

IN-DEPTH

Real Estate Law

GREECE



LEXOLOGY

Real Estate Law

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In-Depth: Real Estate Law (formerly The Real Estate Law Review) provides an invaluable overview of how key real estate markets across the globe operate and how they react to major world events. With a focus on recent developments, it analyses the legal frameworks governing real estate ownership and transactions in each jurisdiction, while also offering an incisive outlook of potential future trends.

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Explore on **Lexology** 

Greece

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Introduction

Ownership of real estate

Greece is a civil law jurisdiction: Greek courts do take into account previous judicial decisions, in particular those of the Supreme Court. The fundamental right to own property is recognised in Article 17 of the Constitution, although it cannot be exercised against the public interest. Real property rights are the following (*numerus clausus*):

1. Ownership provides direct, absolute and universal authority over immovable property. It can be either full and exclusive, or of a common or joint nature (*ab indiviso* ownership). In bare ownership (bare from the benefits or proceeds of the property), the owner lacks the right to use or exploit the property until the death or resignation of the usufructuary.
2. Easements or servitude rights, (such as the right of way) are limited *in rem* rights with which a property (servient estate) is encumbered on behalf of the owner of another property (dominant estate).
3. Right of mortgage is a limited real estate right granted to a beneficiary to secure a claim against a property owner. It is distinct from a pre-notice of a mortgage, as the latter is subject to the suspensive condition of final adjudication of the secured claim to the creditor and its switch into a mortgage.

In addition, a surface right may be established conferring to the beneficiary the right to use property owned by the state or public law entities and state agencies for a period ranging between five and 99 years. The beneficiary enjoys the benefits of ownership but is under the obligation to maintain and protect the asset, returning it to the owner at the end of the agreed term.

Landowners also own any building thereon; however, in the case of a condominium, which is an ownership structure whereby a building is divided into several units that are each separately owned, the surrounding common areas and the land thereon are jointly owned.

Contractual transfer of ownership in real estate requires the ownership right of the transferor; an agreement in writing before a notary public, which constitutes a proprietary causal contract between the transferor and the acquirer that the property is transferred for a legitimate reason to the acquirer; and the registration of the agreement before the competent land registry or cadastral office.

System of registration

All rights *in rem* must be registered before the competent land registry or cadastral office, which in some areas operate in parallel. There are currently two systems of formal publicity:

- 1.

land registries (a system of transcriptions and mortgage books), based on the keeping of files of personal shares, namely indexes of persons who have entered into real estate contracts; and

2. the Hellenic Cadastre, a unified (and more recent) system of legal, technical, personal and other information, based on listings of real estate properties, which facilitates the direct control over the legal status of real estate, providing certainty and transparency in real estate transactions.

The transition to the new Hellenic Cadastre system is ongoing and is being progressively implemented throughout Greece. In general, failure to register with a cadastral office may result in losing the right over a real property, while an incorrect or incomplete cadastral registration would require a procedure of correction either before the same authority or before the competent court.

For due diligence purposes, lawyers and other professionals have access to the above public records. Further, any applicant may ask for certified copies of the registered title deeds and certificates of registration. Besides these, lawyers have the competency to issue certificates of ownership, of registration and of encumbrances – claims on the property, with a status equivalent to those issued by the land registry.

There is no state guarantee of title; nevertheless, registration with the cadastral office (upon its finalisation) constitutes an irrefutable presumption regarding the right of ownership over a property.

Transactions following the structure of a share deal are formalised in a private agreement, therefore avoiding the registration procedure and the notarial and registry fees.

Choice of law

Possession and *in rem* rights are governed by the law of the state in which the real property is located (*lex rei sitae*). Greek law also governs the procedural aspects and formal requirements of *in rem* transactions. Contractual agreements between the parties do not fall within the above rule, and the parties may agree on the applicable law; however, the transfer of the right *in rem* will only take place under Greek law.

In share deals, parties may choose the law of their preference, as permitted by the principle of freedom of choice established in Regulation (EC) No. 593/2008 on the law applicable to contractual obligations).

