ALPHA BANK

The Housing Market Pulse: Navigating Persistent Demand, Policy Efficiency and Structural Supply Rigidities in Greece

1. Introduction

Across Europe, the issue of housing affordability has escalated into a multidimensional housing crisis (Council of the European Union, 2025). An EU-wide survey[1] conducted in November 2025 found that housing conditions have worsened for many Europeans. The survey revealed that 43% of respondents were experiencing housing-related issues, and that six in ten were concerned about being able to afford a decent home in the future, particularly renters and low socioeconomic status households. The main concerns are rising housing costs and lack of affordable homes. In this regard, three-quarters of young people believe that their generation faces greater housing difficulties than their parents did. A simple approach to diagnose the problem is to examine the considerable increase in residential property prices across the European Union over the last decade. House prices have increased cumulatively by 53% in the EU-27 and by 46% in the euro area in nominal terms. When adjusted for inflation, house prices in Europe have increased by more than 20% since 2015.

In Greece two aspects of housing affordability emerge as of particular concern. *Firstly*, real estate prices are rising at a significantly higher rate than households' disposable income during the current recovery phase of the house price cycle, indicating worsening conditions for acquiring affordable housing. *Secondly*, the total housing cost is the highest among European countries. According to the latest Eurostat data, households in Greece spent on average 35.5% of their disposable income on housing in 2024, which was the highest share in the European Union. This includes rent or mortgage payments, utility bills (e.g. electricity, water and heating), and other fixed housing costs (e.g., communal charges and property taxes). On average, EU countries allocated 19.2% of disposable income to this purpose.

Residential properties represent the predominant form of non-financial wealth for Greek households, after the deduction of cash reserves, deposits, and financial assets, including bonds and shares. In Greece, non-financial wealth accounts for two-thirds of total household wealth, compared to around one-third in other countries such as Japan, Switzerland and the United States (UBS, Global Wealth Report 2025) and slightly exceeding the euro area average. This phenomenon can be attributed to the historical role of the real estate market in Greece during the period of the drachma. In periods of high inflation, when the value of liquid assets was eroded, the real estate market was traditionally regarded as a means of wealth preservation. This observation raises the pertinent question of *how* a nation with such a substantial stock of real estate and a still high, though declining, homeownership ratio (almost 70% in 2024) can be grappling with a housing crisis.

One potential explanation for this phenomenon relates to the age of the country's residential buildings. As demonstrated in **Graph 1**, 64% of the housing stock across Greece was constructed between World War II and 1990, with a further 6% having been built before World War II. It is evident from the Graph that only 2.6% of the existing housing stock was constructed

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[1] "The housing problem according to Europeans", December 2025, Polling Europe

since the onset of the sovereign debt crisis, owing to the sharp decline in construction activity during that period. Given the above, it is reasonable to hypothesize that the average age of buildings in Greece is well above 30 years, with a significant backlog of old dwellings in need of renovation.

Another fact that partially explains this paradox is the high percentage of unoccupied conventional dwellings in Greece. The latter account for nearly 35% of all conventional dwellings -the third highest percentage in the EU-27- which can be further broken down to secondary and holiday residences (22.5% of total) and vacant dwellings (12% of total).

A third explanatory factor is the high degree of urbanization. More than seven out of ten people live in cities, towns, and suburbs, with nearly half of the country's population living in two major cities, Athens and Thessaloniki (see **Box 1**). Thus, the issue in Greece has an intense regional focus, as the ageing and underutilized housing stock in these areas seems to be inadequate for the rather concentrated demand.

In 2025, we published a research study (Adamopoulou et al., "Decoding Housing Affordability in Greece", April 2025) attempting to examine the evolution of housing affordability in Greece. Our analysis also presented the results of a novel field survey in Greece, portraying the current state and perceptions on housing tenure, elaborating on the views of respondents on housing affordability, illustrating housing choices such as demand for purchase or rent and for financing and discussing the expectations of the survey participants on house prices and rents. One year later, the objective of the new study in hands is threefold. *Firstly*, a comparative static analysis is attempted through the repetition of part of the same questionnaire one year later, to obtain a new snapshot, given that housing affordability pressures persist. This enables us to assess the current state of the housing market, identify prevailing trends, and evaluate the demand for real estate in Greece. *Secondly*, it draws useful conclusions about the efficiency of the policies implemented in the interim period, which were attempts mainly targeted at facilitating demand in the housing market. *Thirdly*, it introduces new questions to elucidate the peculiarities and weaknesses of housing supply, with an emphasis on the causes of the large number of vacant dwellings, and to investigate the possibility of channeling them back to the market, by overcoming technical and legal difficulties and renovating them on a large scale.

Graph 1. Ageing housing stock
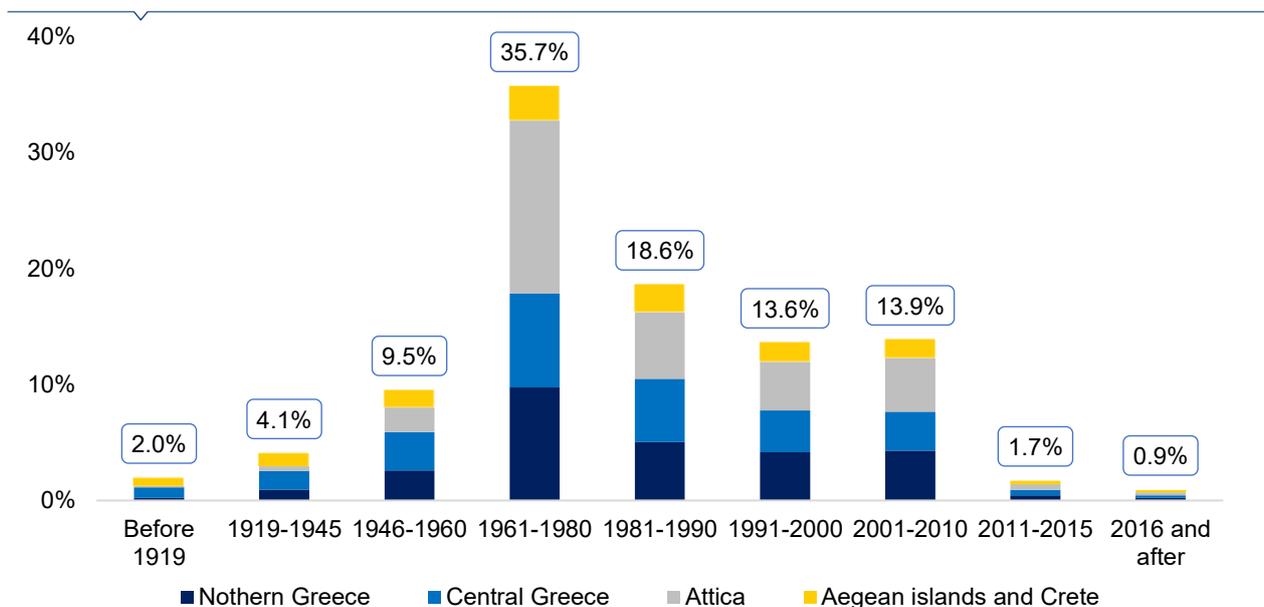
Source: ELSTAT (2021 Population and Housing Census), Economic Research calculations.

The remainder of this **Insights** is structured as follows: **Section 2** discusses the "Pulse survey", elaborating on the differences and similarities in participants' views compared to the initial survey wave, concerning satisfaction with the current residence, expectations for rents, drivers of the housing market and demand. **Section 3** presents a brief assessment by the survey participants of the efficiency of government policies implemented thus far to manage demand. **Section 4** touches upon qualitative characteristics of the country's housing stock, such as age and energy efficiency needs. **Section 5** discusses the issue of housing supply from a quantitative point of view, also elaborating on the substantial number of vacant dwellings that restricts supply. Finally, the **Epilogue** summarizes the main points and attempts to shed light on policymakers' efforts to strengthen housing supply and refine existing demand-side policies.

2. Housing Affordability Re-visited: Pulse Survey

Following our initial analysis on housing affordability in Greece, we conducted a subsequent survey to reevaluate the landscape one year later. The new survey aimed to assess public opinion on the effectiveness of recent government interventions, particularly the "My Home II" program. This government initiative provides low-interest housing loans to single persons or couples aged 25-50 years, for the purchase of their main residence. We also attempted to evaluate the extent to which government measures have addressed the ongoing challenges by revisiting issues such as demand for housing, level of satisfaction with the current residence, and perceptions on the evolution of rents and the factors affecting the market. We also introduced a new set of questions to shed light on the complexities behind the persistent shortage of housing supply. The focus is on vacant properties and the reasons why the existing housing stock is not being fully utilized. We also attempted to address qualitative issues regarding the housing stock, such as the energy efficiency needs.

The survey was conducted by QED[2], a Greek, full-scale, market and social research institute based in Greece, on behalf of Alpha Bank. It covered a representative nationwide sample of 2,025 individuals aged 18+, stratified by gender, age, and region and was administered in two waves, within the first half of 2025.

Graph 2. Covering housing needs by tenure status: Pulse survey
(% of total)
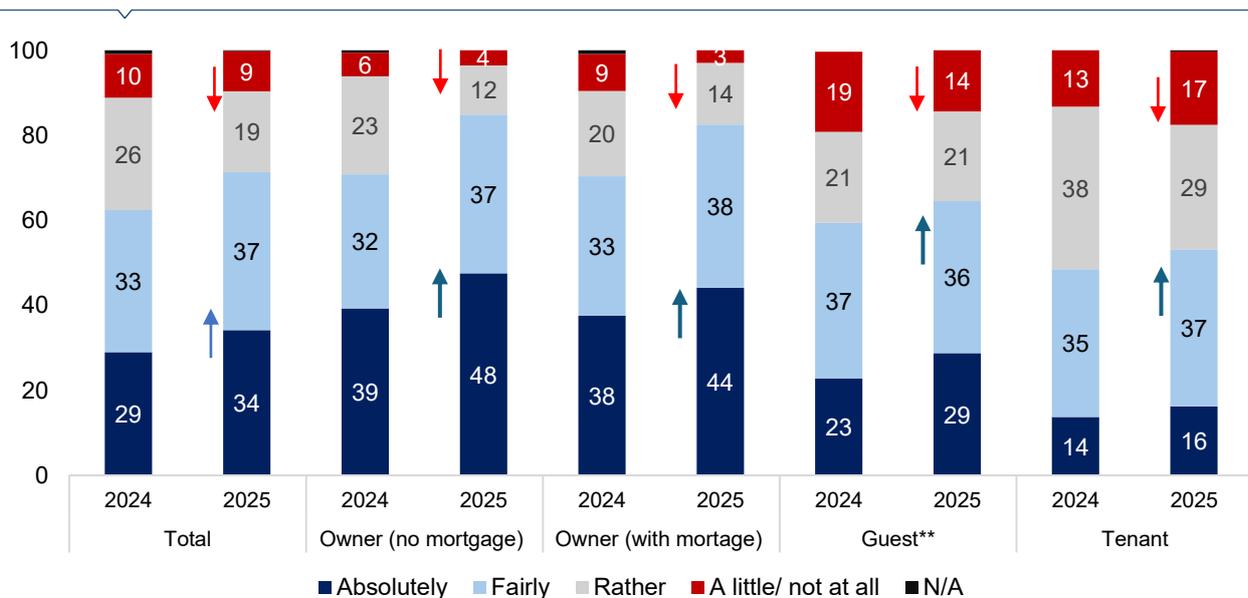
Q: To what extent would you say your current primary residence meets your housing needs?

Note: (**) Individuals that are provided with accommodation.

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[2] QED is a member of ESOMAR (European Community for Opinion and Marketing Research), of SEDEA (Association of Greek Market and Opinion Research Companies) and of PESS (Quality Control of Data Collection) and thus abides with their code of Ethics.

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The research methodology was mixed-mode, with approximately half of the interviews conducted *via* telephone (computer-assisted telephone interviewing) and half conducted online (computer-assisted web interviewing).

2.1 Satisfaction with the Current Residence Improved, albeit not Shared Evenly between Owners and Tenants

The results of the new survey[3] indicate that **respondents are, *in general*, more satisfied with their current residence compared to the 2024 survey**. The percentage of participants who are either absolutely or fairly satisfied with their current home has increased by a total of 9 percentage points (pps), whereas the share of somewhat satisfied people decreased by 7 pps (**Graph 2**). Respondents who are very little or not satisfied with their current residence as a percentage of the total sample, remain almost unchanged.

