

# ANALYSIS OF CHINESE BUYERS TOWARD BUYING PROPERTY OVERSEAS

Case Company: Leptos Estates

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ABSTRACT

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In the past decade, China's economy has grown as the fastest economy in the world. The Gross Domestic Product rose from 8.3% in 2001 to 14.2% in 2007. With the price of properties goes up rapidly each year, there is an increasing trend of buying properties overseas. Consequently, it attracts many foreign real estate companies to invest abroad. In 2013, Greece enacted a new law which allows Non-European citizens has the right to purchase properties in Greece. One of the biggest Cypriot real estate company, Leptos Estate Greece has authorised the author to do marketing research.

The purpose of this research is to analyse Chinese buyers and identify the recent trend in terms of buying properties abroad; in order to assist the case company to have a full understanding on Chinese buyers and increase their sales of properties, mainly in islands of Greece. Relevant information includes the analysis of the current real estate market in China, what happened and caused people buying abroad, the process of buying properties in Greece, case company's SWOT analysis, analysis for the empirical results and the development plan.

Both of qualitative and quantitative research method are deployed in this thesis. Due to the author completed her internship in the case company, Leptos Estate Greece, hence, the data includes both primary and secondary, and the author believes she is qualified to give a conclusion based on her own experience. The primary data was gained via an online survey and interviews. The secondary data were obtained from internet, company's propaganda, journals.

Keywords: Chinese buyers, Greece, Real Estate, Foreign Investment, Residential Properties.

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## ABBREVIATIONS

GDP	Gross Domestic Product
GSC	Geographical Society of China
Ltd.	Company Limited
IT	Information Technology
FDI	Foreign Direct Investment
EU	European Union
PR	Permanent Residence Permit
Inc.	Incorporated
VAT	Value Added Tax
WHO	World Health Organization



# 1 INTRODUCTION

The first chapter introduces the research background to the reader, explains the motivation of the topic, thesis objectives, research questions and limitations. Furthermore, it gives a theoretical framework and research method together with data collection.

## 1.1 Research Background

In 1998, China discontinued the welfare housing distribution system which had been implemented for 50 years. The purpose is to boost the real estate development. Afterwards, the real estate market began to surge. In recent years, the price level exceeds China's economy and buyer's income, especially in big cities like Beijing, Shanghai, and Shenzhen. The reasons for this is various, for instance, China's economy goes up rapidly every year, and among the rich people has even tripled; there is land shortage and high density of population; swift urbanization. (Doc88 2014.)

In recent years, a large number of Chinese buyers are purchasing their houses abroad. Among the target countries are, America, The United Kingdom, Australia, Thailand, Spain, Malaysia attracts Chinese buyers the most. Compared to domestic real estate investment, outbound real estate investment has been reviewed as cost-effective in regards to price, environment, education, social welfare and so on. (Chengchen Immigration & Overseas Education 2014.)

This research is authorized and assigned by Leptos Estates Greece. It is a Cypriot real estate company with over 55 years of history. It has properties in both Greece and Cyprus. (Leptos Estate 2015.) The author mainly focuses on the islands of Greece in this research. There are several things motivate the author with this topic. First of all, the author worked as an intern for six months in the case company Leptos Estate. This experience brought the author a certain amount of knowledge of the real estate industry. Hence, it is a relatively attractive topic for the author, not only assist the company to do research in order to understand Chinese buyers,

but also enhance personal know-how on real estate perspective. Secondly, owning a house is significant for every family, especially in China. It is mainly because China has the biggest population in the world and the pollution is severe. With the price of properties soaring dramatically, the housing price in China becoming one of the hottest topics in people's everyday lives. Last but not least, real estate is a vast topic with many sub-implications: economy, government policy, culture, legislation, environment and so on. Therefore, from another point of view, it may also provides the reader a deeper understanding of the current situation of the Chinese real estate market and why people decide to buy properties abroad.

## 1.2 Thesis Objectives, Research Questions and Limitations

The research aims to identify what factors drive Chinese buyers in terms of buying properties abroad, the final goal is to help the case company better understand the potential Chinese buyers and give company hints on how to promote their properties to Chinese buyers.

Determining a research question is rather important when conducting a thesis. It organizes the themes and makes the reader more clearly understanding on what the research tells about. This research focuses on answering the following questions:

What are the factors behind Chinese buyers purchasing properties overseas?

The main research question is followed by several sub-questions to make it easier to answer the main research question:

- What is the current situation of China's real estate market?
- What are the main reasons behind China outbound real estate investment?
- What are the advantages of buying property in Greece?

There are always limitations to take into consideration when conducting a thesis. The limitation of this research is that the segmentation of the real estate market is broad; the author cannot specify every single one. Since the aim is to identify the main characteristics of Chinese buyers and what factors cause them buying properties abroad, therefore, some individual reasons cannot be explained in this research. Furthermore, this research is specialized in Greece, which means the delivery of results is not applicable to other countries.

### 1.3 Theoretical Framework

The theoretical framework is going to explain briefly on what is included in the theoretical part. Thereby it facilitates scrutinization of the following chapter.

In the first place, the author begins the theory part with the introduction of real estate market, the purpose is to have a basic concept of real estate to the readers. After understanding the basic concept, the author leads the reader to the history information of real estate market. The current real estate market in China has been introduced in this chapter too, it sheds light on the reasons why Chinese people decided to purchase properties abroad.

In the latter half of the theory part, the picture is diving to the deeper philosophy of the theory part. As the author clarified in the very beginning of the research, the goal is to analyse Chinese buyers in order to help case company understand Chinese buyers, therefore, the customer's analysis tools, demographic analysis and geographic analysis, as well as behavioural analysis are utilized in the theoretical part.

## 1.4 Research Methodology and Data Collection

Choose an appropriate research approach can give a clear answer regarding to the research questions, and eventually to fulfil the research objectives.

### Research Approach

There are two different research approaches: inductive and deductive. The biggest difference between two approaches is the hypotheses. Inductive approach contributes to the appearance of new theories and generalizations. The direction begins with "Bottom-Up", which means the research starts from a reserved observations and theories are prepared at the end of the research as a result of observations. (Goddard & Melville 2004.) In another word, no theories will be applying in the beginning of an inductive research approach (Dudovskiy 2015). On the contrary, the deductive approach goes "Top-Down", which means the research starts with general theories to more detailed information. Deductive approach is formed with a hypothesis which based on existing theory, and then tests the validity of assumptions. (Goddard & Melville 2004.)

### Research Method

The research methodology is used to give a clear idea of what methods or process the researcher is going to apply in her research to achieve research goals. In the methodology chapter, the author should explain how she is about analysing the primary data that going to collect. The most common research method is a qualitative and quantitative method. (Dudovskiy 2015.)

The major differences between qualitative and quantitative method are that qualitative method utilizes interviews, experiments, specific groups and so on. However, on a quantitative method, it uses a lot of figures and numbers to interpret and analyse the data.

A qualitative research method is build on perception and reading of people, and the goal is to provide a deeper level of knowledge. In this type

of method require non-numerical data that has not been quantified. (John Duodovskiy.) It can provide insights of research questions by understanding people's opinions. The sample size of the qualitative method is small, often completed with individual interviews, group discussions, and other variables. (Wyse 2011.)

A quantitative research method used to quantify the problem by numerical data and then changed to useful statistics. It quantifies people's attitudes, opinions, behaviours. The size of the sample is large, and data are usually formulated via online surveys, paper surveys, streets surveys. (Wyse 2011.)

The aim of this research is to seek out the main reasons behind Chinese buyers buying properties abroad. In order to gain a deeper understanding of Chinese buyers, both of the quantitative and qualitative methods are adopted in order to gather information from potential buyers.

#### Data Collection

In this research, the data collection mainly classifies into primary data and secondary data. The primary data was gathered from the online survey, which was carried out with a group of potential clients that the case company has been in contact with. The purpose is to identify their perspectives on buying a property in Greece. Another source of primary data is seven individual interviews which presented by company's existing clients, and some of them have already travelled to Greece and visited company's properties. The idea is tantamount to bringing insights about buying a house in Greece. In regard to secondary data, it has been mainly collected via internet-based resources such as articles, literature, journals and as well as the internal company brochure.

The following figure demonstrates the methodology structure of this research.

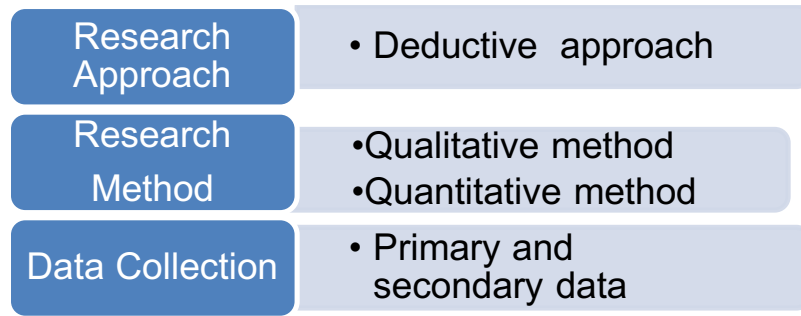


FIGURE 1. Methodology structure

In this research, the deductive approach is adopted as the main research approach, both of qualitative method and quantitative method are applied to assist the research analysis. Last but not least, the data were collected by both primary data and secondary data.

### 1.5 Thesis structure

The research structure is divided into four main parts: Introduction, theoretical study, empirical study, result, and conclusions. The following figure illustrates the research structure.

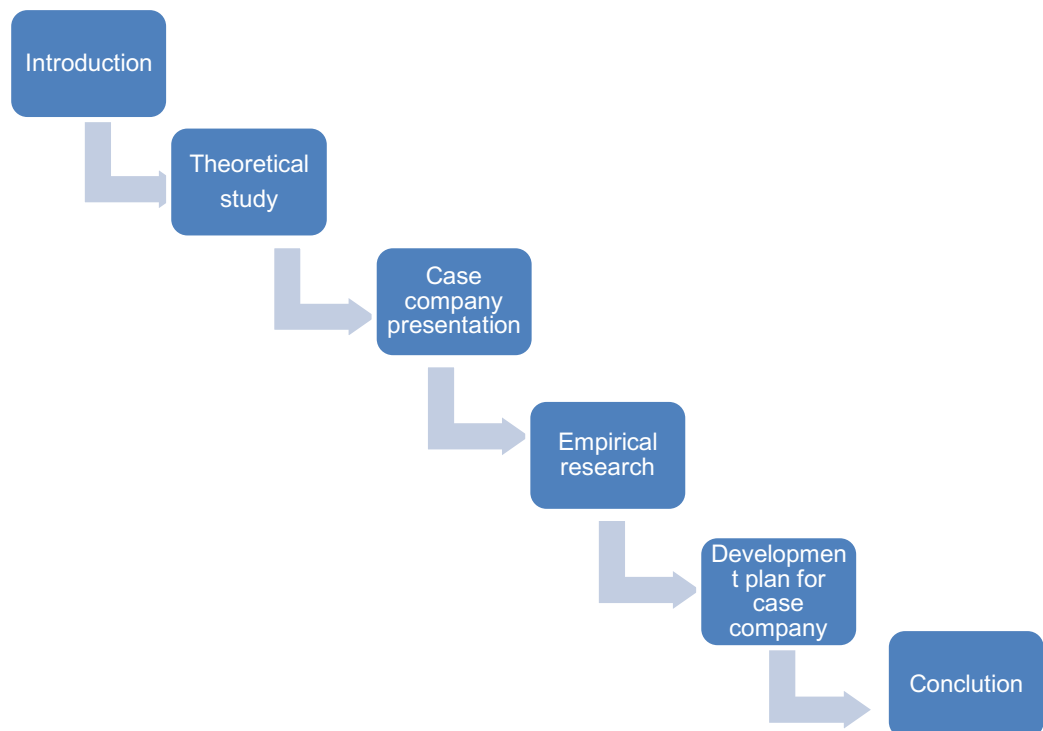


FIGURE 2. Research structure

Chapter 1 is introductory part; it consists of background information, research purpose and research questions, research limitations, research methodology and research structure.

Chapter 2 introduces the theoretical study; It gives information on the Chinese real estate market, what are the factors that determine Chinese buyer's decision and the tendency of purchasing properties abroad.

Chapter 3 focuses on presentation of the case company; it provides case company's profile, company's properties guide, current policy, and legal procedures in terms of buying properties in Greece.

Chapter 4 elaborates on the empirical experience; it includes further information on research methods and data collection. Both the result of the group interview and online survey is analysed at the end of the chapter.

Chapter 5 is based on the previous conclusions and gives the case company a development plan. It consists of a SWOT analysis and action plan for the future.

Chapter 6 illustrates the answer to research questions. The answers are concluded through theoretical knowledge and empirical experience.

Chapter 7 is the conclusion of this research. In this chapter, the author summarized what has been reaching so far, what suggestions can give the case company.

## 2 THEORETICAL INTRODUCTION

This chapter presents overall background information about the real estate industry and introduces the current real estate market in China with the explanation of high housing price level. Finally, the author gives a comprehensive analysis on Chinese buyers in regard to buying properties overseas.

### 2.1 Introduction to Real Estate Industry

Real estate is a generic term for house property and landed property. House property indicates the buildings on the land site. The landed property shows the land as well as space up and down, for example, the underground infrastructure, buildings, compilation of building and land. People turn to real estate for various objectives, such as manufacturing, residential house, commercial offices, entertainment. The success of those uses is depending on the economy, politics, demographics, transportation, climate and so on. In economic point of view, it is also called immovable property. From the perspective of legality, it is a property right. (BaiduBaikē.) The objective of real estate developers is to create value by developing land and attached structures in order to sell or to lease (The Gale Group Inc.2003). With the development of the economy, real estate has already become one of the most irreplaceable components of profitable trade.

#### 2.1.1 The categories of Real Estate

Generally, real estate related activities include real estate investment industry and the real estate services industry. The real estate investment industry can sub-divided into four major types:

Residential Real Estate



It includes new house and resale homes. The most common residential houses types are the townhouse, villa, duplexes, apartment, condominiums, and vacation homes.

#### Commercial Real Estate

It is mainly built for the commercial purpose, such as shopping malls, offices, hotels, pharmacies, hospitals. The owner of these commercial building usually considered receiving incomes. (About News& Issues 2014.)

#### Industrial Real Estate

It is usually including manufacturing constructions such as factories and warehouses. Sometimes, industrial real estate also considering as commercial real estate. (About News& Issues 2014.)

#### Land

This includes farms and orchards; it also contains undeveloped land for early development of reuse (About News& Issues 2014).

## 2.2 The development of Real Estate Industry

The earliest prototype of real estate record was discovered in cave drawings. It recorded some open houses that opened by some cave-maker who tried to sell those caves to tribal Homo Erectus, and each cave cost 7 pelts. The truth of this record is still a myth. (Becki 2014.) However, in reality, real estate goes back from the United State, after the revolutionary war. After this, the country was no longer under English rule. The land was sold to the private owner by the federal government. In the year of 1862, a private ownership act in the United States, called the Homestead Act, allowed for government permission to develop the land for a minimum five years. (Vault 2015.)

### 2.2.1 Timeline of China's Real Estate Industry

Different from the western real estate industry which has hundreds of year's background and developed together with the industrial revolution, China's real estate industry was lagging behind which began after China followed the policy of reform and opening. Since the ancient time, the people in China have been always pursuing having their own house, but it was even hard to get refuge in the past. Throughout the history, there have been only two distinct periods of time when people were capable of owning a house and live comfortably, one is at present and another is the Tang dynasty. (Loudi real estate 2011.) According to BaiduWenku, the real estate industry in China can be divided into four main stages:

First phase: 1979-1991

Before 1958, the properties in China is owned by the government, and everything based on collectivized. The initial concepts in terms of housing commercialization and title deed were enacted in 1978. In 1980, the house construction office in Beijing granted itself as the first Beijing's real estate company, and opened a sales office in four different cities. Some important events in the next 20 years are: Chongqing and Guangdong began to collect the land use fee, the government of Shenzhen opened a public bidding for residential buildings, Shanghai implemented housing fund. During this period of time, state-owned companies can apply the unoccupied land for construction, and employees have the priority to apply the house. (BaiduWenku 2011.)