Overview of real estate activity

The real estate investment market in Greece has demonstrated sustained dynamism in recent years, and it is anticipated that this trajectory will persist into 2025. Throughout 2024, Greece attracted significant capital inflows from both international and domestic investors, facilitated by increased market confidence, ongoing advancements in infrastructure and its strategic geographical positioning. This sustained market activity is reflected in a significant increase in building permits.^[1] Urban centres such as Athens and Thessaloniki, alongside prominent tourist regions have experienced considerable

investment activity. Residential property prices increased by 9.2 per cent in the second quarter of 2024, with variations across regions – Athens (9.1 per cent), Thessaloniki (12.1 per cent) and other localities (7.3 per cent – 10.4 per cent).^[2] In the commercial sector, heightened demand for office and logistic spaces, underpinned by expanding business operations and the e-commerce sector, has complemented the country's strategic role as a transportation hub. Simultaneously, the tourism sector has reached new heights, with revenues of €22 billion in 2024, spurring significant investment in luxury hotels, resorts and short-term rental properties, particularly in areas such as the Athens riviera, the Cyclades, Crete and the Ionian islands.

The availability of financing has continued to improve, with Greek banks demonstrating increased lending activity following significant improvements in their balance sheets. Alternative funding sources, including international investment funds and private equity funds, have also bolstered the market, while grants and loans linked to the EU Recovery and Resilience Plan have provided substantial support for sustainable and urban regeneration projects. This multifaceted approach to financing has reinforced the feasibility and attractiveness of real estate investments, particularly those prioritising sustainability and compliance with contemporary regulatory standards.

The outlook for 2025 remains optimistic, driven by Greece's ongoing economic recovery, sustained foreign investment interest and major infrastructure projects. Regulatory reforms designed to streamline property transactions and mitigate bureaucratic inefficiencies, coupled with advancements in the digitalisation of land registries, are expected to enhance transparency and further stimulate investor confidence. However, potential challenges persist, including external risks such as geopolitical instability, inflationary pressures, rising construction costs, supply chain disruptions and elevated energy expenses. Domestically, structural inefficiencies, including property fragmentation, protracted administrative procedures, intricate planning regulations, elevated taxation and new restrictions on short-term rentals may pose constraints. Furthermore, environmental considerations are assuming an increasingly prominent role, with heightened emphasis on sustainable development and energy-efficient constructions, in alignment with EU directives and global sustainability imperatives. These factors collectively underscore a complex but promising environment for real estate investment in Greece in the forthcoming year.

Foreign investment

Restrictions

In principle, foreign investment in real estate in Greece is unrestricted, although there are exceptions: restrictions are in force for the acquisition of property rights in border zone areas of the country (designated by presidential decree) by individuals or companies that are not nationals of an EU or European Free Trade Association country, and for the transfer of company shares or any change of partners of companies that have ownership rights over assets located within those border zone areas. Transactions in life (except for parental benefit contracts and succession) that establish a contractual or *in rem* right to such a border property in favour of a foreign natural or legal person are prohibited.

The prohibition may be lifted only by a respective decision (mainly depending on national security reasons).

Ownership of a privately owned island or a property located on a privately owned island can be acquired only after the issuance of a permit by the Ministry of Defence.

Incentives

The Greek golden visa is a residence-by-investment visa issued to non-EU citizens who make a significant contribution to the Greek economy, namely by purchasing real estate of a value exceeding €800,000 or €400,000, depending on the location of the property.^[3] This programme grants an immediate five-year residency to investors and their immediate family members (renewable every five years), as well as free travel within the EU and Schengen areas.

Further, to attract foreign direct investment, targeted legislation (e.g., Law 4864/2021) has been introduced to regulate strategic investments whereby specific provisions, licensing frameworks, tax and other incentives are provided.

Structuring the investment

Investment in real estate is usually realised by direct acquisition of the property (asset deal) or by acquiring a controlling stake of the entity owning the property (share deal).

