily spend rose to €93/day in 2025 (from €87), with 96% of visitors recommending Thessaloniki and 91% saying they'd return.

Investment and New Supply

New supply is targeting a distinct structural gap in the market — brand penetration, not room count. Only 5% of Thessaloniki's 150 hotels currently operate under an international brand (Thessaloniki Hotel Association, July 2026), among the lowest rates of any comparable European city-break destination. The city's 21 five-star properties (~4,650 beds) remain almost entirely independently operated. Two landmark investments mark the start of branded institutional entry into the market:

•**FIX Project by DIMAND:** Delivery expected 2029. Large-scale mixed-use redevelopment (~€200 million total investment) of the former FIX brewery site, anchored by Thessaloniki's first Hilton-branded hotel (184 rooms across a new building and a restored historic structure), designed by Foster + Partners, plus premium office and retail space.

•**Electra Hotels & Resorts:** Under development, expected Q3 2027. New 5-star hotel with 165 rooms, investment of approximately €35 million — the group's second Thessaloniki property. Combined with Hilton FIX, the pipeline adds 349 new branded rooms to the market.

Key Insight

Thessaloniki enters 2026 as a maturing, rate-led hospitality market: Q1 2026 shows occupancy easing (-1.1% YoY) while ADR keeps climbing (+3.7%, RevPAR €60) — GBR Consulting — following a 2025 in which the city outperformed Athens on every core metric. SKG carried 3.66 million passengers in H1 2026 (+4.9%), building on a record FY2025 (7.98 million, +8.2%). The arrival of Thessaloniki's first international 5-star hotel brands — Hilton (FIX Project, 2029) and continued expansion from Electra, Radisson and Marriott — marks the start of institutional branded consolidation in a market where only 5% of hotels currently carry an international brand (Thessaloniki Hotel Association, 2026).

Market Indicator	Trend	Direction & Explanation
Occupancy	↓	Q1 2026 shows a slight pullback (-1.1% YoY), consistent with a market now led by pricing rather than volume. This follows steady 2025 growth: +4.3% YoY in H1, with off-peak months (Jan–Mar) even stronger (+5.3%), validating the 12-month destination thesis.
ADR / RevPAR	↑	Q1 2026: ADR +3.7%, RevPAR €60 (+2.6%) — GBR Consulting — continuing the premium pricing power seen in 2025 (ADR +4.4% H1, RevPAR +5.3% FY). New branded 5-star supply from 2027 onward should support continued rate growth.
Connectivity	↑	SKG carried 3.66M passengers in H1 2026 (+4.9%), building on a record FY2025 (7.98M, +8.2%). Summer 2026 adds 8 new routes and 3 new airlines, including Amman, Cairo and East Midlands, opening new source markets.
Supply	↑	Branded pipeline: Hilton FIX (184 rooms, 2029) and Electra (165 rooms, Q3 2027) — 349 new rooms led by the city's first international 5-star brand entries, addressing the branding gap rather than a room-count shortage.

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