The increase in the level of satisfaction is much more prominent among homeowners compared to tenants, who remain less satisfied with their current residence overall. The vast majority (85%) of outright owners -i.e., homeowners without an outstanding mortgage related to their primary residence- appear absolutely satisfied or fairly satisfied, compared to 71% in 2024. A similar picture is observed among owners who repay a housing loan, with satisfaction levels increasing significantly and neutral stances (rather satisfied) retreating.

In the second wave of the survey, guests (i.e., individuals provided with accommodation) and tenants also seem more satisfied with their current residence. However, the increase in the proportion of respondents stating they are fairly or absolutely satisfied is more moderate than that of homeowners. In parallel, these two categories continue to register higher levels of dissatisfaction. For tenants in particular, the proportion of individuals stating that they are somewhat or not at all satisfied has increased from 13% in 2024 to 17% in 2025. This may be related to the acceleration of rent increases in recent months (**Graph 6b**), which could make tenants question whether they are getting value for money on the home they rent.

Graph 3. Covering housing needs by group of interest: Pulse survey
(% of total)
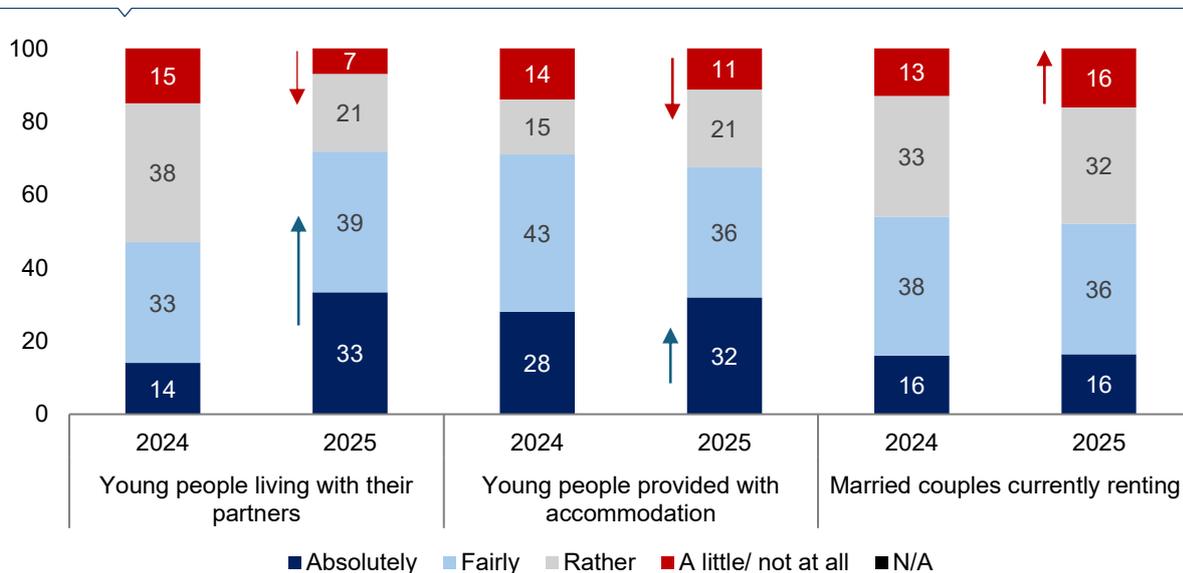
Q: To what extent would you say your current primary residence meets your housing needs?

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[3] In the current and the remaining sections where the results of the survey are presented the following apply: (i) the percentages in some cases do not add up to 100% due to rounding, (ii) results with less than 60 observations are denoted with an asterisk (*) and are provided for illustrative purposes only, thus not discussed in the analysis.

In particular, actual rentals for housing, i.e., the relevant HICP component, increased by 5% in 2024 and doubled to 10% in 2025.

At the preceding round of the survey, three distinct groups of interest were identified as pivotal in shaping future domestic housing demand. Specifically, these comprised **young individuals** aged 18-34 **living with their partners**, **young people** in the same age bracket **provided with accommodation**, and **married couples currently renting**. Among the three cohorts, the latter category remains the least satisfied with their current residence (**Graph 3**). The proportion of respondents stating that they are somewhat or not at all satisfied has even increased, at the expense of those who are fairly or rather satisfied. A similar pattern emerges for young people provided with accommodation compared to the earlier round of the survey. In contrast, young people living with their partners, appear considerably more satisfied with their current residence in the follow-up survey. Finally, when age is taken into consideration, it seems that -with the exception of young adults up to 24 years old- **satisfaction with the current residence increases progressively with age**.

2.1.1 Stylized Facts on the Quality of Housing Stock and Living Conditions

Despite the observed improvement, satisfaction with the current residence remains low among specific groups, such as married couples who are currently renting, tenants, and people aged 25-44 years old. This can be attributed, *to some extent*, to the qualitative aspects of the country's housing stock, as reflected in several indicators from Eurostat's Income and Living Conditions Survey (EU-SILC[4]). For example, the average size of a dwelling and the average number of rooms per person are significantly lower in Greece than in the EU-27 (**Graph 4**). This gap is much more pronounced for households with dependent children.

Meanwhile, Greece has one of the highest overcrowding rates[5] in the EU-27, meaning the percentage of its population living in homes with insufficient rooms for their household size is among the highest (**Graph 5**). Conversely, the percentage of people living in under-occupied dwellings - that is, dwellings deemed too large for the household's needs in terms of excess bedrooms - is the third lowest after Romania and Latvia. These

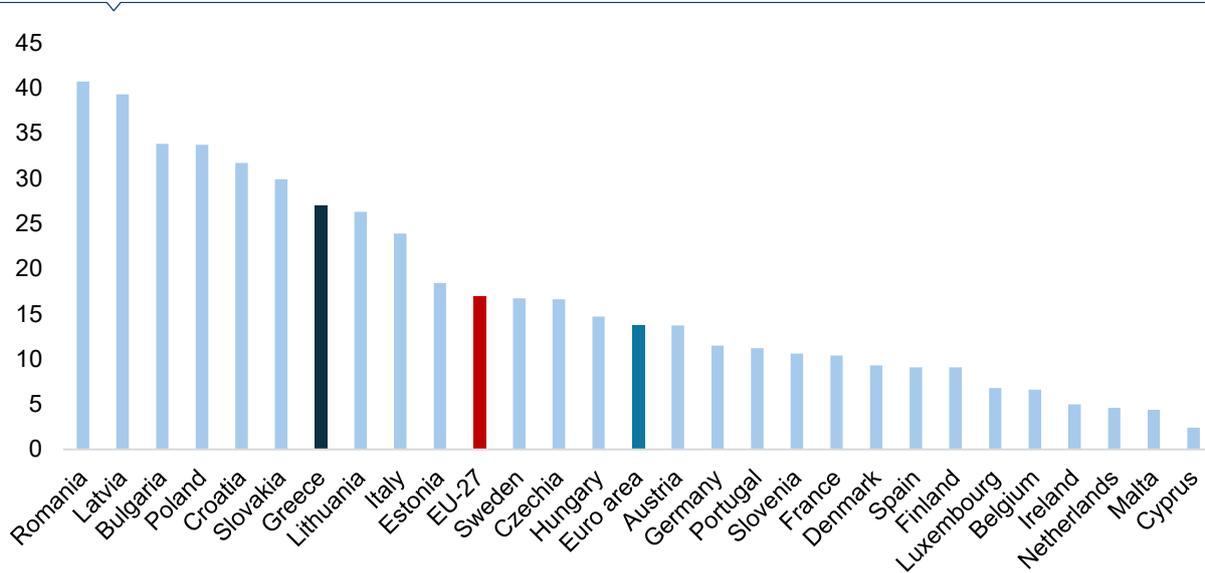**Graph 4**. **Living conditions: Average size of dwellings (a) and number of rooms (b) per household type**
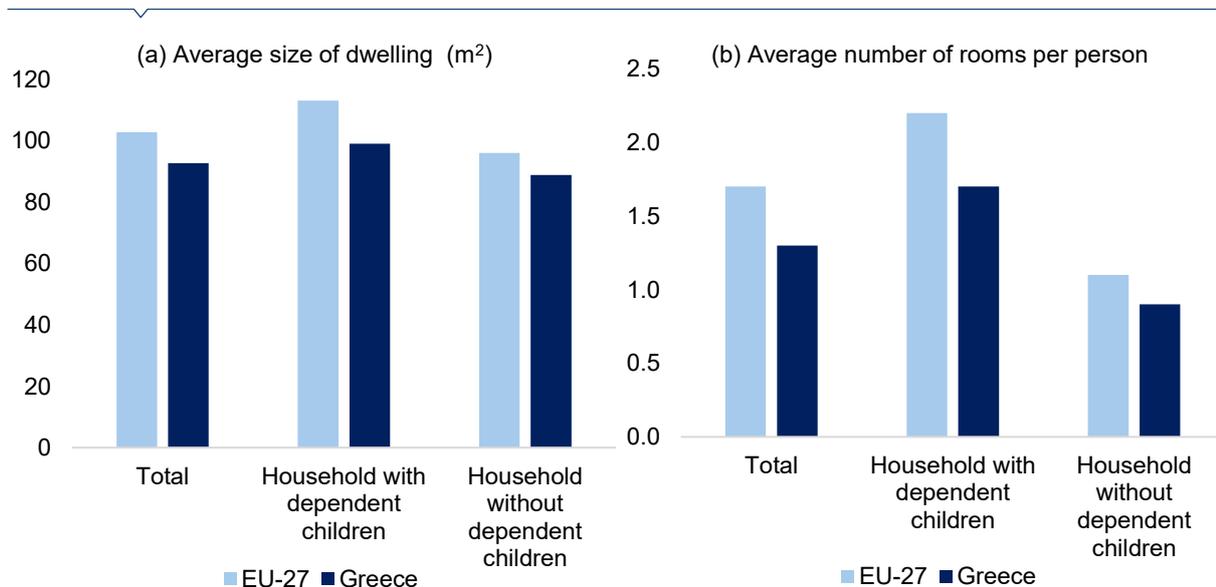
Source: Eurostat - European Union Statistics on Income and Living Conditions (EU SILC) survey, 2024

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[4] The EU statistics on income and living conditions (EU-SILC) aim to collect timely and comparable cross-sectional and longitudinal data on income, poverty, social exclusion, and living conditions.

[5] Eurostat definition: The overcrowding rate is defined as the percentage of the population living in an overcrowded household. A person is considered as living in an overcrowded household if it does not have a minimum number of rooms at its disposal, depending on its size, e.g. one room for the household/ per couple/ each single person aged 18 or more, etc.

conditions are indicative of the well-being and quality of life of Greek families and partly explain the discrepancies in satisfaction levels among different social groups.

Graph 5. Living conditions: Overcrowding rate
(% of total population)

Source: Eurostat - European Union Statistics on Income and Living Conditions (EU SILC) survey, 2024

2.2 Rent Inflation Expectations Strengthened

Rents in Greece plunged during the economic crisis of the 2010s (**Graph 6b**). The year before and during the pandemic crisis, i.e., from 2019 until 2021, HICP-actual rentals for housing stalled, but picked up from the beginning of 2022 onwards, in parallel with inflationary pressures due to the energy crisis. Since mid-2023, rent inflation has surged, with the annual average growth rate reaching a double-digit figure in 2025.

