

Source: <https://www.globalpropertyguide.com/Europe/Greece/Price-History>

## Greece's house prices on cusp of rising, as its economy continues to recover

*Last Updated: February 12, 2018*

The Greek economy was estimated to have grown by 1.6% last year and is expected to grow by another 2.5% this year, amidst a **tourism upsurge**. And after seven years of falling house prices, things are **turning around**.

In Greece's **urban areas**, house **prices dropped by** just 0.67% during the year to Q3 2017, the lowest annual fall in house prices since Q1 2009, according to the Bank of Greece. When adjusted for inflation, house **prices declined by** 1.62%. During the latest quarter, house prices in urban areas **fell slightly by** 0.06% but actually increased 1.18% when adjusted for inflation.

Greek residential property prices have fallen by 42.8% (-45.9% in real terms) from the peak year of 2008.

**Property transactions** and **construction activity** are both rising again, but are still far below their peak levels. During the first three quarters of 2017, the number of residential **property transfers** recorded at the Athens **land registry** rose by 16.2% from a year earlier.

During the first ten months of 2017, the total number of **permits** rose by 10% to 11,205 units from the same period last year, according to **Hellenic Statistical Authority**. But it remains far below the 70,000 to 80,000 permits issued annually from in 2004 to 2007.

**Task 01:** *Describe the changing trends in the housing market in Greece between 2008 and 2018*

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To **revive the housing market**, the Greek government recently offered residence to non-EU investors purchasing or renting **property worth over** €250,000. The residence plan is similar to measures adopted by Hungary, Spain and Portugal. The plan is valid for five years and is open to renewal.

However, **high property taxes** in Greece continue to discourage demand. In fact, property taxes have increased seven times since the global financial crisis. **Rental taxes** have also increased.

For the first €12,000 of **annual rent revenues** the tax is 15%, up from 11% until 2015. For rent revenues between €12,000 and €35,000 per year the rate **soars to** 35%.

**Task 02:** *Explain what is the incentive and what the disincentive for the revival of the Greek housing market.*

### Target Vocabulary

Tourism upsurge  
Things are turning around  
Things are on the cusp of  
Prices  
drop/decline/fall  
Prices  
rise/increase/soar  
Property transactions  
Property transfers  
Land registry  
Building permits

To revive the market  
Property worth over..  
Property taxes  
Rental taxes  
Rental revenue