Asset deal

An asset deal takes place through the signing of a notarial deed before a notary public and its registration with the competent land registry or cadastral office. The seller provides representations and warranties to the buyer for the non-existence of any actual or legal defects over the property, such as the full and undisputable title over the asset; the absence of any liens or encumbrances and of any third-party claims; compliance with town-planning, environmental, forestry or archaeological restrictions; and tax clearance certificates. Notaries are entrusted by the state to ensure that all necessary documents required by law from the parties have been collected and attached to the contract, and therefore the proper compliance of the real estate transaction with various regulatory requirements regarding real property, such as taxes, zoning, planning, forestry, coastline requirements, energy efficiency and building regulations.

Share deal

In a share deal, where the property is owned by a company and it is the company's sole asset, the transfer is completed by way of execution of a private agreement between the seller and the buyer for the transfer of the special purpose vehicle (SPV) shares. In this case, generally, no specific wording or contract form is required to transfer the ownership right of the real property; however, it is strongly advised that the due diligence of the investor cover both the real estate and the target company (including any change of control provisions).

SPVs

The legal forms most frequently used are the *société anonyme* (SA) and the private capital company (IKE), which are commercial companies that both include limited liability of their shareholders or partners and may be established by a single member.

The SA is a stock company with an internal organisation including the general assembly, the board of directors and the auditors. A single administrator can be appointed instead of a board of directors. The company may issue different classes of shares (common and preferred). Contributions in the SA are of a capital nature, although payment may take place either in cash or in kind. The SA is the only corporate vehicle that can issue bond loans and is generally considered the appropriate corporate form for large multi-stakeholder businesses.

The IKE is established by means of a private agreement and is considered a cost-efficient and flexible corporate form. The formation of an IKE is subject to non-minimum capital requirement contributions, which can be made either through capital contributions or non-capital contributions (e.g., an employment relationship, know-how or intangible goods) or contributions of guarantee (defined as the undertaking of liability for company debts in relation to third parties).

In general, the income of a legal entity from the exploitation and sale of real properties constitutes income generated from a business activity and is taxed at a rate of 22 per cent. The distribution of dividends is subject to 5 per cent withholding income tax.

REICs

Investment may also be realised by a real estate investment company (REIC), which is a special purpose SA with registered shares (strictly regulated by the Hellenic Capital Markets Commission) and of which the sole purpose is to acquire and manage real estate properties. The initial minimum share capital required is €25 million. By law, a REIC must apply to the Athens Stock Exchange Market for the listing of its shares. A REIC must invest at least 80 per cent of its total assets in real estate and in rights, shares or units in commercial or industrial property.

REICs are subject to obligations such as mandatory auditing by certified auditors and six-month valuations of their portfolio, and are restricted to borrowing up to a maximum of 75 per cent of their portfolio value. REICs are not a flexible legal form, as they are subject to a number of regulatory restrictions, but they operate under a favourable tax framework (i.e., an exemption from real estate transfer tax) and provide incentives to investors (e.g., the obligation to pay annual dividends to their shareholders of at least 50 per cent of their annual net profits).

Real estate ownership

Planning

Building permits and operational licences must comply with the general planning regulations and are granted according to the land use permitted and the specific building regime regulations (e.g., for islands, protected settlements and sites of particular natural beauty (Natura sites)).

Many plots offered for sale are located 'outside the city plan', which means that they are located outside the borders of a city or settlement. In that case, generally, for a plot to be buildable, an area of 4,000 square metres with a frontage to a designated public road is required. Specific rules apply for the protection of forest areas (where the alteration of use is prohibited) and of the coast and beaches (which are properties of common use, belonging to the state, being responsible for their protection and management). There are specific laws and regulations for the protection of archaeological and historic sites, ancient and other monuments, and listed buildings.

The consequences for illegally constructed buildings include revocation of the permit, demolition, administrative fees and penal liabilities; therefore, technical and legal due diligence is necessary both to ensure that a plot meets all requirements for building construction on it to be allowed and to determine whether an already built property includes illegal constructions that need to be 'settled' (legalised according to the relevant laws).