Graph 6. Expectations regarding the evolution of rents (a), in parallel with steep rent increases in 2025 (b)
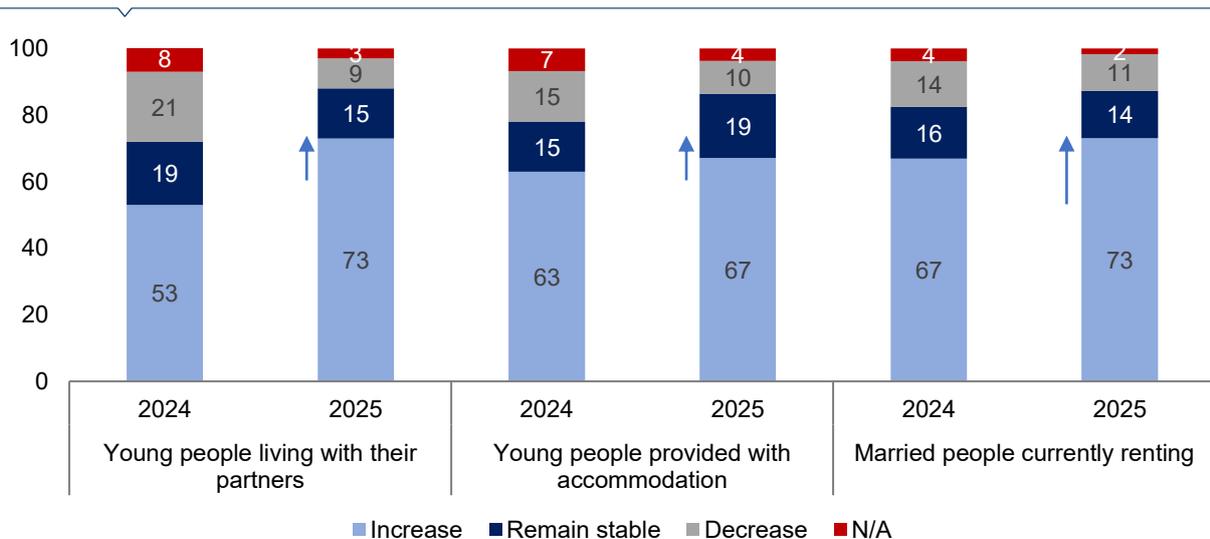

(a) Medium-term Expectations on Rents (% total)
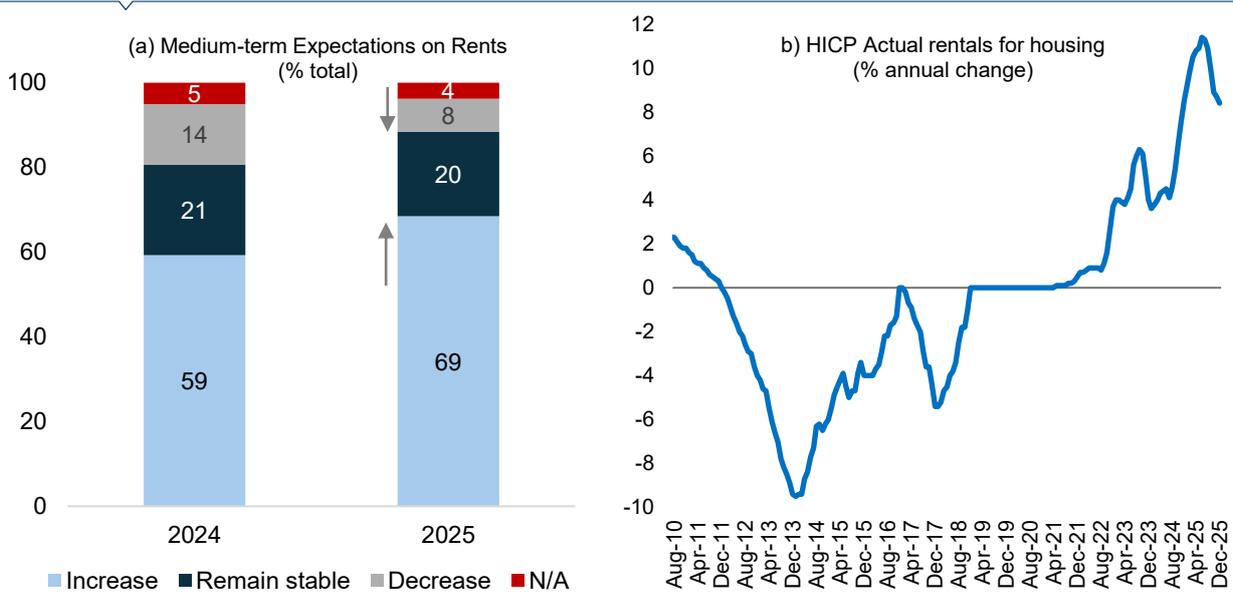
Q: What are your expectations on rents in Greece in the next five years?

b) HICP Actual rentals for housing (% annual change)

Source: Eurostat

According to the initial wave of the survey in 2024, six out of ten respondents expected rents to increase further. **This percentage increased by 10 pps in the follow-up survey, whereas the percentage of respondents who believe rents will decrease within the next five years shrank from 14% to only 8%** (**Graph 6a**). According to the relevant literature, beliefs are shaped by the prevailing housing market trends[6] (Case and Shiller, 1988; Case et al., 2003). Thus, the steep rent increases may have exerted upward pressures on respondents' expectations of subsequent increases. Broadly the same share of respondents among the various tenure categories, anticipate a rise in rents (around 70%). Compared to the previous survey, the highest increases in the share of respondents expecting rents to rise further, were recorded by homeowners (with or without a mortgage), while for tenants this share rose by only 4%.

Expectations for rent increases appear to be reinforced across the three main groups of interest (**Graph 7**). Young people living with their partners, expect to a greater extent in the 2025 iteration of the survey that rents will increase further in a 5-year horizon. The percentage of people in that group who expect rent increases rose from 53% in 2024 to 73% in 2025. The latter matches the respective percentage of married people who are currently renting (73%), a group that was the most "pessimistic" in the previous survey. Furthermore, almost one in five young people provided with accommodation believe that rents will remain stable in the medium-term horizon, a ratio that has increased compared to the preceding round of the survey and is higher compared to the other two cohorts. This year's survey also shows a decline in the share of respondents who provided no answer (N/A) across the three groups of interest, which may indicate a higher level of public engagement and awareness of housing market issues.

Graph 7. Medium-term expectations on rents by group of interest: Pulse survey
(% of total)

Q: What are your expectations for rents in Greece in the next five years?

Beyond the aforementioned groups of interest, the present round of the survey also explored the medium-term expectations of landlords concerning the medium-term evolution of rent dynamics. The findings indicate that the majority of lessors (59%) anticipate further increase in rents over the next five years. This share, however, is considerably lower compared to tenants, as well as the total sample average. Proportionally, almost one in three expect rental prices to remain unchanged, compared to one in five in general.

It is also worth noting that **respondents' views do not differ markedly by degree of urbanization, indicating that the expectations on the evolution of rents are generally consistent across the country**. On average, 70% of respondents expect rents to grow within the next five years, regardless of whether they live in Athens, Thessaloniki, other large or small cities, and rural areas. However, when responses from the

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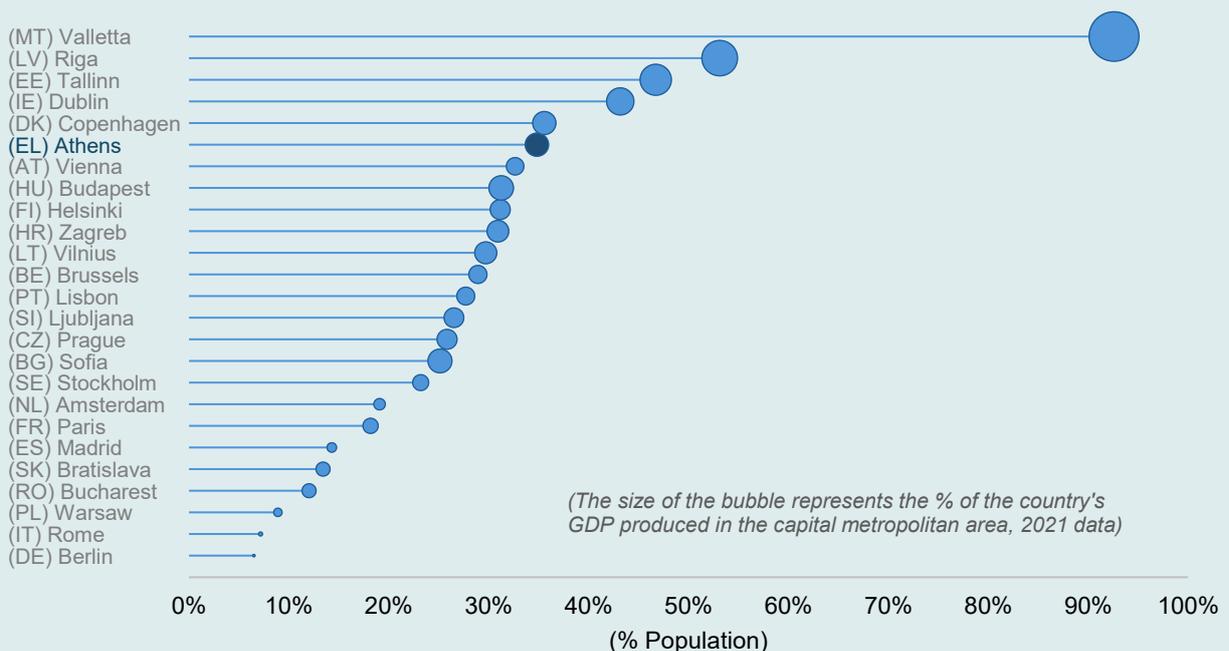[6] For a thorough literature review also see Kuchler et al. (2022).

Greek islands are considered separately, opinions seem more polarized. Three out of four expect rents to grow further, while only 3% expect them to decline. This may be because housing supply is rather condensed in these highly touristic areas, which are affected by the home-sharing economy. According to the survey findings and the respondents' views, tourism and short-term rentals remain among the top factors affecting the housing market (see next Section).

Box 1. Population Density and Demographic Drivers of Housing Demand

Balancing supply and demand in the housing market is complicated not only by factors such as, the significant decline in residential investment during the economic crisis, the high share of vacant dwellings -particularly those available for purchase or rent- thus the rather condensed supply (as discussed in **Section 5** of the paper in hands), but also by the high degree of urbanization. Specifically, around ¾ of the population both in the EU-27 and in Greece live in non-rural areas, i.e. cities, towns and suburbs. In addition, six out of ten people in Greece live in flats compared to 48% in the EU-27. The concentration of population increases substantially, however, when examining the country's capital, i.e., Athens and the second largest city, Thessaloniki.

Graph 8 depicts the share of population located in each EU-27 capital city metropolitan region, along with the share of GDP produced in the respective area. Athens is among the capitals with the highest percentages across the two criteria. In particular, 35% of the country's population lives in the metropolitan region of the capital. The share of employees located in Athens is almost equal (36% of total employment), whereas in terms of GDP the share rises significantly to 46%. These percentages rise to 45% for population and employment and to 54% for GDP respectively, when the metropolitan region of Thessaloniki is also considered. The latter is related to the fact that business activity is also concentrated in the specific areas; 39% of the country's active enterprises are based in the region of Attica and 16% respectively in Central Macedonia, where Thessaloniki is located.

Graph 8. Population density and share of GDP in EU-27 capital city metropolitan regions
(% of national total, 2023)

(The size of the bubble represents the % of the country's GDP produced in the capital metropolitan area, 2021 data)

(% Population)

Source: Eurostat (excl. Cyprus and Luxembourg due to data availability)

Additionally, most of new enterprises established in the country are based in Attica (9.4% of active enterprises). Furthermore, when looking at the GVA's regional breakdown per sector, it is evident that the highest shares are produced in Attica, for all sectors except agriculture. Those shares range from 36% for industry to 80% for information and communication.

The aforementioned data corroborate that the population density in Greece's large urban centres, in line with the professional opportunities offered in the specific areas -especially in services- exacerbate the housing supply shortage, thus the housing affordability pressures in those areas. Supporting this argument, Gatopoulos et al. (2025) identify a clear link between urbanization and housing affordability, showing that households in Greece's major urban centers, especially Athens and Thessaloniki, experience higher housing costs relative to the rest of the country.

2.3 Determinants of Medium-Term Housing Market Trends

During the first round of the survey, respondents identified government policies, particularly tax policies, as the most significant factor influencing house prices and rents in the medium term. However, by 2025, this factor had fallen to second place, with tourism performance and the role of the home-sharing economy moving up to first place (**Graph 9**). Specifically, 54% of respondents to the 2024 survey stated that tourism and the home-sharing economy are among the factors affecting the housing market; this percentage increased to 71% in 2025. Interest rates and access to credit remained in third place. Urbanization, however, was ranked higher this year (44% of respondents, vs. 27% in the previous survey), surpassing economic growth and international developments. The respective percentages of the last couple of factors decreased by around 5% each, indicating that the robust GDP growth rates during the last few years and the resilience of the Greek economy against external shocks, are probably not as much of a concern for respondents. According to the survey participants, new regulations in the housing market and climate change are still ranked very low.

