



The Housing Problem in the European Union and Greece: Key Dimensions and Policy Responses

GREEK & EUROPEAN ECONOMY PROGRAMME

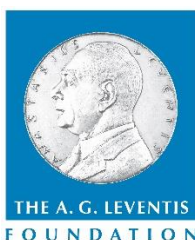
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With the support of the “A.G. Leventis Foundation Research Chair”

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Summary

- The housing crisis has emerged as a critical social and political issue across Europe, with rising prices and rents compared to income in an environment of deepening income and wealth inequalities.
- Housing is becoming increasingly unaffordable, as reflected in the growing housing cost overburden in Europe and Greece, especially for lower-income groups.
- The access to affordable housing in Greece for low-income households decreased again after 2021, reaching crisis levels in 2024
- The housing crisis is structural (construction costs, borrowing costs, housing as an investment asset, short-term rentals) and limits the scope of national and local policies.
- The New European Bauhaus programme has three main objectives, including affordable housing.
- Affordable housing is at the heart of European initiatives – e.g., the European Plan for Affordable Housing, and the New European Bauhaus – creating opportunities for housing policy in Greece

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- Current challenges for the development of affordable housing in the EU are facing competing political priorities.
- The housing question in Greece is the outcome of a long journey (from the protected housing market, its gradual liberalization, the sovereign debt crisis, until the free housing market) that led to the housing crisis.
- The role of the sovereign debt crisis in the housing crisis was primary, but its consequences were not immediate
- The significant impact of tourism, foreign real estate investment, and short-term rentals on the national development model further deepened the housing crisis.
- Solutions to the housing problem must include both market regulation and measures beyond the market.
- The need for long-term strategic planning, combining immediate market regulations (price and rent control, limits on touristification, protection of vulnerable households) with medium- and long-term measures beyond the market (social housing stock, re-use of vacant buildings, fair energy renovation), to secure housing as a social right and a basic social good.

Introduction: The housing crisis in the world, the EU and Greece

In the Western world, the housing problem is a consequence of the industrial revolution and the transition to the capitalist system. Traditional forms of housing in rural communities could not accommodate those who flocked to the cities to meet industry's growing demand for labour. Access to housing was constituted as a social right, as accommodation was often provided close to the workplace by employers, usually with the help of the State, in response to increased needs and demands.

In the early 20th century, rental housing was a key area for investment. The two world wars and the 1929 crisis increased housing needs and, in combination with the labour movements, led to the lowest social inequalities in modern times.¹ In this period, housing became much more affordable, mainly through market regulation, as in New Deal-era America and Germany, or through the de-commodification of housing, as in Western and Northern Europe by means of the welfare state. Mass production and the provision of public housing led to prices significantly below those of the market and, above all, to low rents, to which a strict framework regulating renting and lending also contributed.

In most European countries, de-commodification was based on the development of "social housing" and was mainly aimed at the social strata that needed it most, though also at the middle classes through partial de-commodification, as in France. In the Nordic countries, for example, the beneficiaries covered a much broader swathe of the social fabric. In Sweden, public housing was never called "social housing", thereby conveying the message that being provided with housing was a general social right that should not stigmatize those that needed it most.

In the last quarter of the 20th century, de-industrialization, the expansion of the middle classes, and the influx of poor immigrants changed the global political climate. These factors were combined with the prevalence of neoliberal ideas and policies that facilitated the shift of globalized capital towards urban and real estate investment,² financializing housing³ and increasing inequalities in income and wealth. Amidst these changes, the production of affordable housing declined and the concept of housing as a social right lost ground to that of housing as an investment product. Access to home ownership has increased significantly, making housing a personal issue for a significant part of the social spectrum. The en masse privatization of housing has made it harder to access satisfactory housing that is also in a desirable location, especially for tenants lower down the socio-economic scale. The housing crisis in Western cities has pushed poverty to their fringes, with the most economically vulnerable households seeking affordable housing in increasingly peripheral areas, which has a negative impact on both their mobility and their access to essential services.

Europe was the home of the robust welfare state, whose main pillar was housing. However, over time, the welfare state has retreated significantly, especially in relation to access to housing, ceding far more ground to the housing market. Nonetheless, a significant proportion of the housing in most Western and Northern European countries is still provided by the public sector. These countries also continue to regulate the housing market more than the rest of the world, and in a number of different ways. In Eastern Europe, the mass privatization of housing was the rule against the backdrop of the abrupt transition away from state socialism and extremely high state involvement in housing provision. In Southern Europe, the housing issue has followed in the footsteps of Western Europe, but limited industrial development, an anaemic welfare state, and the clientelistic handling of the housing issue have all left their mark. In Greece, the destruction wrought by World War II, the Occupation and the Civil War, the authoritarian democracy of the post-civil-war period, and American protectionism all impacted on housing and contributed significantly to the direction taken in the solutions adopted in the post-war period⁴.

¹ Thomas Piketty, *Capital in the twenty-first century*, Harvard University Press, Massachusetts, 2014.

² Saskia S. (2014) *Expulsions: Brutality and Complexity in the Global Economy*, Harvard University Press.

³ Aalbers M. (2016) *The Financialization of Housing: A Political Economy Approach*. Routledge

⁴ Konstantina Kalfa, 2019, *Αυτοστέγαση τώρα! Η αθέατη πλευρά της αμερικανικής βοήθειας στην Ελλάδα [Self-building now! The unseen side of US aid to Greece]*, Athens, Futura; Thomas Maloutas, Dimitra Siatitsa, Dimitris Balampanidis, 2020, [Access to housing and social inclusion in a post-crisis era: contextualizing recent trends in the city of Athens](#), *Social Inclusion*, 8(3):5-15.

The housing problem in Europe

Aspects of the housing crisis

The housing problem is currently a critical social and political issue across almost all of Europe. It is now commonplace across the political spectrum to acknowledge that the EU is facing a "housing crisis", and housing now figures prominently in opinion polls as the most – or one of the most – important problems facing Europeans; this also makes it a crucial electoral issue.⁵

The issue has manifested primarily in the continuous and disproportionate increase in rents and house prices in recent years, in parallel with rising energy costs and a high cost of living. House prices in Europe increased by more than 20%, and rental prices by an average of 48%, between 2015 and 2023.⁶ At the same time, inequalities are growing, particularly in terms of accumulated wealth, while the rise in house values appears to be working in favour of homeowners, who make up over 60% of Europe's population.⁷

Housing affordability is the main indicator of the crisis and the focal point of the debate on the required policy response at the European level. In line with the approach taken by Eurostat, households that spend more than 40% of their disposable income on housing are considered to face a [housing cost overburden](#).⁸ In 2023, 10.6% of households in cities and 7% of households in rural areas exceeded this threshold. The corresponding percentages for Greece were 31% and 24.7%, respectively. Housing inequality in Europe is also captured in the unequal distribution of the housing cost overburden, which is more pronounced among lowest-income households (27.8% in the 1st and 8% in the 2nd quintile in the EU-27, and 88.6% and 35.7% respectively in Greece).⁹

The main causes of the housing crisis in Europe today are identified as the **rise in construction and borrowing costs**, which limit supply and push up prices, and **housing increasingly being turned into an investment product** for companies and individuals alike. This, along with the proliferation of short-term rentals fuelled by the growth of tourism, particularly in large urban centres, has significantly reduced the availability of affordable housing.

Indicatively, as discussed in detail in a recent policy study,¹⁰ in Greece and Southern Europe more broadly, housing has been transformed into an investment product along three main routes, each of which has been supported by public policies linked to economic growth objectives: First, **the attraction of foreign capital** through the "Golden Visa" programme and special tax regimes for wealthy foreigners, which act as a catalyst for skyrocketing house prices and rents. Second, **the management of private debt**, which, in the wake of the financial crisis, has become a sphere in which value is extracted from non-performing loans and collateral. With extensive support from public funds, this process has led to the concentration of a large part of the housing stock in the hands of banks, REOCos and servicers, with the participation of international funds. Thirdly, the **activation of business activity in the residential rental market**, with new forms of investment (student accommodation, corporate apartments, Real Estate Investment

⁵ As a key factor in rising prices and the cost of living (42%), housing emerged, along with the economic situation (41%), as a key motive for voting in the 2024 European elections ([Eurobarometer, EU post-electoral survey 2024](#)). Municipalities also consider it a critical issue (See Eurocities, Housing Monitor, 2025, [The state of housing affordability in European cities](#)).

⁶ Eurostat [prc_hpl_a], 2023, [Housing Price Index](#) (with reference year 2015, index value = 100).