The second phase: 1992-1995

Since the year of 1992, after chairman Deng Xiaoping encouraged all merchants in China, there was a business boom started nationwide. After 1992, the real estate business in China rose quickly, and some places had chaos and market bubbles, the real estate industry bottomed out in 1993. (BaiduWenku 2011.)

The third phase: 1995-2002

With the developing of housing reform and increasing of individual income, the real estate became a high consumer demand again. Especially after housing allocation had been cancelled and mortgaging was implemented, real estate industry transformed into one of the pillar industry in China. (BaiduWenku 2011.)

The fourth phase: after 2003

The price of housing goes up constantly after 2003 and most of the housing price in China has been considered relatively high. Because of the irrational real estate structure, it caused many social complaints by stressing that nobody can afford a house anymore in China. As a result, the government took a variety of regulations, mainly towards price control and land control. (BaiduWenku 2011.)

### 2.3 Current Situation in China's Real Estate Market

The housing price increased dramatically, 60 percent, in the major cities of China after 2009. Excessive price levels block many Chinese' housing dream, especially from the low to medium income group. (Baiduwenku 2011.) In order to provide a clearer picture of how high is the housing price level in China, the author incorporates some data from the largest database website called Numero. It is meaningless to be compared between the cities where has the highest pricing level, for example, city centre in Shanghai versus the Manhattan in the United States, the problem is per capital income from a family is totally different in two cities. In the website Numero, it provides the index that based on the price level compare to family income. The data are extracted from the median value, for example, an average income family and overall housing price, this guarantees the objectivity of the result. The following table demonstrates the property prices index 2015 midyear (Because of the source is

oversize, the author only extracts some major cities in china as well as some developing cities in the world).

TABLE 1. Property price index 2015 midyear (Numero 2015)

Rank	City	vs income ratio	Mortgage perce	affordabili
4	HongKong, China	45.4	299.68	0.33
6	China, Beijing	34.53	295.99	0.34
11	London, UK	30.53	218.1	0.46
17	Macao, China	28.28	193.05	0.52
23	Shanghai, China	26.62	230.92	0.43
24	Shenzhen, China	26.23	224.13	0.45
32	NewYork, US	25.05	128.03	0.55
34	Singapore	23.87	147.86	0.68
37	Tokyo	22.99	138.47	0.72
39	Rome, Italy	22.49	162.28	0.62
44	Paris, France	20.66	137.44	0.73
45	Guangzhou, China	20.34	175.67	0.57
46	Nanjing, China	20.4	175.38	0.57
147	Munich	12.11	80.46	1.24
152	Espoo, Finland	12.03	75.64	1.32
154	Sydney, Australia	11.97	94.96	1.05
265	Oslo, Norway	9.06	60.95	1.64

From the table above, we can easily see that, even in the developing cities like Sydney, Munich, Oslo, Paris, Tokyo, compare to the cities in China such as Beijing, Shanghai, Shenzhen are easier to afford a house. The burgeoning housing price will further increase the inequality in China, and may bring other social contradictions too. There are various reasons for China's high housing prices; some of these main factors will be explained in the following sub-chapters.

### 2.3.1 Urbanization

Urbanization is one of the main reasons arousing the high housing price level in China. There were almost 200 million people moved from villages into the city from the last decade. Since the initiation of the reform and opening policy has been put in place, the speed of urbanization grows swiftly each year. Until the year of 2014, the total urban population

reached 54.7%, which went up nearly 26% after 1990. According to professor Lu Dadao (the president of GSC), China's urbanization went up nearly 21% in 22 years, and it took United State 80 years, Britain 120 years and Japan 30 years to achieve this result. (Xu 2012.)

At the moment, the annual urbanization growth rate is 1.3 percent, more than 20 million of people move out from villages to the city. China's housing covered area per capita is around 30-meter square in 2009, which means 600 million of the covered area are obliged from the annual urbanization. (Shejiben 2015.) The demand for the land is incredibly high; it raises the housing price level tangibly.

### 2.3.2 Economy Boost

China's economy plays a significant role in the housing price level. There was not any parallel in history to compare to the speed and scale of China's economic transition. Before 1979, China was once the poorest country in the world. The actual GDP was only 1/40 compared to the United States, and 1/10 to Brazil. After that, the rate of China's GDP per capita grew more than eight per cent every year. Nowadays, China's GDP per capital is nearly 1/5 to the United States, the same level with Brazil. As a country which has 1/5 of world's population, China's economy increase swiftly and continuing, it has been the world's second-largest economy. (Zhu 2013).

According to consulting firm Capgemini, the affluent population with assets of one million dollars or more increased 18% in 2013, which is higher than the global average, and millionaire increase at 14.7%. (Capgemini 2013.)

According to the white paper, most of the affluent class are engaged in trade, finance, manufacturing, and followed by technology, media and telecom sectors. After the affluent class, wealth management products, financial products, equities and funds, real estate investment grew in popularity too.

### 2.3.3 Outbound Real Estate Investment

Rapid growth of China's economy and individual's income boosts Chinese purchasing power in abroad. According to the report released by China's mass affluent class, the total amount of Chinese private investor funds amounts to 16.2 trillion USD dollars for an annual increasing rate of 12.8% by the end of 2014. The population of mass affluent class reached 13.88 million USD dollars for an annual increase of 15.9%. According to some report forecast, based on its huge population and economic growth, China will be the second richest country in 2020. At present, China already becomes one of the main purchasing power worldwide; a good example can be finding in the United States. (Chengwei 2015.)

According to American real estate broker investigate, the total costs from Chinese buyers purchasing a house in the United States were 22 billion USD dollars in 2014, an increased of 72% compared to the year 2013. Chinese buyers become the biggest foreign buyers in the United States for five consecutive years. (Chengwei 2015.)

The United Kingdom is at the top of the list for overseas real estate investment in China. Take London as an example, according to the investigation. Chinese buyers in London increased fivefold in recent three years. In 2012, 40% of buyers were from overseas; most of them come from the Middle East, Russia and Asia. Since 2013, Chinese buyers jumped from 5% to 27%. Currently, Chinese buyers occupied ten percent in the United Kingdom's real estate market. (Chengwei 2015.)

Recently, an annual report concerning to overseas investment from Australia shows that the total amount of properties those Chinese buyers invested worth nearly 9.9 billion USD dollars from 2013 to 2014. At the same time, China's total investment capital in Australia was 19.3 billion USD dollars. The number of Chinese buyers jumped fourfold compared to six years before. (Chengwei 2015.)

Except the countries referred to above, Chinese buyers appear in many other foreign countries as well, and this number is continuing growing up.

In Dubai, Chinese buyers soared sixfold in 2011 compared to 2008. Since Portugal started foreign real estate market, 80% of buyers are from China. In Japan, the real estate turnover amount to 230 million in 2014 which is higher than triple compares to the year 2013. (Chengwei 2015.)

## 2.4 Chinese Buyers Analysis

A customer analysis is a significant role in helping the case company to study the Chinese buyers. The goal is to identify the customers and the needs of customers in order to optimize the product or services to satisfy them. More specifically, a good customer analysis can help business understand current and potential customers, and eventually increase their sales. (Baiduzhidao 2016.) The custom analysis is going to be explained in three themes, geographic analysis, demographic analysis and behavioural analysis.

### 2.4.1 Geographic Analysis on Chinese Buyers

The Geographic analysis is typically used in marketing. It collects and analyses information according to geographic location. The idea of geographic analysis is to help the company realize in where their products or services are more prevalent and thus to increase the sales efforts there. (WebFinance 2015.)

In this research, the geographic analysis designed to discover in which city or region of China has more people who interesting in buying property abroad or already bought property overseas. The information was collected from an online survey which made by SouFun. SoFun is a global platform which provides information on real estate and supply chain, it has 16 years of experiences on real estate market, the user can obtain the properties information on both rent and sales. The purpose of this investigation was to help readers to understand the current trend on buying a house overseas and what are the factors that determine people to purchase a house abroad. There are nearly 5000 participants joined this online survey. The following figure presents the buyers' cities.

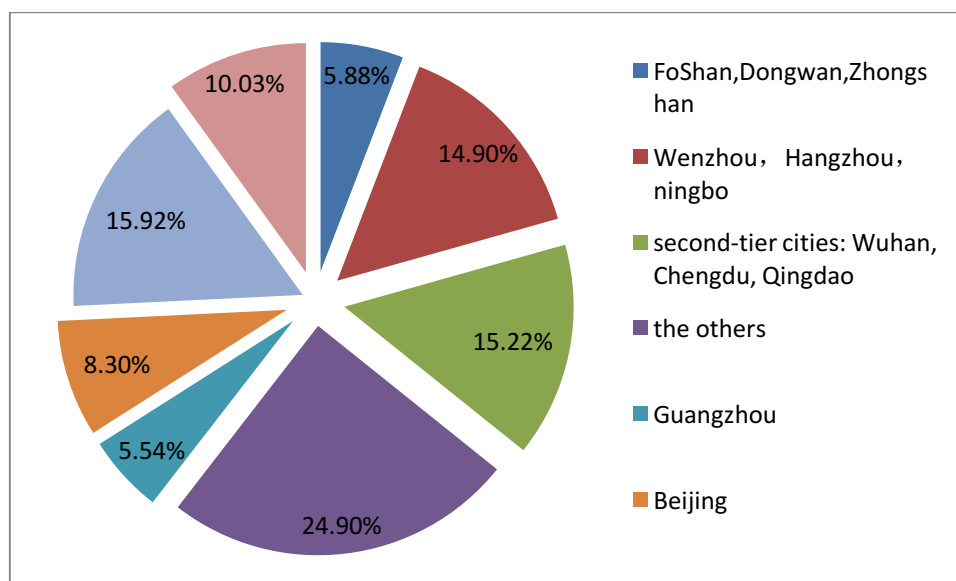


FIGURE 3. Buyers' cities (SoFun 2012).

According to the survey, the buyers from first-tier cities such as Beijing, Shanghai, Guangzhou, Shenzhen account for 39.74%. The result shows the buyers from second-tier cities like Chengdu and Qingdao, and they amounted to 15.22%. People from Dongwan, Foshan represent 5.88%. (SoFun 2012.) Therefore, the first-tier cities in China still keep the strongest purchasing power, however, the second cities display a huge potential in the future.

#### 2.4.2 Demographic Analysis on Chinese buyers

Demographic analysis is part of the strategy which aims to divide customer information into age, gender, family, income, occupation, race, religion and other variables. It is designed to help the company separate its customers into specific customer groups, hence, it gives a shorter time to analyse and promotion. (Marketing91 2011.)

In this research, the objective of the demographic analysis is tantamount to giving a deeper level of understanding on buyers' profile, and the consideration has been given to buyer's age, investment capital, salary.



### Investment capital

91.35% of respondents answered with no more than 800,000 USD dollars. The result also shows there are 44.98% of people willing to invest capital between 150,000 to 800,000 USD dollars, and 5.54% of respondents willing to invest capital more than 800,000 USD dollars but less than 1.5 million USD dollars. With only 3.31% of respondents would like to invest capital more than 1.5million USD dollars. (Sofun 2012.) The following figure shows how much capital buyer willing to invest.

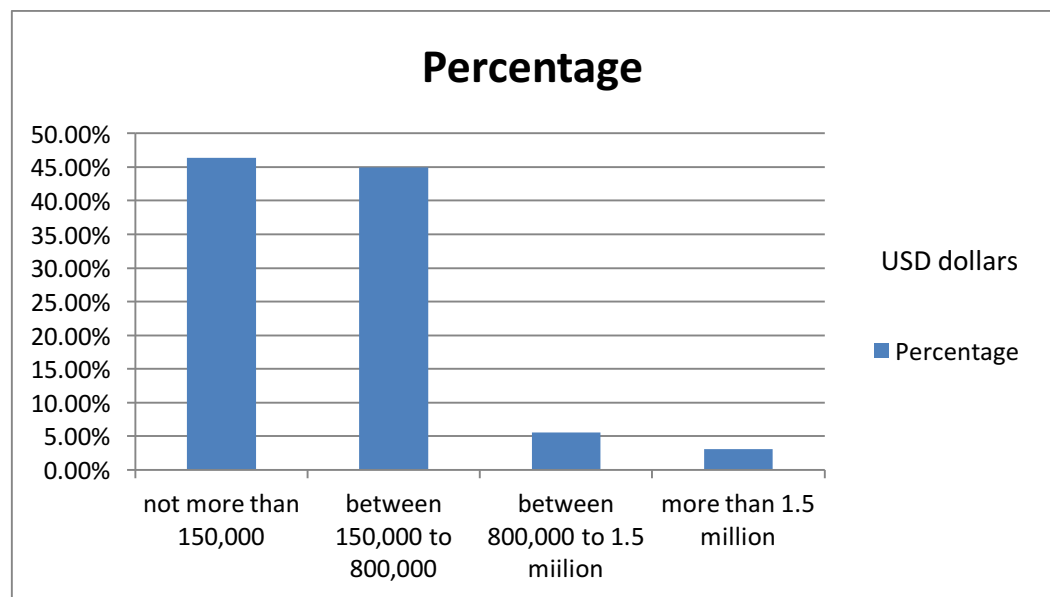


FIGURE 4. Investment capita (SoFun 2014).

### Salary

The survey shows the monthly salary which below 3,100 USD dollars accounts for 43.25%, 30.8% of respondents' monthly salary are between 3,100 to 7,600 USD dollars, the monthly salary between 7,600 to 15,200 USD dollars occupied 13.5% and 12.8% of respondents' monthly salary was over 15,200 USD dollars. (Sofun 2012.) Therefore, the majority of overseas buyers are from the middle class group which have a monthly salary below to 7,600 USD dollars. The following figure shows buyer's monthly salary.

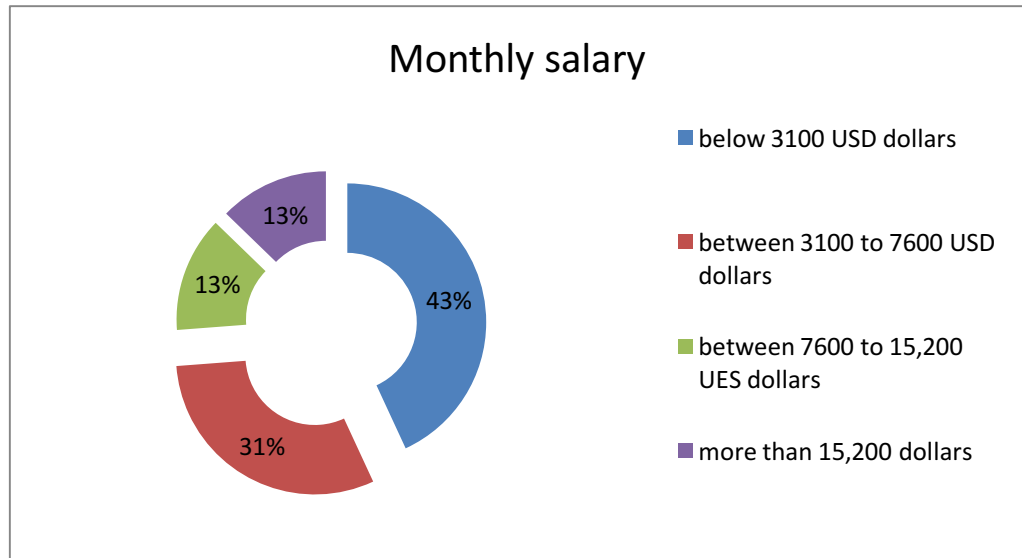


FIGURE 5. Buyer's monthly salary (SoFun 2014).

