



Residential Market Report

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Residential

Greece



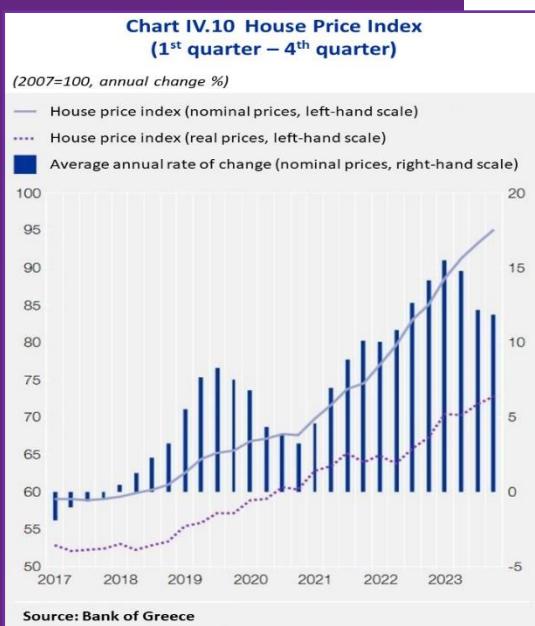
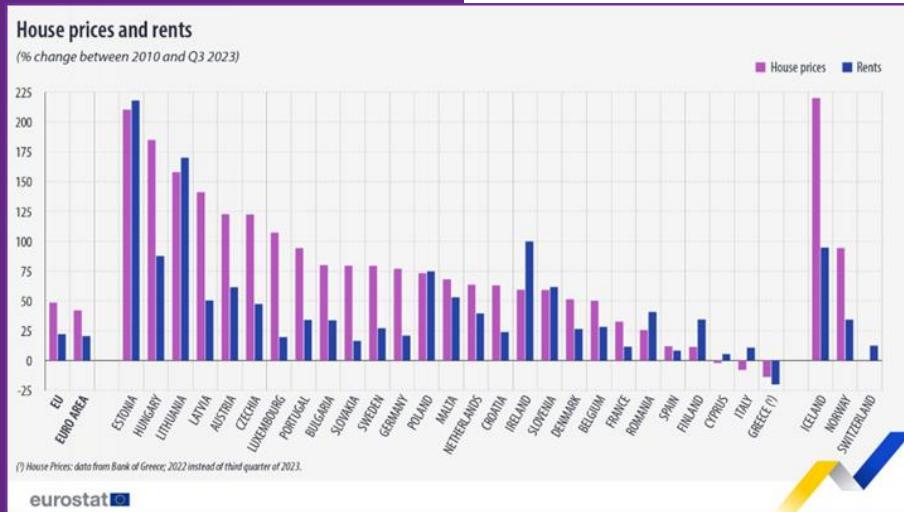
Sector Highlights

Since 2018, the residential market in Greece has been on a growth trajectory, with demand and sector dynamics increasing significantly, while supply remains at low levels. This discrepancy between supply and demand, coupled with the rising construction costs, drives property prices higher.

Demand was fueled the last three years by the significant growth rate of the Greek economy, high investment interest from abroad, the positive tourism trend and the development of short-term rentals. The government's recent move to increase the investment limit for golden visas is expected to exclude a large number of interested parties, slowing the pace of demand growth and moderating price increases.

On the other hand, the low supply of housing is a result of the contraction in construction activity during the ten-year economic crisis, the conversion of residences into short-term rental tourist accommodations, the many old properties that remain unoccupied by their owners or the public sector, and the large number of residential properties that are blocked in the funds that have purchased non-performing loans.

The trends in housing development are determined by regulatory requirements for higher quality, greener, and smart buildings that align with ESG criteria. Additionally, the repurposing of the existing building stock is an attractive option due to its lower cost and reduced carbon footprint.



Values

The Greek housing market grows significantly and does not follow the trends of the European Union. In Attica the record set by the rate of increase in housing prices in 2023 is historic: it increased by 14% compared to 2022 and since 2019 has recorded an increase of over 50% in residential property prices.

According to the data published by the Bank of Greece on apartment prices, the housing market across the country continued to grow at strong annual rates, although these rates slowed in the last quarters of 2023. More specifically, in 2023, apartment prices nationwide increased by 13.4% compared to the previous year, while in 2022 they had increased by 11.9% and in 2021 by 7.6%. When broken down by geographical areas, the highest annual growth rates were recorded in major urban centers. In particular, the increase was 16.2% in Thessaloniki, 14.5% in other major cities, and 13.7% in Athens, while other regions of the country experienced a more moderate growth rate of approximately 10.8%.

The first samples from the market for 2024 show that residential property prices continue their upward trend. In the first quarter of the year, apartment prices for the whole country increased by 10.4% compared to the corresponding quarter of 2023.

According to the data of spitogatos.gr, during the 1st quarter of 2024, the highest average asking price for houses for sale was in the south suburbs of Athens with 3,664€ per sqm. The largest increase this quarter in comparison with last year, was recorded in Piraeus at +27.30%.

Forecasts



The prospects for the housing market in Greece for 2024 appear positive, supported by the funds from the Recovery and Resilience Facility and the resilience of the Greek economy amid macroeconomic challenges and geopolitical uncertainty. These factors create a favorable environment for real estate investments. Additionally, Greece's comparative advantage of having lower property prices compared to the Eurozone intensifies the interest of foreign investors.

However, the rapid increase in housing prices, which has outpaced the growth rate of Greek incomes, has led to issues with housing affordability. This has compelled the government to implement measures to restrict the Golden Visa program and short-term rentals, such as increasing the minimum property value for Golden Visa eligibility and imposing higher taxes, especially on those owning and renting out three or more properties. These measures are expected to reduce interest in areas where there was high demand for these types of properties, potentially leading to some price corrections.

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