Graph 9. Key factors determining the evolution of house prices and rents in the medium term: Pulse survey
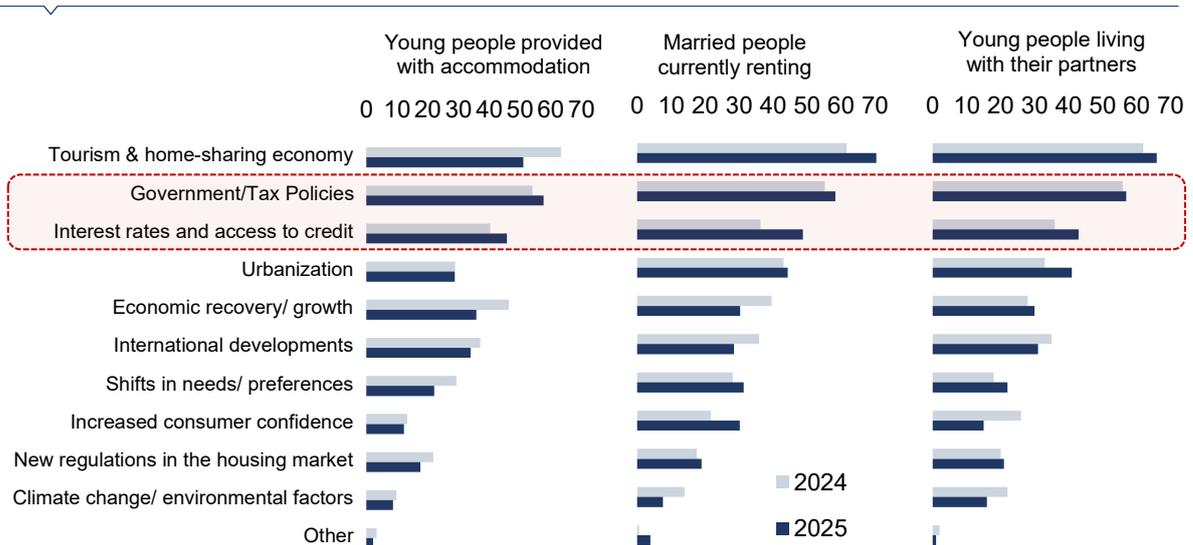(% of total)
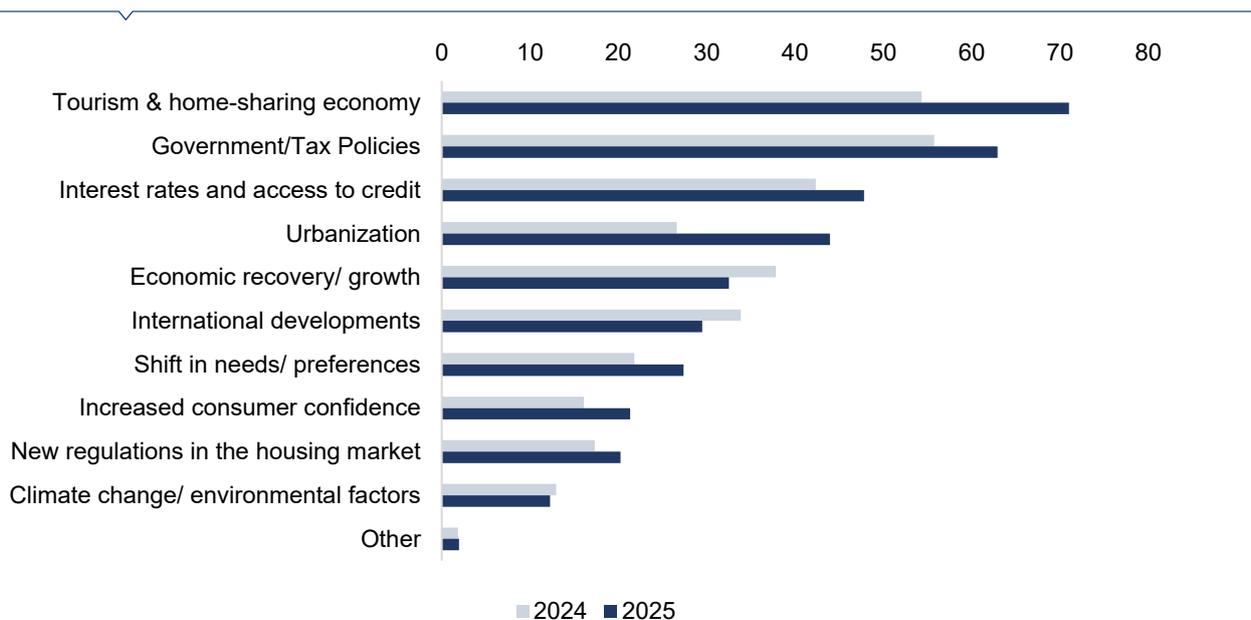
Q: Which of the following factors do you expect to impact house prices/rents in Greece in the next five years?

Focusing on the three main groups of interest, it stands out in the recent iteration of the survey that government/tax policies are the top factor affecting the market for **young people provided with accommodation**, above tourism and the home-sharing economy (**Graph 10**). Thus, the order of the top two factors was reversed. Interest rates and access to finance moved up to third place for this specific group, surpassing economic growth. Meanwhile, urbanization as one of the factors impacting prices, replaced shifts in preferences in sixth place. The changes observed in the ranking of factors affecting housing prices and rents can be interpreted as reflecting the growing need for state intervention among this group. The implementation of the "My Home II" program may have reinforced the idea that government support and access to financing are crucial for young people seeking to buy their first home, especially in the current market conditions.

According to the 2025 iteration of the survey, interest rates and access to credit moved up by two places and are currently ranked as the third most important factor affecting the housing market, for **married people currently renting,** after tourism and government policies. The same applies to changes in needs and preferences, which are now ranked 5th, vs. 7th in 2024. These shifts in ranking may reflect, on the one hand, the changing needs of married couples -e.g., their desire to start or grow their family and therefore find adequate housing- and, on the other hand, the perception that access to finance is crucial to achieving this goal.

Finally, for **young people living together,** the top three factors affecting house prices and rents remained the same in this year's survey compared to 2024, with the respective percentages of positive answers having increased. However, the importance of two other factors was also reinforced; the first one is urbanization, currently in fourth place, and the second is shifts in needs and preferences, which was ranked 7th in the 2025 survey, compared to 10th place last year. In conclusion, the common factor for all three cohorts is that the importance of government/ tax policies and especially interest and access to credit has increased, in some groups significantly.

Graph 10. Key factors determining the evolution of house prices and rents in the medium term, by group of interest: Pulse survey
(% of total)

Q: Which of the following factors do you expect to impact house prices/rents in Greece in the next five years?

It is also worth noting that the highest percentages of respondents identifying the home-sharing economy as the top factor affecting future house prices and rents were recorded in Attica (72%) and the Islands (78%), i.e., regions with high tourism activity. These percentages also increased considerably compared to the initial wave of the survey (Attica: 53%, Crete: 64%, Aegean Islands: 53%, Ionian Islands*: 50%). According to Eurostat data, almost three out of four nights spent at short-stay accommodation offered *via* collaborative economy platforms in 2024, by both domestic and foreign visitors, were in these areas (Attica: 21%, Crete:

17%, Aegean Islands: 20%, Ionian Islands: 16%). Moreover, Greece ranked fifth in 2024 among EU-27 member states alongside Portugal, accounting for 5.3% of total nights spent in short-stay accommodation. When measured in terms of nights spent in home-sharing accommodation per inhabitant -a proxy of home-sharing intensity rate of each country- Greece ranks fourth, following Malta, Croatia, and Cyprus (4.4 in 2024, against 1.9 on average in the EU-27).

2.4 Demand Dynamics Revisited

The intention to buy a house has increased by a total of 8 percentage points (**Graph 11**). Explicitly, 12% of the sample population intended to purchase a property within the next two years in 2024; this percentage rose to 20% in the 2025 iteration of the survey. Among tenants specifically, the proportion of people who stated they planned to buy a house within the next two years increased from 18% in 2024 to 31% in 2025. Demand appears to have strengthened for all three groups of interest as depicted in the Graph. For **young people living with their partners,** the positive answers rose from 28% to 30%, whereas the increases were even steeper for the other two cohorts. For **married people currently renting,** the percentage rose from 21% to 31% and for **young people provided with accommodation,** the respective share almost tripled from 10% in 2024 to 28% in 2025. These increases may be related to the launch of My Home II program in January 2025 (see next Section).

The analysis by age group shows that people aged 24 to 35 have the strongest intention to purchase a home within the next two years. Positive responses accounted for 29% of total, followed by the 35-44 age group at 24%. No significant differences were observed between regions or in relation to the degree of urbanization. However, marital status does make a difference: the percentages are slightly higher for married people or couples living together (22% and 23%, respectively) compared to singles (20%).

According to the previous survey, the highest share of respondents owning a house with a housing loan was cited among public sector employees, who are typically associated with permanent employment contracts. In the current survey, public servants were found to have the strongest intention to buy a house (29%), followed by the self-employed (22%) and private sector employees (21%). As expected, the relationship between housing demand and the degree to which housing needs are met is negative; the lower the coverage in housing needs, the higher the intention to buy a house.

Graph 11. Intention to buy a house by group of interest: Pulse survey
(% of total)
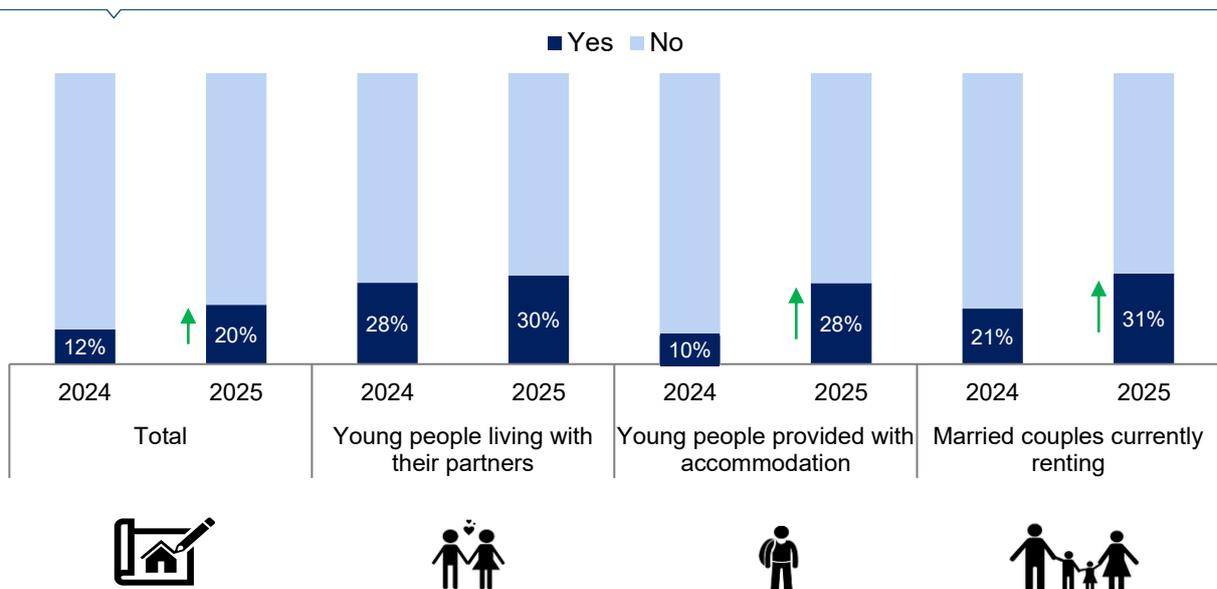
Q: Are you planning to buy a house in the near future?

3. A recent influential policy initiative: Households' Perceptions on the "My Home II" program

In response to the increasing housing affordability challenges faced by Greek households, **the government initiated the "My Home II" program in January 2025**[7]. This program serves as the successor to the initial "My Home I" initiative, featuring broadened eligibility criteria for the participating individuals and the eligible properties, as well as an augmented budgetary allocation[8]. The total funding envelope for the **"My Home II"** program is €2 billion, comprising €1 billion sourced from the Recovery and Resilience Fund (RRF) at a zero-interest rate and an additional €1 billion provided by cooperating credit institutions.

The program is designed to support young individuals and couples aged between 25 and 50 years who satisfy predetermined income and family composition criteria, facilitating the purchase of a primary residence under preferential financing conditions. With respect to the latter, 50% of the loan amount -originating from the RRF- is extended at a zero-interest rate. For the remaining 50% of the loan, the interest rate offered by each credit institution applies, on the basis of the applicant's creditworthiness assessment in accordance with the credit institution's credit policy and internal procedures. The maximum loan amount available under the program is €190,000, with a Loan-to-Value (LTV) ratio of up to 90%. Eligible properties must have been constructed by the end of 2007 to qualify for participation in the program with a maximum value of €250.000.