⁷ ECB, 2004, [Statistics on the distribution of household wealth](#), 01/2024; Euronews, [Mind the Gap! The unfair distribution of wealth in Europe](#), 01/04/2024.

⁸ The appropriateness of the metric has been called into question, as it does not take into account income levels, local housing market conditions and the particular needs/features of individual social groups. Qualitative, non-analytical approaches have been proposed as alternatives, which focus on whether the residual income available allows for a dignified life. Indicatively, this is defined by the European Commission of Social Rights as "the ability of a household to cover the *initial cost, rent and related expenses in the long term, while maintaining a minimum level of decent living standards*" (Dunja Mijatovic, 2020, [The right to affordable housing: Europe's neglected duty](#), Council of Europe). Of course, these approaches need to be adapted further to national and local contexts, and integrated into operational policy definitions. (See Marietta Haffner and Kath Hulse, 2019, [A fresh look at contemporary perspectives on urban housing affordability](#). *International Journal of Urban Sciences*).

⁹ Eurostat, 2023, *Housing cost overburden rate by poverty status* [[ilc_lvho07a](#)] and by income quantile [[ilc_lvho07b](#)].

¹⁰ Dimitra Siatitsa, Laura Colini and Simone Tulumello, 2025, [From private profit to Social Value. Housing as an investment in Greece and Southern Europe](#). FEPS publications.

Companies, etc.) and a particular emphasis on "alternative sectors" and forms of non-residential use, such as short-term tourist rentals, which are now established as an institutionalized business activity.

It is clear that the current housing crisis is structural and linked to the transformations of global capitalism in recent decades. The long-term dominance of neoliberal housing policies – through the privatization of public stock, the reduction of public interventions and funding, the promotion of private for-profit operators, and the financialization and commercialization of housing – has drastically curbed national and local governments' ability to deal effectively with the crisis. Thus, despite growing recognition of the need for stronger intervention, policy responses remain largely trapped in market and financialized logics.

In these conditions, market mechanisms lead to the marginalization of poverty, increased gentrification, and defensive housing practices – such as prolonged residence in, or return to, the parental home,¹¹ compromising with worse or unacceptable housing conditions,¹² and being forced to relocate to less desirable neighbourhoods – which serve together to increase housing insecurity and lead to deteriorating living conditions for an increasing number of people, while the number of homeless people remains high.¹³ The challenges posed by the housing crisis are simultaneously intensified by both demographic developments (an ageing population, an increase in the number of households) and the management of migration.

Interventions and planning at European level

Towards a European Affordable Housing Plan

Housing was never a key EU policy issue until now. It was always secondary in nature, in the sense that it supplemented Member States' national policies, as is the case with all social policy issues. Although housing policy remains a national competence, a number of European policies, such as the single market, social cohesion and environmental policy, have a direct impact on national housing systems and allow for a more coordinated intervention at European level. Housing problems, especially those facing the most vulnerable groups, such as the homeless or migrants, have been at the heart of European strategies in the past,¹⁴ but the systematic engagement with housing is a far more recent development.¹⁵

Initially, the [Urban Agenda's Housing Partnership](#) (2016-2018) helped advance the European debate on affordable housing by proposing better documentation, institutional coordination, the removal of regulatory barriers (such as the restrictive definition of housing as a Service of General Economic Interest and state aid rules), and more efficient use of public and private resources. Upgrading housing and tackling energy poverty were at the heart of the [European Green Deal](#) and the [Renovation Wave](#) (2020) strategy, within the framework of the [Next Generation EU](#) (Resilience and Recovery Fund – RRF) post-pandemic package, with a focus on climate adaptation and a just green transition. A number of funds and financial instruments (such as [Invest EU](#) and the [Social Climate Fund](#)) have been created within this framework. The [Affordable Housing Initiative](#) of 2020 and the [New European Bauhaus](#) initiative of 2021 laid down specific guidelines on sustainability, inclusiveness and the aesthetics of constructions and housing, which we discuss in more detail below.

At the same time, in the context of the consultations on the regulation of digital platforms in the context of the internal market (2022-2024), the **European Parliament's regulation on the collection and sharing of data on short-**

¹¹ The last decade has seen an increase in the proportion of young people who remain in the parental home between the ages of 18 and 34: 37% in the EU-27 and 39% in Greece (Eurostat, 2023, *Share of young adults living with their parents* [[ilc_lvps09](#)]).

¹² Around 17% of the population in the EU-27 and 27% in Greece live in overcrowded conditions (Eurostat, 2003, *Overcrowding rate* [[ilc_lvho05a](#)]).

¹³ Fondation Abbe Pierre-FEANTSA, 2024, [The 9th overview of housing exclusion in Europe 2024](#), Report.

¹⁴ Initially through anti-poverty policies, more recently with the [Lisbon Declaration on the European Platform on Combatting Homelessness](#) (EPOCH) in 2021 (for more details, see [European Platform on Combatting Homelessness](#) (EPOCH) and [Lisbon declaration](#) (2021))

¹⁵ The growing political interest was also reflected in [the decision of the European Parliament of 21 January 2021 on access to decent and affordable housing for all](#) (2019/2187(INI)). See also European Parliament, [Housing crisis in the European Union](#), Fact Sheets 2025 (FTU_3.6.11).

term rental services was adopted in April 2024.¹⁶ The intervention focuses mainly on the obligation of multinational companies that act as digital intermediaries for tourist and other rentals to provide analytical data via national hubs to allow the impact of short-term leases to be better monitored and documented.

The recognition of housing as a critical European policy issue by the current political leadership of the European Commission is considered an important breakthrough. In 2024, the **creation of an Energy and Housing portfolio** was announced for the first time, with the aim of *inter alia* developing a [European Affordable Housing Plan](#), which will facilitate Member States' access to finance as well as the implementation of public housing policies.¹⁷

Areas where the EU can add value

The Commission has identified priority areas to support Member States to address structural drivers and unlock public and private investment for affordable and sustainable housing:

- Establish a pan-European investment platform for affordable and sustainable housing.
- Inject liquidity into the housing market and **double the planned cohesion policy investments** in affordable housing.
- Revise **state aid rules** to make it easier for member states to support affordable housing.
- Develop a **European Strategy for Housing Construction** to support housing supply.
- Support cities and regions to tackle the inefficient use of **empty and underused buildings**.
- Tackle systemic issues with **short-term accommodation rentals** and analyse the impact of housing speculation.
- **Bring down energy bills and reduce energy poverty** to make homes affordable, decent, and sustainable.

Through the **Affordable Housing Dialogue** we will identify further areas where there could be European added value.

Source: European Commission official webpage, Affordable Housing (access 06/09/2025).

Financial instruments and support services are currently being developed to facilitate this policy objective. The [European Investment Bank Action Plan](#) will support new housing by providing consultation on and financing innovations in the construction sector, with the goal of building affordable and energy-efficient housing, and of renovating old housing stock. At the same time, in the context of the [redesign of the Cohesion Policy](#), a recent decision allows for a doubling of funds for investment in affordable housing (e.g. through the ERDF) starting in the current programming period (2021-2027).

The New European Bauhaus policy and the importance of affordable housing policy

The New European Bauhaus (NEB) project¹⁸ was developed in response to the dual challenge of the housing and ecological crisis, as building stock is one of the most important drivers of energy waste, limited recycling and pollution.

¹⁶ [Regulation \(EU\) 2024/1028](#) of the European Parliament and of the Council of 11 April 2024 on data collection and sharing relating to short-term accommodation rental services.

¹⁷ The development of the Plan is supported by the new Housing Task Force, the project group working under the competent Commissioner ([Project Group on Affordable Housing](#)), the [Affordable Housing Advisory Board](#), and the [European Parliament's Special Committee on the Housing Crisis](#).

¹⁸ European Commission, [New European Bauhaus Compass – A guiding framework for decision and project makers wishing to apply the NEB principles and criteria to their activities](#), 2022; [Communication \(COM\) from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – New European Bauhaus – Beautiful, sustainable, together](#), 2021,

The three core principles of the NEB programme – **Sustainability; Beauty and Quality of experience; Inclusiveness** – are interrelated and afforded the same significance in every urban and residential project that wants to be NEB-compatible. That is, it must achieve a positive assessment in each of the three core principles, and not cumulatively.¹⁹ Regarding affordable housing, it is an important issue for the NEB programme that, for example, the energy shielding and ecologically upgrading of the housing stock should not lead to the most vulnerable social groups being priced out of that housing.