Environment

According to the polluter pays principle, owners and possessors are responsible for property clean-up. Anyone who pollutes or damages the environment is liable for compensation and liable on criminal grounds. Interim administrative measures may be taken against a polluting business or activity until suitable measures are taken by the business (the polluter).

Sale deeds contain the seller's warranties that the property is not located in a protected area and is not crossed by a stream, that the building or apartment is legally existing and that an energy efficiency certificate has been issued. Although not required to be mentioned in the deed, the owner must inform the buyer if the building contains hazardous waste, asbestos waste and waste materials containing asbestos. Since there is no public register of contaminated sites in Greece, it is advisable that buyers conduct their own technical due diligence, especially for buildings with permits before 2005 (i.e., before the use of asbestos had been forbidden).

Tax

Any real estate purchase transaction (asset deal) is subject to real estate transfer tax of 3.09 per cent on the higher value between the 'objective' market price (as determined by a ministerial decision) and the contractual value. Especially in respect to buildings for which a building permit was issued after 1 January 2006, VAT of 24 per cent is imposed on the purchase value on the first sale of a newly built building. This tax had been suspended until 31 December 2022 but has since been extended until 31 December 2025. Acquisition of 'first residence' by individuals is exempt from transfer tax or VAT.

Tax on capital gains (betterment tax) is also imposed on the sale of property at a rate of 15 per cent calculated on the profit the seller makes from the sale of the property when

compared to the original purchase value of the property. This tax has been suspended until 31 December 2025.

Different tax rates apply for donations, parental benefits and acceptances of inheritance deeds.

The cost of any transaction is increased by notarial fees (approximately 1.2 to 1.4 per cent of the property value) and cadastral registration fees (approximately 0.5 to 0.7 per cent of the property value).

Finance and security

Banks are the typical providers of real estate financing through bank loans, project finance schemes or sale and leaseback contracts. Investment capital can be raised through the stock market or institutional funds or by issuance of bond loans. In general, there are no specialised regulations regarding real estate financing for non-resident persons or entities.

The most common forms of security are the following:

1. mortgage or pre-notation of mortgage by registration of the notarial deed or the court decision in the land registry or cadastral office. Any subsequent change in the terms of the mortgaged claim also needs to be registered;
2. pledge over shares of the SPV by a written agreement perfected by the delivery of the shares to the pledgee, the notification of the pledge to the issuing company and the annotation of the pledge on the share titles and on the shareholders' book;
3. pledge over accounts of the property owner for the assignment of rents and receivables generated by the property by a written agreement and the notification of the pledge to the third party;
4. notional pledge (i.e., without delivery of possession) usually on the equipment or machinery perfected by registration of the pledge agreement with the Movable Pledge Registry; and
5. guaranty personal (granted by the shareholders) or corporate (granted by entities affiliated with the borrower) by written agreement.

Leases of business premises

Leases of business or commercial premises are regulated by Presidential Decree 34/1995 (mainly mandatory provisions) and by the Civil Code (mainly not mandatory). While the execution of the lease agreement under a specific form is not necessary (with exceptions, such as leases with state and public, local entities) and may also be oral, in practice a private agreement is drafted for the parties to define their obligations and responsibilities and to provide evidence of their agreement. The lease and any amendment thereof must be reported electronically to the Internal Revenue Service for tax reasons. All leases require an energy performance certificate to be lawfully concluded.

Term

The minimum mandatory term is three years, even when the parties have contractually agreed a shorter term. The parties may agree on a term exceeding the minimum period. Different rules apply for leases entered into before 28 February 2014 as the minimum mandatory term at the time was 12 years. Leases with a duration of more than nine years must be executed by a notarial deed and registered at the land registry or cadastral office for the tenant to be protected in the event of ownership transfer.

The tenant does not have the right to unilaterally extend the lease, and extension can take place either explicitly, with a mutual agreement, or silently if the tenant remains in the leasehold after the agreed period and the lessor is aware of this and does not oppose to it. In the latter case, it is considered that the lease has been renewed for an indefinite period, and the lessor can terminate it at any moment.