Graph 12. Intention to apply to the "My Home II" program
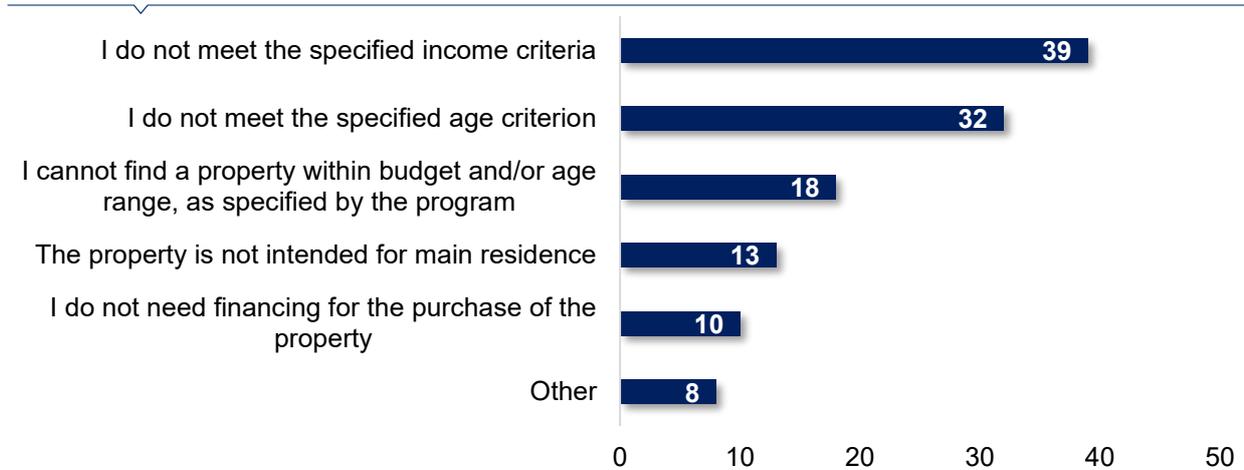(% of total)
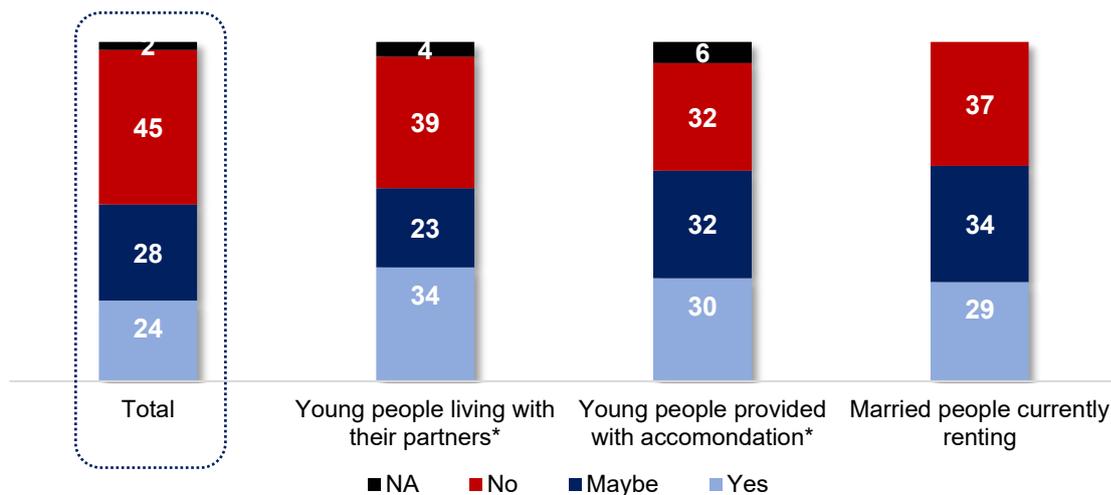
Q: Have you applied/ are you planning to apply to the "My Home II" program (N= prospective homebuyers)

Following the above, a part of our survey focused on Greek households' perceptions of the "My Home II" initiative. According to the survey findings (**Graph 12**), around a quarter of prospective homebuyers (24%), i.e., the respondents who intend to buy a house according to the relevant question (**see Graph 11**), have either applied to, or were planning to apply to the "My Home II" program. Over a quarter of prospective homebuyers (28%) are also considering applying to the program, with this share rising to around one third of married people currently renting (34%). A breakdown of the survey findings by profession reveals that the highest proportion of future homebuyers expressing a positive attitude towards participating in the program ("Yes" and "Maybe") are among public sector employees (59%) and private sector employees (57%).

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[7] See Ministry of Social Cohesion and Family Affairs: https://minscfa.gov.gr/programma-spiti-mou-ii/.

[8] The **My Home I program** (Law 5006/2022, December) foresaw the provision of low-interest or interest-free loans to young individuals and couples aged 25 to 39 years for the purchase of a primary residence. The program imposed specific income eligibility criteria as well as limitations with respect to the value and the age of the property (e.g., maximum value of the property €200.000). The total budget of the program amounted €1 billion (https://minscfa.gov.gr/dimografiki-politiki/4i-stegastiki-politiki/4-2-spiti-mou-i-ii/).

Graph 13. Reasons for not applying to the "My Home II" program
(% of total)

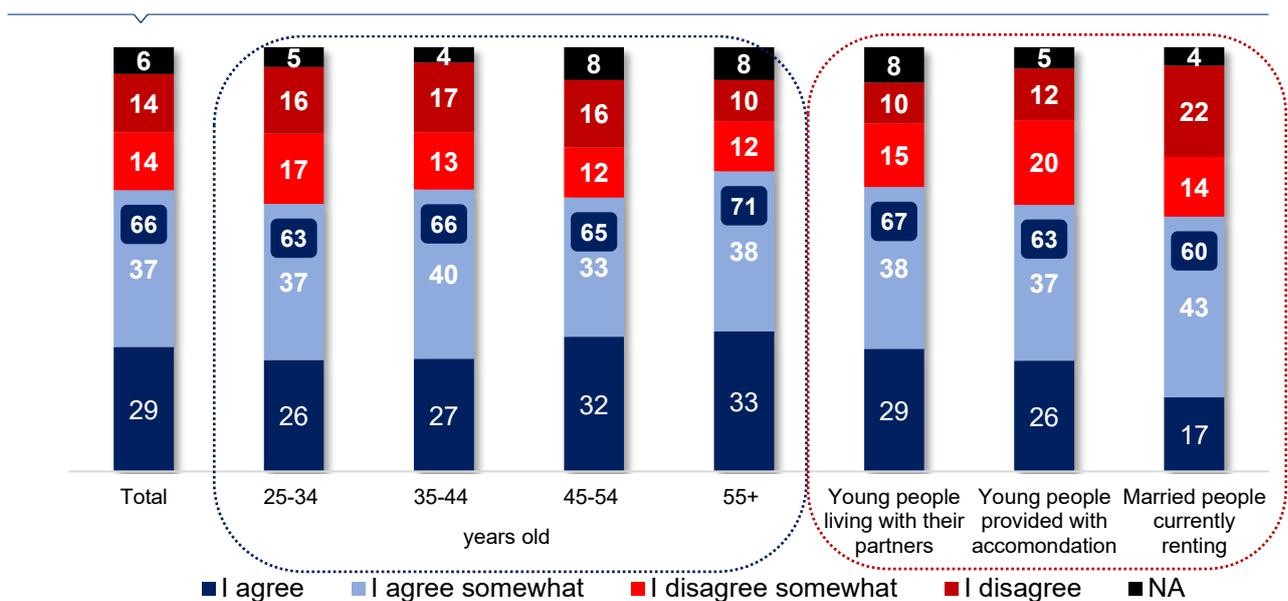| Reason	Value
I do not meet the specified income criteria	39
I do not meet the specified age criterion	32
I cannot find a property within budget and/or age range, as specified by the program	18
The property is not intended for main residence	13
I do not need financing for the purchase of the property	10
Other	8

Q: Why haven't you applied/don't plan to apply for the "My Home II" program?
(N= prospective homebuyers with no intention to participate to the program according to Graph 12)

Notably, almost half of upcoming homebuyers indicate no intention to apply (45%) for the "My Home II" program. Interestingly, **this share exhibits considerable variation across the country**; the highest share of potential homebuyers citing no intention to participate to the program is observed in Attica (50%), while comparatively lower levels are observed in Northern Greece (42%) and Central and Southern Greece (37%). The most frequently cited barriers for participating are the **specified income and age criteria, notwithstanding their broadening compared to the My Home I program** (**Graph 13**). Additionally, limitations concerning **the eligible age of the property and its maximum market value emerge as the third most reported deterrent**. According to the regional breakdown of the survey findings, income and age restrictions consistently emerge as the primary barrier for participating to the program across all regions of the country.

Graph 14. Households' perceptions on "My Home II": Level of agreement to the core program objective and its efficiency
(% of total)

Category	I agree	I agree somewhat	I disagree somewhat	I disagree	NA
Total	29	37 / 66	14	14	6
25-34	26	37 / 63	17	16	5
35-44	27	40 / 66	13	17	4
45-54	32	33 / 65	12	16	8
55+	33	38 / 71	12	10	8
Young people living with their partners	29	38 / 67	15	10	8
Young people provided with accomodation	26	37 / 63	20	12	5
Married people currently renting	17	43 / 60	14	22	4

■ I agree ■ I agree somewhat ■ I disagree somewhat ■ I disagree ■ NA

Q: To what extent do you agree with the following statement: "My Home II program gives young people and young couples the opportunity to purchase their primary residence, helping to tackle the housing crisis."

Our survey also focused on households' perceptions regarding the launch of My Home II and whether it is considered a meaningful response to the prevailing housing affordability challenges. Around **two-thirds of respondents across the entire sample (66%) expressed broad agreement with the "My Home II" main narrative and objective** (Graph 14).

It is noteworthy that a higher level of agreement was observed among older age cohorts (71% among those aged 55+), who fall outside the program's eligible age range, compared to the remaining age groups. When restricting the sample to the respondents who meet the age eligibility criterion (i.e., 25-50 years old) and simultaneously have expressed an intention to participate in the program, the share expressing an agreement with the program's core objective rises to 80%. Conversely, within the subset of age-eligible respondents who do not intend to participate in the program, this proportion declines to 63%. A regional breakdown reveals that the highest share of agreement with the core objective of the My Home II initiative was expressed in the Islands (72%), followed by Central and Southern Greece (69%), while the lowest level of agreement was reported in Attica (63%). Across the three main groups of interest, married people who rent seem to adopt a more cautious stance compared to the other groups, with a 60% degree of agreement and lower intensity (17%).

An additional frequently expressed concern, representing a central source of scepticism towards the positive narrative of the initiative, pertains to whether My Home II is contributing to an increase in residential property prices, particularly for residences that conform to the eligibility requirements. As far as My Home I is concerned, Kontonikas and Pyrgiotakis (2025) provide evidence that there is no correlation between the program implementation and the rise in the value of transactions for the properties that meet the eligibility criteria. However, according to our survey findings, **three out of four respondents in the total sample agree with the statement that the program contributes to an increase in eligible property prices, with this share rising to 79% for married people currently renting and to 80% for the respondents aged 35-44** (Graph 15). When limiting the sample to the respondents who fall within the eligible age range (i.e., 25-50 years old) and simultaneously expressed an intention to participate in the program, the proportion of respondents acknowledging that the My Home II initiative may exert upward pressures on residential property prices rises to 91%. Among the various professional groups, the highest level of agreement with this statement is cited by public sector employees (81%) followed by employees in the private sector (75%).

