

# Real Estate Law: Greece

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05 February 2026

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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*):

- a. 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.
- b. Easements or servitude rights (such as the right of way) are limited *in rem* rights with which a property (subservient estate) is encumbered on behalf of the owner of another property (dominant estate).
- c. 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:

- a. 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
- b. 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 Greek real estate market in 2025 has been characterised by overall macroeconomic stability, sustained investment momentum in selected asset classes and a continued recalibration of pricing and development expectations following the rapid expansion of the past few years. Economic growth remains comparatively robust, with projections for 2025 indicating GDP expansion of approximately 2 to 3 per cent.<sup>1</sup> Inflation has moderated and financing conditions have stabilised due to Greece's upgraded credit standing, and tourism – one of the country's primary economic drivers – continues to perform strongly, with travel receipts and tourist arrivals maintaining the elevated levels recorded in 2024. These factors contribute to a broadly favourable environment for real estate investment, notwithstanding emerging areas of caution.

Investor interest remained strong in 2025, albeit more discerning than in the preceding two years. Both domestic and international investors continued to target income-producing assets, particularly where tenant covenants are strong or where buildings satisfy high-specification or energy-efficient criteria. The high-end segment of the residential, hospitality and office markets continued to demonstrate resilience, reflecting a combination of supply scarcity, sustainable rental performance and the still-favourable pricing of Greek assets relative to other European jurisdictions. The market's investment profile is reinforced by Greece's improving fiscal trajectory and supportive financing conditions, with banks displaying greater lending capacity following successive reductions in non-performing exposures.

Residential demand remained elevated, especially in Athens and Thessaloniki, where prices continued to rise into 2025, though at a more moderate rate than the increases in 2023 to 2024. However, supply remained structurally constrained, and most of the existing housing was constructed before 1980 and requires extensive energy upgrades. The persistent imbalance between demand and supply, exacerbated by limited availability of modern housing stock, elevated construction costs and administrative delays, continued to place upward pressure on values and rents. Also the tightening of the golden visa programme and new constraints on short-term rentals have altered investment behaviour, redirecting foreign interest away from small, centrally located apartments towards higher-quality primary residences in coastal, resort and branded developments. New supply is not expected to meet demand in the near term due to elevated construction costs, legacy planning constraints and structural constraints.

Construction activity in 2025 has been materially affected by regulatory and judicial developments. Following the Council of State's decisions<sup>2</sup> affecting key provisions of the New Building Regulation (NOK), there has been a decline in building permits. The ensuing legal uncertainty has resulted in delays

and, in some cases, the suspension of pending permits. These delays, coupled with the slow resolution of judicial challenges, have become a critical factor influencing project timelines across asset classes, particularly in hospitality and resort developments where approvals are more frequently contested. The regulatory uncertainty, combined with high construction costs and labour shortages, has materially reduced the pace of new project launches, thus reinforcing existing shortages in the residential supply.

Commercial real estate in 2025 continued to diverge significantly by asset type. Logistics assets continue to perform strongly, supported by Greece's role as a southeastern European distribution hub and by stable demand for modern logistic facilities. The hospitality sector has entered 2025 from a position of exceptional strength, following record revenues and tourist arrivals in the preceding year. The trend towards high-quality, experience-driven, luxury offerings and wellness, cultural, lifestyle and branded concepts continued to shape investment strategies. The number of four- and five-star hotels has increased significantly over the past five years, driven both by new developments and large-scale refurbishments.

In the office market, the high-quality, energy-efficient and ESG-compliant buildings enjoyed steady demand and stable rental performance, while older secondary stock continued to face declining absorption due to required upgrade costs and tightening European energy-performance obligations. Retail conditions were generally stable, with significant activity from discount chains, fashion brands and luxury retailers. Prime high-street locations in Athens displayed strong occupancy and high rental levels, with Ermou Street in Athens recording further rental growth and ranking among the most expensive retail streets in Europe,<sup>3</sup> while secondary locations continued to adjust.