Rent, deposit and rent increases

The parties are free to agree on the rent and the rent readjustments. The most common basis for rent is a fixed monthly rent. VAT (24 per cent) only applies if a property is leased together with the provision of services; otherwise, a digital transaction charge of 3.6 per cent of the rental amount is payable, which is paid according to the agreement of the parties (in practice, most times, this burden is transferred to the tenant).

It is common practice (although not mandatory) for the tenant to pay at the signing of the lease a deposit of one to three months' rent, which constitutes a security that the tenant will conform to contractual terms.

Regarding rent review, the lease agreement lays down the ratio of annual rent increase, which is typically linked to the inflation index. The agreement on rent review is particularly important since only in exceptional circumstances may the court accept a lawsuit for a readjustment of rent that has not been contractually agreed.

Especially for the years 2022, 2023, 2024 and 2025, it was legislated that rent adjustments are allowed up to a maximum of 3 per cent of the rent of the previous year, irrespective of the agreement between the parties.

Maintenance and repairs

According to the law, the lessor must deliver and maintain the property fit for its intended purpose and use; therefore, the lessor is responsible for maintenance and repair expenses arising from the agreed and normal use of the property. However, in practice, the lease agreement often stipulates otherwise, and the above costs and liabilities are contractually passed on to the tenant.

Changes of ownership or of the tenant

If the property is transferred to a new owner-lessor during the term of the lease, the existing agreement continues. Change of control of the tenant does not have any impact on the lease agreement, unless otherwise stipulated in the agreement. Sub-leasing is permitted, unless explicitly prohibited in the lease agreement.

Termination

Leases may be terminated on the expiration date or by mutual agreement, by either party terminating the agreement on serious grounds or by a reason stipulated in law or in the agreement. In the case of an auction, the successful bidder has the right to terminate the lease agreement immediately, resulting in the termination of the lease after two months.

Taxation of the rents

Rental income for individuals is subject to a separate income tax calculated using a progressive tax scale ranging from 15 per cent to 45 per cent (for income over €35,000). Rental income for legal entities is treated as income from a business operation (therefore the related expenses are tax-deductible) and is subject to annual corporate tax at a flat rate of 22 per cent.

Year in review

Building in Greece

The surge in construction activity has burdened certain areas, spurred reactions and brought to light both new and long-standing issues, particularly in urban planning and environmental considerations.

Building within the city plan

The New Building Regulation, having been amended several times, introduced construction incentives to encourage environmental upgrades.^[4] However, the Council of State, in recent decisions of its Fifth Chamber,^[5] ruled that the above regulations are primarily of an urban planning nature because they modify the building conditions (building coefficient, height, coverage, etc.) laid down in the urban planning regulation of the areas to which they apply, with a direct and horizontal effect, but without the existence of the special urban planning decrees issued under the ordinary procedure (which ensures that these are based on a scientific study substantiating the regulations in relation to the specific settlement to which they apply, on the opinion of the competent bodies, and on the participation of the municipalities and citizens, etc.). Consequently, it was ruled that the contested provisions are contrary to the principles of rational urban planning and respect for the urban planning *acquis* deriving from the article 24, paragraph 2 of the Constitution, according to which the increase in the building conditions by means of a general provision adopted without the above guarantees is precluded.

While awaiting the issuance of the decision of the Plenary of the Council of State, its President issued an announcement on 11 December 2024, summarising that specific provisions of the New Building Regulation that incentivise increased building coefficients in exchange for energy upgrades and expanded public and green spaces contravene Article 24 of the Greek Constitution. These incentives bypass established urban planning standards without sufficient prior evaluation of their environmental impact through

specialised studies. This press release concluded that it was determined that the consequences of unconstitutionality should not apply to building permits for which construction work has demonstrably commenced. The restriction of unconstitutionality does not extend to pending legal cases. The full decision, which is awaited by the market, is expected to be published in January 2025.

Building outside the city plan

For areas outside city plans, the Council of State^[6] reiterated that construction is allowed only under stringent terms that, among others, prevent the unregulated formation of new settlements. Furthermore, in other decisions^[7] emphasised that, in order to be buildable, a plot must not only have a minimum area of 4,000 m², but also a frontage on a public road (national, regional, municipal or communal) that is legally existing, already opened and not created by private initiative.