Affordable housing falls under the core principle of Inclusivity, which is subdivided into the issues of Affordability²⁰ and Accessibility,²¹ in the sense of distance and physical barriers, but also discrimination against specific groups; plus the additional issues of accessibility and affordable housing which are created by traditional segregation between housing areas and gentrification processes.

Segregation (social and/or ethno-racial) **between neighbourhoods** reproduces unequal opportunities and unequal social outcomes, especially in areas where social and ethno-racial mixing is limited, such as in cities in the US. In most of the cities in the world with a higher degree of social and ethno-racial mixing, the segregation created by social hierarchies at the spatial micro-scale is clearly an issue. This micro-segregation of housing in urban neighbourhoods²² raises the question of its impact on the social reproduction of social inequalities.²³ At the same time, 'gentrification' is another topical issue that is restricting the access of vulnerable groups from the neighbourhoods they used to live in and the services they used to have access to, or displacing them entirely, while also altering housing segregation at the micro-scale.

However, the NEB programme is not a binding policy for housing and building stock production in the EU, in the same way that fiscal policy or defence spending are. It is a programme consisting of core principles promoted by the EU leadership, which will potentially provide financial support to those who are active and invest in line with them.

Challenges and policy debates on housing policy

The current debate emphasizes increasing supply through faster, cheaper construction, more financing, and less bureaucracy.²⁴ However, there are concerns that channelling resources without a long-term strategic focus on structural solutions – such as strengthening public intervention, expanding the stock of public and social housing, and limiting speculative investment in housing – will exacerbate the problem, providing opportunities for the private sector to profit without producing a matching social benefit.

More generally, concern is expressed about the gaps, the contradictions/inconsistencies and major challenges the initiative aimed at solving the housing issue at a European level will confront in the current context. Specific political issues and areas of disagreement between different political groups and approaches include:

573 final; ['Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – New European Bauhaus progress report'](#), 2023, 24 final.

¹⁹ Paulo Lourenço et al., [A practical guide to the New European Bauhaus self-assessment method and tool](#) Kostantinos Gkatzogias et al. editors, Publications Office of the European Union, Luxembourg, 2024, doi:10.2760/9581060, JRC139118A; Dimitra Siatitsa, 2025, [Measuring sustainability, beauty and inclusiveness towards a shared vision for cities and urban projects](#), *Nature Cities*, 2, 273-276.

²⁰ Orna Rosenfeld, [Analysis of interpretations of the term affordable housing in the EU Urban Agenda Partnership for Housing](#), Briefing note prepared for DG REGIO and the EU Urban Agenda Partnership for Housing, European Commission, DG REGIO, Brussels, 2017; Jing Li, [Recent Trends on Housing Affordability Research: Where Are We Up To?](#) (January 26, 2015).

²¹ Zallio, M. and Clarkson, P.J., ['Inclusion, diversity, equity and accessibility in the built environment: A study of architectural design practice'](#), *Building and Environment*, Vol. 206, 2021, 108352, doi:10.1016/j.buildenv.2021.108352.

²² Thomas Maloutas, Nikos Karadimitriou (eds), 2022, *Vertical Cities. Micro-segregation, Social Mix and Urban Housing Markets*, Cheltenham, UK; Northampton, MA, USA, Edward Elgar Publishing; Thomas Maloutas, Sainan Lin and John R Logan, 2025, [Urban Micro-Segregation: Taking Segregation Analysis at the Micro Level](#), *Land* 14(2).

²³ Thomas Maloutas, Hugo Botton, 2021, [Vertical micro-segregation: is living in disadvantageous lower floors in Athens' apartment blocks producing negative social effects?](#) *Housing Studies*, 38(10), 1955-1972.

²⁴ For example, Janet Lefort, 2025, [Why is there a housing crisis and how do we fix it?](#). EIB, Invested in Housing series.

The Housing Problem in the European Union and Greece: Key Dimensions and Policy Responses

- **The ambiguity in the definition both of "affordability"** and the main socio-political objectives of EU housing policy.²⁵
- **Over-investment in the building of new housing** rather than reusing the existing stock and introducing regulatory measures to stabilize the market (e.g. price controls, resale limits, restrictions on non-housing uses of the housing stock).
- Remaining **locked into the logic of partnerships with the for-profit private sector** to mobilize private investment, despite the negative experience of implementing such policies in the past.
- **The close link between housing finance and the energy transition**, although crucial, increases production costs as it has been almost entirely – and one-dimensionally – linked to the promotion of expensive technological solutions and rigid performance indicators.

These trends favour the channelling of public resources towards the middle and upper social strata, leaving the social groups most in need exposed and creating fertile ground for political exploitation by the Far Right.²⁶

But perhaps the most important challenge of our era is the political-economic situation itself: the diversion of more and more resources to military spending and security policies, combined with the structural inability of the European framework to guarantee strong universal housing policies, is seriously testing Europe's welfare state and its future.

Interventions to tackle the housing crisis in Europe's cities

The housing problem may be universal, but it is not the same everywhere. To a great extent, the adopted responses reflect the different traditions and specificities of local housing systems. As recorded in the Eurocities survey,²⁷ affordable and social housing is now a central priority for most local governments, which are testing interventions aimed in different directions, such as: regulatory measures against speculation and the diversion of housing stock into tourist industry use, relief and support for the most vulnerable and economically weak groups, utilization of empty housing stock, and above all efforts to expand the public stock of social housing²⁸ with extensive investment programmes, which they either implement with their own resources or through the use of available European financial instruments.

[Vienna](#) remains an iconic example of long-term investment in municipal and social housing combined with a strict market regulation framework; as a result, over half the housing stock remaining socially regulated and affordable. However, cities with less of a social housing tradition, such as [Barcelona](#) and [Turin](#), are now also adopting comprehensive strategies and innovative policies to strengthen public intervention in housing, while several cities, such as [Amsterdam](#) and [Bordeaux](#), have led the way in measures aimed at reducing short-term tourist rentals. In parallel, important best-practice and knowledge-sharing hubs have been established,²⁹ and extensive studies and guides have been produced in support of the policy-making process.

²⁵ The **definition of affordability** is at the heart of the current debate, as the emphasis in the public housing policy debate has shifted from 'social housing' to 'affordable housing'. The shift towards 'affordability' since the 1980s is directly linked to the retreat away from post-war universal approaches to housing and towards the management of housing markets in a context of increasingly residual welfare systems (See Siatitsa, Colini and Tulumello, 2025 op. cit., chapter 3.2). The absence of a single definition or even common principles for defining accessibility in the context of existing policies at national and local level leaves room for flexibility to adapt to local circumstances, but also allows for considerable ambiguity and vagueness vis-a-vis policy objectives and outcomes, often to the detriment of the most vulnerable: Vlad, I. (2024) [Affordable for Whom?](#) Feantsa Report.

²⁶ Major, K, [A broken market is driving inequality right across Europe – and fuelling the far right](#), *The Guardian*, 25/06/2025; White, T., [Across Europe, the financial sector has pushed up house prices. It's a political timebomb](#), *The Guardian*, 7/7/2025.

²⁷ Eurocities, Housing Monitor, 2025, n.d.

²⁸ The public and social housing stock varies significantly both between countries and between cities in the same country. The average percentage of housing stock that is socially regulated in the OECD countries is 7.8% (OECD Affordable Housing Database, indicator [HM1.3 Housing tenure](#), 2022), but that figure ranges from 34% in the Netherlands to 23.6% in Austria, and 14% in France to 2.4% in Italy. The sector does not exist in Greece at all ([OECD, PH4.2, Social rental stock](#)).

²⁹ Indicatively: [Portico-Urban Initiative EU, Affordable Housing](#), the [Housing2030.org](#) platform and the UN Guide, 2021, [#Housing2030: Effective policies for affordable housing in the UNECE region](#), Eurocities, 2020, [Access to Affordable and Social Housing and support to Homeless people](#), report.

In any case, the direction and specific focus of housing policy remains the responsibility of the Member States, and any solutions to the housing problem have to be adapted and developed in the light of the socio-economic conditions in specific states, and the history of their housing sectors. In Greece, as we discuss below, the absence of a developed housing policy, weak administrative mechanisms at the central and local level, the long-standing bias in favour of the private sector, and the lack of a powerful public body capable of defining the criteria for social and affordable housing, increase the risk of an important opportunity being missed. The use of the European funds that are available could support a new direction in housing policy, with an emphasis on creating affordable stock in the long term, on activating the dormant building stock, and on institutionally strengthening public intervention.