### Age

From the age perspective, 61.25% of the buyers are between 31 to 45 years old. The second largest percentage is accompanied by the ages between 18 to 30-years-old, at 24.91%. Over 45-year-old represent 13.49%. (Sofun 2012.) As a result, the age of 31 to 45 years old are the target group. The reason behind this is that most of these buyers have a successful career and have families as well. The following figure presents the age of buyers.

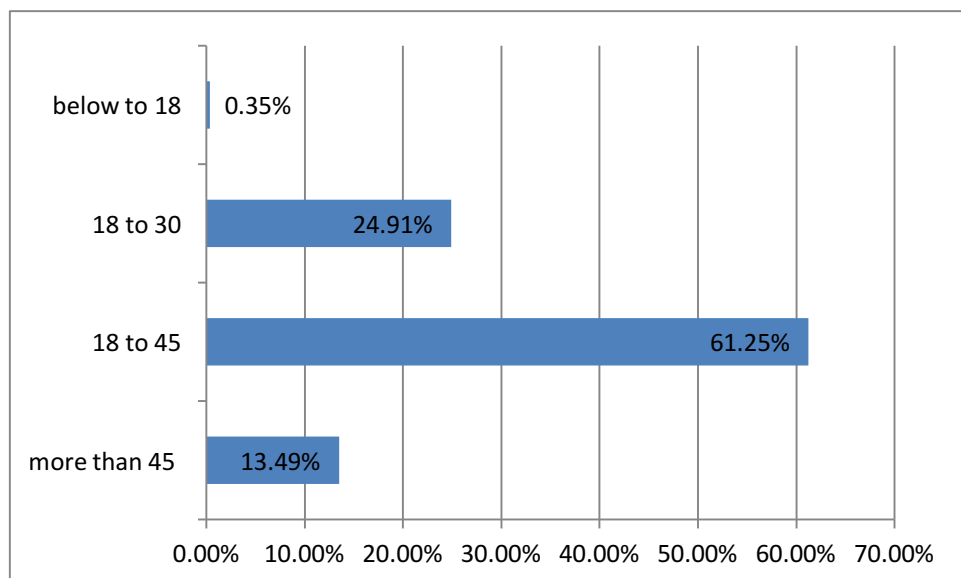


FIGURE 6. The age of buyers (SoFun 2014).

### 2.4.3 Behavioural Analysis on Chinese buyers

The behavioural mainly focuses on why customers choose to buy a specific product over another. Customer behaviour analysis refers to identifying the relative reasons that affect customers buying decisions; it requires a deeper level of understanding of customers. The goal of behavioural analysis is to develop value proposition of the types of advantages that buyers expect to get, and these factors also called buying criteria. There are four main criteria: price, quality, convenience and reputation. (Alameda county) In this research, the buying criteria are primarily looked at: policy, price, environment, education, retirement. The following figure shows the main reasons for buying house overseas.

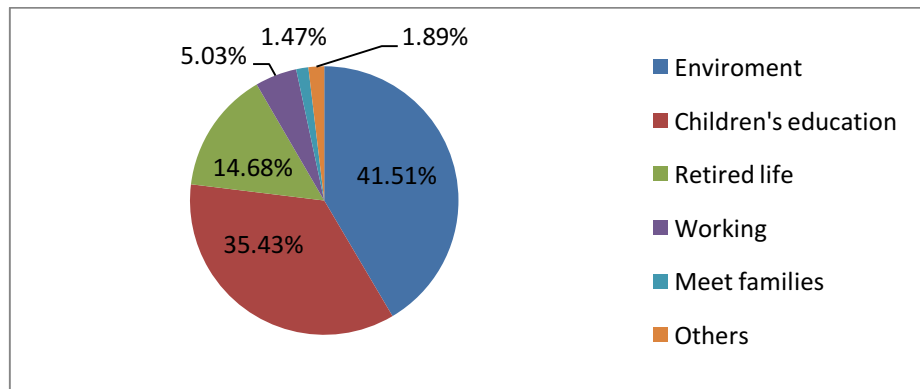


FIGURE 8. The main reasons to buy property overseas (SoFun 2012).

#### Policy

Unlike the other countries in the world, the land in China is state-owned, according to the Chinese laws, the residential land use age is 70 years, and specifically, after 70 years the property will belong back to the state. The owner of the house has to pay a certain amount of the leasing fee in order to stay continuing, and how much the owner has paid is still very controversial. The alternative solution is government takes back the house and pays a part of the money as compensation to the owner. (BaiduBaik 2015) The majority of other countries have private land, which means it is freehold. As many Chinese are complaining nowadays, they worked their lifetime and saved the money to buy a house, however, it will not belong to them eventually. The housing use age in China is one of the biggest

reasons caused Chinese consider buying property abroad, which seems more cost-effective.

### Price

As the author mentioned in the previous chapter, the housing price in China is incredibly high with continues rising. Take the housing price in Beijing centre for example; the average per square meters is approximately 15,300 USD dollars, which means a 90 square meters apartment can cost 1.4 million USD dollars, however, the same value can buy a 400 square meters house in Florida with its own gardens and garage. (House China 2015.) Therefore, the reason behind Chinese buying house abroad can be attributed to high housing prices in China.

### Environment

China has the biggest population with 1.4 billion in 2013. Because of the high population density and the increasing numbers of vehicles and factories, it brings huge side effects to its environment. According to WHO report in 2006, there was 16 Chinese cities among the most polluted cities around the world. (BaiduBaik 2006.) especially Beijing, which ranked always top of the list, and the city is hit hard by smog where everyone goes out with their mask. According to the online survey, there are nearly 42% of Chinese indicated the environment is the most important factor when thinking of buying a house abroad. (So Fun 2012.)

### Education

Because of Chinese culture, parents in China give excessively spoil to their children; it is a common tradition for parents to give their wealth to their descendant, many Chinese adults still live with their families and their bills are paid by parents. Concerning children's education. Chinese parents paid a huge attention to it. According to the statistical data shown, China is the world's biggest source for overseas students, the number of students increased dramatically after 2002; the amount of overseas Chinese student reached 423,900 in 2013. (Carnet Corporation 2014.)

Education has been considered as the second biggest reason which represents 35.43% in terms of buying a house overseas.

#### Other Criteria

Based on the online survey, there also some other criteria when considering buying house abroad, for instance, 14.68% of respondents consider going a foreign country for retired life, 5.03% of respondents reviewed going abroad for working as the main reason, and 1.47% is to meet their families in abroad. (So Fun 2012.)

### 3 CASE COMPANY PRESENTATION

In the third chapter, themes concentrate on the case company's information. The main idea is to present case company's projects in Greece. Also it sets the reader a guide to Greek laws and legal procedure in terms of buying the house in Greece for Non-European citizens. In the end, the chapter presents the Greek property investment guide and internal analysis of the case company.

#### 3.1 Company's profile

The Leptos Group is the leading group in land development in Greece and Cyprus. Leptos group's core business includes real estate development, travel agent, hotel, university and hospital. Leptos group has more than 1,500 employees and 10,000 shareholders. It has international network offices in 75 countries. Armenia Estates Ltd. is the parent company of Leptos group, and it composes of two subsidiary companies, Pandora Investments Ltd. and Leptos Calypso Hotels Ltd. Both of them are belong to the public limited company in Cyprus. Pandora investment primarily focusses on real estate development, and Leptos Calypso is mainly operating in the areas of holiday hotels and tourism. Besides all mentioned above, the group has more than 20 sub companies, they are tied to property management, project outsourcing, travel and holidays and so on. (Leptos Estates guide 2014.)

##### 3.1.1 Company's History

Leptos group was found in 1960 by company's executive chairman Michael Galipots in Nicosia, Cyprus. The founder's initial philosophy was to enhance the environment of Cyprus and add its cosmopolitan atmosphere in an environment-friendly way. During this time, the Leptos Group started their property development in Kyrenia, Cyprus. After the events of 1974, the Group relocated to Saudi Arabia and the Persian Gulf with extensive civil engineering works, such as Saudi City project completed to 4,000 homes in Jeddah. The company returned to its

homeland in Cyprus and brought a small mountain area from Paphos after 1970. The company is the largest real estate's developers in Cyprus. (Leptos Estates 2003.) Over the years, it built several Five-star hotels, thousands of homes and holiday apartments including many award-winning mega projects, one of good example is "Kamares Village" in Paphos (Elegant Living 2015). The company continues its work in Greece where it has huge land space and opportunities. Besides, the establishment of the private university Neapolis and hospital Lasis in Paphos have raised the image of company's progress. Nowadays, Leptos Group being still devoted themselves to real estate development and contributes to holiday's hotels. (Leptos Group Magazine 2015).

### 3.1.2 Company's Mission

The company's mission is to deliver to Leptos Estate clients exceptional and imaginative projects that complement and enhance the natural environment of the area. The company gives full attention to its employees by providing a comfort, giving supports and using a commission system to motivate employees. Company's goal is to consolidate its achievements and build up an unparalleled brand which lasts more than its history. The philosophy of the Leptos Group is to keep up in a sustainable progress which maintains a harmonious relationship between co-workers and is environmentally responsible. Innovation can be seen as one of the key spirits of the company, which starts though every employee the entire projects. The Leptos Group truly believes that the value of an enterprise is not measured by day's income, but the legacy one leaves behind. (Greek property guide 2015.) The following figure illustrates the core value of Leptos Estates.



FIGURE 9. Leptos Group core value (Leptos Estate 2015).

### 3.1.3 Leptos Estates in Greece

Leptos Estate is a member of the Leptos Group of companies and the properties developer in Greece and Cyprus. It has more than 55 years of experiences in real estate, property construction, property development and property investment. It is also the biggest real estate company and the biggest building land owner in the Mediterranean area. It has the land bank and properties sales in the Greek islands of Crete, Paros, Santorini, the city of Athens, as well as in Paphos, Polis, Limassol, and Nicosia in Cyprus. Leptos' headquarter is in Cyprus. In the past, Leptos Estates had completed more than 25 different home developments, successfully closed the deal with more than 23,000 house owners. (Leptos Estates 2015.) In this research, the author mainly focuses on the island of Greece, and that means promotions and suggestion are based on Greece too.

Leptos Estates in Greece (Hellas) has been operating in Greece since 1987 after company's founder realized there was a huge growth opportunity in Greece. In the first place, the company brought a few pieces of land and started many residential projects in the city of Athens. During this period of time, there was a great demand. With reputation of Greece rising, many Hollywood stars purchased their homes in some of those islands, for example, Angelina Jolie, Tom hanks, Lady Gaga and so on. During the summer time, many celebrities and nobles come with private cruises and trips around the Greek islands. Therefore, the company shifted their marketing and started to build projects in the Greek islands after 2000. (Leptos Estates 2015.)



### 3.2 Greek Properties Guide

Since the ancient time, Greece has the greatest strategic location, it situated at the meeting point of Europe, Asia and Africa. It is a country in the southeast of Europe with the population around 11 million in 2013, and it consist of the Balkan Peninsula and thousands of islands in both the Aegean and Ionian seas. Greece has 16.000 kilometres of coastline which ranked 11th longest coastline in the world and features by 80 percent of its land being mountains. (Baiduzhidao 2008.) Furthermore, as a leading global tourist destination with over 18 million tourists every year, it is equally the worldwide leader in the shipping industry and hostess of the biggest shipping exhibition in the world. Greece is a natural heaven for sailors. It enjoys the mild climate with 320 sunny days a year with the average temperature of 28 degrees. Similar to China. Greece is one of the longest histories in the world, and it is also a birthplace of western civilization. (BaiduZhidaao 2005.)

Natural therapeutic springs are widely scattered in different places of Greece. The water from those springs is different from the ordinary because of the rare active mineral components. Besides, Greece has the healthiest diets in the world owing to its mild climates and plentiful food ingredients, psychological and physical's health are considered two of the most important things in their lives. As a country, Greece is well known for its history, philosophy, cuisine, friendly and hospitable people and relaxed Mediterranean lifestyle and so on. Some of the most eminent wise Greeks are Alexander the Great, Aristotle, Plato, Socrates (Greek properties guide 2015).

#### 3.2.1 Foreign Investment in Greece

Greece is a strategic location to access Europe. North Africa, Saudi Arabian markets, is it also a member of the EU and Euro zone. Greece offers foreign investors limitless opportunities to its growing markets of Tourism, Shipping, Oil, Post & Telecom, Real Estates, Education and so on. After the severe crisis in 2010, the FDI increased rapidly with each

year due to competitive labour costs and country's wealth resources. (Enterprise Greece 2013.)

According to Bank of Greece 2015, the FDI in real estates skyrocketed from seven percent in period 2003 to 2008 skyrocketed to 19 percent in period 2009 to 2015, the main reason in behind is due to prices drop in real estate market during crisis and it is the best time for some of the foreign bottom fisher to invest. There is expected for further increase in FID in the real estate sector in the future. (Enterprise Greece. Foreign Direct Investment.)

In the year 2013, Greece enacted a new law granting Non-European citizens the right to buy properties in Greece at a minimum 250,000 Euros (without tax) and obtain a permanent residence. It brings a lot of buyers from overseas, especially Chinese, Russian, Arabs and Iranian. Recently, Greek parliament optimized the old law and simplified the procedure which attracts many Chinese buyers, and there were more than 170 Chinese families purchased properties in the past 18 months. Nowadays, Chinese buyers are the main foreign real estate investors in Greece. (Enthymios Athanasiadis, 2015.)

### 3.2.2 Leptos Estates Projects

Leptos Estates in Greece selects only the prime locations to offers clients residential, retirement and holiday homes, beyond that, they use the highest standards of construction and design to create a peaceful environment and a quality house. At present, company owns five completed residential projects in the islands of Crete, Santorini and Paros. The type of the properties includes villas, bungalows, town-houses, penthouses and apartments. (Leptos Estates 2015.)

#### Properties in Chania, Crete

In the present, the company has three projects and several mega bank lands in Chania, island of Crete. Usually, the location is very important when considering buying a property and that is also the reason why the

company decided to choose Chania, Crete. Crete is the biggest island in Greece and the 4<sup>th</sup> in Mediterranean Sea, with population 650,000 in year 2005. The earliest record of European civilization was found in Crete and it is also where Minoan civilization started. (Baiduzhidao 2008.)

Chania is located in the northwest of Crete. It has been praised as "Venice of East"; Chania has many unspoilt beaches and villages which attracts more than 2.8 millions of tourists each year. Among the 15 international airports in Greece, two of them are in Crete, and located in Chania and Iraklion respectively. The old city of Chania considered as the most important cultural centres in the island, authentic cuisine and cosy bars are full round of the city. Besides, it is the motherland of olive oil, wine, herbs and so on. Generally, it is an ideal place for permanent living and holiday. (Greek property guide 2015.)

#### Aphrodite Sea-front (APPENDIX 1)

The name of the project was inspired by one of the most beautiful goodness from Greek mythology- Aphrodite; who stands for love and beauty. It is located just few meters from the beach and the sea, and connects two touristy areas. It takes only ten minutes' drive to the downtown, and 25 minutes to airport. The company gives particular emphasis on the landscaping and respects the environment at the same time. The design of Aphrodite Beach-front is a mix, it has one, two and three bedroom apartments, town houses and villas with covered area from 65 square meters up to 160 square meters, thus it allows clients to have more options. The entire project is featured the common gardens and swimming pool. Furthermore, Aphrodite Beach-front offers owner on-site maintenance which goes all year around, especially when the owner is aboard; after-sales, gardener and furniture pack and so on. Since 2013, there are 18 happy Chinese owners with their families who moved in, the rest of properties owned by different nationalities like Norwegians, Russians, Americans, Egyptians and so on. By the beginning of 2015, the total 65 units have been sold out. With the continuing of second face project, the company expects the number of Chinese buyers will be more. (Greek property guide 2015.)