Graph 15. Households' perceptions on "My Home II": Level of agreement on whether the program is contributing to an increase in residential property prices
(% of total)
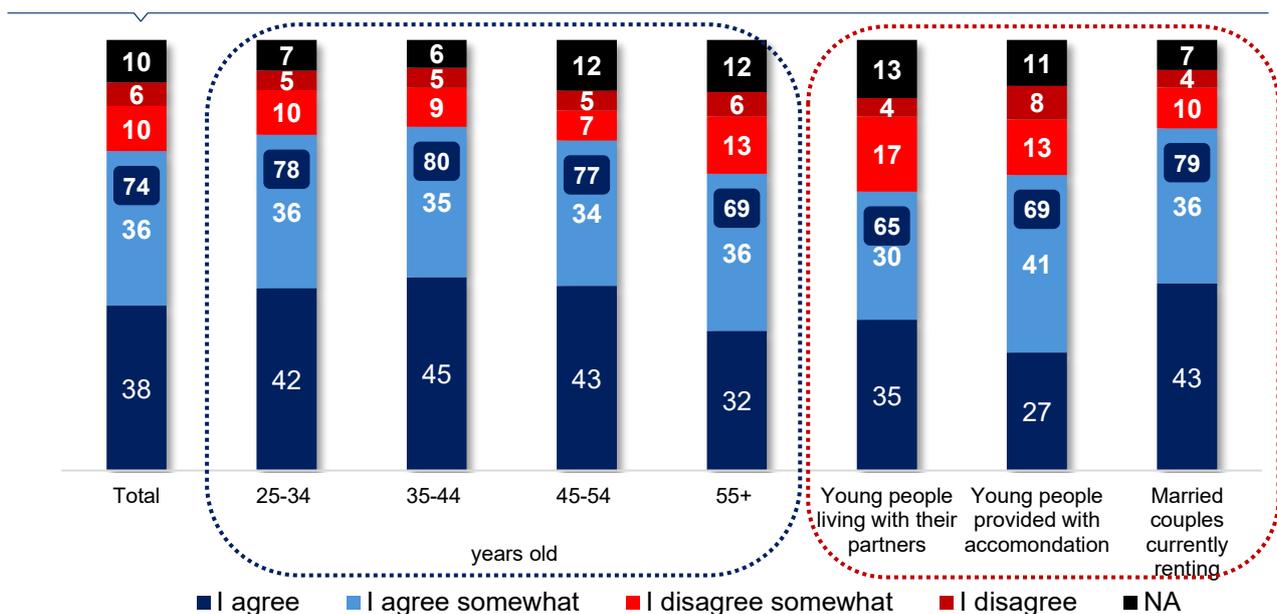
Q: To what extent do you agree with the following statement: "My Home II program is driving up residential property prices, especially those that meet the criteria of the program."

According to the latest available data released by the Bank of Greece, residential property prices continue to rise in the first nine months of 2025, exhibiting a year-on-year growth of 7.5% on average, with broadly similar growth dynamics in all quarters. It is noteworthy that the deceleration in the annual house price growth of old apartments (i.e., over 5 years old), that was observed since Q1 2023, was reversed in the first quarter of 2025 and further accelerated in the subsequent quarters.

4. Ageing Housing Stock and Energy Upgrade Needs

One of the main focuses of our survey was to examine the quality of the existing residential housing stock, diving into some of the main qualitative characteristics of households' primary residences. One in five primary residences in Greece is over 40 years old. Most homes (73%) are between 6 and 40 years old, while newly built homes, i.e., less than 5 years old, account for only 4%. For owners with a housing loan, over half of the residences are less than 25 years old.

The ageing housing stock is associated with increased demand for energy efficiency upgrades. Our survey findings indicate that **6 out of 10 primary residences in Greece are considered in need of an energy upgrade, with this share increasing in direct relation to the age of the dwelling** (**Graph 16**). Specifically, more than two-thirds of houses over 25 years old and around half of relatively newly constructed primary residences i.e., 6-25 years old, are reported to require an energy upgrade, with this figure falling to 22% for newly built residences i.e., up to 5 years old.

These patterns are relatively consistent across different regions of the country; the share of prime residences identified to require an energy upgrade range from 58% in Northern Greece, 60% in Attica to 62% in Central and Southern Greece, reaching as high as 66% in the Islands. Breaking down the survey results by tenure status, it becomes evident that tenants report substantially higher needs for energy upgrades (72%) compared to homeowners (with or without a mortgage) and guests.

According to the European Environment Bureau[9], low energy efficiency in housing is related to high energy costs. In Greece, the share of the population unable to keep their home adequately warm is the highest in

**Graph 16. Needs for energy upgrade by age of primary residence and tenure status**
(% of total)
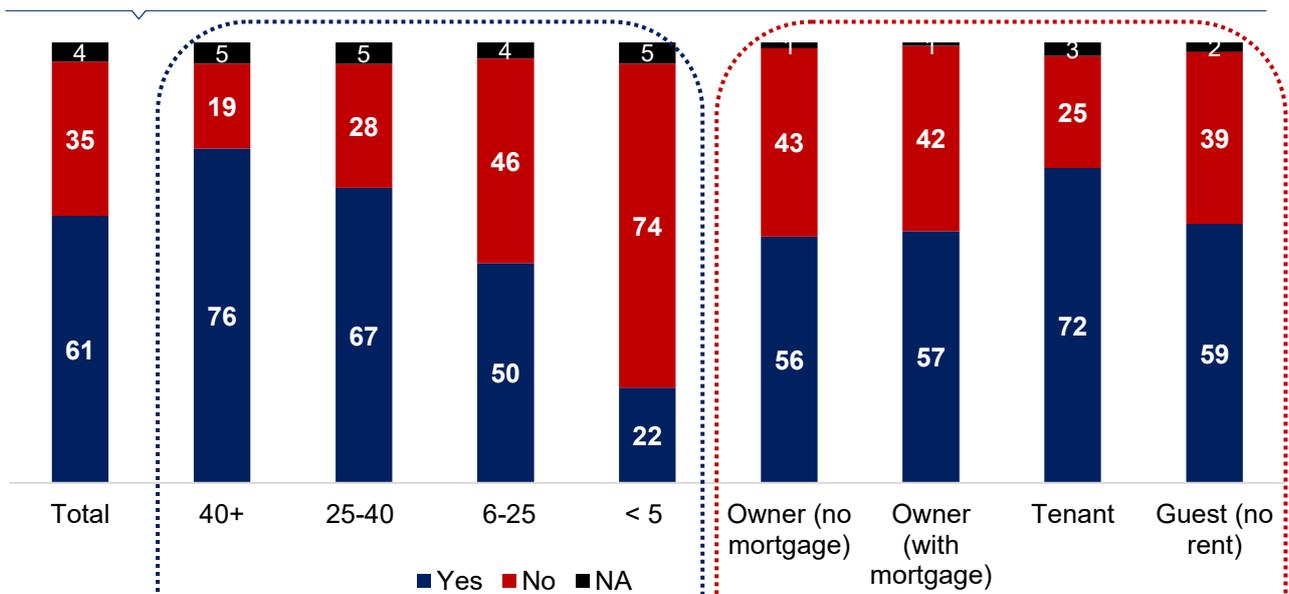
Q: Do you consider that your home needs energy upgrade?

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[9] European Affordable Housing Plan – Response to Call for Evidence, June 2025

the EU-27 along with Bulgaria's, at 19% (**Graph 17**). This is the result of several factors, namely: (i) high energy prices following the Russian invasion of Ukraine, (ii) the evolution of real disposable income, which has not yet fully recovered from the nearly decade-long economic crisis in the country and has been negatively impacted by inflation over the past three years and (iii) the country's housing stock has aged as described above, requiring an energy upgrade. Investment, particularly in residential construction, plunged during the economic crisis (see **Section 5.1**), and consequently the country's housing stock has not been upgraded.

Graph 17. **Living conditions: Inability to keep the home adequately warm**
(% of total population, 2024 data)
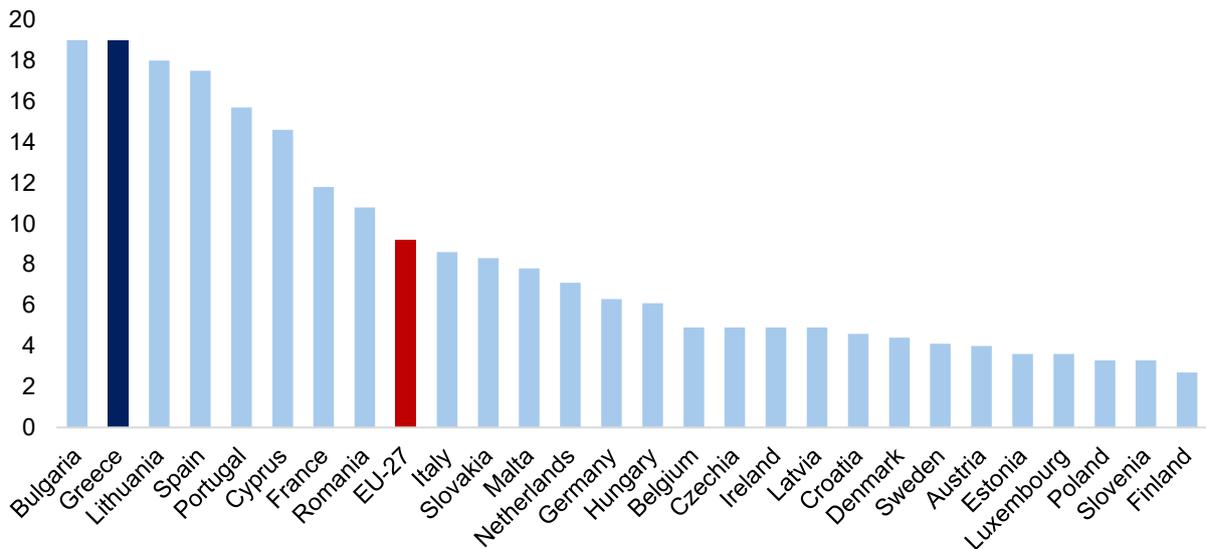
Source: Eurostat - European Union Statistics on Income and Living Conditions (EU SILC) survey, 2024

Following the above, our survey further explored the underlying reasons for the one-third of respondents (35%) who do not consider their residences to require an energy upgrade. As depicted in **Graph 18, the most frequently cited reason, reported by 42% of respondents, is that energy upgrades have already been undertaken using their own funds**, with this share rising to 52% among homeowners without a housing loan.

Graph 18. Lack of need for energy upgrades: Reasons
(% of total)
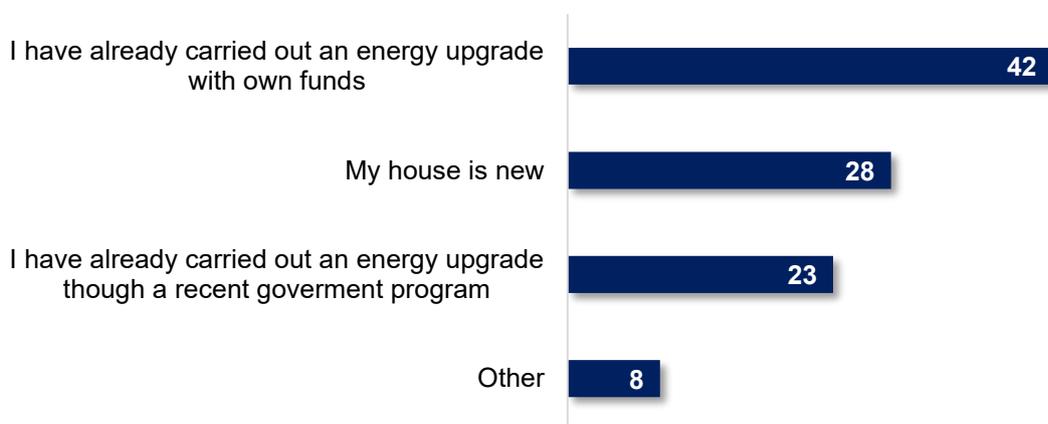
Q: Why is there no need for an energy upgrade?
(N= respondents whose home does not need energy upgrade according to Graph 16)

Furthermore, more than one quarter of respondents (28%) indicated that their homes are relatively new thus do not necessitate energy upgrades. This reason is particularly prevalent among homeowners with a housing loan (42%). Lastly, **only two out of ten respondents have undertaken energy upgrades through the use of recent government programs**. In the past years, several government programs have been implemented to promote energy-saving interventions in residential buildings, also in the context of the RRF. For instance, in early 2025, the **Exoikonomo 2025** was launched, with an adjusted budget of almost €1 billion financed by the RRF and the RePowerEU initiative. The program offers subsidies for energy interventions aiming at achieving a minimum 30% reduction in residences' energy consumption.

5. Current Dynamics and Structural Bottlenecks in the Housing Supply

5.1 The Evolution of Residential Investment

Residential investment represented a key element of economic growth in Greece in the pre-crisis period. Contrary to the euro area -where residential investment as a percentage of GDP remained broadly constant over time- in Greece it exhibited high variation (**Graph 19a**). Specifically, in the pre-crisis period, residential investment accounted, on average, for 38.5% and 9.3% of total investment and GDP respectively, whereas the average growth rate stood at 3.8% (**Graph 19b**). During the economic crisis, residential investment declined on average by ¼, ultimately delimited to 5% of total investment in 2017. Finally, in the post-crisis era, investment in dwellings recovered progressively to 2.6% of real GDP in 2024, recording an average annual increase of 26%. Thus, the collapse of residential investment over the past decade has prevented the renewal of the housing stock. Since 2018, residential investment has been in a recovery phase, though at a significantly lower level than in the pre-crisis period.