Financing conditions have improved in step with the broader financial stability with the Greek banking system. Banks continued to support lending appetite, particularly for projects aligned with sustainability objectives or for the redevelopment of existing stock. The EU Recovery and Resilience Facility remained a significant driver of real-estate-related investment, providing targeted loan and grant support for energy-efficiency upgrades and urban regeneration initiatives.

Looking ahead to 2026, the market outlook remained cautiously optimistic, but more selective than in prior years. Macroeconomic fundamentals are stable, international investor appetite is sustained and infrastructure and regeneration initiatives continued to create opportunities across the asset classes. Nevertheless challenges persist: supply-side constraints, outdated building stock, regulatory uncertainty, evolving regulatory requirements, the need for compliance with European sustainability standards and slow judicial processes continue to impair development velocity.

In summary, the Greek real estate market in 2025 remained fundamentally attractive, characterised by strong underlying demand, selective but committed investor interest and significant long-term opportunities across residential, hospitality and logistics. At the same time, the market is navigating a transition defined by regulatory recalibration, supply constraints and the growing importance of sustainability and legal certainty, all factors that will shape investment strategies as the sector progresses in 2026.

## 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 for high-demand areas of Attica, Thessaloniki, Mykonos and Thira and €400,000 for all other regions.<sup>4</sup>

Exceptions are granted at the lower threshold of €250,000 for the following cases: (1) for the conversion of commercial properties to residential use, (2) for industrial buildings only if no industry has been established and operated on the site for at least five years and (3) for the restoration of listed (heritage) buildings. 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 'regularised' (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.<sup>5</sup> 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 2026.<sup>6</sup>

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:

- a. 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;
- b. 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;
- c. 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;
- d. 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
- e. 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 in order 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, 2025 and 2026,<sup>7</sup> 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, resulting in the termination of the lease after six 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**

#### **Building within the city plan**

The New Building Regulation (NOK), having been amended several times, introduced a series of construction incentives aimed at promoting energy-efficiency upgrades and the sustainable environmental modernisation of existing buildings.<sup>8</sup>

In 2025, the NOK was reviewed by the Council of State, and, with its Plenary decisions 146, 147, 148 and 149/2025, held that the system of generalised incentives for increased building volume, height and rooftop structures (notably Articles 10, 15(8), 19(2) and 25 of the NOK) is unconstitutional when applied as a nationwide mechanism independent from specific urban-planning instruments. The court accepted that such incentives could be compatible with the Constitution if incorporated into local and spatial urban plans that have undergone proper environmental assessment for defined areas, but not if introduced as rules of general application overriding the existing planning framework. Importantly, the court tempered the effects of unconstitutionality by safeguarding permits where construction had commenced before 11 December 2024 and had not been challenged by that date, in an effort to balance the public law imperative of restoring constitutional legality with the private law expectations of owners and developers who had relied in good faith on the pre-existing regime.

Subsequently, Law 5197/2025 (Articles 66-71) abolished specific provisions of the NOK, and in general provided that the former NOK incentive provisions may now operate only through their incorporation into local and spatial urban plans, and within designated 'incentive zones'. Also, Article 67 mandates priority

revision of permits issued before 11 December 2024, distinguishing between projects where works had not yet begun (requiring revision without financial burden) and those whose construction had already commenced (permitting retention of incentives materialised but prohibiting further use of abolished bonuses). Article 68, introduced the environmental-equivalent mechanism, enabling certain annulled or pending annulment permits to proceed upon payment of a dedicated fee, funding municipal green and urban-regeneration projects under a Special Environmental-Equivalent Urban Upgrade Plan (ESPIAP). Presidential Decree 94/2025 put the scheme into effect, and in Opinion 135/2025 the Council of State confirmed its constitutionality, explicitly confirming that this environmental-equivalent scheme complies with Article 24 of the Constitution and is consistent with the rationale of Plenary decision 146-149/2025.