### Viglia Beach Villas (APPENDIX 2)

Viglia Beach-front definitely is the most elegant and exclusive project compared to the others. It is a place by the sea which just few meters away from the house. The area is surrounded by unspoiled mountains. The project is 35 minutes to the downtown of Chania and 45 minutes to the airport, and it connects to all the services around such as supermarket, restaurant, bank. Besides, the project is also closed to two of the famous beaches in Europe, Falassarna and Balos Lagon, one of them has been recommended from American magazines as one of the cleanest sea to swim in the world. The plot of land included the garden space is huge with average 1500 square meters. The entire project will be finished with 16 individual villas, and the clients can give the design for his house. The average time for completion is six months. Because of the prime location and tailored services, the price is relatively higher than other projects. (Greek property guide 2015.)

### Fournando Hills Villas (APPENDIX 3)

Fournado Hills Villas is situated in the same area where Viglia located but on a small hill, the project is facing the view of Kissamos Bay and surrounded by the olive groves. It takes 30 minutes to reach downtown and 35 minutes to the airport of Chania. The sea view looks more picturesque than any other company's projects. In addition to its beautiful scenery, it also has a peaceful neighbourhood. The whole project offers clients two and three detached villas. The whole design of the project is based on Cretan village style which constructed by Greek marble, with big open balcony and garden, fireplace on the wall, basement or sauna room. The covered area is started from 255 square meters up to 420 square meters. The project will be completed with 30 detached villas and the average completion time is around six months. (Greek property guide 2015.)

### Property in Santorini

Due to strict regulations in Santorini, the land is limited for developers, therefore the company only owns one project at the moment.

Many people may not hear much about Greece, but they must have heard

about Santorini. Santorini is one of the most famous tourist destinations in the world; it has been rated as the top one tourist destination in an American magazine in 2014. The population in Santorini is around 11,400, and every year there is more than 500,000 tourists visit Santorini. Since the Chinese movie Beijing love story filmed in Santorini in 2014, Santorini has become to one of the dream and popular tourist destination for Chinese. Santorini is well-known for its white and blue houses and stunning sunset, beyond that, Santorini has much more to offer: volcano bath, grape wine, Santorini cuisine and its history. (Santorini Greece info 2015).

#### Santorini Villas (APPENDIX 4)

It is located east part of the island, and it takes only 200 meters of walking distance to the sea, and it is 15 minutes away from the city centre and seven minutes to the airport which considered being extremely convenient. In this project, clients will find individual villas with swimming pool and gardens. The architecture was used by Cyclades style. Type villas contain two or three bedroom bungalows and two storey villas with the classic Santorini style. Size of covered area started from 81 square meters to 120 square meters. Each villa has its own parking space and gardens. At present, three quarters of those villas have been sold to Chinese families. (Greek property guide 2015.)

#### Property in Paros

Paros is primarily famous as a tourist destination in Greece; it is in the central Aegean Sea and only a couple of hours away from Athens by boat. Paros is well-known for its white marble quarry. The population of Paros is around 13,175 in 2011. (Baiduzhidao 2010.) The Company's development is named Paros Garden where located in the East of the island.

#### Paros Garden (APPENDIX 5)

Company's project is situated in the fishing village of Molos, about 50 meters away to the beach. The type of the villas includes two and three bedroom apartments and town house with common gardens and swimming pools. The design of the villas is combined with typical Cyclades style. The covered area starts with 50 square meters to 96 square meters.

At the moment, the company is mainly focuses on the projects in Crete and Santorini, but Leptos believe that soon it will have lots of overseas home seeker. (Greek property guide 2015.)

#### Company's Future projects

Apart from the projects mentioned above. Leptos Estates also owns two of the huge bank pieces of land for future development in Chania. Costa Nopia is the biggest land that company owns at the moment. It located a half kilometre of coastline with numbers of beautiful coves and little bays. It takes 25 minutes from Chania city and 40 minutes from the international airport. The future development includes hotel resorts, big clubs, arena, residential house, shopping centre, a marina and so on. Canea Corniche is seated at the front-line of Chania's harbour which is merely two minutes to the city centre. The development is a six-storey mixed dwelling; the idea is to combine the offices and residential apartment. (Greek property guide 2015.)

### 3.2.3 Current Policy

It is rather important for foreign buyers to figure out what the current policies are and what the legal procedures in terms of buying properties in Greece. According to the explanatory circular of interior Ministry, the Greek government enacted a new with the grant of Permanent Residence Permit (PR) and Schengen Visa to Non-EU citizens by purchasing a property at the minimum price at 250,000 Euros in Greece in 2013. If the required documents are ready, the PR will be released in ten days. The beneficiaries include: the buyer and Buyer's spouse; the buyer's children who below 21 years old, and the PR will be invalid after reaching 21 years old but with another three years' extension; The PR holders' benefits include: Greek residence permit and Schengen visa with every five-year renewal; free entry and exit within Schengen; attending the public hospitals and schools in Greece. (Greece properties gate 2015.)

Recently, the Greek government simplified and improved the PR programme with voting of the new law. According to Greek properties gate,

PR holders have the rights to apply Greek citizenship if the holders follow one of the following cases:

- PR holders who already lived in Greece for seven consecutive years (90 days each year).
- A child who is born in Greece and has enrolled and attending the A' grade of elementary school.
- A child one of whose the parents has completed a continuous stay in Greece for five consecutive years.
- A single and minor child whose parents have already got the Greek citizenship.
- Children whom living in Greece and have completed nine classes of which six in elementary school and three in Gymnasium.

Other improvements are: the PR is given for both parents of the PR holder. Therefore, with the purchase of property in Greece, PR is granted to the buyer, the spouse, their children who are under 24 years old, the buyer's parents and buyer spouse's parents; obtain the PR for the child who has older than 24 years old with donation or parental donation (without tax of transfer of title deed), and the PR of parents until valid as the descendants of the child; the resale of the property to other Non-European National entitles the new buyer to receive the PR. (Greece properties gate 2015.)

### 3.2.4 Legal Procedure in terms of Buying Property in Greece

In order to purchase a property and obtain PR in Greece, the buyer has to follow some specific legal steps to accomplish the goal. The first step goes down through some specific properties and serve a unit. Leptos Estate's policy is on reservation, the reservation fee is transferable to any other property of Leptos Estates, but not refundable. Next step is to appoint a lawyer and give the power of attorney to the lawyer. In Greece, the buyer needs a lawyer in order to sign the contract on the property. The Next step

is to protocol an initial contract with the public notary office and get a title deed. After that, the lawyer will register the property under buyer's name in the housing administration. The final contract will be signed by the buyer in front the notary, and it also requires a native translator to interpret the contract during the contract. (Greek property guide 2015.)

### 3.3 General analysis for Greek property investment

In contrast to purchase a property in China, Greek property seems more tempting for Chinese buyers. On the flip side, as a long-standing real estate developers, Leptos Estate is more proficiency and experiences in the field. With the ongoing trade and trade contacts between China and Greece, the value of an investment will grow up in the near future. In this chapter, some of the biggest advantages are illustrated for buying a property in Greece. The analysis was concluded through an individual interview with case company's overseas manager, Mr. Philippos Hadjigerogiou, who worked in the case company for more than 20 years.

#### 3.3.1 Greece versus China

##### Liveability

Greece is well-know and it is a paradise for vacation, it enjoys more than 300 hundreds days of sunny days, the unspoiled sea can be discovered in everywhere. The main industry Greece is tourism and shipping, and there is no heavy industry. The average lifetime in Greece is 80 years old. However, China's liveable facts are exactly opposite to what has been mentioned, it has a lot of pollution, traffic is terrible, the quality of life is going lower and lower.

##### The value of investment

According to European committee, it shows Greek's economic growth rate increased to 2.9% in 2015, and the recovery of the Greek economy, the price of properties will be increased for sure in the future. In China, after



ten year's burgeoning in housing price, the real estate industry steps into an adjustment period at present, the price is at the top of range, therefore, investment is not recommended at the moment and near future.

#### Rental rate of return

Compared to 2% rate of return in China (mainly in big cities), Greece has 3% to 5% of the rate of return. Because Greece is a tourist's countries, all most everywhere in Greece is the tourist destination, especially in the summer, and the rate will jump higher. Greece has a population around 11 million in 2014, and the inbound tourism was more than 22 million.

#### The title deed

The title deed in Greece is freehold, which means ownership of the properties goes forever. Chinese citizens only have 70 years' ownership in regards to the land, what will happen after 70 years, the government has not announced anything yet towards this issue.

#### The property area

In Greece, the house is referring to only the inside space, the veranda, garage and basement is given as a gift to the new buyers. However, the house in China is calculated based on building area, which means it includes common area with other neighbours too. For instance, a property with 80 square meters in Greece may equal to 100 square meters in China.

#### Type of property

The most common Greek property types are apartment, town house, and villa. It gives buyers of flexible options and finished with fine decoration. Unlike in Greece, most of the properties on sale in China are blank house, until the owner move in it takes a long time, besides, the decoration fee in China is incredibly high at present.

#### Property price

Take 250,000 Euros houses in Greece as an example, the buyer can purchase a 100 square meters' house with fine decoration near downtown. But in the first-tier cities such as Beijing or Shanghai, the price only allowed buyer to purchase a 60 to 70 square meters' apartment without decoration in a remote area.

#### Purchase restriction

In Greece, the government does not have to purchase restriction on properties to Non-European citizens. But the Chinese government already implemented purchase restriction. Greek law in terms of property rights is based on European laws, therefore, the private assets are Greece is fully protected by the law.

### 3.3.2 Leptos Estate versus other Real Estate Developers

#### Reputation

The reputation is similar to going to a restaurant; nobody willing to go with the one which has a bad reputation and with a low score. Reputation works on every single thing in our lives, it is a social evaluation, and once you reach a good image, you are not too far from a success. The same on contrary, if a firm has a bad reputation, it is almost impossible for him to change its failure. Leptos Estate has an unparalleled reputation in the real estate industry for more than 55 years of history, and there are not so many real estate developers have so many years' background in the world, especially in China. Many start-up developers appeared in the past decade, and they just disappeared after everything has been sold out. Therefore, real estate developers in China have a very bad image. Most clients feel suspicious and insecure when they come to a new environment at first, especially for Chinese clients who are from outside of Europe and do not know anything about the new country. So the most important things are let them feel the company is creditable with a lot of experiences. Leptos Estates is one of them.

#### After Sales

As the company has been always said to every client, their work is started after the sales. Leptos Estate has a professional after-sales group which assists clients in all respects. According to some Chinese clients own experiences, many Chinese developers turned into another “face” after the deal is done. For every foreigner who lives in Greece for the very first time, especially for Chinese and many of them do not speak English at all, it is important to have somebody who can guide them. Company’s after-sales office opens all year around to help out the clients.

### 3.3.3 Future investment opportunities

As an emerging and growth-leading economy, China exports large quantities of goods abroad, and there is heavy trade between China and Greece. Since the ancient, Greece is a strategy portal which connects Asia, Europe and Africa. Therefore, it is a good access point to Europe too. At present, Greece is seeking for overseas partners to invest; the trade between two countries will be tripled compare to the past. Especially in the sectors of logistics, technologies, Airport transfer,

#### Logistics industry

Piraeus port is one of the biggest ports in Europe besides the Rotterdam port. Both of China and Greece agree that it saves at least 10 days to export goods to centre in Europe or East of Europe from Greece. At present, China’s logistic company Cosco has 60% of share of Piraeus group. It is becoming one of the most successful foreign investors in Greece; it increased cargo handling capacity by 130%.

#### IT centre

Except logistic company Cosco, some of the Chinese IT companies also have partnerships with Greece, such as ZTE (Zhongxing telecommunication), HP (Hewlett Packard), and Huawei. They already have their IT centre in Athens. In the near future, Greece can be a good base for Chinese IT enterprises.

### Airport transfer

With the increasing numbers of Chinese tourists, the airport in Greece can be one of the biggest transfer airports in Europe in the near future.

Recently, CSCEC (China State Construction Engineering Corporation) is interested in Kasteli Airport in Crete.

### Old airport makeover

Ellinikon International is the old airport in Athens until 2001 and replaced by the current one. Recently, Chinese company Fosun Group shows a big interesting on re-construct for the old airport in Athens, and to build a big shopping centre together with the amusement park. If this plan becomes true, it will create vast opportunities for business and work.

## 4 EMPIRICAL RESEARCH

This chapter presents the reader on the empirical research process. Empirical research observes and measures the phenomena and conclude knowledge from practical experience instead of theory or belief (Ellysa 2016). The object of empirical research is to answer the questions of the research. The contents of empirical research are unfolded in three parts. In the first place, it briefly explains the two research methods, qualitative and quantitative. In the following part, an online survey and the interviews have been analysed.

### 4.1 Design and formulation of the empirical research

As the author mentioned earlier in the first chapter, quantitative and qualitative research methods has been widely conducted in business and management research. The major difference between them is whether it is focused on numeric (quantitative) or non-numeric (qualitative). In this research, both of qualitative and quantitative research methods are utilized for the research analysis. The following figure illustrates the design of empirical research.

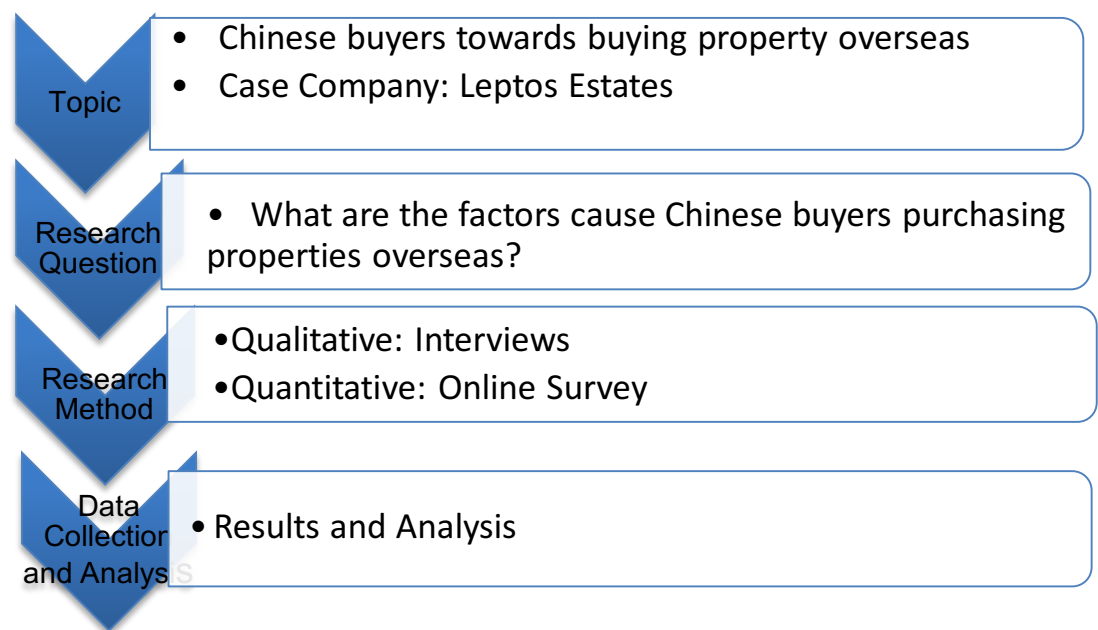


FIGURE 11. Design of empirical research

The first part of empirical research includes an online survey. Survey is a questionnaire that serves to gather quantitative data on attitudes, impressions, opinions, satisfaction level and so on. Namely, it is to request many or some people a series of questions in order to find about their opinion about something. (WebFinance 2011.) In this research, the survey is consisting of 20 different questions, and it was being completed via case company's website and some of them was sent to users' email. There were total 40 people who are involved in the survey. The objective is to achieve a macroscopically data on buyer's background information. The result of the survey is transformed into different charts and figures in order to get a better understanding.

