



# **THE CHANGING LANDSCAPE of PROPERTY OWNERSHIP in GREECE: Know Your Rights and Obligations**

**An Article Series on Greek Property Ownership**  
**Katerina Sirouni - Architect Engineer/Property Manager**

First printed 2014, Chicago based **The Greek Star-[www.thegreekstar.com](http://www.thegreekstar.com)**  
Reprinted 2015, Greek Australian **NEOS KOSMOS-[www.neoskosmos.com](http://www.neoskosmos.com)**

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**k.sirouni**architects  
Property Management Services in **Greece**  
[www.ksirouni.com](http://www.ksirouni.com) - [info@ksirouni.com](mailto:info@ksirouni.com)

# 01

## Know Your Rights and Obligations

### The Changing Landscape of Property Ownership in Greece - PART I

ATHENS, GREECE - As a Greek American who has been educated and lives in Greece, and happens to be an architect, I am continually approached by Chicago area family and friends about how to make sense of the many changes to the Greek property taxes and codes. Chicago is my hometown, and I still maintain a strong connection with the Greek community. I was born in Chicago and lived there until the early 1980's, when my family returned to Greece.

Questions abound regarding the latest changes in the Greek real estate laws and how the changes affect those that continue to hold property in Greece. The current climate has created great uncertainty, but there is also a "fast tracking" of many new laws, which impact every single land and building owner in Greece.

Of course, the intent of these laws is to improve the real estate market and Greek economy as a whole. This does, however, create issues shorter term. It is my hope, that over the next several months through this series, to help make sense of these laws and help property owners navigate them.

Here, we will focus on four basic and essential areas - basic legal certificates and terms, of which owners of built property or land in Greece will need to be familiar.

#### **Illegal Structures (Afthaireta)**

As of September 21, 2011, when selling or transferring buildings or land, as an owner you are required to submit a "Declaration of Legality of Property Status". This certificate describes the "as-built status" of real property—what has actually been built in terms of size and use. Unlike other countries, many buildings in Greece are in violation of building codes and regulations leaving owners who have bought or inherited property throughout the years in the dark of their property's "as-built status" in comparison to what has been declared on legal building permits or deeds.

#### **Energy Performance Certificate – EPC (Energeiako Pistopoiitiko)**

As of January 9, 2012, when selling or renting residential and commercial property, with certain exemptions, all owners are required to submit an "Energy Performance



“illegal structures”, as per the Greek statute.

As of September 21, 2011, when selling or transferring any property, buildings and land to family members, owners are required to submit a “Declaration of Legality”. This certificate basically states the “as-built status” of structures, meaning the exact area, dimensions and use of all buildings on-site. Not surprisingly, owners of property in Greece are unaware of what has actually been built in comparison to what has been declared on permits and deeds. Essentially, owners are typically unaware of what they actually own.

In light of the financial crisis, the Greek government has established a grace period for compliance, which grants owners the chance to legalize their property violations. The applicable penalty fine in each case varies depending on the location, type, and size and construction date of the unlicensed structures.

Common examples of violations include any closed area space and extensions to existing buildings without permits as well as enclosed balconies and verandas, garages, attics and basements converted into living space. Many landscape structures such as swimming pools, canopies and BBQs built without permits are also considered violations, therefore must be legalized.

While the grace period for compliance is still in effect, it is advised that owners conduct a “legal check” of their property. Even if you are not considering selling at the moment, secure what you own. Appoint a certified architect to do an on-site inspection to verify if your built property is in compliance with issued permits.

In order to do so, gather all related documents such as building permits and drawings, ownership titles, deeds and contracts of purchase. If original documents are unavailable, your architect can obtain verified copies from the authorized municipalities and public entities in which your property is registered.

Should violations be determined, declare your “illegal” property while you can. The grace period for compliance is currently effective up to February 2016 and applies for unlicensed structures built after November 30, 1955 and prior to July 28, 2011. Applications are submitted and handled online by certified architects and engineers through the Technical Chamber of Greece.

The first step involves paying a minimum application fee of 500 Euros

depending on the nature of violations. There are three options for paying off the total fine: 1) pay in total, and receive a 20% discount; 2) pay 30% and receive a 10% discount and pay the balance in installments; or 3) pay interest-free monthly installments. Previously, final “Declaration of Legality” Certificates, necessary for all property transactions, were only issued if the total fine was paid off; however, and in attempt to lighten the financial burden, on August 8, 2013, the Greek government amended the law to include the second payment option as well.

On occasion, I have clients with property violations tell me that they have no intention of legalizing their property. In fact, they believe that the Greek Government can't possibly determine and record all existing unlicensed structures and this new regulation is yet another way for the government to collect more money, and eventually, additional property taxes.

This may be true, so if that's the case, then why “legalize”? Simply because by Greek Law, all transactions require a “Declaration of Legality”; consequently, owners with property violations will not be able to sell, rent or transfer to family. Keep in mind, this new regulation is part of Greece's ongoing effort to properly record all built property and ease the transfer of property. In the near future, all buildings will be registered on an electronic database and assigned a unique “Electronic Building ID Code”, a term which we will discuss at a later time.