Graph 19. **Evolution of Residential investment in Greece and the euro area**
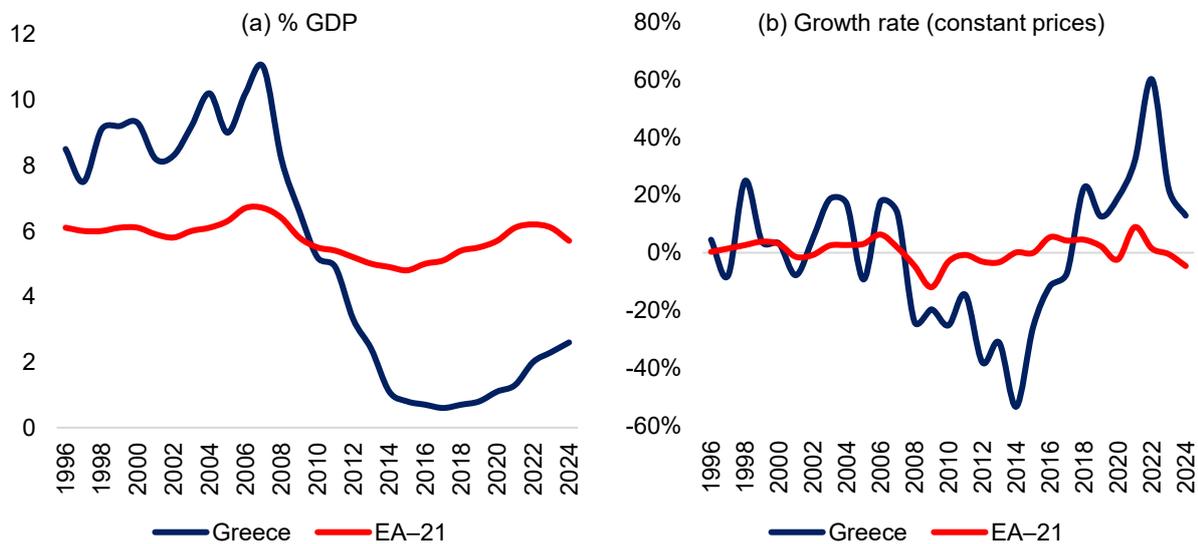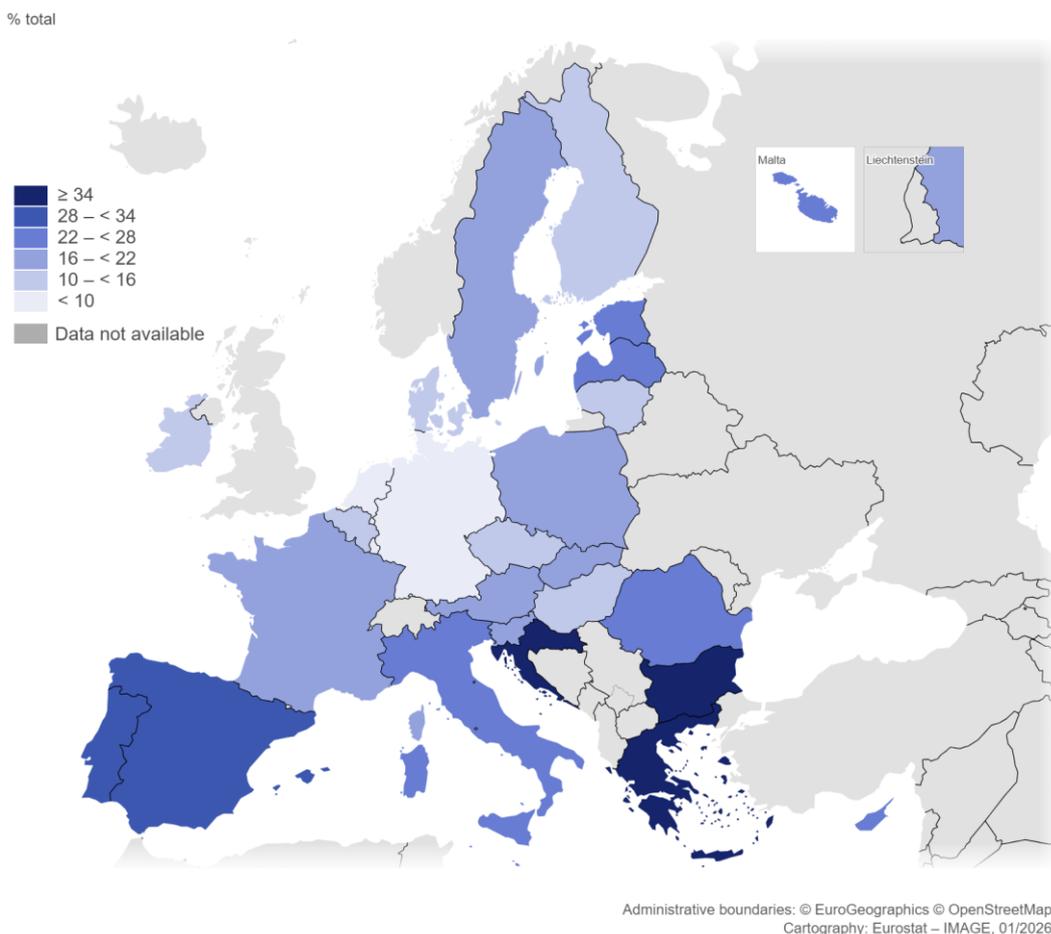

Source: Eurostat

5.2 Residential Housing Stock: Occupancy Patterns and Distribution

In addition, as previously mentioned, Greece has one of the highest shares of unoccupied conventional dwellings in the EU-27, at 34.5% (**Graph 20**). This figure has remained relatively stable since the 2011 Housing Census, whereas the country's population has decreased by 3% in the same period. This raises the question of *why* the housing crisis has become a significant social issue now, unlike in the early 2010s.

Conventional dwellings as shown in **Figure 1** can be decomposed to occupied and unoccupied residences; the latter consist of secondary and holiday homes, as well as vacant dwellings, which in turn may be further broken down into available for sale or rent and other. Between the last two Censuses (i.e., 2011 and 2021) conventional dwellings increased in total by 3.5%, which was the result of a rise in occupied residences equal to 4.8% and a milder increase in unoccupied dwellings of 1.2% (**Figure 1**). Interestingly, the rise in unoccupied conventional dwellings was accompanied by a significant shift in their subcategories; secondary and holiday residences increased by almost 10%, whereas vacant houses (i.e., available for sale, rent and other) contracted by 11.6%. However, their volume remains significantly high, creating a structural bottleneck and making it difficult to meet demand. Specifically, vacant dwellings amounted to 794 thousand according to the 2021 Population-Housing Census, with around 1/3 located in Attica -corresponding to 11.8% of the existing housing stock of the region- and 9.7% in Thessaloniki. The highest shares of vacant dwellings over the total housing stock of each region are located in Ionian Islands (16%), Crete and South Aegean (15.6%) (**Graph 21**). This could also be associated with the high touristic activity in these regions, given that the share of vacant dwellings available for rent or sale, as a percentage of the housing stock, is the highest in these regions.

Graph 20. Unoccupied Conventional Dwellings across the EU-27 (% total)

Source: Eurostat (Census 2021)

In more detail, the vacant residences available for sale decreased in 2021 by one-third compared to 2011, with the reduction being most prominent in specific regions such as Central Macedonia (-50%), Attica (-40.4%), and South Aegean (-37.6%). Meanwhile, vacant dwellings available for rent decreased in total by 10.4%. The steepest decreases in dwellings available for rent were recorded in the Ionian Islands (-35%), Central Macedonia (-24.5%) and Central Greece (Sterea Ellada, -23.5%), while in the wider region of the country's capital, i.e., the periphery of Attica, the reduction was almost 10%.

The structural shifts and changes within the category of unoccupied conventional dwellings may be explained by several factors. Explicitly, when the previous housing census was conducted in 2011, i.e., at the beginning of the economic crisis in Greece, many people may have been prompted to put their properties on the market, especially the unused ones, in order to preserve their purchasing power amid a contraction in their other income sources, while demand was low. In addition, the rapid growth of the home-sharing economy over the last decade and the adoption of remote work during and after the pandemic may have motivated owners of vacant dwellings to find alternative uses for their properties.
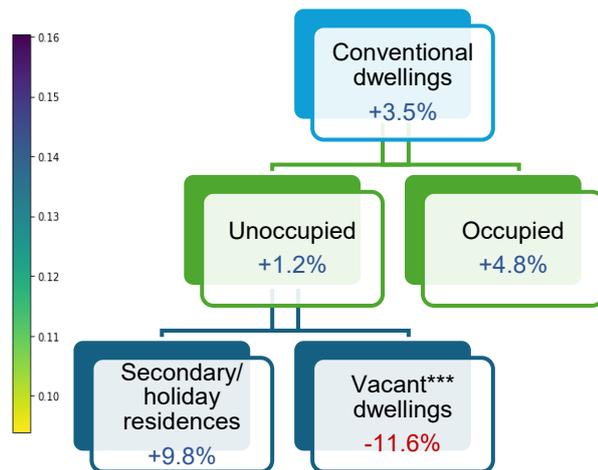
Graph 21. **Vacant*** dwellings as % of housing stock per region**

Figure 1. Comparison of conventional dwellings by occupancy status, 2011-2021 Censuses

(*** excluding secondary and holiday houses, including available for sale/ rent and other)

Source: ELSTAT, 2011 & 2021 Population-Housing Census, Economic Research calculations

5.3 Unlocking the Supply: An Analysis of Vacant Housing in Greece

In our previous report, we discussed government policies introduced in recent years to address the housing crisis. We also noted that in a market where demand exceeds supply, it is crucial to encourage and facilitate the return of vacant homes to the market and stimulate supply in general. Therefore, we incorporated a new set of questions in the 2025 iteration of the survey to shed light on supply-side bottlenecks, specifically vacant houses and the reasons why they are not offered on the market.

As shown in **Graph 22a**, **one out of ten respondents (11%) is owner of an unused/ vacant residence**. Countrywide, the largest shares are cited in Central and Southern Greece (15%) and in the Islands (14%), and the lowest in Northern Greece (11%) and Attica (8%). By degree of urbanization, the share of vacant house owners as a percentage of the total is higher in large and small cities (14% in both cases), compared to rural areas (11%) and the two largest cities of the country, i.e. Athens (7%) and Thessaloniki (11%).The

latter may be explained, *among other factors*, by the continuous concentration of populations in the two major cities.

It is also worth noting that, according to the social class segmentation[10] of respondents, the upper and lower bounds of the distribution report the highest proportions of positive answers to the specific question; the upper/upper middle class reports 13%, the lower/working class 12%, and the middle class 9%.

Graph 22. Exploring the supply of vacant residences
(% of total)

(a) % of owners with an unused/vacant residence

■ Yes
■ No

11
89

Per region:
Athens: 7%
Thessaloniki: 11%
Non-urban areas: 14%

(b) Reason(s) for not making use of vacant residence
(N= Owners with an unused/vacant residence)

Reason	Value
High renovation cost	42
I am not the sole heir/ there is no agreement with the others	21
I intend to make it available for rent in the near future	19
No demand in the market for renting/purchasing this property	15
I need it for future personal/family use	15
The rent or sale price is not satisfactory	12
I intend to make it available for sale in the near future	6
Other	7

Q: Are you the owner of a residence that is unused/vacant?
For which reason(s) does this residence remain unused/vacant?

In addition, 16% of homeowners with a housing loan, 7% of outright owners, 14% of tenants and 11% of guests, own a vacant house. Furthermore, the intention to buy a house is as high for the specific group as the average demand (20%), which implies that the vacant residence does not meet the owner's housing needs, thus leaving it uninhabited.

These points underscore the need for further analysis of the reasons why these dwellings remain vacant (**Graph 22b**). The most frequently cited reason is the high reconstruction/ renovation costs (42%), followed by hereditary issues and/ or multiple owners (21%), i.e. cases where the respondent is not the sole heir and cannot reach an agreement with the other owners regarding property use. In addition, 15% stated that the particular property is intended for future personal or family use. Also, 15% of respondents reported that there is no market demand for the particular dwelling, and 12% that the offered rent or sale price is not satisfactory. On a positive note, around one in five stated their intention to offer the dwelling in the long-term rental market in the near future, while only 6% of respondents expressed the intention to make the property available for sale.