The second part was performed by seven separate interviews. Interviewing indicates asking questions and receiving answers from participants from a study. Interviewing has changed forms, such as individual interview, group interview, face-to-face interview, the answering of questions can be delivered via phone, or any electronic devices. (Cohen D, Crabtree B 2006.) In this research, the interviews were mainly conducted by phone and emails. The interviewees are composed of seven Chinese potential clients who registered under case company's clients list, and five of them have already visited company's projects in Greece. Because the author was assist them during their visiting in Greece, thus the author kept a good contact with these clients later on and it brings lots of convenience when reaching the interviewees for this interview. Generally, the purpose of the interview is to explore the experience, opinions, beliefs or any individual matters (British Dental Journal 2008). This interviews is designed to dive in a deeper level to catch buyers' opinions about buying property in Greece, thus to help the case company better understanding of Chinese buyers. Interviews were approved by case company Leptos Estates before the author gets it started.

## 4.2 Data Acquisitions Process

This chapter gives information on data collection acquisition process. The Gantt chart in below demonstrates the whole process of collection, both primary and secondary source for this research.

TABLE 2. Gantt chart of data collection process

	Dec 2015	Jan 2016	Feb 2016	March 2016
Collecting Theoretical Data	X	X		
Design Survey and Interviews Questions&Launch			X	X
Data Analysis &Results				X

Generally, writing for the thesis started December of 2015. The first phase started in early December 2015 and lasted until the end of January. During this period, the main target was collecting secondary data for the theoretical part. The data mainly came from public domains, such as electronic journals, internet articles, internal sources and other electronic sources.

The second phase continued in the early February, and it took one and half month to be completed. During the beginning of February, the questions for online survey and interviews were formulated and prepared. The survey was launched on week 6. The online survey was done via case company Leptos Estates' official website, and a link for the research was directed to registered members' email. Until the end of February, there

were total 40 people who responded to the survey. The interviews were processed the week after the survey was launched. There was in total seven people who got interviewed, and the interviews were completed by the beginning of March.

The third phase was the data analysis and results. It took a month to analyse the data which had been gathered from both survey and interviews.

### 4.3 Research data and analysis

In the chapter, the results from the survey and interviews are analysed. The first part shows the analysis of results for online survey, the survey was consisting of 16 Greek-oriented questions, and the pie charts and tables will demonstrate in below for clarity. The second part analyses the results for interviews. Both of the analyses can be viewed as the counterpart of this research and helps to answer the research questions.

#### 4.3.1 Online Survey Results and Analysis

The first question concerned the gender of respondents. There are 60 percent of male respondents while 30 respondents are female. That means most of the potential buyers who interested in Greece are male, and they can be the decision maker when the deal comes to the final stage.



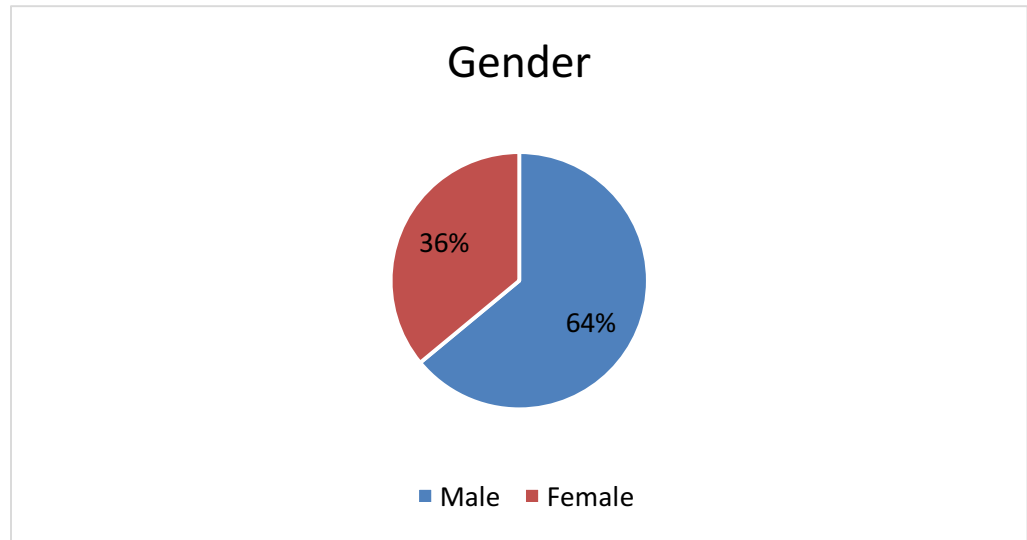


FIGURE 12. Gender of respondents

### Age

The second question was a question of the respondents' age. The result shows there are a considerable number of respondents are between 40 to 49 years old. In addition, the age between 30 to 39 is likewise a highest proportion of respondents. The result indicates that many people who interested in Greek properties are in the middle age, especially after 50 years old.

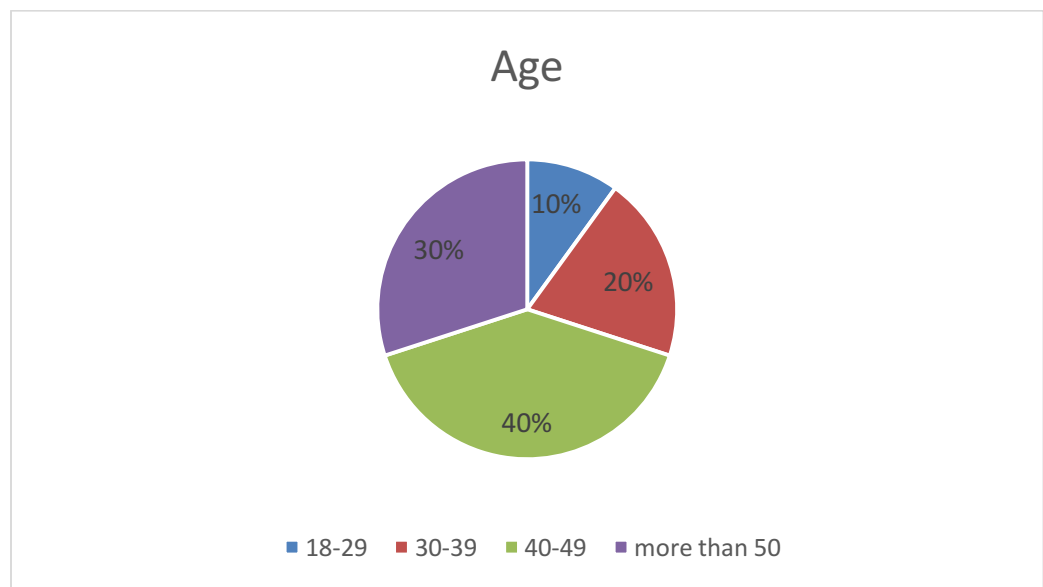


FIGURE 13. Age of respondents

### Marital status

In the third question, the married respondents account for 60% from the total. And the second largest group is divorced respondents which represent 30%. It can be observed that the mainstream of potential buyers is married. On the flip side, divorced buyers are not just a few.

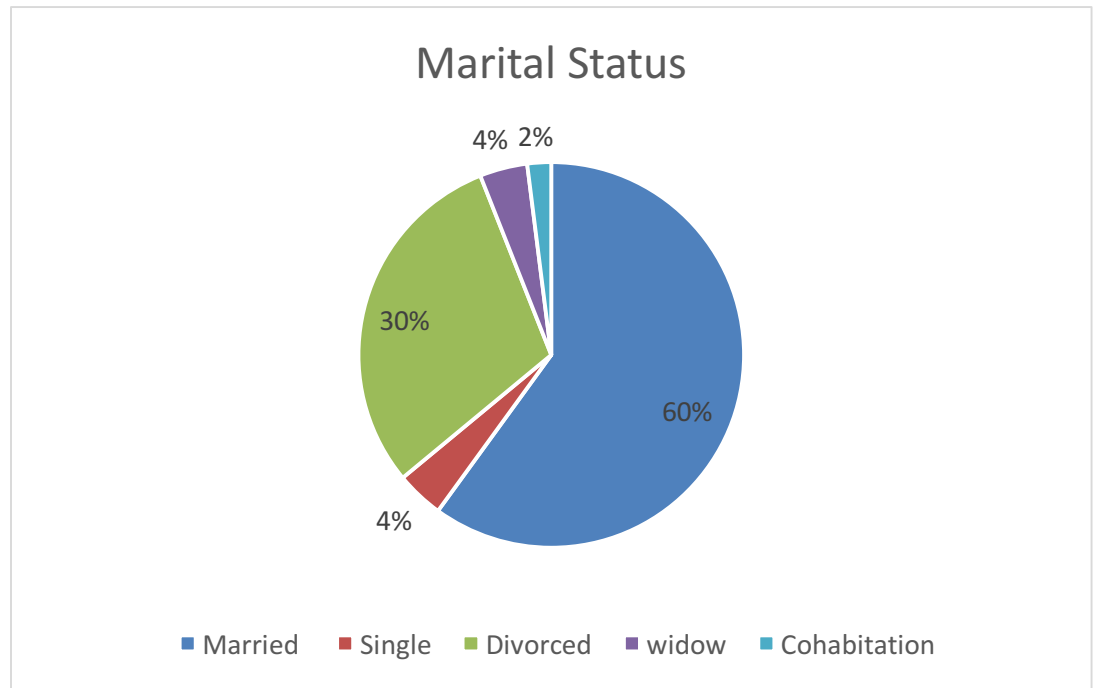
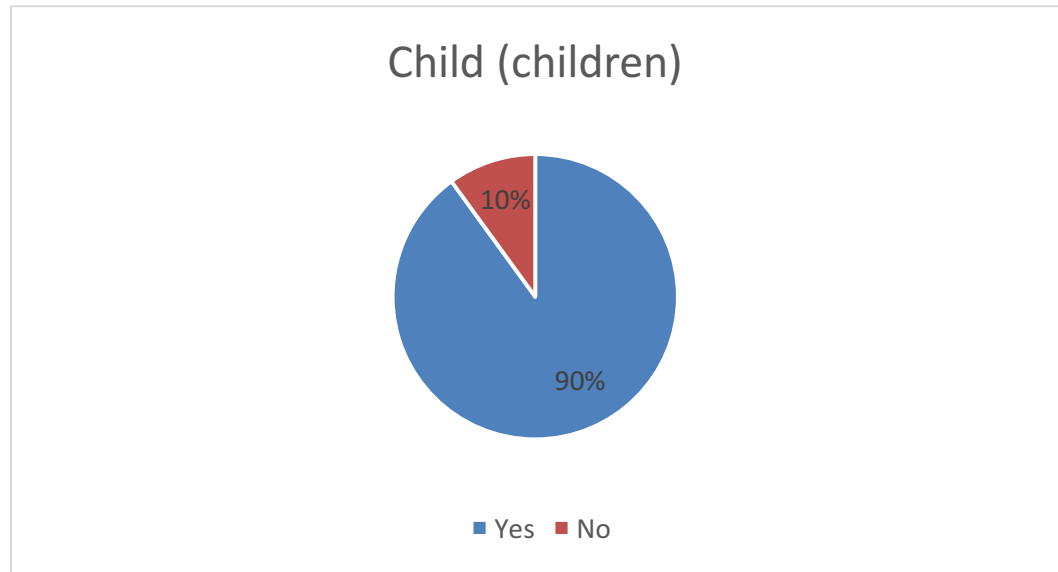


FIGURE 14. Marital status of respondents

#### Child (Children)

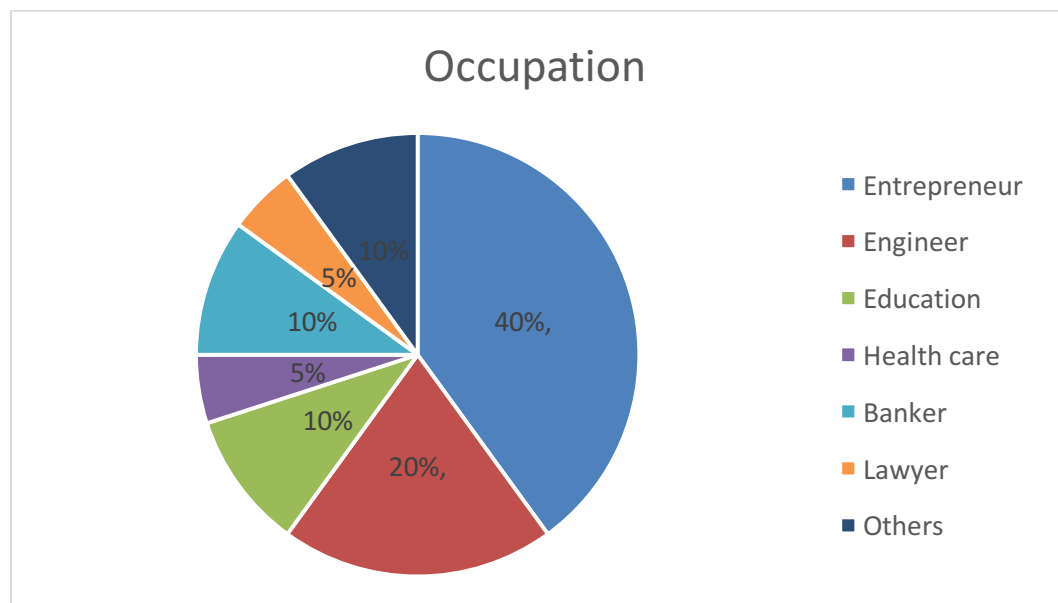
The fourth question asked if the respondents have a child(children) or not. It is interesting to note that 90 percent of respondents have a child(children). Therefore, the result reveals the majority of potential buyers have a child or even more. This information is useful when thinking about the types of properties they are looking for; the ideal property should be family house or a big apartment.



**FIGURE 15.** Child (children)

### Occupation

The question number six inquired about the occupation of respondents. 40 percent of respondents are entrepreneurs, 20 percent of them are engineers, with 10% of respondents are bankers and another 10 percent committed to education. This information detects a large proportion of buyers are businessmen, and other potential buyers can be engineers and bankers. Therefore, the company can target their buyers in those sectors.



**FIGURE 16.** Occupation of respondents

### Current residence

According to the question number seven, the results received 30 percent of potential buyers are living in Jilin province. Beijing and Heilongjiang province is recorded 20% respectively. Both of Shanghai and Guangdong province made up ten percent. It is interesting to understand that most of potential buyers who intent to purchase property in Greece are from the northern part of China. One of the biggest reasons behind can be attribute to the weather condition is rather bad in those regions, some of the areas can reach minus 30 degrees Celsius in the winter time. Oppositely, Greece has the perfect weather condition which enjoys more than 300 sunny days in a year.

