



Real Estate as a Pillar for Economic Growth: A Challenge for Greece

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Real Estate as a Major Indicator of Economic Growth

Pro Crisis Development-Acquisition

- *From the year 2000 the Greek stock market was booming thus creating acquisition power. Prices increased or remained stable depending on the area. Strong Cash flow created buying power and competitive edge in real estate.*
- *Property transfer taxes at 11% plus many other property taxes -40 approximately burdened real estate and still do.*
- *Unemployment was at a minimal*
- *Foreign investment created development potential in most sectors of the Economy.*



Annual GDP from 1960-2015

World Bank



World Bank national accounts data, and OECD National Accounts data files.

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Need for Investment



- Greece needs Investments in order to decrease unemployment and to reduce taxation for low income households
- Investment demands Political Stability
- Standard Tax Regulations - Favorable regulatory and legal framework - Predefined Land Usage Zones- Cadaster- Forest Zones
- This can be achieved through the main industry in Greece which is Tourism- Thus Tourist Development – Real Estate & Construction Because Greece *has*
 - * Experience - Proper Personnel
 - * Good Reputation
 - * Comparative Advantage
 - * Security
 - * Ideal Geological Conditions
 - * Destination Points
 - * Large Shoreline (beachfront) both Mainland & Islands
 - * Archeology (Tourist)
 - * Religion (Tourist)
 - * Thermal Springs



Europe and the international Community Need safe and quality destinations for Tourist development



- *There is a need for*
 - * *5 Star Hotels*
 - * *Marinas*
 - * *Organized Tourist Accommodations*
 - * *Conference Halls*
 - * *Golf Courses*
 - * *Thermalism and Spas*
 - * *Holiday Villages*
 - * *Second Home*



Regulations, Spatial Planning and the Development Laws (1)



- *Based on the Spatial Planning Tourist Law of 2009, 95% of Greece is restricted for the development of Organized Tourist Development and 5 Star Hotels.*
- *This Spatial Planning Law allows Tourist Development at a Distance of 500 meters from communities or Villages. This is where only small ownerships exist and few large plots for Developments are available.*
- *Large Developments are the most Feasible and not all inclusive developments which are cheap. Investment in Quality Tourist Development is a Must to Upgrade Constantly the Sector.*





Regulations, Spatial Planning and the Development Laws (2)

The Spatial Tourist Plan of 2013 (ΦΕΚ 3155B), allowed High End- Quality Investment which increased the Tourist visiting period to 12 months. It limited small hotels of few Star Category which pollute the environment to operate freely degrading the Actual Potential of high end Tourism in Greece.

**This law was abolished January in High Court for Procedural Purposes and Must be Reinstated to increase Large Luxury Five Star Developments*



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Regulations, Spatial Planning and the Development Laws (3)



New Development law of 2016

*Qualitative Tourist Investment can Contribute to
the Development of the Local Economy and the
Absorption of local Quality Products and the
Employment of the Local Workforce. These
issues must Of course be Accompanied with
Better Incentives in the New Development Law*





Projection and Protection of the Natural and Cultural Environment Which is the Comparative Advantage of the Country

Issues that Must be considered

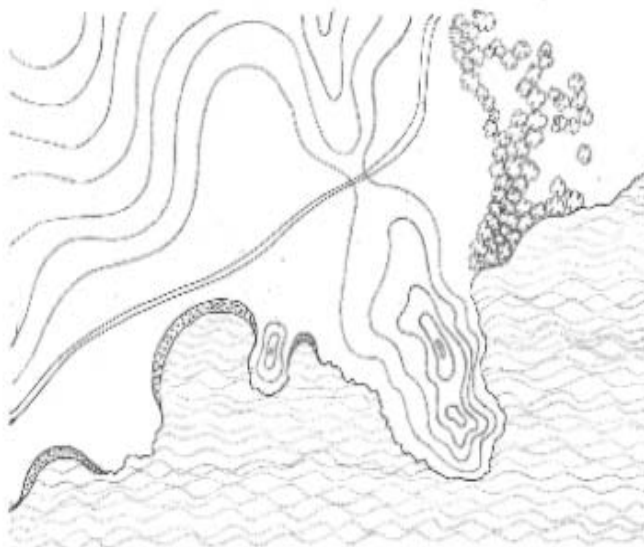
- * Number of Visitors
- * Number of Desired Homes
- * Number of Cruiser Vessels and docked Vessels
- * Possibility of reaching Sensitive Zones as Beaches, Caves, Fish Farms, Protective Sea Life Areas