The housing issue in Greece

From a singular protectionism to the free market

Housing conditions in Greece during the interwar period were extremely problematic³⁰. They became even worse with the war, the Occupation and the Civil War, but began to improve rapidly in the 1950s. The pace of economic development and the socially conciliatory political climate of the post-war authoritarian democracy³¹ both relied on construction and broadened social access to housing³².

Unlike the countries of Western and Northern Europe, Greece did not follow the path of the welfare state and the public production of social housing. Nonetheless, the handling of housing in Greece in the first post-war decades was effective. As the population flocked to the cities, policies focused on empowering the newcomers to acquire a residence in their new environment. This was implemented by encouraging self-building (facilitating the acquisition of plots of land that were converted into building plots; access to cheap or even free building materials; limited inspection to ensure compliance with building regulations)³³ which, coupled with the investment of personal labour and family mutual aid,³⁴ provided the young and economically vulnerable households flocking in from the countryside with access to urban housing.

At the same time, access to housing was strengthened through the *antiparochi* (land-for-flats) system, which offered access to home ownership to a large proportion of those that wanted it, and at low prices.³⁵ The *antiparochi* procedure was shaped and applied on an enormous scale, virtually monopolizing building activity in Greece in the 1960s and 1970s. This was in line with a policy of protecting the small players in the construction industry – small-scale contractors and landowners – from the big ones – major construction companies, commercial banks and large-scale landowners – by increasing the percentage of housing surface that could be built on a plot and by providing preferential taxation for *antiparochi* over every alternative way of building apartment blocks.³⁶

³⁰ K Jenks, 1957, *The Greek housing situation*, Athens, USAOMG.

³¹ Ilias Nikolakopoulos, 2013, *Η καχεκτική δημοκρατία. Κόμματα και εκλογές 1946-1967* [The stunted democracy. Parties and elections 1946-1967], Athens, Patakis.

³² Dimitris Economou, 1988, Σύστημα γης και κατοικίας στη μεταπολεμική Ελλάδα [Land and housing system in post-war Greece], in I. Maloutas, D. Economou (eds) *Προβλήματα ανάπτυξης του κράτους πρόνοιας στην Ελλάδα. Χωρικές και τομιακές προσεγγίσεις* [Problems in the development of the welfare state in Greece. Spatial and sectoral approaches], Athens, Exantas, 57-114.

³³ Dimitris Economou, 1987, [Η στεγαστική πολιτική στη μεταπολεμική Ελλάδα: βασικές ερμηνευτικές υποθέσεις, πιστοδότηση της στέγης και πολιτική ενοικίων](#) [Housing policy in post-war Greece: fundamental research hypotheses, housing certification and rent policy], *The Greek Review of Social Research*, 64, 56-129; Lila Leontidou, 1990, *The Mediterranean City in Transition*, Cambridge, Cambridge University Press.

³⁴ Lila Leontidou, 1990 (op. cit); Judith Allen et al., 2004, *Housing and welfare in Southern Europe*, Oxford, Blackwell; Thomas Maloutas, 2013, Housing provision models and family strategies in Greece, in Carlos, Mónica R. P. d' Assunção Carlos (ed.) *The challenge of social policy reform in the 21st century. Towards integrated systems of social protection*, Athens, I. Sideris Publishing House, 311-329.

³⁵ Sofia Antonopoulou, 1991, *Μεταπολεμικός μετασχηματισμός της ελληνικής οικονομίας και το οικιστικό φαινόμενο 1950-1980* [Post-war transformation of the Greek economy and the housing phenomenon 1950-1980], Athens, Papazisis Publications; Ilias Katsikas, 2000, [Το κοινωνικό περιεχόμενο της αντιπαροχής και οι οικονομικές του προεκτάσεις](#) [The socio aspect of antiparochi and its economic implications], *The Greek Review of Social Research*, 103, 3-26.

³⁶ Thomas Maloutas, 2021, Η αντιπαροχή [Antiparochi], in Thodoris Georgakopoulos (ed.) *10 μεταρρυθμίσεις που άλλαξαν την Ελλάδα* [10 reforms that changed Greece], Athens, DiANEOSIS, 161-189.

The systems of self-building and antiparochi facilitated access to owner-occupied housing for a large part of the social fabric, while simultaneously creating low and stable rent conditions for those who could not access owner-occupation. The systems of self-building and antiparochi produced housing for a market in which, as a commodity, housing functioned mainly as a durable use value – for the occupants themselves and their descendants – rather than as an investment product.

In the context of these housing systems in Greece, the process of accessing housing was reproduced for the majority as a personal/family affair. As a result, access to housing did not emerge as a social right.

Self-building and antiparochi gradually declined, with mortgage lending by commercial banks making a dynamic entry in the 1990s. As a result, prices rose rapidly and access to home ownership was restricted for the lower end of the demand, which often lacked the collateral required to borrow.³⁷ At the same time, the liberalization of lending for housing production and consumption led to soaring construction and house prices – regardless of real demand – and to household over-indebtedness during the financial crisis.

The content of the housing crisis in Greece

Throughout the post-war period and until recently, the housing problem was simply not on the agenda. The traditional systems of self-building and antiparochi provided access to affordable solutions without the need for strong direct public intervention. In today's conditions, however, the housing issue has emerged as a key social and political challenge at the very epicentre of the public and political debate.

In Greece, too, the housing crisis is mainly manifested in rising prices and rents, which make it difficult for an ever-growing portion of the population to access housing. The increase in house prices and rents has been significantly higher than income growth. According to Bank of Greece data, prices rose by 13.9% in 2023 and 8.7% in 2024, while household disposable income increased by just 8.1% and 5.6% respectively.³⁸ The housing crisis is also expressed in the decline in the home-ownership rate, due to the accumulation of properties by banks and debt management companies and the inability of young households to access home-ownership. For some years now – and thanks, too, to the economic crisis – Greek households, especially those with the lowest incomes, have been the most burdened in the EU in terms of both housing costs (Fig. 1) and over-indebtedness (Figs. 2 & 3). The rate of over-burden has been falling gradually in recent years in the EU and faster in Greece, but the decline does not extend to low-income households, for which the rate began to rise again after 2021, reaching 90% in 2024 (Fig. 1).

³⁷ Dimitris Emmanuel, 2004, [Socio-economic inequalities and housing in Athens: Impacts of the monetary revolution of the 1990s](#), *The Greek Review of Social Research*, 113, 121-143; Dimitris Emmanuel, 2014, [The Greek system of home ownership and the post-2008 crisis in Athens](#), *Region and Development*, 39, 167-181.

³⁸ E. Adamopoulou, P. Kapopoulos and K.-M. Zekente, 2025, [Decoding Housing Affordability in Greece](#), Alpha Bank,.

Fig. 1: Percentage of households over-burdened in terms of housing expenditure in Greece and the EU, 2015-2024³⁹