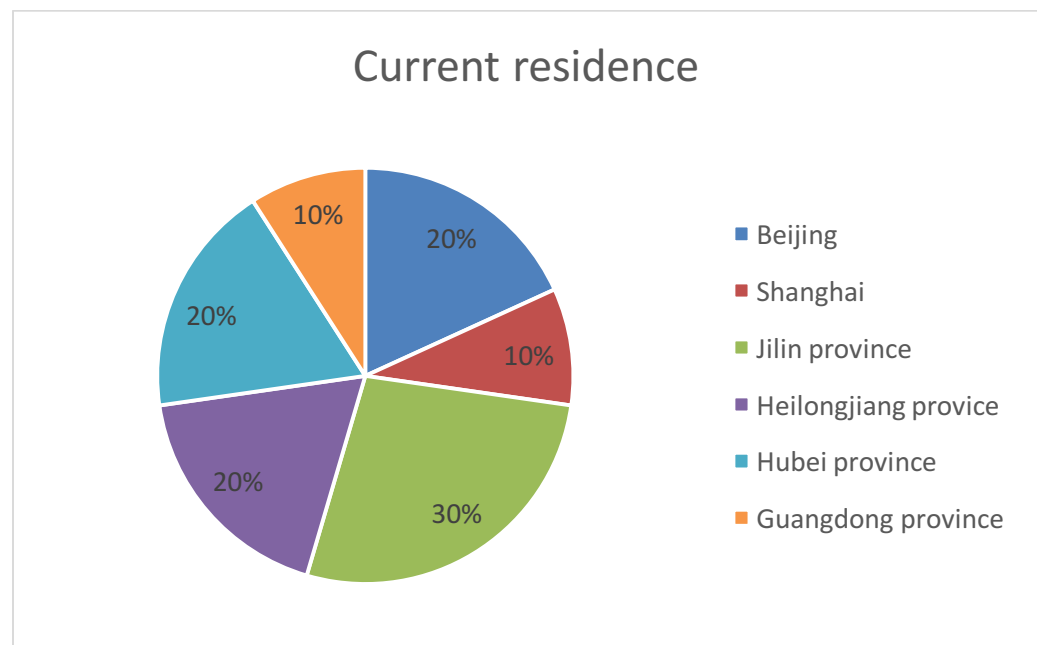


FIGURE 17. Current residence of respondents

### Annual income

The result from question eight illustrates the annual income of respondents. The majority of respondents' yearly salaries are between 60,000 to 90,000 USD dollars and from 90,000 to 150,000 USD dollars. Both of the annual salary below 30,000 USD dollars and between 30,000 to 60,000 represent ten percent. There are only a few respondents who earn more than 1.5 million every year. This indicates that most of potential

buyers' annual incomes are more 60,000 USD dollars but below 150,000 each year.

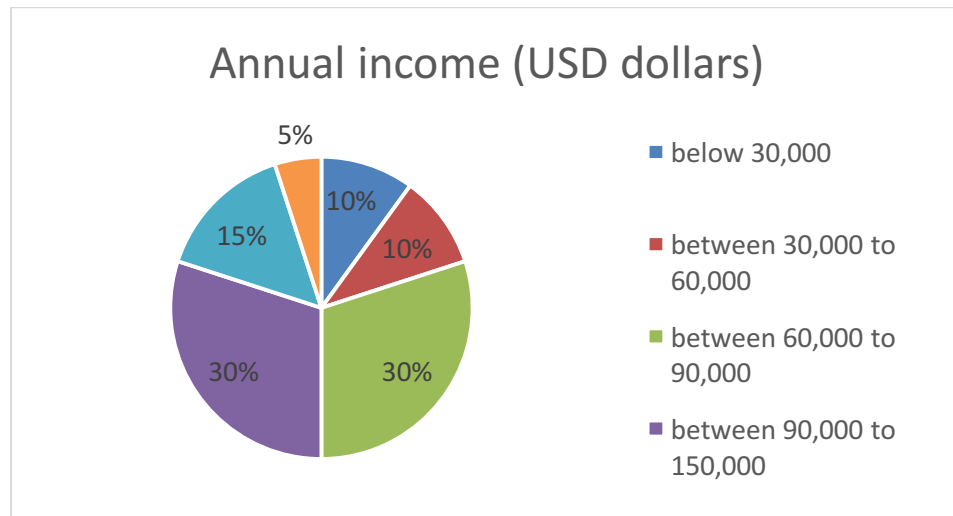


FIGURE 18. Annual income of respondents

### English proficiency

The question nine tested the proficiency level of speaking English. According to the feedback, there are 70 percent of respondents are not capable to speak English at all, 20 percent of them speak little English, fluent and excellent speakers only accounted for eight and two percent. This indicates that it is necessary to have a translator when communicating with the clients, and it will be very helpful if company's employee can learn and speak some basic Chinese.

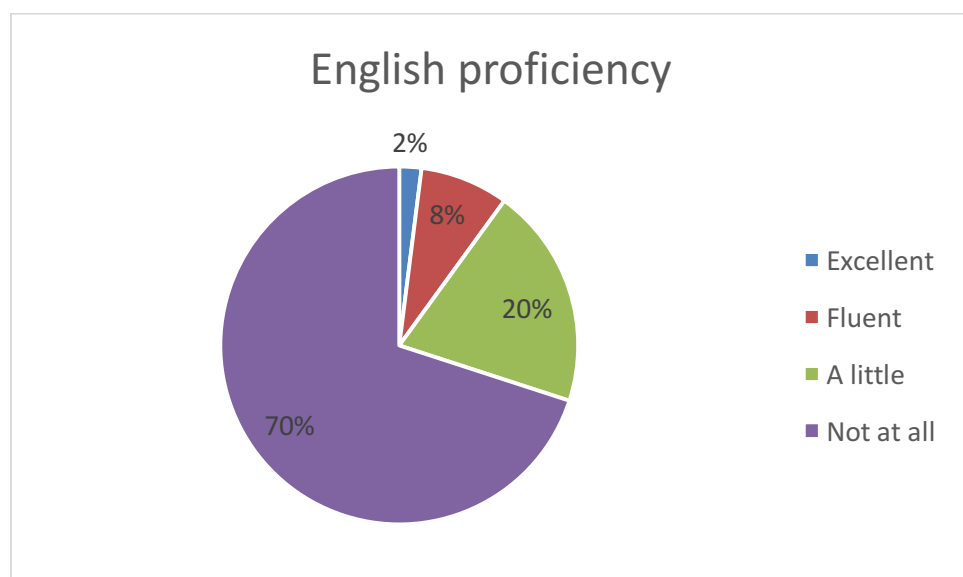


FIGURE 19. English proficiency of respondents

## Greece visitors

The question ten refers to if the respondents ever visited Greece before. According to the collected information, there are only 20 percent of respondents visited Greece before, and 80 percent of them never visited Greece before. Therefore, the majority of respondents have never visited Greece before. The information indicates that the company can expand its platform and advertising, and gives more potential buyers have the opportunity to visit Greece.

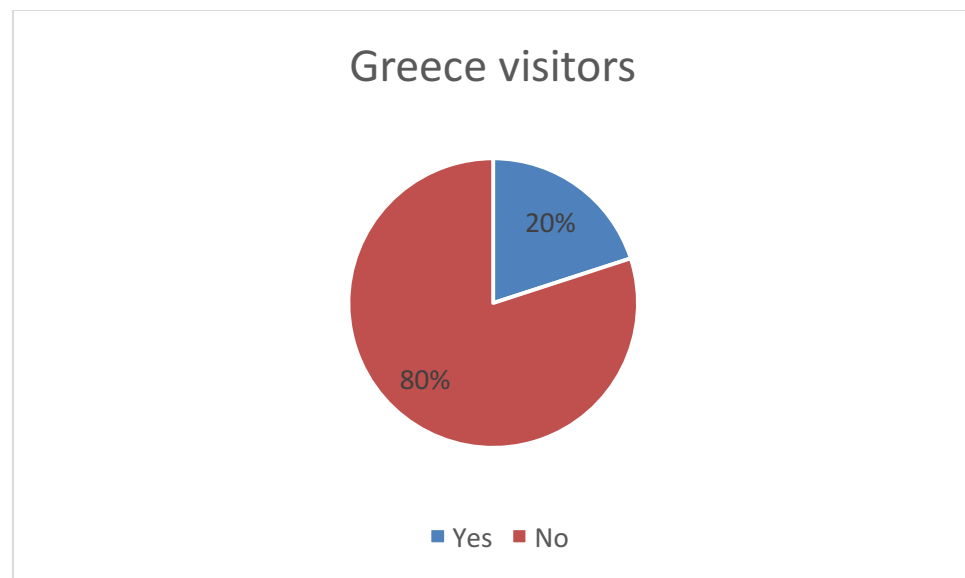


FIGURE 20. Greece visitors

## Numbers of potential buyers

The next question collected how many respondents are interested in Greek properties. The results show 60 percent of respondents have an interest in Greek properties, while 30 percent of them are not sure about it, lastly, ten percent of respondents are not interested in purchasing property in Greece. The result indicates the number of interested buyers is significant. The respondents who are not sure yet may because lack of familiarity of property 's information, and it may be changed when the awareness of the case company will be increased.

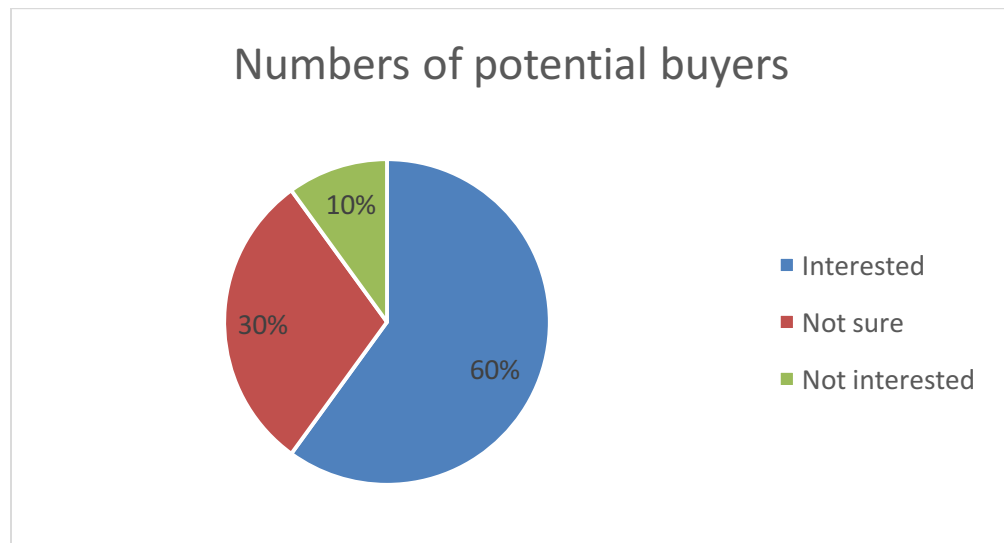


FIGURE 21. Numbers of potential buyers

#### Purpose of the property

The question 12 was asking respondents the purpose of the property, namely, what is the main reason why they are interested in Greek properties. As a result, the reason for both environment and education received 30 percent. Investment perspective obtained 20 percent, in the meanwhile, motivation for permanent residence gained 15%, only 10 percent of respondents think the main purpose is to get working opportunities or as a holiday house. The results indicate that most of the people considering purchasing Greek properties because of the good environment and that their children can enjoy quality schooling.

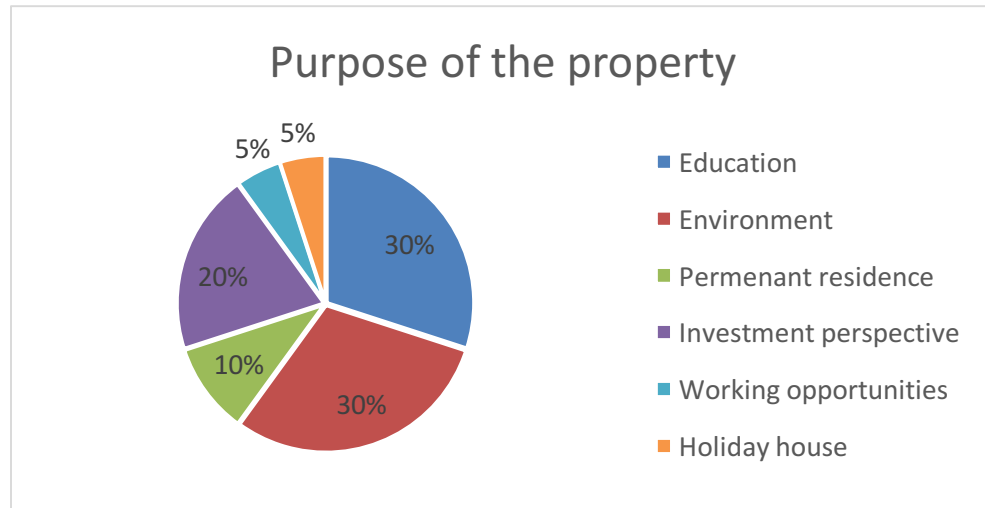


FIGURE 22. Purpose of the property

### Purchase budget

The question 13 refers to the purchase budget for buying a property in Greece. Consequently, 40 percent of respondents' budget are between 300,000 to 500,000 USD dollars. There are 30 percent of respondents thought the budget should not exceed 300,000 USD dollars. At the same time, 20 percent of respondents are willing to spend between 500,000 to 700,000 USD dollars. Finally, only a few people of ten percent would like to spend more than 700,000 USD dollars. To sum up, most of the potential buyers' budgets are from 300,000 to a maximum 500,000.

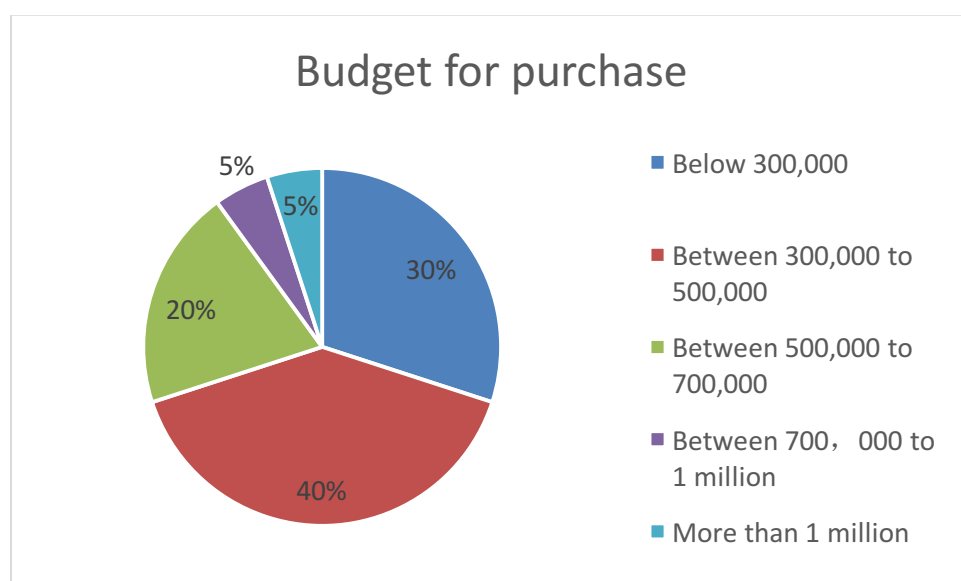


FIGURE. 23 Purchase budget



### Ideal type of property

The question 14 gathered the respondents' opinions on which type of property they are trying to find. The opinions are various. Both of two-bedroom apartments and townhouses were sought for by the majority of 30 percent each. 20 percent of respondents took detached house as the ideal type of property. Lastly, 15 percent of respondents prefer a condominium, and only five percent of respondents were trying to find one-bedroom apartment. Therefore, most of potential buyers seem two-bedroom apartments and townhouses as the ideal type of property for them.