## 03 Energy Performance Certificates

### The Changing Landscape of Property Ownership in Greece – PART III

ATHENS, GREECE – Greece, as a member state of the European Union, is subject to certain obligations. One important obligation engages in Europe's effort to reduce energy consumption, 40% of which alone applies to buildings. Working towards that direction, the EU introduced a Directive in 2002, requiring all countries to develop advanced energy policies. This brings us to this month's topic, the second key area outlined in my introduction, “Energy Performance Certificates” or “EPCs” (Energeiako Pistopoiitiko).

Under the guidelines of the EU, in 2008, the Greek Government implemented

new energy efficiency laws regarding all buildings. This new legislation includes guidelines and requirements for new and radically renovated buildings, including a plan of certification for all built property. As a result, the Energy Performance Certificate was first introduced and enforced on July 9, 2011 upon rental agreements and a few months later, on January 9, 2012 the law was extended to apply to all property sold, as well as for all property conveyances in general.

The requirement of issuing an EPC, generally applies to all residential and commercial buildings exceeding 50.00 square meters and more in surface, with certain exemptions. All built property less than that is excluded, as are storage and agricultural-use buildings, minor or major industries, gas service stations, garages and landmark buildings.

A routine energy inspection is conducted only by a certified energy inspector/engineer who visits the property for a general overview of wall insulation, exterior shading, the size and type of windows as well as the heating, hot water and cooling system. This information combined with the total heated surface determine the amount of energy a building consumes which is then rated on a 9 grade scale from A+ to H, A+ being the highest and most efficient. Recommendations with cost-effective improvements for the lower rated buildings are noted on the issued certificate; owners do not necessarily have to act upon them.

Technical data and information of the inspected property, including building permits issued after March 14, 1983 and national land registry ownership codes (next month's topic) are entered in an electronic database from which certificates are officially issued. Each certificate is identified by a unique authentication code and is valid for ten years of issue-date. The cost varies and depends on the building's surface area and type.

In cases when illegal/non-declared built space is inspected, legalization documents are required. This is why it is important for owners with property violations to take advantage of the grace period for compliance which expires in February 2016, as mentioned in my previous article on "Illegal Structures". However, owners can actually benefit up to 50% of the total penalty fine if that amount is invested in upgrading the property's energy efficiency.

In light of the financial crisis, the Greek Government has also initiated the

“Energy Efficiency at Household Buildings Program”, offering financial incentives for homeowners depending on the recipient’s economic status and the property’s location. Interventions include replacing outdated windows/doors, upgrading heating and hot water supply systems, installing shading systems and heat insulation on exterior walls, terraces and roofs.

In the introductory article, I mentioned a “fast tracking” of many new property laws one of which involve rental agreements which as of this year are submitted on-line. Submitting an Energy Performance Certificate for the rented property however has become an option even though relevant legislation has not changed. Most owners as expected are taking advantage of this option and prefer not to comply with the requirement just to avoid the additional cost of issuing an EPC. Acknowledging this confusion, the government is currently looking into making adjustments so that filing EPCs, when required under law, is mandatory.

While Energy Performance Certificates ratings may not have a significant effect on a building’s market value, a high-level rating will definitely make it more attractive. Additionally, the general awareness for eco friendly buildings has created a demand in the market for new technology and updated materials that can reduce energy consumption significantly and efficiently. Green living has become more than a trend.

## 04

## Hellenic Cadastre

### The Changing Landscape of Property Ownership in Greece – PART IV

ATHENS, GREECE - In previous articles, we introduced two newly enforced legal certificates and how they affect those that continue to hold property in Greece. Relative to these certificates and to all new property laws in general, is this month’s topic, the Hellenic Cadastre - National Land Registry.

The Hellenic Cadastre was established by the Greek Government as a result of the Ministry of Finance and the Ministry of Environment jointly cooperating to create a complete and consistent real estate property database. Both private and public property will be permanently demarcated throughout the country and

administered under the same terms regarding rights and legality. Under the current mortgage registry system, tracking down property by location or even indentifying an owner by name is impossible. The new system of land registration however, will contain reliable and detailed legal and technical information to simplify future property transactions.

Cadastral surveys were first implemented in 1995-2000 and again in 2008; remaining regions, mainly island, rural, mountain and forestry areas, will soon be incorporated. In fact, the Greek Government aims towards fully organizing and operating the National Cadastre by the year 2020 on account to European Union memorandum policies. Once completed, each individual property will be assigned a unique 12-digit code number, the "KAEK" in reference to title ownership and location which along with the "Electronic Building ID Code", a term we will be discussing in our next article, will guarantee and secure future property rights and claims.