At the same time, 2025 also saw the launch of a major codification initiative aimed at structurally reforming Greece's fragmented building and planning framework. The Ministry of Development and Energy commenced work on a comprehensive Building and Planning Code, intended to consolidate the NOK, laws 4495/2017 and 4759/2020, technical regulations, circulars and jurisprudential principles, in order to respond to the systemic weaknesses exposed by the NOK litigation, namely the proliferation of overlapping provisions, inconsistent definitions and regulatory fragmentation that had facilitated unconstitutional applications of building incentives.

### **Building outside the city plan**

For areas outside city plans, the Council of State<sup>9</sup> reiterated that construction is allowed only under stringent terms that, among others, prevent the unregulated formation of new settlements. Furthermore, in other decisions<sup>10</sup> it reiterated that buildability in out-of-plan areas presupposes not only the minimum area (typically 4,000m<sup>2</sup>) but also a frontage on an existing, opened and lawfully designated public road. The court also clarified that the designation of public roads lies exclusively within the State's spatial-planning competence. 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.

### **Awaiting completion of urban planning**

Article 166 of Law 4819/2021 introduced a nationwide programme for the inventory and ratification of the existing road network, complemented by the 2024 clarificatory circular.<sup>11</sup> At the same time, Presidential Decree 129/2025 established new rules for the delimitation and building conditions of settlements under 2,000 inhabitants, thereby rationalising a large part of the borderline between 'within' and 'out of' plan areas, linking buildability more clearly to formally defined planning boundaries and road networks.

At the same time, a significant portion of open environmental, urban-planning, developmental and investment issues is expected to be addressed with legal certainty and sustainability by the completion of the new urban and spatial planning of the country. This major reform programme, funded by the Recovery and Resilience Fund, provides for new local and special urban plans that are going to be approved through a total of 300 presidential decrees by the Council of State. These are expected to be expressly designed to provide comprehensive zoning, land uses and building terms for the majority of the national territory that has hitherto remained under fragmented or outdated provisions.

### **Unauthorised constructions**

A landmark development in 2025 was the plenary judgment of the Council of State 1616/2025, which provided a decisive interpretation on the legalisation and regularisation of unauthorised constructions or uses located within the common or jointly owned areas of multi-unit buildings. The court held that such irregularities cannot be brought under the regularisation regime of Law 4178/2013 on the basis of a simple majority of co-owners where even a single co-owner objects and, moreover, where no condominium regulation provides otherwise. In reaching this conclusion, the court held that the relevant statutory provisions must be construed in harmony with Articles 17 and 24 of the Constitution, as well as the broader corpus of private law rules protecting property rights, so as to ensure that urban-planning mechanisms do not encroach upon the constitutionally safeguarded rights of individual co-owners.

The ruling has significant practical implications, as competent urban planning authorities (YDOM and SYPOTHA) are now required to dismiss or annul applications for regularisation and to revoke approvals already granted, where objections of co-owners are raised.

More broadly, the decision underscores the constitutional necessity of maintaining a careful equilibrium between, on the one hand, the public-interest objectives pursued through the regularisation framework and, on the other, the protection of co-ownership rights over common areas of the buildings. By reaffirming the primacy of private law entitlements within the condominium structure, this ruling strengthens the coherence of the legal order and ensures that administrative processes for planning compliance operate in full alignment with fundamental property law principles.

It is anticipated that administrative courts will adopt a corresponding interpretation by analogy to Article 98 paragraph 9 of Law 4495/2017, which is the prevailing statutory regime for the regularisation of unauthorised constructions in common areas of a building.