Following these rulings, some urban planning authorities continue to issue permits even for landlocked plots, while others have ceased doing so, awaiting the completion of urban planning or the issuance of transitional provisions that would temporarily allow construction until planning is finalised.

Awaiting completion of urban planning

A significant portion of open environmental, urban planning, developmental and investment issues is expected to be addressed with legal certainty and sustainability within the framework of completing the new urban and spatial planning of the country. This major reform programme, enacted under the law 4759/2020, provides for new local and special urban plans and is funded by the Recovery Fund. Their implementation requires the studies to be completed by 2025–6, so they can be delivered to the administration and approved through a total of 300 presidential decrees by the Council of State.

Reforms to the Golden Visa program

Greece introduced significant reforms to its Golden Visa program,^[8] restructuring investment thresholds and regulatory requirements by establishing a two-tier investment model: in high demand areas, and in particular the regions of Attica, Thessaloniki, Central Macedonia, Mykonos and Santorini, as well on the islands with a population exceeding 3,100 residents, the program mandates a minimum real estate investment of €800,000, while for all other regions the threshold stands at €400,000. Furthermore, investments must now target single properties with a minimum size of 120m².

Exceptions are granted, under specific conditions, mainly for the conversion of commercial properties to residential use, industrial buildings only if no industry has been established and operating on the site for at least five years, and for the restoration of listed buildings, in which case there is a reduced threshold of €250,000.

Regulation of short-term rentals

The proliferation of platforms like Airbnb have boosted property values and rental income, especially in urban centres and tourist hotspots. However, for several years, this rapidly expanding market operated in a regulatory grey area, sparking calls for structured oversight from various stakeholders. These included the hotel industry, which argued it faced unfair competition; co-owners and tenants in these buildings, which were transformed into tourist accommodations, often resulting in legal disputes; and an increasing number of citizens struggling to secure affordable housing.

In response, the government introduced a new regulatory framework for short-term property leases effective 1 January 2024,^[9] introduced changes to the tax regime and mandatory property registration, and imposed additional taxes and penalties for non-compliance. These measures aim to ensure tax compliance, promote fairness in the real estate market and protect local housing availability.

Building on these reforms, stricter licensing and operational rules for short-term leases have recently been implemented alongside significant incentives to encourage landlords to prioritise long-term rentals. Key measures include a three-year tax break for property owners transitioning from short-term to long-term leases (subject to specific conditions) and a one-year suspension on new short-term rental licences in central Athens beginning 1 January 2025, which may be extended for another year.

Moreover, to mitigate the impact of the Golden Visa program on the short-term rental market, the law now prohibits properties acquired under this programme from being used for short-term rentals, with violations incurring fines of €50,000 and potential revocation of residency rights.

Cadastral: digitalisation and acceleration coupled with the needs of accuracy and fairness

With new reforms^[10] Greece aimed to accelerate the process for completing the transition to the cadastral system, and to facilitate the transfer process of real estate assets. Also, Greece has continued its efforts to modernise the cadastral system by digitising cadastral records. New platforms allow for the online submission of property transfer documents, tax filing and registration updates. These systems are being integrated with the Cadastre, streamlining the process for investors and legal professionals.

The intensified effort to accelerate the completion of the Cadastre is directly linked to enhancing legal certainty, as the finalisation of initial registrations establishes an irrefutable presumption of accuracy in favour of the registered owners. However, this finalisation may result in the loss of property rights for true owners who have been negligent in declaring their rights, or who fail to correct inaccurate entries in time, leaving them with only contractual claims for compensation. Therefore, the timely correction of inaccurate registrations is essential to safeguard citizens' rights.

Furthermore, the need for the rapid completion of the Cadastre should not come at the expense of the accuracy and comprehensiveness of the registration process or the protection of the rights of true owners. Considering the delays caused by both citizens and the responsible services, the government has introduced^[11] a new extension for the correction of initial registrations. The new deadline is set to one year after the publication of the relevant decision of the Hellenic Cadastre confirming the full implementation of the system nationwide, with the process expected to be concluded by the end of 2026.