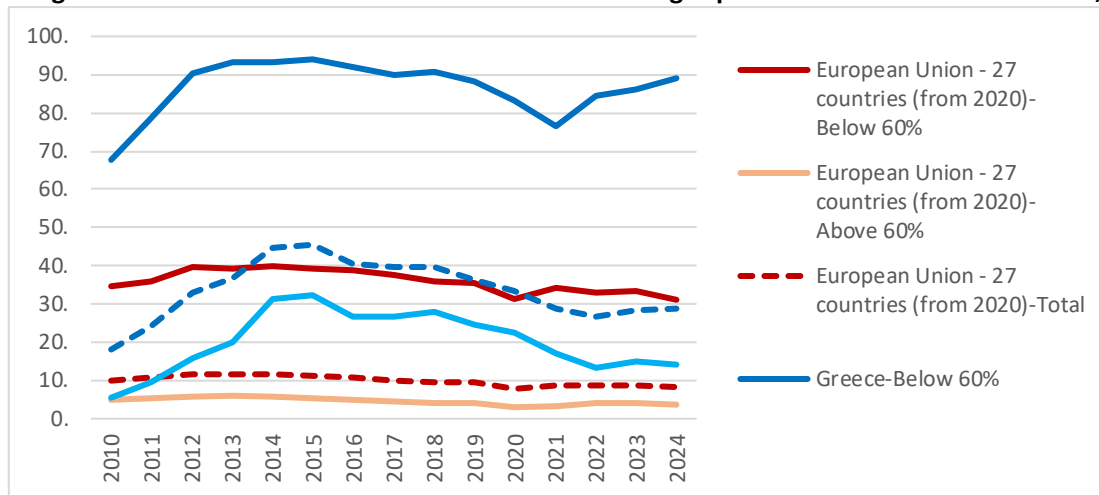
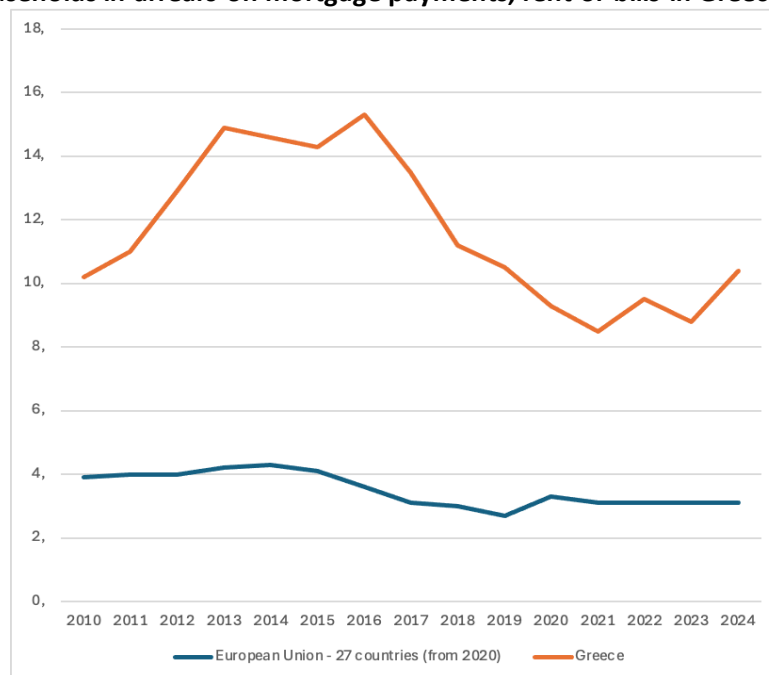


Fig. 2: Percentage of households in arrears on mortgage payments, rent or bills in Greece and the EU, 2010-2024⁴⁰



The high burden on Greek households also stems from the high proportion of non-performing mortgages (6.3% of mortgages in June 2025).⁴¹ At the same time, many young people – especially those who have not inherited a suitable property – find it difficult to find a house that meets their needs and is located in an area that suits them. With regard to access to owner-occupied housing in particular, the share of the total population that lives in owner-occupied housing has fallen significantly (from 78.0% in 2010 to 72.2% in 2024).⁴² This trend is impacting on younger

³⁹ Eurostat [ilc_lvho07a], 2023, [Housing cost overburden rate by poverty status](#).

⁴⁰ Eurostat [ilc_mdos06], 2023, [Arrears on mortgage or rent payments](#).

⁴¹ Data: Bank of Greece, [Evolution of loans and arrears](#). Non-performing mortgage loans rose as high as 45% (29.6 billion out of a total of 66.6 billion in outstanding mortgage loans). Today, 2.1 billion out of a total of 33.7 billion are non-performing, since most of the “red” loans have been transferred to debt management companies that now manage 24.5 billion in mortgages and a total of 78 billion in business loans, loans to freelancers, etc., some of which are also linked to mortgages on first homes (Bank of Greece, [ΕΔΑΔΠ](#), date for March 2025).

⁴² Among owner-occupiers, it was the share of those who had taken out a loan that decreased most significantly, from 15.6% in 2013 to 8.4% in 2024. [Eurostat, [ilc_lvho02](#)]

generations throughout Europe, creating powerful intergenerational inequalities in terms of living conditions, the impact of rising prices, and the distribution of wealth.⁴³

The housing crisis has different characteristics for different social groups and in different regions. A typical example are the small cheap semi-basement and ground floor apartments in the centre of Athens, which function as de facto social housing, but are gradually being converted into rooms for short-term tourist rental, displacing the most vulnerable residents (usually poor migrants) who have no alternative housing solutions.⁴⁴ Another typical example is the changes along the Athens seafront, from Glyfada to Varkiza.⁴⁵ There, the intense construction activity – combined with the colossal Hellinikon construction project (the urban redevelopment of Athens' former airports) and hotel investments in the area – is targeted exclusively at high economic strata and foreign investors, creating gentrification pressures, even in middle and upper-middle class areas.

In addition, many long-term residents of rapidly changing areas – especially areas of tourist interest – are under pressure from the increased cost of living and feel alienated from their neighbourhoods, which are adapting to meet the consumption desires of their new temporary residents and visitors (new shops and restaurants and entertainment venues replacing the old ones, etc.). Most of the public-service employees (teachers, doctors, et al.) who are appointed to posts in areas with high tourist demand also find it difficult to find affordable housing.

The causes of the housing crisis

The causes of the housing crisis are multiple. The general context that led to this situation is the gradual transition from a particular form of market protectionism to a free housing market.⁴⁶ This transition was marked by the decline of traditional housing systems and their replacement by a housing market in which the few regulations that worked in the favour of vulnerable groups (such as rent controls) were abolished.⁴⁷ At the same time, this change was accompanied by the transformation of housing from a use value to an investment product (i.e. from a commodity that is not often traded as such, to a commodity that is put on the market both more rapidly and in multiple ways).

Policies were developed along the way, from the 1980s to the 2020s such as commercial banks starting to provide mortgages, which accelerated the relative transition by pushing up prices and rents and increasing the segment of the population unable to access housing.⁴⁸ The fiscal crisis in Greece brought the housing market to a total standstill, which is reflected in the sharp decline in housing production (Fig. 3). However, the crisis did not initially lead to a massive dispossession of properties, due to limited demand, but also due to the ban on foreclosures/auctioning, and the introduction of protective measures. At the same time, it also led to a very significant fall in real estate prices (Fig. 4), and to a significant portion of mortgages becoming non-performing. In the first year, mortgage loans were protected by the Katseli Law for principal residences – when they related to first homes – , but in the second year, they were sold to international investment funds for which non-performing loans represent an aggressive investment. At the same time, fiscal adjustment policies focused on increasing public revenues from the taxation of households' real estate holdings and creating a favourable environment for the more intensive commercial exploitation of what was considered a severely underused housing stock.

⁴³ Arundel, R., Doling, J. The end of mass homeownership? Changes in labour markets and housing tenure opportunities across Europe. *J Houses and the Built Environ* 32, 649-672 (2017). <https://doi.org/10.1007/s10901-017-9551-8>.

⁴⁴ Dimitris Balampanidis, Thomas Maloutas, Eva Papanzani, Dimitris Pettas, 2021, Informal urban regeneration as a way out of the crisis? Airbnb in Athens and its effects on space and society, *Urban Research & Practice*, 14/3: 223-242, doi.org/10.1080/17535069.2019.1600009.

⁴⁵ Thomas Maloutas, Stavros N Spyrellis, 2022, Η Αθηναϊκή Ριβιέρα: Κοινωνική φυσιογνωμία και αγορά ακινήτων στο παράκτιο μέτωπο της πόλης [The Athens Riviera: The social profile and real estate market on Athens' seafront, in Maloutas T., Spyrellis S. (eds.) *Κοινωνικός άτλαντας της Αθήνας* [A Social Atlas of Athens], doi.org/10.17902/20971.108.

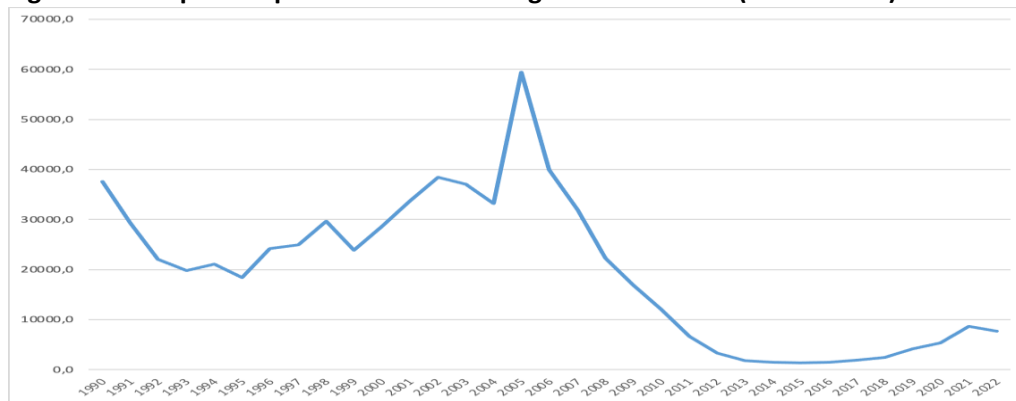
⁴⁶ Thomas Maloutas (ed.), 2025, *Athens. A rapidly changing metropolis in the European South*, Abington, Oxon UK & New York, NY, USA, Routledge.