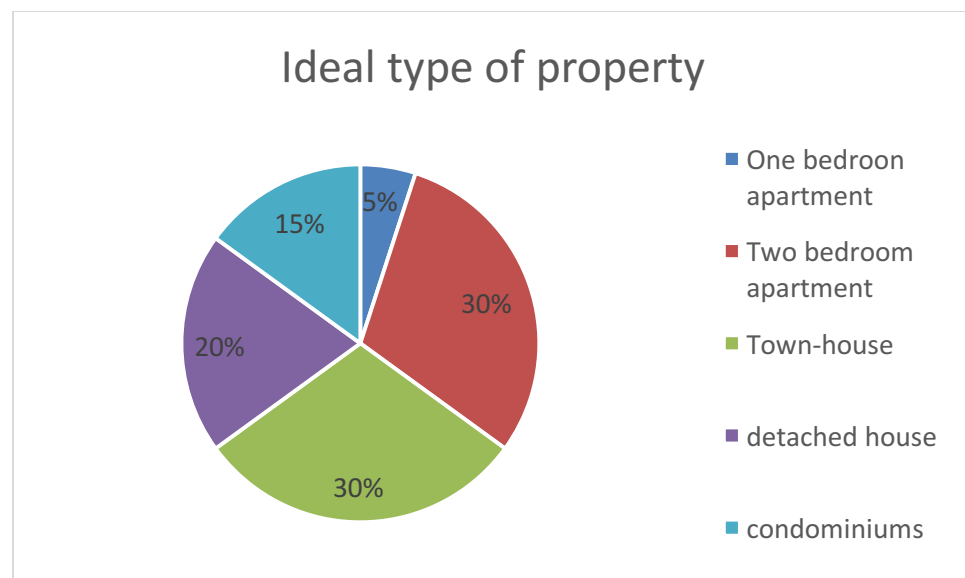


FIGURE 24. Ideal type of property

The next question was asking respondents in which area they want to get their property. As a conclusion, the result shows obvious that half of the respondents' answers was front-line of the seaside. There are 30 percent of respondents prefer to stay near down-town. Finally, 20 percent of them thought a tourist area or countryside is an ideal area to live.

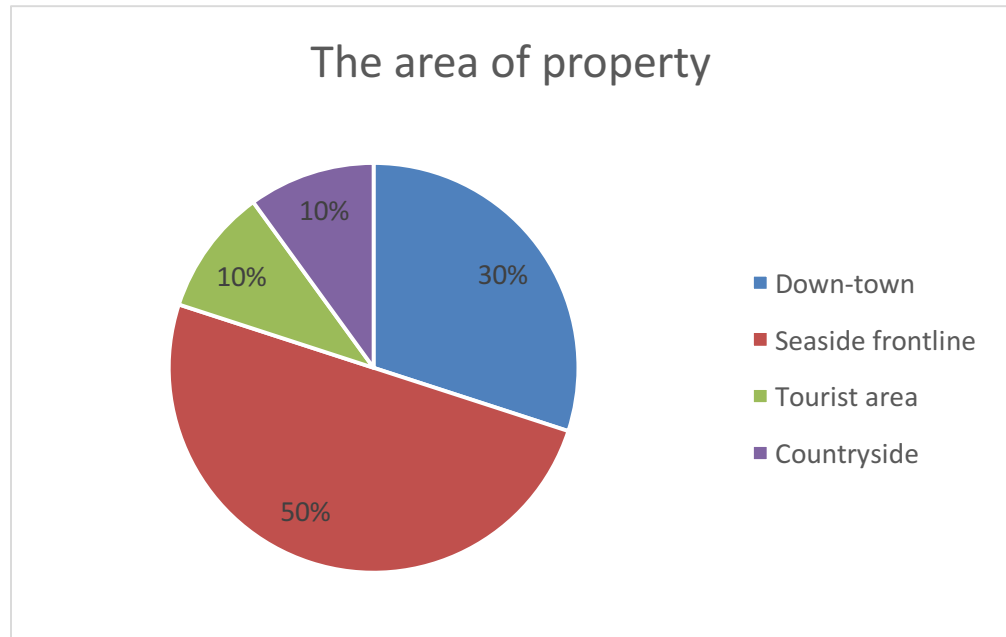
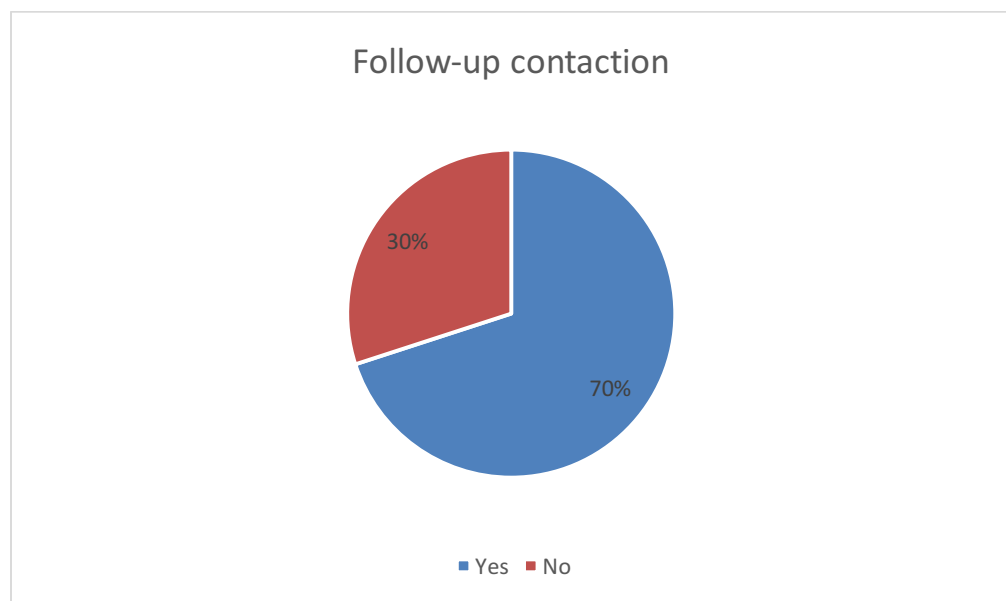


FIGURE 25. The area of property

The question 16 designed to identify whether the respondents are willing to leave the contact information in order to let the case company keep in touch with them, and it is a voluntary choice. The result was very optimistic, 70 percent of them consented it and left their contact information for continuing follow-up, and 30 percent refused for further communication. This results indicate that most of potential buyers are interested in Greek properties and willing to keep in touch with the case company.



## FIGURE 26. Follow-up contact

### 4.3.2 Interviews Results and Analysis

Question A: When considering Greece as a country, what are the reasons attract you the most and willing to purchase a house there?

According to seven interviewees' answers, there are four main advantages to sum up this question. Foremost, the livable environment was reviewed as the reason attracting the interviewees the most. The fact is the pollution in China is notorious, it is even more severe in some of the major cities of China, comparatively, Greece has a graceful environment to live in.

Secondly, the mild weather has been mentioned many times by interviewees, and the author interestingly noticed that five of interviewees are from northeast of China, the weather is often gloomy and cold, sunny and warm days are barely counted throughout the year, but Greece enjoys more than 300 days of sunshine in a year, it is an strong temptation for those potential buyers. Next, the interviewees bring up the price advantage to price. China is undergoing fast economic growth, and the gradual increase in the proportion of people living in urban areas leads the exceedingly inflated housing price levels. On the contrary, the housing price is relatively cheaper than the purchase a house in the first-tier cities in China, therefore it has been viewed as cost-effective. At last, as one of the European union member and Schengen country, it gives foreigners a chance to travel, the other privileges such as working visa, social welfare can be taken into consideration as well.

Question B: From the personal perspective, what are the motivations behind buying a property in Greece?

The motivations can be divided in three main reasons. During the interview, it was indubitably that education becomes the most significant reason when considering to buy a property in Greece. In China, parents are paying a huge attention to Children's education. That is also one of the reasons why there are many Chinese student study abroad at present.

Therefore, by living in Greece, the children can enjoy the multicultural atmosphere, and learning new languages. Secondly, owning a property in Greece is free-hold, the land belongs to the owner and will be inherited to his descendent. However, the land is owned by government and the buyer has the ownership for only 70 years. Last but not least, purchasing a property in Greece for retirement offers an ideal lifestyle for all these interviewees.

Question C: From where do you get our company's information?

Generally, buyers get company's information from four different channels. The majority of interviewees get in contact with the company through company's corporate agents or immigration offices in China. There are thousands of agents and immigration offices in China at the moment. The new clients have to register their names under the interested list, and then the agents or immigration offices arrange the visa work and schedule a visiting date for the clients. The second common way to get in touch with a company is through company's exhibition. The company's branch office in China is responsible for joining the immigration exhibition in different cities of China every month. Thirdly, the buyers may introduce a new buyer for the company, and this happens quite often as well. The new buyers are very often their relatives, friends, colleagues. The last channel mentioned is through internet and journals. The company concentrates lots of effort in advertising, including online and magazine advertisements.

Question D: What are the challenges when considering buying property in Greece?

According to the interviews, it brings out four challenges that buyers concern the most. Undoubtedly language is regarded as the biggest challenge when considering purchasing a house in Greece. The official language in Greece is Greek, however the majority of them can speak English. Among the seven interviewees, there are only two of them who can speak little English, and the rest of the interviewees admitted that it will be hard to learn a foreign language in the middle of the process. The second challenge is investment risk. Since it is an investment in a foreign country,

the buyer will be undertaking various hidden risk, for example exchange rate may change thus the property will face devaluation, the government enact a new law which can affect the foreign buyers, the possibility of political unrest and so on. The third challenge is the credit of the real estate developer. Based on some interviewees own experiences, some real estate developers change their attitude after the deal is confirmed, and they are not being responsible and helpful any more in the case. Lastly, the diverse food culture was concernedly mentioned couples of time in the interview. China has a wide range of food, and it is totally different from European cuisine, and many of the ingredients they may not available in Greece.

Question E: Do you have any suggestions for the case company?

Based on the results of interviews, some of the advices are presented in below.

The first suggestion for the case company is to improve the communication and integration between the company and the clients. According to some of the clients, sometimes it took long time to receive respond from the case company. This is due to the communication of different language, until the message has been translated to the native language, it consumes a lot of time.

The second suggestion is to build more presence to the public. At the moment, 80 percent of clients get to know the company via agents or middleman, and the clients will be charged a commission fee if they purchase the property. Company should create more direct presence to its clients.

The third suggestion is related to offers school information for children's education. As many buyers pointed out children's education is one of the most determinate factors for buying property in abroad, therefore it will be extremely helpful if the company can offer some school information.

The last advice is to balance company's marketing orientation. Some interviewees pointed out that, the company is promoting the company's Cypriot projects more than its properties in Greece. It is intangibly making the clients feel the company is paying more attention on Cyprus. Company's office in China should balance its focus from both markets, and gives clients the objective and comprehensive guideline.

## 5 DEVELOPMENT PLAN FOR CASE COMPANY

So far, research introduced about the both theoretical and empirical part, and now the reader is familiar with the concept of real estate and the Chinese buyers in a deeper level. The goal of this research is to help the case company better understand Chinese buyers. It is the time to draw up a development plan for the case company. The development plan is based on the former studies, and the content of the development plan is including SWOT analysis for the case company and an action plan concerning on five parts: place, product, price, promotion and people.

### 5.1 Case Company's SWOT Analysis

SWOT analysis refers to a business tool by considering a firm's internal and external factors of its business, and it is one of the most effective analytical tools in terms of strategic management. SWOT is just an acronym which stands for: strengths, weaknesses, opportunities and threats. (Makos 2015.) In this research, the SWOT analysis is utilized for improving case company's performing in the context of Greek properties sales and Chinese buyers. The implementation of this SWOT analysis is based on the marketing knowledge that the author studied before and the internship experience she had in the case company. The following figure illustrates the SWOT analysis of the case company.

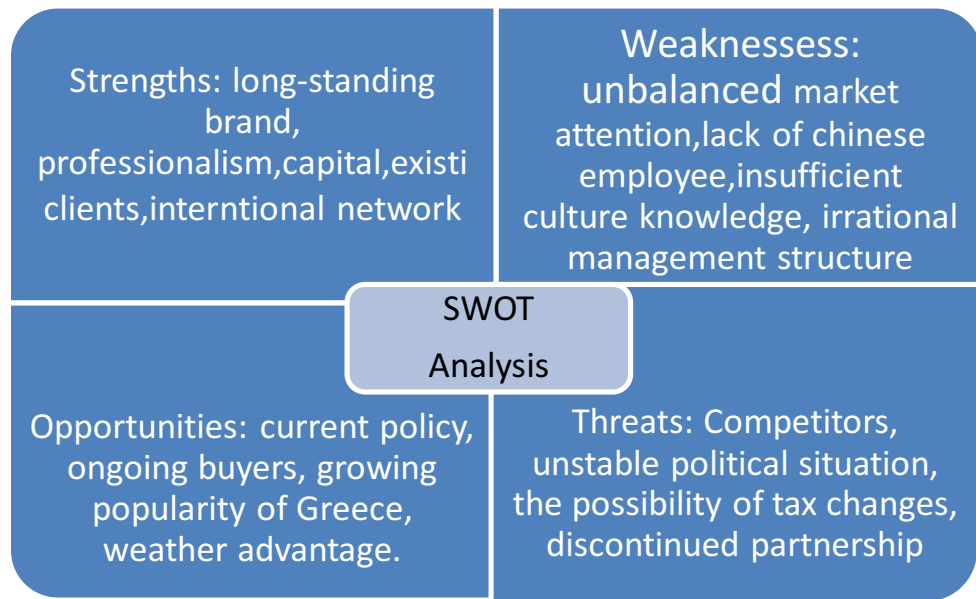


FIGURE 10. SWOT Analysis of case company

### 5.1.1 Strengths

Strengths explain what kind of positive attributes or other advantages that company owns. It refers to what company does well, what internal resources company has. (Berry 2013.) For example, good reputation, convenient location, skilled workers and so on. They are the factors within company's control. The pros of Leptos Estates can be contributed to follow aspects:

**Long-standing brand:** Leptos Estates has over 55 years' experience in the market, it is the biggest developers in the Mediterranean area with numerous prestigious awards. As a big company, it gives clients a trustable image and creditable reputation.

**Professionalism:** company has a group of expert teams in the fields of architect, designer, lawyer, sales staff, technician, engineer, as well as the effective after-sales service support.

**Capital:** contribute to company's mega land banks in Cyprus and Greece, as well as the large amounts of sales. Leptos Estates' cash flow and revenue are to be well enough and profitable.



Existing clients: Since Greek government enacted the new law; it brought a large number of Chinese clients and also other foreign nations to the company. In Cyprus, because of the earlier implementation of PR policy, the number of existing clients considered to be more.

International network: Leptos Estates has offices in 75 different countries, for example, Beijing, Moscow, Kiev, and London and so on. It gives a strong network in the outside of the company, and plays an important role in finding potential clients.

### 5.1.2 Weaknesses

Weaknesses are the disadvantages or any factors that company has, or anything may disturb company's performing at an optimum level. Such as, insufficient technologies, lack of capital. Weaknesses are internal factors within company's management. (Makos 2015.) The cons of Leptos Estates are listed as follows:

Unbalanced market attention: Leptos Estates operates in both Cyprus and Greece. It seems like the company is giving more attention to the Cyprus market, for example, Cyprus is the headquarters and holds several mega projects; the policy is to obtain Cypriot passport which sounds more attractive for Chinese and other nationalities.

Lack of Chinese employee: because company's main target clients are Chinese (with 70% of buyers are from China), therefore the company needs professional Chinese employees in the fields of interpreter, co-worker, sales manager, and sales assistance and so on. However, it is not very easy to find Chinese speakers who living in Greece and have experiences at the moment.

Insufficient cultural knowledge: Western culture and Asian culture does have a lot of distinctions. China is a nation which has its own customs and habits. It is rather important to know some of the Chinese cultures when doing business with Chinese. The company only has three years of business experience in the Chinese market from 2013.