Declarations to the Hellenic Cadastre must be submitted by each and every property owner or beneficiaries with ownership rights. Declaring property on tax returns is not proof enough of ownership. Please note, property not claimed or registered will eventually be controlled and owned by the Greek Government. Even if deadlines in areas where property is located have passed, owners who have not yet registered their rights can still file for late registration by paying a fine, depending on type and value. Information on deadlines and areas subject to registration can be found on the official website of the National Land Registry, at [www.ktimatologio.gr](http://www.ktimatologio.gr).

Furthermore, owners with property in regions not yet included in earlier registrations can now take the time to prepare and secure their rights—knowing and protecting what they actually own. An accurate land survey along with an on-site inspection of what has been built, are simple steps to detect possible errors and falsely declared information on deeds and building permits. The Greek government has now established a grace period for compliance, which grants owners the chance to declare and legalize unlicensed property, a topic we extensively covered in Part II of article series on "Illegal Structures".

The Hellenic Cadastre is also an important part of the Greek government's commitment to enforce the "fast tracking" of new property regulations affecting the current real estate market. Even now, with the Hellenic Cadastre not yet complete, details and information are required for every single transaction such as selling,

buying, renting, issuing building permits and as mentioned in Parts II and III of this series, issuing “Energy Performance Certificates” and “Declarations of Legality”.

Once completed and fully implemented, the Hellenic Cadastre will contain properly recorded property rights containing accurate and lawful information. Future transactions will be simpler, faster and transparent, saving owners time and money. Most importantly, bureaucracy will be limited and the country’s forestry areas and coastal zones will be defined to provide a protected environment avoiding intrusion and arbitrariness.

## 05

### Electronic Building ID Code

#### The Changing Landscape of Property Ownership in Greece – PART V

ATHENS, GREECE - As outlined throughout this series, the laws relative to property ownership in Greece have been changing considerably over the past several years. Illegal Structures, Energy Performance Certificates and the Hellenic Cadastre are all part of these changes. However, all these laws ultimately lead up to the final topic in this series, the “Electronic Building ID Code” (Illektroniki Taftotita Ktiriou).

The Electronic Building ID Code is a new type of certification that will modify the Greek Real Estate Market as we know it today. All real private and public property will be recorded online on a complete and reliable property database.

This new certification describes the “as-built status” of property, meaning what has actually been built, in terms of area and use. Pertinent documentation such as permits, drawings, Legal and Energy Certificates (discussed in Part II and III), Cadastre Details (Part IV) will all be registered electronically and each property will then be assigned a unique “Building ID Code” by the Ministry of Environment.

The way the system works today, it is impossible for the Greek government to keep track of all existing built property. Through this new regulation, however, all information will be monitored and electronically linked to public entities engaged with property ownership such as the Ministry of Finance, the Hellenic Cadastre and

the Public Power Corporation; all will have access to the exact same registered details.

This of course requires that all buildings comply with their legally issued permits. Owners holding property with any type of violations will not be able to apply for an Electronic ID Code, eventually losing their entitlement to sell, rent, transfer to family, or even inherit property. Nonetheless, owners still have time to take advantage of the grace period for compliance, effective until February 2016, and conduct an on-site "legal check" of their property.

As announced by the Greek government this past month, this new requirement will go into effect in 2015. Building owners with declared property through the two major amnesty laws since 2010, Law No. 3843/10 and 4178/13 are subject to register within the next five years and all others will gradually follow. New buildings or extensions to existing buildings as well as buildings issuing renovation and repair permits will also be among the first required to apply. All unregistered property will automatically be considered "illegal" and subject to extremely high fines.

Once the Building ID Code is in effect, certificates required today when conveying real property, will be replaced by the "Certificate of Completion", valid for a certain amount of years depending on the building type and use. In effort to eliminate the long-lasting phenomenon of illegal undeclared property and to improve the Greek Real Estate Market, property owners will be required to re-issue these certificates after periodical on-site inspections by certified architects.

Without a doubt, the Electronic Building ID Code is the most important of all "fast-tracking" of new laws. Future property transactions, and even title searches for possible inheritance, will be simpler, faster and most importantly, more transparent. Once completed and fully implemented, it will be the key tool in the Greek Real Estate Market, providing accurate information with a click. Property ownership in Greece will finally be protected for every single land and building owner, as well as for their inheritors.

# THE CHANGING LANDSCAPE of PROPERTY OWNERSHIP in GREECE: Know Your Rights and Obligations



Katerina is a Greek American, Chicago native licensed Architect – Engineer and Energy Inspector, experienced in designing, constructing and remodelling residential and commercial property, interior renovation, issuing property related permits and certifications as well as offering property management and consulting services to Greek property owners. She is a member of The Technical Chamber of Greece, The Panhellenic Association of Architects and the Hellenic Energy Inspectorate in Greece.

**Katerina G. Sirouni | Architect Engineer/Property Manager**  
**(+30) 6974 741400 - [info@ksirouni.com](mailto:info@ksirouni.com) - [www.ksirouni.com](http://www.ksirouni.com)**