⁴⁷ Rent controls began to be abolished in 1994 during Kostas Simitis' premiership. The procedure is referred to in detail by the Panhellenic Federation of Property Owners (POMIDA), a key opponent of rent controls (https://www.pomida.gr/istoria_drasi.php).

⁴⁸ Dimitris Emmanuel, 2004 (op. cit.).

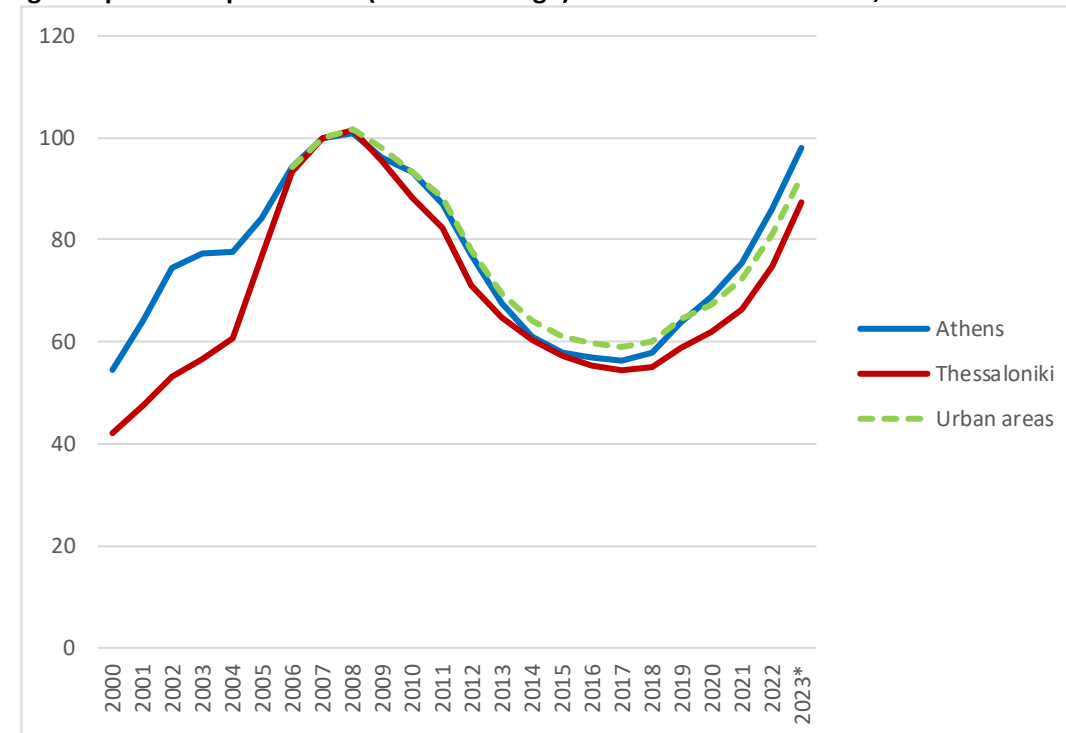
The Housing Problem in the European Union and Greece: Key Dimensions and Policy Responses

Fig. 3: Annual private production of housing units in Athens (1990-2022*)⁴⁹



* The data for 2022 relate to January-November.

Fig. 4: Apartment price index (annual average) in urban areas in Greece, with annual change 2000-2023⁵⁰



The fall in property prices was followed by a rapid increase in tourism, especially in the big cities, which started to become tourist destinations in their own right. The increase in tourism was boosted by international online platforms promoting short-term rentals.⁵¹ It was also boosted considerably by foreign investors who were attracted by the comparatively low purchase and production prices for real estate and by an expectation of high profits given rise to by the ongoing growth in tourist demand and the promotion of Greece as a destination for the wealthy (digital nomads, permits for third-country investors through Golden Visa)⁵² with the additional incentive of tax exemptions.

⁴⁹ ELSTAT, [Construction activity](#), 04. New dwellings and housing improvements, number of habitable rooms, their volume and area, by region and regional unit.

⁵⁰ Bank of Greece, [Residential Property Price Index](#).

⁵¹ Dimitris Balabanidis, Eva Papatzani, Dimitris Pettas, 2021, *O Airbnb στην πόλη. Ευκαιρία ή απειλή?*; [Airbnb in the city. Opportunity or threat?] Athens, Polis.

⁵² <https://www.greeceinfigures.com/golden-visa/>.

Short-term rentals and Golden Visa scheme led to the removal of a significant part of the housing stock that was formerly available for long-term rental, making it harder to find housing and raising rents.⁵³ Increased property prices were a parallel impact, as real estate becomes an increasingly lucrative investment.

The housing crisis, which has mainly emerged since the exit from the fiscal crisis, has not impacted equally on all social and professional groups. Professionals associated with construction, renovation and property management have had levels of employment they have not enjoyed for many years.⁵⁴ Owners of a few or numerous properties viewed the changes as a new opportunity, real or potential, to make the most of their property. Consequently, the housing crisis, which built up gradually, was not a negative development for the entire social body, especially in its first stages, and was not treated as such in the political arena. On the other hand, there is a clear trend towards the professionalization and centralization of the real estate activities sector and the professions related to it, which is gradually changing the structure of real estate ownership in Greece, along with its social and political role.

The housing crisis and the role of the market

In Greece, the houses produced or renovated by the market do not meet the country's social needs. New construction and renovations are mainly targeted at middle- to high-income earners and investors, as lower-income households are unable to afford them due to their limited purchasing power. Foreign demand has played an important role, with an increase in direct investment in real estate from abroad and a steady – if not growing – demand for golden visas.⁵⁵

The lack of public-sector support for the production of affordable housing – whether it be produced by public bodies or contracted out to private operators or built via partnerships between public and private bodies and, feasibly, civil society organizations – limits the prospects for increasing the affordable stock in a context in which the traditional means of accessing housing have declined and the safeguards for small and medium-sized players in the construction and real estate market have been removed.

Consequently, the housing crisis needs solutions beyond the market. Market control can reduce the severity of the problem, but it does not solve it. Solutions require interventions beyond the market which focus on strengthening public intervention aimed at providing affordable housing and making use of housing policy to support local development.

Existing and potential housing solutions: Challenges and dilemmas

The recent policy mix aimed at the housing crisis

Social housing policy in Greece has historically been deficient and mainly indirect (and primarily economic in nature), strategically targeting access to home ownership and boosting construction activity. Similarly, no strong public intervention bodies have emerged; such bodies have, indeed, been completely absent since the abolition of the Public Enterprise for Urban Planning and Housing (DEPOS) and the Workers' Housing Organization (OEK) in 2012. Since 2022,

⁵³ Tourist accommodation for short-term rental has continued to grow year on year, mirroring a pan-European trend. In August 2024, 232,841 properties and 1,022,633 beds were recorded, while the data for the first quarter of 2025 show a further increase (INESTE, [Statistical Bulletin n. 103 \(in Greek\)](#), June 2025). Overall, overnight stays in Greece increased by 34% in period 2019-2023, breaking down to 23% in Attica, 17% in Crete, 15% in the Cyclades and 13% in the Ionian Islands, followed by the rest of the regions (INSETE, [Greek Tourism Report 2023 \(in Greek\)](#), December 2024).

⁵⁴ Dimitris Balampanidis, et al., 2021 (op. cit.).

⁵⁵ Foreign investment relating to real estate – property management and private real estate purchases and sales – quadrupled and quintupled in a decade, rising to a cumulative 44% of foreign investment (Bank of Greece, 2025, [Net non-resident foreign direct investment in Greece by sector](#)) (in Greek). The demand for Golden Visa, despite successive increases in the monetary requirements, continues to grow, with 17,791 active permits as of January 2025 (Greek Department of Immigration, [Legal Immigration Data, January 2025](#), in Greek).

the public debate on the need for public intervention has been re-ignited, and the government has adopted measures to address the housing crisis, most of which are incorporated into Law 5006/2022.⁵⁶

Overall, housing policy in the country remains **subsidy-based, fragmented and oriented towards supporting demand**.⁵⁷ Most of the public expenditure (84%) allocated over the last two years was directed at owner-occupied housing (loan subsidies and owner-occupied housing upgrades); the expenditure as a whole related to non-reimbursable subsidies, tax exemptions and grants to private beneficiaries, owners, owner-occupiers or tenants.⁵⁸ A minimal percentage of the public expenditure went to the municipalities (1%) for the implementation of social housing programmes that mainly utilize subsidized private properties (See Tables 1 and 2 in the Appendix).