Irrational management structure: management refers to organizing and coordination the activities of a business. The managers have the power and responsibility to make decisions within the company. (WebFinance 2012.) At present, company has only one sales manager in Greece, and due to it is a big company with many different departments, the amount of work is overload, and the manager can not solve all types of problems and make decisions at the same time. Therefore, the company's management structure is not best-in-class.

### 5.1.3 Opportunities

Opportunities describe factors that out of a firm's control; the possibilities that may boost company's business, opportunities may increase because of certain reasons, for example, economic growth, and change of government policy. (Makos 2015.) The opportunities of Leptos Estates are listed as follows:

Current policy: Greek parliament optimized the old laws and simplified the procedure in terms of PR policy; it attracts many Chinese buyers with the new laws. In addition, due to the financial crisis and debts, the Greek government is just opening the market with favourable policies.

Ongoing buyers: Because of China's 70 year 'policy and high housing price, the outbound foreign investment is growing every year.

Growing popularity of Greece: With the increasing popularity of Santorini and Greece, more than thousands of Chinese tourists visit Greece every year, and the number is continuing to increase. It gives great opportunities for the company to have more potential clients.

Weather advantage: Greece enjoys mild weather with 320 days' sunshine in a year; therefore, it attracts many buyers from north part of China, for instance people from Beijing, Changchun, Inner Mongolia and so on.

#### 5.1.4 Treats

Treats implicates which factors may put a firm's business down, or any potential risks that a firm may undertakes. The threats in real can be bad weather, government restrictions. As with opportunities, it is external factors beyond company's control. (Makos 2015.) The treats of Leptos Estates can be concluded as follows:

Competitors: Except Greece, many other countries also opened the door to Chinese buyers regarding to purchase property overseas, those competitors are, Spain, Portugal, Hungary, Malta, Thailand, Malaysia, Australia, Canada and some others.

Unstable political situation: Since the Greek default and crisis from June 2015; there has been a political storm throughout the country. The future of government policies and decisions is unknown.

The possibility of tax changes: the VAT is a part of the tax that must be paid to the government for every buyer. VAT on the mainland of Greece and Crete islands was 23%, in the rest of Greek island it was 16% before September of 2015. The Government increasing VAT in the rest of Greek islands to 23%, therefore, the buyer has to pay 23% VAT in all over Greece. There is the possibility of an increase in VAT in the future.

#### 5.2 Action plan

##### Place

Based on the results, the majority of potential clients are preferring to have their house on the sea-side. At the moment, company has two projects which situated on the coastline, Aphrodite and Viglia. These two projects have big potential opportunities to sale than any other projects that the company owns. The company should pay more attention to these two projects. Moreover, as the front-line land is limited, and it is more expensive, therefore the company should keep looking for other places as land bank for future projects, not only in Crete, but also in other islands of

Greece. According to the results of survey, there are also many people who interested in down-town projects. The company has a land bank that located in the old city of Chania, Crete. The company intends to develop six storeys building with 190 apartments. Besides of sea-side projects, the company should also pay attention to down-town projects.

### Product

There are lots of potential clients whom with families. Therefore, the majority of house seekers are looking for bigger space properties, such as two-bedroom apartment and townhouse. Currently, the company has three different types of property, single apartment, two-bedroom apartment, townhouse and villa. Most of the types are single and two-bedroom apartment. Average square meters of a single bedroom apartment is around 60 to 90. The size of a two-bedroom apartment usually starts from 90 square meters to 120 square meters. For the development of future projects, the company can enlarge the plot of properties. For instance, some of the basement can be transformed as the second or third bedroom.

### Price

According to the online research results, a large portion of potential clients' budget is between 300,000 to 500,000 USD dollars. So far, the most of company's properties cost around 270,000 USD dollars at minimum. If a property which situated in a prime location and more than one bedroom, it can cost more than 500,000 USD dollars. Therefore, the company should adjust their current price and setting a more affordable price.

### Promotion

The company is currently advertising themselves through two main categories of promotions, direct promotion and indirect promotion. The direct promotion indicates the company has direct contact with the buyers. At the moment, company's direct promotion is based on an online advertisement, exhibition advertisement, office-front advertisement. The actual buyers who coming from direct promotion are called direct clients,

and there are no intermediary fees to pay. Company's indirect promotion is mainly via agents or immigration offices in China, and it is where the majority of clients based on. Indirect clients have to pay an amount of middle fee for the intermediaries. According to the interviews, potential buyers wish to have more forms of direct contact with the company, therefore to avoid the middle fee. The company should increase the direct promotion platforms, such as advertising company's information on some of the trendiest websites like China's daily; increase the company presence in the exhibition; set up the consulting desk near the public area like malls or 4S stores; existing clients' follow-up and so on.

### People

There are 70 percent of buyers do not speak English at all. Therefore, the company should expand and recruit Chinese speakers. On the flip side, many potential clients complained that it is took too longconsuming to receive a response from the company. As a result, company should appoint an experienced Chinese as native manager to run its business in China. Last but not neast, in order to guide and help the householders start their life in Greece, some Chinese employees should position in after-sales group.

### Others

In accordance with the survey results, a large proportion of potential buyers think children's education is the main purpose of buying property overseas. This information indicates that company can provide information about schools as a whole package of sales.

As quite many people are interested in Greek properties as investment opportunities. Therefore, the company ought to elaborate the possible investment as the counterpart of sales. For example, how to establish their own business in Greece. Since Greece is a tourist destination, the company can help the householders to rent the property for the tenant seasonally or even longer period.

Since Chinese food is an important culture for Chinese, the company can release some of the shops for the restaurateur who willing to open Chinese restaurant in the residential area.

## 6 CONCLUSION

This chapter concludes the whole research on which information has been achieved so far based on theoretical and empirical knowledge. The main purpose is to answer the research questions. On the flip side, the research validity and reliability are tested. At last, a further research is requested.

### 6.1 Answers for Research Questions

As the author mentioned many times in the research, the aim is to get to know Chinese buyers, in order to help case company better understand them. First of all, the answer for research questions will start from the sub-questions.

#### **What is the current situation of China's real estate market?**

The main characteristic of China's real estate market at the excessive price level. It dramatically increased 60 percent after 2009. The high price level has led to a situation where many people cannot afford it anymore, especially in the first-tier cities, Beijing, Shanghai, Shenzhen. There are two reasons behind the rise in price level. The first reason can be attributed to the Urbanization. Nearly 200 million people moved from villages into the city over the last decade, and the total urban population reached more than 50 percent in the year of 2014. The second factor is economic boom. China used to be the poorest country before 1979, but China is the second largest economy nowadays, and people's living standard has risen, especially that of the wealthy, which has tripled.

#### **What are the main factors behind China outbound real estate investment?**

There are four main reasons which provide the answer to this question. Foremost, the majority of buyers consider the environment in the first place as the purpose of overseas real estate investment. China is receiving such severe pollution at present, and it has reduced the quality of people's daily life and added health care costs. The second major

reason is children's education. Chinese parents are always paying a big attention on Children's education, that is also the reason why there are many Chinese students study abroad. Chinese parents believe children can receive better education abroad. The third reason is considering about investment perspective. Although there are numerous risks should undertake when investing property overseas, from long-term point of view, the price and value of property are increasing. Last but not least, buyers can obtain permanent residence when they purchase property abroad, this creates for them the convenience of travel and working in a foreign country.

### **What are the advantages of buying property in Greece?**

In the first place, Greece has a high liveability. It enjoys the mild weather with more than 300 hundreds days of sunshine per year. Because the main industry in Greece is tourism and shipping, the environment is not polluted and it is suitable for living. An Additional advantage is the value of investment. Unlike in China where the land belongs to the Chinese government, and the buyers only own the house for 70 years, the land in Greece is private and free-hold. Thirdly, the price advantages are obvious, because the price level in China is excessively high, the price to purchase a property in Greece is cheaper than China, especially compare to the Beijing, Shanghai and first-tier such as these.

### **What are the factors behind Chinese buyers purchasing properties overseas?**

The answer for the main research question is the combination of sub-questions' answers. To summarize, the core factors behind Chinese buyers purchasing properties overseas can be divided into external factors and internal reason. The external reasons indicate the current situation in China, which is the high property price level, it already exceeds people's affordable zone. The second external reason is related to the environmental pollution in China. The biggest internal factors are children's



education. The other internal factors are related to investment perspective and the obtaining of permanent residence.

TABLE 3. Answers to research questions

<b>Research Questions</b>	<b>Answers</b>
What are the factors behind Chinese buyers purchasing properties overseas?	The reasons include Children's education; Environment, Investment perspective; Permanent Residence; Holiday house and working opportunities.
What is the current situation of China's real estate market?	The housing price level is excessively high, and many people cannot afford it.
What are the main factors behind China outbound real estate investment?	The severe pollution in China; Children can receive quality education; The value of property is increasing; Obtain Permanent Residence.
What are the advantages of buying property in Greece?	Liveability is high; Enjoys the mild weather ; Price advantage; The land is Free-hold.

## 6.2 Reliability and Validity

Reliability refers to the accuracy of actual measuring procedure or tool, however the validity means the degree to which a measurement tool measures what the researcher attempting to measure, namely whether the researcher actually measure what they want to measure. (Explorable 2008.) In this research, the information was gathered by primary sources

and secondary sources. The majority of second sources was collected via internet and case company's brochure. The primary data was collected from online survey and interviews. The online survey was conducted via case company's website. The total respondents were 40. The group interviewees composed of seven potential clients of the case company, because the author completed her internship in the case company, the author already knew them before the interview, and the author believes they are eligible to give their opinions. Therefore, the research is reliable and valid.

### 6.3 Suggestions on Further Research

As mentioned in the beginning of the research, this study mainly focuses on understanding Chinese buyers' opinions toward buying properties abroad, therefore some individual reasons cannot be discovered in this study. Besides, because the research is specialized in Greek market, that means the results cannot be applied for any other countries. Due to the peculiarity of the real estate market is broad, a further study would be interesting and helpful for the case company.

## 7 SUMMARY

The objective of this research aims to identify Chinese buyers' opinions toward buying properties overseas. The final goal is to let the case company better understand Chinese buyers. The whole research consists of six parts, introduction to the research, theories study, the case company presentation, empirical research, development plan and conclusion. The research conducted with a qualitative and quantitative method which followed by interviews and an online survey.

The introductory part gives introduced the purpose of this research, research questions, research method and data collection. The theories study introduced the background information of the real estate industry. Apart from that, Chinese buyers' analysis was demonstrated. The third chapter described the case company's information, and it includes case company's property guide, as well as information on legal procedures. Next, an empirical study brought a deeper understanding of the whole research. It is formed with analysis of both online survey and interviews. The fifth chapter is a development plan for the case company based on the research results. Lastly, the conclusion parts summarized and answered the research questions.

The finding for the main reasons that determine Chinese buyers purchase properties in abroad is: price, policy, environment, children's education, and investment perspective. The results also suggest that, the company should balance the market orientation, reprising its properties, define the prime location and types of property, increase its direct promotion. The company should also employ more Chinese assistance that based in Greece. Last but not least, company employees should improve their knowledge on Chinese culture, and it is crucial when meeting a Chinese client.

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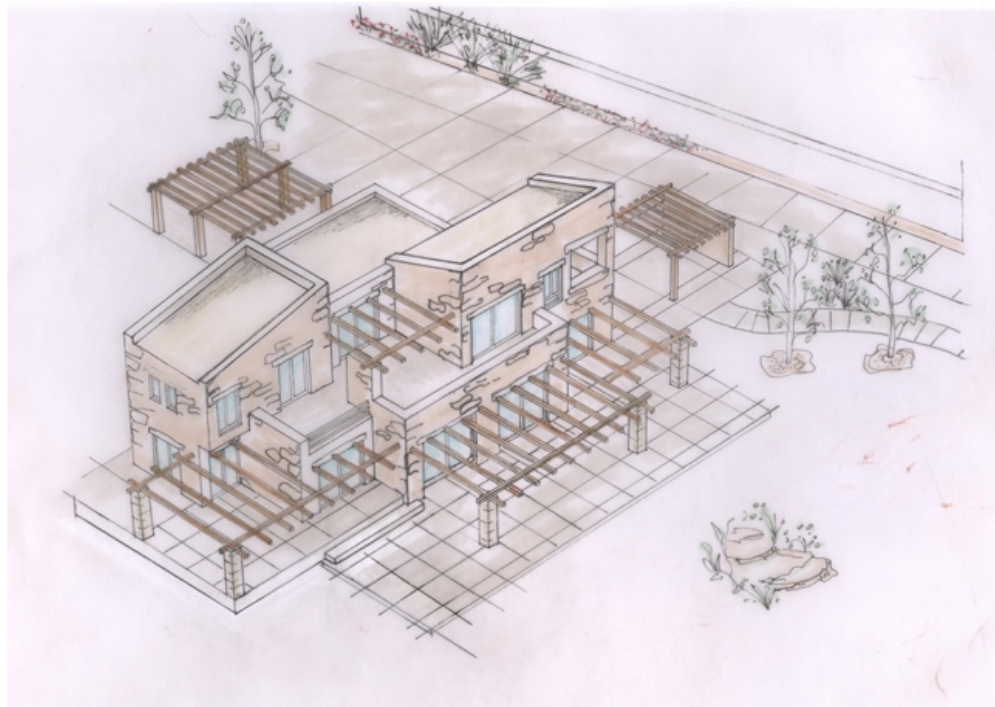


## APPENDICES

### APPENDIX 1. Aphrodite II master plan



### APPENDIX 2. Viglia Beach-front



### APPENDIX 3. Fournado Hill Villas



Fournado Hills Villas site plan visual and view  
Image 2 of 2

CLOSE X

#### APPENDIX 4. Santorini Villas



#### APPENDIX 5. Paros Gardens



#### APPENDIX 6. Online survey questions

1. Gender
  - a. Male
  - b. Female
  
2. Age
  - a. 18-29
  - b. 30-39
  - c. 40-29
  - d. More than 50
  
3. Marital Status
  - a. Married
  - b. Single
  - c. Divorced
  - d. Widow
  - e. Cohabitation
  
4. Child (children)
  - a. Yes
  - b. No
  
5. Occupation
  - a. Entrepreneur
  - b. Engineer
  - c. Education
  - d. Health care
  - e. Banker
  - f. Lawyer
  - g. Others
  
6. Current Residence
  - a. Beijing
  - b. Shanghai
  - c. Jilin province
  - d. Heilongjiang province
  - e. Hubei province
  - f. Guangdong province
  
7. Annual Income (USD dollars)
  - a. Below 30,000
  - b. Between 30,000 to 60,000
  - c. Between 60,000 to 90,000
  - d. Between 90,000 to 150,000

8. English Proficiency
  - a. Excellent
  - b. Fluent
  - c. A little
  - d. Not at all
9. Have you ever visited Greece before?
  - a. Yes
  - b. No
10. Are you interested to purchase property in Greece?
  - a. Interested
  - b. Not sure
  - c. Not interested
11. Why you are interested to buy property in Greece?
  - a. Education
  - b. Environment
  - c. Permanent residence
  - d. Investment perspective
  - e. Working opportunities
  - f. Holiday house
12. What is your purchase budget (USD dollars)?
  - a. Below 300,000
  - b. Between 300,000 to 500,000
  - c. Between 500,000 to 700,000
  - d. Between 700,000 to 1 million
  - e. More than 1 million
13. What is your ideal type of the property?
  - a. One bedroom apartment
  - b. Two bedroom apartment
  - c. Town-house
  - d. Detached house
  - e. Condominiums
14. Which area you preferring to stay?
  - a. Down-town
  - b. Seaside frontline
  - c. Tourist area
  - d. Countryside
15. Would you like to leave us your contact information for further contact?
  - a. Yes. \_\_\_\_\_
  - b. No