Housing affordability affects a large part of the Greek population. Low-income households spent more than 60% of their income on housing. Seasonal workers and critical workers struggle to secure affordable housing in the place of their assignment. Young people are highly dependent on family support, with a large proportion continuing to live with their parents for many years. Housing for vulnerable groups and marginalised communities remains poor, segregated and insecure.

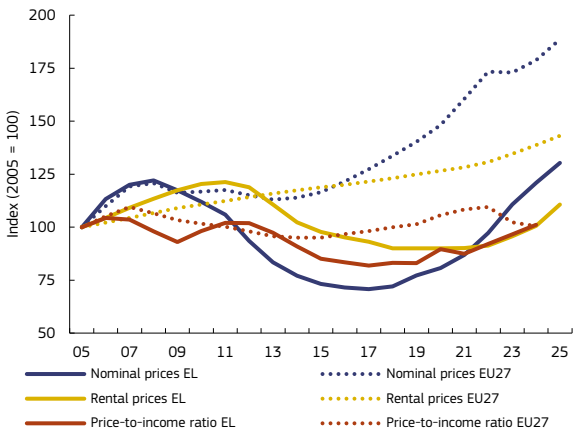
Market dynamics will not be able to provide housing solutions in the coming years. Housing prices are increasing continuously at a higher pace than household income. Several factors limit the supply of the housing stock. The construction sector's competitiveness is constrained by the increasing price of construction materials and the labour shortage. The housing stock for residential buildings is mainly old, with a significant proportion unoccupied. The development of short-term rentals reduces housing supply in metropolitan areas and tourist hotspots. Investment in housing stock is limited compared with the investment gap. A significant part of such investment, including foreign direct investment, is in the most rentable market component.

Public interventions in the housing market are not currently sufficient to counterbalance market dynamics and will require additional efforts. Provision of social housing has stopped since early 2010. Direct government subsidies for acquisition and renovation provided support to young people and low-income households, but they had a limited impact in a rather illiquid market where prices tended to increase. With support from the Recovery and Resilience Facility, a comprehensive housing strategy is being prepared by the Ministry of Social Cohesion and Family, which has been responsible for housing policy since 2023. Implementation of the national housing strategy will, for the first time, require resources and coordinated efforts at national and local level, while improved inter-ministerial coordination will be a key milestone in such a process.

Housing market developments

House prices have been increasing at a fast rate since 2021 in an illiquid market. The Greek sovereign debt crisis triggered a prolonged downturn of the housing market. Following a peak of 11% of GDP in 2007, residential construction dropped to 0.6% of GDP by 2017, while property prices fell by nearly 40% between 2009 and 2017. House prices started to pick up in 2018 with the economy's gradual recovery, and grew by 13.9% in 2023. The growth rate has moderated since then, still remaining high, averaging at 7.8% in 2025, and showing signs of overvaluation, of around 18% in 2025 (based on the standard European Commission methodology). In the meantime, the housing market has remained illiquid; the number of transactions per year has been below 0.5% of the total stock, well below the EU average of 2.7% ([312]). Regional differences are substantial: urban areas and regions with strong tourism and short-term rental activity have experienced larger price increases. As household income growth has lagged behind price increases, the house-price-to-income ratio has increased rapidly since 2021 (Graph A16.1), pointing to deteriorating affordability. Rental prices (including existing and new rental contracts) have also accelerated in recent years, and grew by 10.0% in 2025, increasing rental affordability pressures.

Graph A16.1: **House prices, rents and price-to-income evolution in EL and EU27 since 2005**



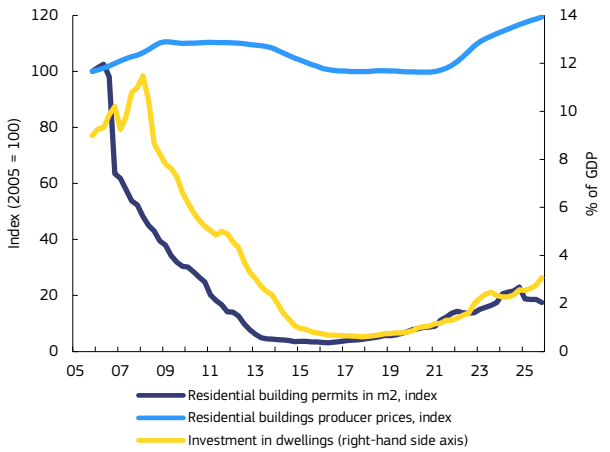
Source: Eurostat

([312])Estimated for EU Member States for which data are available. See Eurostat.