It is noted that areas where the deadline had already expired before 30 November 2018 are excluded from this general extension, and corrections are allowed only for properties labelled as 'unknown owner', provided that no subsequent registrations have been made.

This latest extension, likely to be the final one, provides true owners with an opportunity to protect their property rights and prevents the finalisation of erroneous registrations. At the same time, it strengthens the accuracy and comprehensiveness of property data, facilitating the completion of the National Cadastre. Furthermore, it promotes transparency and public trust in the system, avoiding long-term legal and social issues that could arise from inaccurate registrations.

Digitalisation

The Greek market is undergoing significant transformation through the planned future implementation of advanced digital tools aimed at fostering transparency, efficiency and compliance. Key initiatives are the following:

1. The 'Price Map' platform, a digital platform anonymously publishing transactional data on property sales and leases, which shall provide reliable and real-time insights into market prices, drawing data from official public sources such as the Cadastre and tax systems, allowing users to compare declared versus actual transaction values and curbing artificial price inflation. Accessible through three tiers, namely free basic access, fee-based detailed insights, and professional-level analytics, the platform shall support data-driven decisions for buyers, sellers and investors.
2. The Geolocation Information System for Unauthorized Structures will use advanced tools, such as unmanned aerial systems, aerial photography and satellite imagery to identify illegal constructions with high accuracy. By automating the detection and removal of illegal structures, the system is expected to promote compliance with building regulations and sustainable development across Greece.
3. A Unified Digital Map will integrate geospatial and regulatory data from various public authorities into a single platform, so as to centralise information on zoning, property boundaries, forested areas, archaeological sites and building regulations and will be interoperable with the Hellenic Cadastre, aiming to simplify investment approvals and urban planning by providing real-time access to comprehensive spatial data.

New regulation on coastal zone and beach management

Significant reforms have been introduced in the management and protection of Greece's coastal zones and beaches,^[12] aiming to address contemporary environmental and legal challenges while ensuring public access and ecological integrity.

The law streamlines the framework for granting use rights, assigning exclusive authority to state property services and ETAD S.A., thereby eliminating municipal involvement. Concessions are now awarded through electronic auctions, with all agreements recorded in a publicly accessible registry. Spatial provisions apply to adjacent businesses, such as hotels and licensed establishments, allowing them direct concessions for limited areas

under strict spatial and operational constraints, ensuring at least 50 per cent of the beach area remains unencumbered for public use.

To ensure compliance, the legislation introduces an enhanced enforcement mechanism, utilising satellite technology, drones and inspection teams to monitor activities. Violations, such as unauthorised constructions or overstepping concession limits, result in severe administrative fines, criminal sanctions and immediate remediation. Also, the law imposes penalties for obstructing public access to coastal zones, reflecting its commitment to communal rights.

Proposed reforms to inheritance law

Significant impacts on the right to dispose of immovable property are expected from the proposed changes to inheritance law, primarily addressing the following issues:

1. For the first time, inheritance rights will be extended to individuals who are not married to the deceased but have lived together as life partners for a significant period (without diminishing the statutory inheritance rights of children and spouses).
2. The inheritance rights of parents may be substantially limited, especially in cases where the parents are of advanced age (80 years or older).
3. For the first time, inheritance contracts (which are currently explicitly prohibited and legally invalid) may be permitted, thereby enacting greater freedom in the disposition of property.
4. Time limitations may be imposed for the inheritance rights of individuals who neglect to assert their claims over an estate for an extended period. This measure aims to address cases, particularly involving expatriates and their heirs, where properties are abandoned due to lack of interest or engagement.

Reforms in real estate taxation

To improve building standards and stimulate property renovations, a new reform¹³ provides that expenses for energy, functional and aesthetic upgrades can reduce income tax for over five years, with a maximum expenditure of €16,000.

To combat money laundering and enhance financial transparency, all real estate transactions must be conducted by bank transfer or other traceable methods.

