

Athens extends its luxury scope

ATHENS: At the new Bottega Veneta boutique in a leafy suburb of the Greek capital, the no-logo handbags spell discreet elegance and consumer affluence.

"Luxury products have to challenge you in order to buy them," says Marianna Tsoureka, a veteran luxury retailer whose family has teamed with the Italian brand on the new store. "Greeks are consumers, but they didn't have access" to a lot of top brands.

Up to now, that is.

Only in the last few years have international fashion brands slowly made their entrance. Louis Vuitton was one of the first to arrive, followed by Hermès, Salvatore Ferragamo, Tod's and Burberry. Dior and Balenciaga arrived just last year.

But the pace is picking up this autumn, with several additions to the Greek capital's luxury map - although many of the newcomers still are collaborating with Athens's most-recognized fashion names.

De la Renta is opening a 300-square-meter, or 3,230-square-foot, store on Oct. 15 in the affluent suburb of Kifissia, a project that is being done in collaboration with Harris Tsimoyiannis, its longtime local partner. A store also is opening a few days earlier in Madrid, but the fashion house is calling the Athens's site its first official monobrand store in Europe.

"There are not too many other examples of countries that have a sophisticated clientele, with a proven appetite for luxury goods, where there is still opportunity. We still have tremendous growth potential in Greece," Bolen says.

The Kifissia suburb is also the home to the new 120-square-meter Bottega Veneta store, where the signature "Intrecciato" hand-woven leather bags are already top sellers, starting at €600, or \$835.

Its partner, the Tsoureka family, also owns the 30-year-old retailer Rossi and runs the Luisa multibrand outlets, which showcase Alexander McQueen, Etro, Missoni, Stella McCartney and Yves Saint Laurent, among others.

Thanks to Anastasia Tsoureka, the daughter of Marianna and her husband Zafiris, Rossi also is introducing Lanvin and Manolo Blahnik franchises. Lanvin opened in the Kolonaki neighborhood Oct. 4 and Blahnik is set to open in the same area later in the month.

"The arrival of the luxury sector in Greece is long overdue and, though slow-paced, it comes with a high chance of success when it occurs in prime spots and attracts consumers in



The Golden Hall, above, a \$75 million renovation of a 2004 Olympics building, is to open in November with labels like Salvatore Ferragamo, Tod's and Furla. (LAMDA Development)

selected areas," says John Arapoglou, an equity research analyst at Piraeus Securities.

In the last few years, high-end brands doing their homework have noticed Greeks traveling the world and buying - as well as doing some luxury surfing online.

While most of the monobrand outlets are developed with local partners, Prada is entering the Greek market solo, with a flagship store in construction on bustling Voukourestiou Street, where its neighbors will include Cartier and Bulgari.

High-end retail also is getting a mall. The Golden Hall, the result of a €75 million renovation of the former International Broadcasting Center for the 2004 Olympics, is expected to open at the end of November. The building's original skeleton has been retained, but its 40,000-square-meter interior is being rebuilt to house fashion labels like Furla, Salvatore Ferragamo, Tod's, Tommy Hilfiger, Loewe, Marith et François Girbaud and Longchamp.

While much of the planning for these projects was done long before the current financial turmoil, the retailers all voice confidence in their eventual success.

"The timing of our investment in the brands is not affected by possible opportunities that arise sometimes in period of crisis," notes Aris Rakas. "It rather has a longer term outlook compared to the current crisis, which we hope is a cyclical phenomenon."

His Rakas company is putting the finishing touches on two Marc by Marc Jacobs stores - the first, a 160-square-meter shop, opened in Kolonaki on Oct. 3; the second is to

be at the Golden Hall. It also teamed with Diane Von Furstenberg to open a 130-square-meter store on Sept. 26 in Kolonaki.

Despite all the new names, some difficulties persist in bringing brands to Athens.

"Real estate is overrated, and in order to do something worthwhile you have to pay a very high price," Anastasia Tsoureka says. According to a report by the real estate agency Colliers International, monthly rent for commercial property in central Athens has gone from €160 to €280 per square meter in recent years, with prime retail locations, like Ermou Street on Syntagma Square, at the top end of that scale. Also, the city's supply of prime space is very limited.

While the Tsoureka family is relying heavily on its faithful, local clientele for sales at the new shops, other retailers, including Rakas, say the city's international character is becoming more and more attractive to tourists, especially Russians, who come to Athens for the shopping.

How are local designers reacting to the new luxury wave?

"It was bound to happen," says Vassilis Zoulias, whose Old Athens label includes high-end, ready-to-wear and accessories that tallied €1.3 million in sales during 2007.

"It's extremely positive to see Athens the way it deserves to be and whatever is good is bound to float. For us, it's a strong motivation to think harder. Times of crises are also times of opportunity."