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[10] Defined by two key criteria, namely the occupation of the household head -i.e., the main income earner of the household- and his/her level of education, which reflects the potential in terms of income and purchasing power.

Box 2. Housing as a Priority in Greece and in the EU

The housing crisis has been recognized as a pressing issue across EU countries. It is fueled by consistently rising housing prices (+60% between 2013 and 2024 on average in the EU), rents (+20%, respectively, with new rents growing faster), and overall housing costs, as well as supply shortages (with a 20% drop in residential building permits since 2021 and 20% of dwellings being vacant). **In December 2025, the European Commission (EC) published the European Affordable Housing Plan** in response to this challenge, with the aim of making housing more affordable, sustainable, and widely available.

The Plan consists of **four main pillars**, namely: (i) **boosting housing supply**, (ii) **mobilizing investment**, (iii) **enabling immediate support while driving reforms** and (iv) **protecting the most affected**. Explicitly, one of the main priorities of the EC's plan is to support the construction sector, both by simplifying processes through reducing administrative burden and accelerating the issuance of the relevant building and renovation permits, and by enhancing efficiency, productivity and innovation, promoting advanced construction materials and methods. The goal is to construct cost-effective, environmentally friendly and good-quality housing. In parallel the Plan aims to encourage both public and private investment through a Pan-European Investment Platform, with the collaboration of the European Investment Bank and other financial institutions. In this direction the EC plans to revise the State aid rules in order to facilitate support for social and affordable housing projects. Other important initiatives are revisiting the issue of short-term rentals, especially in highly touristic areas, increasing transparency and offset speculative behaviours in the housing markets. Finally, the Plan encourages relative reforms, such as spatial planning and social housing and accounts for protecting the most vulnerable populations, including young people, low-income households, essential workers and the homeless.

A **housing summit is planned for 2026**, where stakeholders will gather to share insights and establish actionable solutions. Meanwhile, member states will collaborate through a **European Housing Alliance**. The EU has already mobilized over €43 billion in investment for relevant projects, such as social, affordable and sustainable housing. It plans to utilize more than €10 billion within the next two years through other programs and funds including InvestEU, Cohesion Funds and the Social Climate Fund. New funding possibilities are also expected to be unlocked in the next long-term EU budget (2028-2034).

In parallel, the Greek government presented in mid-December 2025 a **new package with the intention to tackle the national housing crisis**. These measures are aligned with the EC plan, aiming at **boosting housing supply**, **discouraging market distortions** from short-term rentals and **easing housing cost pressures**. The new package includes:

- **Renovation subsidies**, prioritizing vacant or older properties: coverage of up to 90% of total costs and €36,000 per property. The total budget is set at €400 million.
- Additional **rent refunds** (two monthly rents) to **50,000 professionals** i.e., teachers and medical staff, who work outside the urban centres of Athens and Thessaloniki.
- **Upgrading municipal and state buildings**, especially in mountainous areas and the islands, to be **converted into residences** for civil servants.
- Further **regulation of the short-term rental market**, expanding the restrictions implemented in the municipal districts of Athens (i.e., prohibition of new short-term rentals) to the centre of Thessaloniki. Additionally, when the ownership of a property listed on a short-term rental platform changes, its license will be canceled automatically.
- Provision of initiatives for construction companies to **build or convert buildings into long-term rental homes**. Rental income from such properties will be tax-deductible, if rented at regulated rents for at least 10 years.

- **Encouraging the utilization of vacant buildings** in order to increase supply in the housing market: classification of renovations of vacant buildings as private investments, so that construction companies take advantage of tax benefits.

The Greek government has already implemented several initiatives to deal with the housing crisis in the last few years, such as the **My Home I & II programs**. In addition, according to the Ministry of Finance (2026 State Budget), relevant interventions to be implemented in 2026 include, *inter alia*, the extension or introduction of the following: tax exemption for vacant residences that will be leased during 2026, VAT exemption for new buildings, prohibition of new short-term leases in the three municipal districts of Athens, income tax reduction for renovation expenses and the introduction of an intermediate rate of 25% on property income tax. Another critical milestone achieved was the establishment of a new legal framework for the utilization of public real estate in order to construct social housing ("Koinoniki Antiparoxi").

6. *Epilogue*

The primary question this report seeks to address is the following: how has a country with sizeable housing wealth and high homeownership ratio[11] such as Greece, come to be confronted with a pronounced housing crisis? The phenomenon under discussion can be explained on the basis of five main pillars. *Firstly*, the **advanced age of the building stock**, which has a detrimental effect on its quality in relation to modern needs, thus necessitating the allocation of significant financial resources for both its renewal and its refurbishment, for the purpose of sale or rent. *Secondly*, the **high percentage of vacant properties**, which can be attributed -based on our survey findings- primarily to the high cost of renovation and the existence of multiple owners/heirs. *Thirdly*, the **high cost of housing** in comparison to other European countries as a percentage of disposable household income. *Fourthly*, the **relatively higher degree of urbanization** in Greece, which driven by the high concentration of jobs in urban centers, has an adverse effect on the availability and affordability of housing in the specific areas. *Finally*, the **growth of the sharing economy** over the last decade, especially in specific areas.

The aforementioned factors indicate that the housing issue in Greece is predominantly a supply-side problem, especially in metropolitan areas. The demand management measures adopted by the government in previous years, including subsidized interest rate programs and income support through the refund of the twelfth month's rent, have led to a significant easing of the social problem, albeit without adequately addressing the root cause related to the limited supply. Despite recent policy interventions to support also the supply of the housing market, for instance the recent social housing initiative, further measures to this direction should be designed and implemented.

In order to examine current trends in the housing and rental market and understand the role of current policies, an attempt was made to take the pulse of the market, by repeating part of the previous survey questionnaire (Adamopoulou et al, 2025). We found that the respondents are, in general, more satisfied with their current residence compared to the 2024 survey. This increase in the level of satisfaction is much more prominent among homeowners compared to tenants, who remain less satisfied with their current residence overall. The latter may be related to the acceleration of rent increases in recent months which may have also exerted upward pressures on respondents' expectations of subsequent increases. Another important evidence of the housing crisis -with significant social implications also related to the country's demographic dynamics- is that married couples who are currently renting remain the least satisfied with their residence.

This survey also assessed the effectiveness of certain government measures taken last year. Around two-thirds of respondents across the entire sample (66%) expressed broad agreement with the "My Home II" main narrative and objective. In parallel the share of individuals intending to buy a house has increased by 8 percentage points in total. The demand appears to have strengthened for all three groups of interest, i.e.,

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[11] See also Wind and Dewilde (2019).

young people living with their partners, young people provided with accommodation and married couples currently renting. However, this increase in demand is not exclusively driven by the program; almost half of upcoming homebuyers indicate no intention to apply (45%) for "My Home II". The most frequently cited barriers for participating are the specified income and age criteria, notwithstanding their broadening compared to the "My Home I". An additional and frequently expressed concern by ¾ of the total sample, representing a source of skepticism pertains to whether "My Home II" is contributing to an increase in residential property prices, particularly for residences that conform to the eligibility requirements.

Furthermore, same as last year, we asked those who participated in the sample for their opinion on the factors that determine real estate prices. During the first round of the survey, respondents identified government policies, particularly tax policies, as the most significant factor influencing house prices and rents in the medium term. However, by 2025, this factor had fallen to second place, with tourism performance and the role of the sharing economy moving up to the first place. It should be noted that Europeans consider housing affordability as a top government priority, ranking third after healthcare and security. The core problems identified are high prices, rising rents and a lack of affordable housing ("The housing problem according to Europeans", December 2025, Polling Europe). A strong majority (72%) of respondents expressed the view that immediate EU action is imperative, favouring measures that support low- and middle-income households, curb speculation, and expand funding for affordable housing. The most prevalent policies for addressing the housing problem in Greece[12] are as follows: rent regulation (30%), restrictions on short-term rentals and demand outside the EU (24%), incentives for constructing new housing (23%) and the creation of social housing with fair rents for vulnerable groups (21%).

Our survey also incorporated specific questions aimed at shedding light on the housing market supply bottlenecks. Based on the findings, six out of ten primary residences in Greece are considered in need of an energy upgrade, with this share increasing with the age of the property. The percentage of homeowners who have undertaken energy upgrades through the use of recent government initiatives is relatively low (two out of ten), indicating that there is still need for such programs.

Finally, according to the survey findings, one out of ten respondents (11%) are owners of an unused/ vacant residence. Countrywide, the largest shares are cited in Central and Southern Greece (15%) and in the Islands (14%), and the lowest in Northern Greece (11%) and Attica (8%). The most frequently cited reason why these properties are vacant is the high reconstruction/ renovation costs (42%), followed by multiple owners/ heirs (21%), i.e., cases where the respondent is not the sole heir/owner and cannot reach an agreement with the others regarding property exploitation.

The concentration of employment opportunities within a limited number of major cities results in a significant increase in housing demand in those areas, leading to a subsequent escalation in prices and rental costs. The identification and integration of new areas into urban planning, combined with the strengthening of decentralization processes and the expansion of remote work, have the potential to improve housing affordability through several key mechanisms. These mechanisms include the geographical spreading of demand, the reduction of commuting costs, the indirect increase in housing supply and the weakening of the link between job location and stressed housing markets. The aforementioned factors will not only result in freeing up urban properties but will also enhance the financial viability of the periphery and revitalize the local economy through increased consumption, job creation and entrepreneurship. It is evident that measures such as tax reliefs for companies that employ personnel fully remotely, in conjunction with tax reliefs for homeowners who rent out their properties in major cities to live in smaller cities and rural areas, would prove to be beneficial. In line with the above, Vettas et al. (2026) suggest that the enhancement of housing affordability is not solely limited to a rise in the housing stock, taking into account the geographical constraints, especially in highly populated urban areas. Thus, the implementation of decentralization policies

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[12] Stamouli N. 2026, Sunday 4, Kathimerini, "Housing crisis keeping Greeks up at night", retrieved from: Housing crisis keeping Greeks up at night | eKathimerini.com

along with job creation and access to healthcare, education, and basic infrastructure can contribute to alleviating pressure on urban housing markets.

It has been widely posited that the growth of the home-sharing economy affects property prices and rents in Greece (Adamopoulou et al., 2025) and on an international and European scale (Anastasiou et al., 2024; Cousin et al., 2025, Garcia-López, M. À. et al., 2020, Reichle, P. et al., 2023). The Greek government is currently implementing measures to regulate the proliferation of the home-sharing economy, repositioning short-term rentals from the domain of "easily investable assets" to a central focus within housing policy. As previously outlined in **Box 2**, the Prime Minister's recent declarations have led to the imposition of novel restrictions on short-term rentals. The core of the proposed measures pertains to the limitation of new listings in regions experiencing significant housing pressures, such as the central districts of Athens and Thessaloniki. The measure is not horizontal but targeted, with the possibility of extending it to other areas where similar pressures are observed. Another significant change is the provision that short-rental licenses are not transferable. In areas where the "cut-off" applies, a property is automatically deemed to have lost its capacity to operate as a short-term rental, as soon as it changes ownership.

Finally, we would like to emphasize the importance of providing incentives to open up vacant properties. The survey conducted as part of this study provided significant insight delving into the primary factors hindering the conversion of closed houses into habitations. The analysis identified the following two key elements which can be categorized based on policy design.

The first consists of the occurrence of multiple ownership transfers and communication and coordination challenges among owners/ heirs, the substantial costs associated with renovation and energy upgrades and the relatively low return, probably related to the high counterparty risk. With regard to the latter, the creation of a register of transactional behavior may significantly reduce this risk, while measures that have already been implemented, such as subsidizing energy upgrade projects, are broadly aligned with the intended policy objectives.

A second group of factors that explain the volume of vacant properties in Greece is related to the temporary nature of their status. Specifically, one in five owners with vacant properties intend to offer their house in the rental market in the near future, 6% to sell it and around 15% reserve it for future personal or family use. As far as the first group of people is concerned, the implementation of additional tax incentives may accelerate their decision to offer the property in the market.

The most recent series of government measures is intended to facilitate the process of placing unoccupied properties on the market. However, further research is required to map the density of closed properties, assisted by data from the Land Registry and the Independent Authority for Public Revenue, thus enabling policymakers to design a targeted program for each municipality and region.

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- [ec.europa.eu/eurostat](#) (EUROSTAT)
- [www.statistics.gr/](#) (ELSTAT)

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