Incentives to private landlords (rent tax exemptions and renovation subsidies) to make their (vacant) properties available for long-term leasing have received particular emphasis in the public debate, but without the expected results, as they are not linked to a comprehensive framework permitting the registering and targeting of properties, entering into mutual commitments (in terms of pricing, length of commitment, etc.) and monitoring. Moreover, no attempt has been made to require the thousands of unutilized properties that have passed into the hands of banks, debt managers and investors to be made available immediately and at affordable rents.

A major shortcoming of current housing policy is **the absence of strategic planning and long-term targeting to strengthen the public sector** as the key driver for the application and implementation of housing policy, along with the non-profit third sector as a key partner in the development of a stock of permanently affordable housing and the ability to **rein in** the market and (re)orientate private investment towards the public interest and social benefit.⁵⁹ This deficit relates to a period which has presented significant opportunities to finance such a break with the past.⁶⁰

Rather, the available resources are seen primarily as an opportunity to strengthen the housing market, the real estate market and the construction sector. A typical case is the so-called "**Social Antiparochi**" introduced in 2022 and

⁵⁶ Law 5006/2022 (Government Gazette A 239 – 22.12.2022) "My Home – Housing Policy for Young People, Utilizing Public Property for Social Housing... and other provisions" established four new funding programmes along with a Public-Private Partnership (PPP) mechanism for the production of affordable housing. Specific programmes include: "[My home](#)" which provides loans with subsidised interest to young people aged 25-39; "[I Renovate-I Rent Out](#)" which finances part of the cost of repairing closed properties on condition that they are rented out for three years; "[Cover](#)" which subsidises the rent for three years of young people aged 25-39 who are beneficiaries of a Minimum Guaranteed Rent in dwellings previously rented under the ESTIA programme"; "[I Save Energy-I Renovate for Young People](#)", which subsidizes energy upgrades and housing renovations for housing owned by young people aged 25-39; and "[Social Antiparochi](#)" which establishes partnerships between public entities and private contractors for the construction of new housing on publicly-owned properties, part of which will subsequently be made available to beneficiaries at below-market prices.

⁵⁷ The only long-term housing benefits implemented with stable funding from national resources are the "[Housing Benefit](#)" (since 2019, a rent subsidy of 70 to 210 euros given to around 270,000 low-income households per year); the "[Housing Benefit for Uninsured Senior Citizens](#)"; the "Student Housing Allowance"; and "[Housing and Work for the Homeless](#)" (since 2015, with a call to municipalities every two years, involving about 600 households per year).

⁵⁸ According to press releases from the Hellenic Ministry of Social Cohesion and Family ([2/4/2025](#)), housing policy expenditure in Greece amounts to 6.5 billion via 40 different programmes. No breakdown of this amount is provided, however, even on the recent [Housing Policy Portal](#). The Appendix provides a table detailing all the different programmes and grants included under housing policy for which public expenditure information is available through official government websites, legislation and press releases.

⁵⁹ A number of studies highlight the need for the public sector to play a more active role in the production, distribution and regulation of housing in the face of the speculative drivers of the market. The challenge is to de-commercialise a significant part of the housing stock, so that housing is effectively recognised as a right and a basic social good. In this context, it is proposed that social housing be perceived as infrastructure and a needs-based capital investment, that financing and taxation are based on public and social value, and that targeted public investments are made. See, indicatively: Lawson, J., Denham, T., Dodson, D., Flanagan, K., Jacobs, K., Martin, C., Van den Nouweland, R., Pawson, H. and Troy, L (2019) [Social Housing as Infrastructure: rationale, prioritisation and investment pathway](#), Final Report No. 315, AHURI, Melbourne; Mazzucato M. and Farha L. 2023, [Right to Housing: A Mission-Oriented and Human Rights-Based Approach](#), Council on Urban Initiatives. UCL Institute for Innovation and Public Purpose, Working Paper Series.

⁶⁰ In recent years, most of the funds available for housing have come from European funds (NSRF, CIF). However, unlike other countries in the European South, Greece has not made use of the Next Generation EU/RRF for social housing, with the exception of a single [small EUR 1.6 million pilot project](#) for the renovation of 100 houses in Athens and Thessaloniki. The vast bulk of the funds have been directed at energy upgrades ("I Save Energy") and subsidised loans ("[My House 2](#)"). Increased resources will be made available in the years ahead through the European Affordable Housing Plan, the reform of the Structural Funds, and the [Social Climate Fund](#) (250 million for social housing in the Greek plan). The question is whether these will be employed exclusively in support of the market and the private sector, as they are today, or whether they will support public/municipal entities and the gradual creation of a permanently affordable housing stock.

amended in 2025, which introduces a new form of PPP for the construction of new housing on public land. This mechanism seeks to mobilize private capital to finance housing in exchange for the value of the land and the right to commercial exploitation – of up to 70% of the housing produced, and with full transfer of ownership, as provided for in the amendment to the original law – to amortize the initial investment and the developer's profit. The new provisions will lead to the complete privatization of all the new housing units within a decade, since, apart from the 70% transfer, it also permits – indeed, encourages – rental agreements which include an option for the beneficiaries to buy out the remaining 30%.⁶¹

Dilemmas related to housing formulation

Solutions to the housing crisis must address the long-term supply of affordable housing of a satisfactory standard, either through constructing new buildings or utilizing the existing stock. It is critical that the State contributes to this supply. There are many ways in which it can do so. Most of them have been tried and tested in various countries, but will need to be adapted to the Greek context in line with the strategic goals of a new housing policy. We list some key areas of reflection and choices that can contribute to this debate:

1. **Cash aid** (such as a housing benefit or an interest rate subsidy on a mortgage) or **in-kind aid** (such as the supply of low-rent public housing, often with an open-ended contract);
 - Cash aid is easier to plan and quicker to implement. It is a good fit for an 'executive state'. However, when they are the main pillar of state intervention, the market quickly neutralizes them and incorporates them as increased demand, resulting in higher property prices and rents.
 - In-kind support is far more effective and has a long-impact, but it requires both time and multiple resources over and above the possibility of funding it. These include: institutional resources (housing institutions with the necessary institutional competences, expertise and experience in managing housing programmes); control over the land factor (ownership or other form of control over the plot); linking housing with other policies (such as employment policies) so that housing and social policy in general functions effectively.
2. Strengthening access to **owner-occupied** or **rental** housing?
 - In post-war Greece, policies to boost access to housing related almost exclusively to home ownership⁶², and not only for housing reasons: it was also a way to attract electoral clients and their votes.
 - In housing terms, however, the failure to address rents and renting also entails the marginalization of the most vulnerable groups and the non-resolution of the most acute housing problems, such as the need for seasonal/temporary housing for students and workers.
 - At the same time, the unilateral reinforcement of owner-occupation reinforces very low housing mobility and is an obstacle to geographical mobility in the labour market.
 - In the context of traditional housing systems, owner-occupation also contributed indirectly to supporting the rental sector, as the abundant supply of new housing kept both prices and rents down. At the same time, family mutual aid networks provided for the needs of those of their members who were vulnerable in terms of housing. Traditional housing systems have declined and family networks now function on a much smaller scale. And no alternatives have emerged in today's internationalized housing market, which is exposed to the activities of corporate and financial interests motivated by profit rather than use value.
 - Balance and equivalent interventions are therefore needed to strengthen and protect both owner-occupiers and tenants.

⁶¹ For a more extensive critique of Social Antiparochi, see [stakeholder comments on the consultation for the recent amendment](#) (in Greek).

⁶² Dimitris Emmanouil, Stavros Velidis, Efi Strusopoulou, 1996, Η στέγαση των χαμηλών εισοδημάτων στην Ελλάδα [Housing low-income groups in Greece], Athens, DEPOS; Dimitra Siatitsa, 2024, Επιστροφή στο Σπίτι μου: Η στεγαστική πολιτική στην Ελλάδα έναν χρόνο μετά [Back to My Home: Housing policy in Greece one year on], Eteron.

