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LUXURY | JUNE 23, 2013

## Join the super-wealthy in the Ionian Sea

BY SPEAR'S



Alexandros Matsukis, director, founder, co-owner of Ionian & Aegean Island Holidays, provides a close-up of the region. His tour operator company has been renting out villas there since 2002 and is now the undisputed market leader on the sort of islands for which the big boys are gunning.

Ionian & Aegean Island Holidays have 200 villas on 10 islands and mainland Greece on their books, including several private Matsukis- owned properties, and a turnover of £9 million and growing annually. They have offices in London, Lefkada and Meganisi.

### Is this little spot in the Ionian turning into the new epicentre of the jet-set world?

Some of the richest and most powerful men on the planet are buying here. The Emir of Qatar has just bought six islands including Oxia; one of the world's richest Russians, billionaire businessman Dmitry Rybolovlev has scooped up an island, Skorpis; and in the middle of them, in Meganisi, billionaire banker Lord Jacob Rothschild has bought 8km of land and a small island.

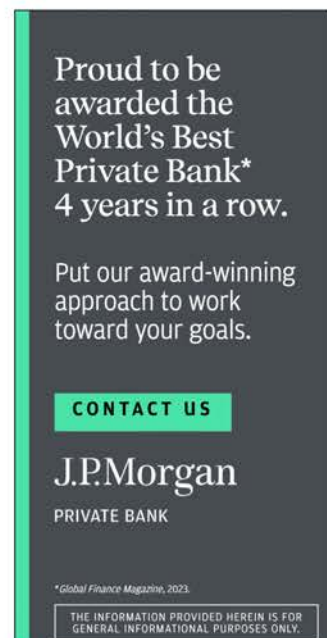
### You've said that history is repeating itself in the region.

The late shipping billionaire Aristotle Onassis could have chosen anywhere in the universe. What do you do when you own most of Monaco and have billions in gold reserves? Choose Skorpis as your haven, of course. Niarchos – his big rival and another one with all the money and influence in the world – bought Spetsaipoula, a small island off Spetsai. 50 years later, the wheel's turned full circle – and the most powerful people on the planet are choosing this area again.

### For lesser mortals, what if Greece blows up or things get tougher – despite its having been bailed out?



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The worst is over. We entered the tunnel first and so can see the light at its end earlier, certainly before Spain or Italy. In Greece the austerity was harsh. People were so worried – but now you see a look on people’s faces of hope and acceptance. We’re quite philosophical. After all, we invented philosophy.

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### But austerity means that even the rich are now needing to earn extra money by renting their villa, doesn't it?

The most beautiful villas in the area were never before available for rental. But because of the crisis and the new taxation, even the wealthy are suddenly needing to meet more bills and bring in more money – so a lot of top villas have now come onto the open market. We’ve picked up 25 of them in the last two years. They’re mostly wealthy Athenian’s second houses – summer homes – and investments.

The standard in the rental market has jumped hugely over the last couple of years. A few wealthy Greeks who’ve owned small private islands for decades are also putting them on the market after the government increased property taxes and stretched them too far.

### So the new luxury heralds the end of billionaires needing yachts, does it?

The area has been a massive draw for the ultra wealthy for years. They visit in the summer on mega boats – from Hollywood A listers like Tom Hanks and Spielberg, to Roman Abramovich, Bill Gates and Madonna. The emir of Qatar moored his super-yacht nearby for a holiday. Because there isn’t yet the luxury on shore, they use their own private gin palaces – the £200-700,000-a-week type. But with the new developments in the region, they’re soon going to be able to do luxury on shore.

### How are Ionian & Aegean Island Holidays keeping up?

We’re keeping pace of local developments by moving into the luxury market as well – currently we offer simple to 5\*. We’re investing in and improving properties that have settings from paradise – all in incredible locations with sea views and often with direct access to deserted beaches – but whose owners haven’t previously added luxurious décor and fittings.

By offering the owners longer contracts – say three years on a property with exclusivity – we’re getting them to invest more. We’re repositioning ourselves in the region as a luxury product too for clients who want a notch above the rest. Next year, we’ll be able to offer amazing infinity swimming



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pools, great quality builds and interiors, space and panoramic views. But we're not talking super luxury.

**What are your views on the area going upmarket? On the jet-set coming to land? Party time coming to the region again?**

You've got the wrong idea if you think it's going to be party town. You're more likely to come across parties for patron saints of the islands or a festival to honour the archbishop.... a service in a tiny church followed by free wine, soup and sardines outside plus music and dancing. But it'll be plain sailing for serious investors like Rothschild. There's more than enough natural beauty to create something amazing here. All he has to do is design some interesting properties.

**There's a lot going on in the travel business in the region, isn't there?**

There has been fresh interest in the area. Upmarket operators Think Ionian – as in Think Sicily and Think Puglia – have just started here. (They too are going to be running a new weekly charter flight here.) But we've already contracted all the best villas since Travelux stopped operating here. The big operators don't bother with places like Meganisi or Paxos, small islands that are much harder to operate on and are more costly because of boat transfers etc. We have our own boats.

**What's the future look like?**

On Meganisi we have thirteen villas and are building two more (at the cost of the owners). Since 2011, we've been adding 20 per cent more properties to their portfolio a year, and 50 per cent more in Meganisi alone.

**Are you now going into partial ownership?**

We're looking at buying properties with investors. We want to invest in Greece (rather than just contracting) because of the bargains and our commitment to the country.

**If you're not Greek, it's known to be difficult to do business there. People can be put off by Greece's red tape and inefficiency, can't they?**

It's a lot easier these days, foreign investment is very welcome and a lot of the hurdles and red tape has ended. After the last few years of the Troika, the coalition government has simplified Greek laws and made the country as inviting as possible for foreign investment, seeing the importance of growth in addition to austerity. Foreigners like Lord Rothschild will sometimes still get Greek business partners to use as 'frontmen' to speed up local processes, but it's really not necessary these days.

**And if you're buying an island?**

Ithaca's Greek-American mayor, Ioannis Kassianos recently said: 'When you buy an island, even if you are the emir of Qatar, it takes eighteen months to complete the paperwork.' But it's a well-known secret that exceptions can be made for investors of that calibre.

The mayor felt that development plans could also pose problems and that the emir may be set for a long battle with Greek officials over his plans. Regardless of the size of the land, a home can be no bigger than 250 square metres. 'The emir,' said Mr Kassianos, 'responded to that suggestion by saying his WC is 250 square metres.' But I think the emir will get his 1,000 sq metre loo if he wants it!

**You've dug deep into your piggy bank and are very committed to the region. aren't you?**

Ionian & Aegean Island Holidays take in four planes weekly from Gatwick, Manchester and Birmingham. As an operator, we're the most exposed locally, but our clients can always get flights.

### What does Lord Rothschild know that we don't? Why would someone want to buy/rent on Meganisi?

It is not a Corfu or Rhodes, even though Lord Rothschild has an estate in Corfu. Islands like Meganisi don't even have scheduled international flights. Most operators and purchasers went to Kefalonia, Lefkada, Corfu and Rhodes. Luckily Meganisi has been forgotten. It's a secret paradise – as naturally beautiful, secluded and unspoiled as it gets – and uniquely peaceful. But it didn't have the properties to begin with. It's smaller. (Just 9 square miles.) It kept going quietly with its old, loyal visitors.

The mentality of the people there takes you back in time. They're quite different, not greedy. They open their homes to visitors, and offer them hospitality. Their attitude to 'philoxenia' (friendliness to strangers) surpasses that of any other island. The competition it has faced from neighboring islands has been a blessing in disguise. It's been a victim in a nice way.



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