## Reforms to the golden visa programme

Following the restructuring of investment thresholds and regulatory requirements introduced in 2024,<sup>12</sup> policy choices were put into effect in 2025 by a new ministerial decision<sup>13</sup> that consolidates previously fragmented procedures into a single, uniform framework applicable across all qualifying real estate investment types. The new rules allow electronic submission of applications, require enhanced notarial, legal and technical documentation and clarify minimum area thresholds and change-of-use conditions. These measures, combined with restrictions on short-term rental use of golden visa properties, are expected to promote transparent, development-oriented transactions and to support long-term housing availability while encouraging the redevelopment of underutilised, industrial or heritage buildings.

## Regulation of short-term rentals

Following the regulatory framework introduced on 1 January 2024,<sup>14</sup> the government introduced new operational, safety and registration standards for short-term rentals. Under the new regime entering into force on 1 October 2025,<sup>15</sup> short-term rental units must be classified as 'primary-use residential' units (consistent with the definitions in building regulation law) and comply with requirements for natural lighting, ventilation or air-conditioning, fire-safety (including smoke detectors, fire extinguishers and circuit safety), certified electrical compliance, civil liability insurance, sanitary measures (e.g., pest control, hygienic cleaning), emergency exit signage and standards akin to those expected of traditional tourist accommodation. In addition, owners or operators of short-term rental properties must register each dwelling unit with the national short-term rental registry held by the tax authority (AADE), obtaining a valid Property Registry Number (AMA) before listing.

## Digitalisation

Over the past year, Greece has advanced a digital transformation of its real estate governance framework, aimed at consolidating dispersed datasets, simplifying administrative processes and strengthening legal certainty in property transactions.

A key development has been the progressive development of the Unified Property Register, designed to integrate into a single digital infrastructure all information relating to ownership, cadastral boundaries, land use and planning restrictions, forest and archaeological classifications, as well as tax and administrative encumbrances. Once fully operational, this register is expected to function as an authoritative, continuously updated repository accessible to public bodies and, in a regulated manner, to market participants, thereby improving the efficiency of due diligence and reducing procedural duplication.

At the same time, significant progress has been made in the implementation of the Digital Real Estate Identity (MIDA) framework, which mandates a unified digital file for each property containing core technical, regulatory and compliance documentation. By replacing fragmented, paper-based archives with a structured dossier updated throughout the lifecycle of the asset, including permits, as-built plans, declarations of unauthorised works and energy certificates, it is expected to enhance the reliability and accessibility of essential information.

These initiatives form part of a broader strategy to establish interoperable digital systems across the real estate ecosystem, including the forthcoming Unified Digital Map, the Price Map platform and geolocation tools for the identification of unauthorised structures. Collectively they signal a decisive shift from manual, document-driven administration to a digitally integrated environment characterised by transparency, standardisation and enhanced regulatory oversight.

## **Reforms to real estate taxation**

With a targeted incentive for bringing additional housing stock to the long-term rental market, the government introduced a three-year income tax exemption for rental income from previously vacant or exclusively short-term-let units (up to 120m<sup>2</sup>, with higher thresholds for large families) provided that a long-term lease is concluded within the statutory deadlines.<sup>16</sup>

To support energy-efficient and modern building upgrades, Article 39 B of the Income Tax Code<sup>17</sup> was extended to cover renovation expenses incurred in 2025 and 2026, allowing all natural persons, under strict requirements, to claim a tax credit of up to €16,000 for eligible works.<sup>18</sup>

On the compliance front and in respect to leases, the government introduced<sup>19</sup> the obligation of the lessees to accept or reject within 30 days the lease declarations submitted by the lessors, with silence deemed acceptance.<sup>20</sup> Also, all rent payments must be made exclusively through the banking system or authorised payment service providers from 1 January 2026,<sup>21</sup> effectively eliminating cash payments.