3. Construct new housing or improve the existing stock?

- Demographic changes can lend support to both approaches: renovations, due to population decline, especially in areas with a shrinking number of permanent residents, and new construction, due to the increase in the number of households. The latter is certainly required when housing demand is in a different geographical location from the existing supply.
- Greece has a large unused building stock, vacant non-residential buildings, but also a large number of dwellings that are made available for non-residential uses, such as tourist rentals. A policy that prioritizes access to decent and affordable housing can provide immediate solutions for the existing stock, with socially-responsive renovation subsidies, social rental services, a ban on non-residential uses (e.g. tourist rentals), anti-profit clauses, etc. Besides, increasing residential density and limiting urban sprawl are optimal directions for spatial planning and urban policy from an environmental and climate perspective⁶³.
- The construction of new housing is time-consuming and generally more expensive. But it can provide solutions in areas with a housing deficit, while utilizing public property and implementing urban planning tools can contribute to the gradual development of a public and social stock.

4. The upgrading and ownership of the housing stock

- The issue of the green transition of the housing stock is already on the social and political agenda. The quality of the housing stock needs to be improved. While it is a relatively recent, its energy efficiency, the possibility of recycling the materials used, and participation in a circular economy are priorities that are now becoming imperative.
- The cost of upgrading buildings, which mainly concerns the owners, and its social repercussions highlight some of the problems that accompany the energy shielding requirement and the green transition.
- The State must estimate what changes the housing stock requires (upgrades or replacements?), depending on the type and period of construction. At the same time, it must acquire a clear picture of the social structure of ownership and the potential for intervention by each separate group of owners, while also evaluating the social implications and ways in which affordable housing policies could be developed.
- Without a policy of this sort, the many will either lose their property or see it deteriorate, while the few will benefit from considerable gains.
- A similar approach is needed in property taxation, as it is currently retaining property rather than acquiring it which is taxed,⁶⁴ placing a disproportionate burden on small owners and low-income groups, compared with large landlords and companies that pass on the cost to tenants.

5. Housing support for the most vulnerable or for a larger part of the social spectrum?

- Targeting aid at the most vulnerable is rooted in the logic of getting the best return on public spending by directing it at those most in need. Of course, this reasoning implicitly takes it for granted that the resources oriented towards social spending have been minimized, and that there are other priorities for public spending.
- The orientation of social assistance – housing and other forms – towards a broad social spectrum is based on the logic that housing is a social right that concerns everyone, while the universal character of housing assistance does not stigmatize those who receive it as having failed where others have succeeded.
- Neoliberal policies have entrenched the first logic, and it is not easy to reverse it. At the same time, in the current context, there is an ideological and rhetorical shift towards the development

⁶³ Of course, there are also critical approaches to densification policies that fail to take into account the "gentrification" they may bring about, Rebecca Cavicchia, 2023, Urban densification and exclusionary pressure: emerging patterns of gentrification in Oslo, *Urban Geography*, 44(7), 1474-1496, <https://doi.org/10.1080/02723638.2022.2100174>.

⁶⁴ The added burden of the annual Unified Real Estate Ownership Tax (ENFIA) tax, compared to the previous one-off transfer tax (which was cut from 10% to 3%), was introduced as part of the fiscal adjustment programmes with the aim of increasing public revenues and activating idle real estate.

of 'middle class' policies that marginalize the most vulnerable and economically weak groups. This trend, apart from its political/electoral aims, leads to greater social polarization and antagonism focusing on the issue of immigration and its instrumentalization by the Far Right.

6. Aid for **top-down actions** or for local, participatory, cooperative **bottom-up initiatives**?

- Generally, top-down actions accord with neoliberal logic and with the concept of the executive state and a shrinking welfare state. They also correspond to a support structure that does not encompass the participation, co-creation, and the cooperative nature of small and usually local initiatives.
- In Greece, intervention at the local level is limited, but municipal actions have started to emerge that break new ground in a Greek context, such as the [Social Rental Agency of the Municipality of Thessaloniki](#) or [Rock the Block from the Municipality of Egaleo](#). Although there is no apparent intention to support municipalities and local initiatives – such as housing cooperatives or non-profit projects – through central policy planning, such actions could be supported by the EU, for example under the New European Bauhaus programme or via other funding mechanisms such as Invest EU and the European development banks (CEB, EIB).

Epilogue

The answers to these questions are neither simple nor the same for every country. They depend on the context and the prevailing conditions. In Greece, many of the responses require knowledge of the situation, which is often lacking. For example, public-sector-owned real estate and the possibility of utilizing it in the context of housing policies is often referred to as an important resource. However, the number of such properties, their type (buildings or plots), their condition and renovation requirements, their location in relation to housing needs, the institutions to which they belong (central government, local authorities, public benefit organizations, etc.), the required legislative and administrative actions, and how long it would be before they can be used are simply not known.

In Greece, we need to (re)establish public housing bodies which can document and evaluate the situation, draw up a plan, implement it, and then re-evaluate housing policies in the long term.

The housing crisis means these processes are urgently needed, but housing policy takes time to produce results. This means that long-term strategic planning is needed, with a combination of short-term and medium/long-term interventions to ensure access to housing as a social right and an essential good against market pressures:

- Short-term measures to bring the housing market under control and regulate the most pressing issues, such as establishing oversight over trends in property prices and rents, protecting primary residences and low-income groups, restricting the diverting of the housing stock into tourist activities, and limiting speculative investment.
- A shift from cash subsidies to more permanent in-kind solutions, such as the creation of a stock of low-rent social housing managed by local, municipal or non-profit agencies.
- Measures that will aim at better utilizing the existing stock through the re-use of vacant buildings, a comprehensive framework of compensatory incentives for the long-term leasing of underutilized housing, and the allocation of public property – land or plots – to cover social and affordable housing needs.
- Environmental upgrading of the housing stock with the cost fairly distributed, socially-just property taxation and measures to combat the displacement of residents.
- Balanced support and protection for owner-occupiers and tenants, with particular attention paid to the most vulnerable groups, and recognition of housing as a universal social right.
- Strengthening local, participatory and cooperative initiatives alongside centralized policies, through the utilization of European programmes and financial instruments.

The Housing Problem in the European Union and Greece: Key Dimensions and Policy Responses**APPENDIX**

Table 1 lists by housing tenure (owner-occupied, tenant-occupied, social rent) the main schemes and subsidies that make up the current housing policy mix, and for which public expenditure information is available through official websites, legislation and government press releases. The resulting total falls well short of the 6 billion Euros recently announced by the government ([Press Release, April 2024](#)), but nevertheless provides a relatively clear picture of the allocation of public resources for housing, which, as shown in Table 2, relates in the main to supporting owner-occupation, and far less to supporting renting, and barely touches upon social renting. It is noted that none of the recorded expenditure is directed towards the creation of a permanently affordable social housing stock under public control.

Table 1. Policies and national funding for housing programmes by housing tenure

Category	Description	Name	Organization	Public expenditure
Policies for owner-occupiers	Subsidised loans	My Home I	DYPA	750,000,000 €
		My Home II	RRF + Greek State	1,000,000,000 €
	Energy upgrade subsidy	I Save Energy 2025	RRF	434,000,000 €
		I Save Energy for Young People	DYPA + RRF	300,000,000 €
	Renovation subsidy	I Renovate, I Rent Out	Min. Social Cohesion & Family	50,000,000 €
		I Upgrade my Home	RRF + Greek State	400,000,000 €
	Tax exemptions	Three-year tax exemption from rental income	National Economy	230,000,000 €
		Tax exemption for the purchase of a first home	National Economy	-
	Loan instalment subsidy	Vulnerable households	Min. Social Cohesion & Family	3,000,000 €
	Policies for tenants	Rent subsidy	Housing benefit	Min. Social Cohesion & Family
Housing assistance allowance for uninsured senior citizens			Min. Social Cohesion & Family	2,357,000 €
Student housing allowance			Education	15,000,000 €
Policies for owner-occupiers and tenants	Heating subsidy	Heating Allowance	National Economy	270,000,000 €
Municipal social housing programmes	Supported rental housing	Housing and Work	Ministry of Social Cohesion & Family (YKOISO)	15,000,000 €
		COVER	DYPA	21,000,000 €
	Social housing for the most vulnerable groups	City of Athens	RRF	1,032,114 €
		Municipality of Thessaloniki	RRF	610,514 €
Total public expenditure (2024-2025)				3,771,999,628 €

The Housing Problem in the European Union and Greece: Key Dimensions and Policy Responses

Sources: legislation, government websites and news websites (accessed July 2025)

Policies by housing tenure	Total category expenditure	Percentage of total
For owner-occupiers	3,167,000,000 €	83.96%
For tenants	297,357,000 €	7.88%
For owner-occupiers and tenants	270,000,000 €	7.16%
For municipal social housing programmes	37,642,628 €	1.00%
Total	3,771,999,628 €	