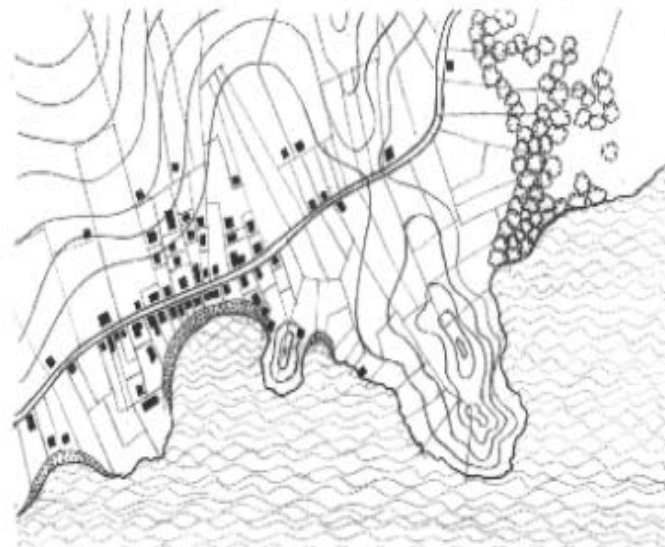
Illegal development and Expansion



*example Of Environmental Protection From Illegal Development
Based on the Application Of Law 3986*



Out of Community Plan Area Before Residential and Holiday Home Development took Place



High Segmentation of Land and Illegal Development

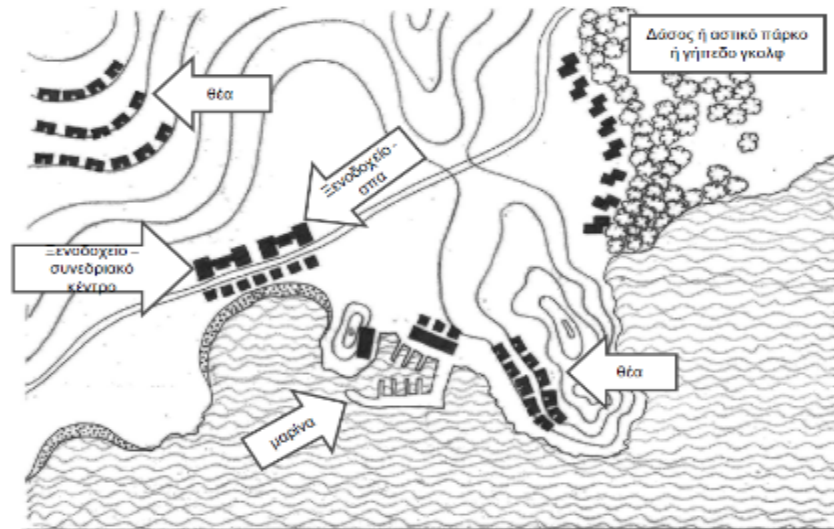
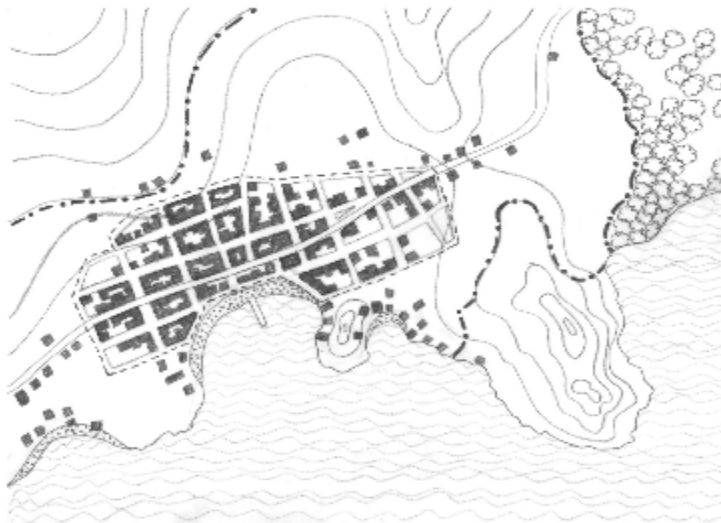


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Organized Spatial Planning



Example of Environmental Protection From Illegal construction based on law 3986



two Organized Areas with Environmental protection Application



Which Investments are Approved for the Fast Track Law in Real State

- **If the Investment is over €100.000.000**
- **If the Investment is over € 40.000.000 and at least 120 employees are hired**



Fast Track Law



The Fast Track Law is in Effect for Investment since 2012. Only three Projects have been Approved so Far.

- Kerameia Of Hios Island took 3 Months to be accepted and Approved and is a 5 star Hotel project with 600 beds, a Marina with 135 yachts, Spa, museum, Conference Hall, and Luxury Villas.
- Moni ToBlue in Crete Luxury hotels, Spa, Golf, Luxury Villas. It took 12Years to obtain all Approvals
- Kilada Hills Project 5 Star Hotels, with Spa, Golf Course and Luxury Villas Took 7 years for approval



Other information on the real estate Market to take Under Consideration



- *Private Islands*
- *Public Islands*
- *Transfer of Construction Coefficient*
- *Objective IRS Prices vs Real Values*
- *Natura 2000*
- *Environmentalists and Restrictions*
- *Forest Land Restrictions*
- *High Agricultural Productivity*
- *Archeology*
- *Religion and Real Estate*



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Thank You For Listening

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