To encourage property insurance, taxpayers with homes insured against natural disasters and valued up to €500,000 will receive a 20 per cent reduction on their property tax payable in 2025.

Outlook and conclusions

From a tax perspective, the focus on combating tax evasion remains steadfast. Despite calls for reform to reduce high rental income tax rates, such changes are not anticipated

in 2025. Tax incentives for property upgrades, including energy efficiency improvements and higher ENFIA (Uniform Real Estate Property Tax) tax reductions for insured properties, are expected to stimulate renovations and compliance.

The ongoing digitalisation of property systems promises increased transparency and efficiency in transactions. However, the completion of Cadastre remains a challenge, with delays in registrations due to understaffing. To address inaccuracies in property records, a final extension for corrections has been granted, with deadlines aligning with the Cadastre's projected completion.

Greece's urban planning faces challenges from increased construction activity, prompting judicial and administrative scrutiny. Recent rulings by the Council of State highlight legal uncertainties in building regulations, both within and outside city plans, necessitating legislative reforms and the completion of new urban planning frameworks.

Climate change and natural disasters, including wildfires, heatwaves and floods, are already impacting the market. Issues such as mandatory insurance for buildings, energy efficiency upgrades, adaptation to environmental, social and governance policies, and the carrying capacity of settlements will be at the forefront of debates. Forthcoming changes, coupled with high taxation at the individual level, are exerting significant pressure on the traditional micro-ownership model and are driving the transformation of the Greek real estate market.

At the same time, reforms to the Golden Visa Program, and stricter regulations for short-term rentals aim to curb market distortions, reflecting a strategic approach to balancing foreign investment with sustainable real estate development and compliance oversight. The above emphasises the importance of legal diligence for prospective investors to navigate these updated requirements effectively.

The Greek real estate sector is undergoing significant transformation, presenting both opportunities and complexities for foreign investors. Legislative reforms, digitalisation and evolving urban planning frameworks promise increased transparency and efficiency. However, navigating regulatory changes and addressing challenges will require careful planning and expert advice to secure successful transactions and optimise returns.

Considering the rapid legislative developments and evolution in the real estate sector, there are significant opportunities and scope for interested investors. They will need to navigate the intricacies of local law and practice, and, with the assistance of expert advisers (legal, technical, tax, financial), proceed with due diligence and proper planning to secure real estate transactions and maximise potential returns.

Endnotes

- 1 According to the Hellenic Statistical Authority (ELSTAT), the total number of building permits issued in Greece from January to April 2024 rose by 41.5 per cent compared to the same period in 2023. [^ Back to section](#)
- 2 Bank of Greece, 'Indices of residential property prices: Q2 2024 10/09/2024' –Press Release. [^ Back to section](#)

- 3 The minimum amount is €800,000 for the peripheries of Attica, Thessaloniki, Central Macedonia, Mykonos, Santorini and the islands with a population exceeding 3,100 residents, and 400,000 for other regions. [^ Back to section](#)
- 4 Articles 19 (increase in building coefficient in exchange for reduced coverage), 15 (height increase due to green roofs and reduced coverage), 17 (extension of basements up to property boundaries), 19 (main use areas on the roof due to greenery) and 25 (increase in building coefficient due to energy efficiency). [^ Back to section](#)
- 5 Council of State decisions 294/2024 and 310/2024. [^ Back to section](#)
- 6 Council of State decision 992/2023. [^ Back to section](#)
- 7 Council of State decisions 350/2024 and 176/2023. [^ Back to section](#)
- 8 Article 64 of Law 5100/2024 which amended Article 100 of Law 5038/2023. [^ Back to section](#)
- 9 Law 5073/2023 published in G.G. A/11.12.2023. [^ Back to section](#)
- 10 Such as the law 5076/2023. [^ Back to section](#)
- 11 Article 36 of Law 5160/2024, published in G.G. A/195/27.11.2024. [^ Back to section](#)
- 12 Law 5092/2024. [^ Back to section](#)
- 13 Article 31 of Law 5073/2023. [^ Back to section](#)

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