Finally a significant modification to the taxation of rental income was introduced,<sup>22</sup> as the progressive scale applicable to income derived from real estate has been revised in favour of the lessors. Annual gross rent up to €12,000 remains taxed at 15 per cent, but rent from €12,001 to €24,000 is now subject to a 25 per cent rate, thereby introducing an intermediate band that did not exist under the previous regime. Higher bands are also clarified: rent from €24,001 to €36,000 is taxed at 35 per cent, and any amount above €36,000 at 45 per cent. The new scale takes effect for rental income accruing as of 1 January 2026, meaning that rents earned during the 2025 fiscal year remain subject to the old regime of taxation.

## Proposed reforms to inheritance law

In late 2025, the government is expected to release for public consultation a draft bill proposing the most extensive modernisation of Greek inheritance law in decades, with reforms that directly address long-standing structural barriers in succession also affecting real estate ownership.

The draft introduces inheritance contracts, enabling individuals to predetermine the transfer of specific assets, particularly immovable property, through binding arrangements made during their lifetime. This is intended to avoid forced co-ownership and to secure the orderly succession of productive or strategically located real estate.

The draft further reconfigures statutory shares, increasing the surviving spouse's entitlement (33 per cent where there is one child and 25 per cent where there are two or more) and placing the spouse ahead of parents and collateral relatives where there are no descendants. Equivalent succession rights are extended to partners under civil partnership agreements.

A key structural mechanism is the full separation of estate debts from the personal assets of heirs, eliminating personal liability and thereby reducing the widespread renunciation of inheritances that leaves real estate idle or legally inaccessible. Other reforms, include the conversion of forced-heirship rights into monetary claims, allowing compulsory heirs to be satisfied financially rather than through fractional shares, and the streamlining of will-making formalities, including safeguards for holographic wills, digital registration mechanisms and clearer authenticity requirements.

The reform is expected to increase market liquidity and facilitate the financing and redevelopment of inherited properties by delivering clearer, faster and more predictable succession outcomes.

## Outlook and conclusions

Following the constitutional scrutiny applied to building incentives, the planning environment is expected to stabilise around more predictable, area-specific instruments. Local and spatial plans are expected to increasingly define the permissible scope of development, signalling a gradual movement towards a more structured and environmentally focused model of planning control. While this shift enhances legal certainty, it correspondingly narrows the margin for discretionary interpretation.

The restructuring of out-of-plan buildability is expected to remain a prominent source of legal sensitivity. Although the broader objective is to embed legality, uniformity and sustainability into long-standing practices, transitional instability will continue to characterise 2026. Properties dependent on ambiguous road frontage will continue to present heightened due diligence requirements.

The proposed transfer by the government of the urban planning authorities from municipalities to the Hellenic Cadastre, despite remaining at the proposal stage, indicates a longer-term policy preference for centralisation and enhanced digital coherence. The initiative has prompted considerable debate among municipalities and professional bodies, which have articulated substantive constitutional, operational and organisational concerns. Should the reform proceed, implementation is likely to be phased and will require careful structuring of competences, workflows and resources allocation.

The reorientation of the golden visa programme is expected to consolidate investment interest in redevelopment, conversions and regeneration-led projects. As procedural standards become consolidated and restrictions in short-term rental use are fully embedded, foreign capital is likely to shift further towards assets offering measurable potential for upgrading, including listed (heritage) buildings and obsolete industrial premises. The contribution of these schemes to broader renewal objectives will depend on consistent enforcement and to the efficiency of permitting mechanisms.

Short-term rentals are entering a more regulated phase as enhanced standards take effect. The introduction of more stringent operational and safety requirements reflects a shift towards the formalisation of the short-term rental market. Prohibitions on the use of non-residential or substandard premises, together with strengthened safety and classification criteria, may gradually influence market equilibrium by releasing certain units to long-term leasing and reducing the viability of yield models dependent on high-frequency short-term rental operations.

The impending expiry of the regularisation framework of unauthorised constructions on 31 March 2026 represents a critical regulatory juncture. Ongoing technical inspections (necessary for issuing the engineer's certificate that is a prerequisite for any transaction) continue to reveal significant discrepancies between the reality of what has been constructed and the approved permits, and properties with unresolved irregularities face the prospect of becoming non-transferable after the deadline. The effectiveness of Article 16 of Law 5142/2024 (allowing unilateral rectification of defective horizontal property deeds under specific circumstances) is dependent on the continued existence of the lawful regularisation option. Concurrently, the completion of the Hellenic Cadastre requires a degree of flexibility to address inaccuracies without disproportionate consequences. In this environment, some form of extension or transitional adaptation will be necessary, although no formal policy commitment has yet been announced.

Greece's older residential stock is burdened by fragmented ownership structures, low co-owner engagement and limited managerial authority under conventional condominium governance. These limitations hinder the effectiveness of essential renovation, energy upgrading and other conversion programmes of the Greek government. The absence of mechanisms enabling collective decision-making or mandatory building-wide

interventions continues to restrict the practical impact of fiscal and other incentives and adversely affects the feasibility of redevelopment initiatives. For investors, assets within multi-owner buildings continue to present heightened legal and operational complexity.

The housing crisis has driven much of Greece's legislative activity in 2025, with reforms aimed at increasing long-term rental supply, supporting first-home acquisition and mitigating distortions arising from short-term rentals. Measures such as the *Spiti mou* programme, tax adjustments for rental income and enhanced regulation of short-term rentals may represent meaningful steps, but do not address the structural drivers of supply scarcity.

The regulatory and jurisprudential developments of preceding years, and particularly those of 2025, have placed Greece's real estate sector on a trajectory towards a more disciplined, plan-integrated and compliance-focused framework. As the market moves into 2026, the determining factor will be the effectiveness with which these reforms will be executed. Rigorous due diligence, forward-looking planning and multidisciplinary advisory input will remain essential. Opportunities are expected to persist in redevelopment, regeneration and structured investment, but navigating the increasingly complex regulatory environment will be critical to securing well-informed and resilient real estate positions in the year ahead and beyond.

## Footnotes

1. ^ Bank of Greece, Monetary Policy Report 2024–25.
2. ^ Decisions of Council of State in plenary session 146, 147, 148 and 149/2025.
3. ^ 'Main Streets across the world' report of Cushman & Wakefield.
4. ^ Article 64 of Law 5100/2024.
5. ^ Article 89 of Law 5162/2024.
6. ^ Article 90 of Law 5162/2024.
7. ^ Article 96(1) of Law 5007/2022, successively amended by Article 57(5) of Law 5079/2023, Article 75 of Law 5164/2024 and most recently by Article 59 of Law 5255/2025.
8. ^ 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).
9. ^ Council of State decision 992/2023.
10. ^ Council of State decisions 350/2024 and 176/2023.
11. ^ Circular YPEN/DPOLS/20894/465/2024 issued by the Ministry of Environment and Energy.
12. ^ By Article 64 of Law 5100/2024, the minimum value has been raised to €800,000 in core urban and high demand island areas and to €400,000 in the rest of the country, while preserving a €250,000 pathway only for targeted categories such as conversions, industrial buildings and listed (heritage) properties, subject to restoration or change of use to residential.
13. ^ Joint Ministerial Decision 214926/2025 (G.G. B 6014/11.11.2025).

14. ^ Law 5073/2023.
15. ^ Articles 1-5 of Law 5170/2025.
16. ^ Article 9 of Law 5246/2025.
17. ^ Law 4172/2013.
18. ^ Ministerial Decision A.1197/20.12.2024 (published in G.G. B' 7123/2024), as amended by Ministerial Decision A.1153/27.10.2025 (published in G.G. B' 5933/2025).
19. ^ Law 5092/2024.
20. ^ AADE Decision A.1068/2025 published in G.G. B' 2703/2025 as corrected by G.G. B' 3007/2025.
21. ^ Article 210 of Law 5222/2025.
22. ^ Article 8 of Law 5246/2025.

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