Housing construction has increased, but remains limited. After a protracted period of subdued activity, housing construction has recorded strong growth since 2020, albeit from a very low base. This trend was temporarily broken in the first half of 2025 due to uncertainty around the New Building Regulation ([313]). The number of residential building permits dropped sharply in the first quarter of 2025, but picked up in the second half of the year. Still, the number of permits issued declined by 2.4% in 2025 and reached only 38% of the level recorded in 2007 (Graph A16.2). Dwelling investment increased to 3.1% of GDP in 2025, to a level still well below the EU average (5.0% in 2025). Housing supply is further limited by the large number of houses that are not in use, have become uninhabitable due to lack of investment and do not enter the market. Based on the 2021 census ([314]), 12% of the total housing stock was vacant ([315]) in that year. A large proportion of these properties is located in regions where demand is high. A significant number of vacant houses are tied up in processes related to disputes of heirs or probate and private debt enforcement. Residential buildings are mainly old: out of the 3 million residential buildings in Greece, 1.7 million were built before 1980 and only 36 000 were built in 2015 or later. Furthermore, renovation activity proceeds at a very low pace.

While domestic demand remains buoyant, foreign demand diminished somewhat in 2025. Since 2022, the Greek real estate market has witnessed a surge in demand, driven by a rebound in domestic demand and a robust increase in foreign direct investment. The sector has attracted foreign buyers from the EU, and nationals from non-EU countries, partly incentivised by the golden visa programme ([316]) and the investment opportunities in tourism, particularly in short-term rentals. This may have also contributed to housing market overvaluation. The short-term rental market has increased steadily in Greece across all regions, although mainly in metropolitan areas and tourism hotspots. The number of properties listed increased to 245 000 (3.7% of the 2021 housing stock) in the summer months of 2025, and the bed capacity surpassed hotels. In 2025, foreign demand started to contract due to changes in regulations. Gross mortgage flows have been picking up, but remain contained, with net credit flows turning to a small positive in 2025. Home ownership has declined considerably (by 7.5 percentage points from 2010 to 2024), resulting in an increased demand for long-term rentals. In the meantime, the rental market has remained small relative to other EU countries. Limited affordable rental supply and competition with short-term rentals reduce long-term rental availability.

Graph A16.2: **House supply indicators in EL since 2005**



(1) 4-quarters moving sum (average for prices)
Source: Eurostat

The construction sector is struggling with labour shortages. Productivity in the construction sector has increased rapidly since 2020 ([317]). However, the sector's activity has been constrained by labour shortages since 2022 ([318]). Greece's construction job vacancy rate stood at 4.4% in 2025, well above the EU average (2.8%). This can be attributed to persistent skills mismatches (see Annex 13) as well as workforce departure and migration. Poor job quality (see

([313])In 2024 December, the Council of State declared unconstitutional several provisions of the New Building Regulation. This created months of uncertainty in the permit process, until corrective legislation was published in May 2025.

([314])See ELSTAT.

([315])Vacant houses are not in use (properties serving as secondary residence or vacation homes are not included).

([316])Thanks to the tightening of the requirements, the number of golden visa applications declined substantially from 9 400 in 2024 to 6 600 in 2025 (taking into account one application per family).

([317])Productivity measured as real value added per hours worked in the construction sector has increased by 40% since 2020 (See Eurostat Statistics | Eurostat).

([318])See Eurostat Statistics | Eurostat.

Annex 11) and limited stable career paths reduce the sector's attractiveness. Between 2009 and 2023, there was a sharp decline in the number of young workers entering construction ([319]), with only 3.3% of the Greek construction workforce aged 15-24 in 2023 (compared to 7.9% in EU), threatening future supply and productivity growth. Construction costs have increased rapidly, as reflected by the acceleration of production prices, although the price level is still well below the 2024 EU average ([320]). Both the cost of material and the cost of labour for new residential buildings have increased. Given the apparent housing shortage accumulated in the past, continued strong demand and the limited increase in supply, the housing construction gap is estimated at 110 000 dwellings by 2035 ([321]).

Structural policies

Structural policies relating to housing are mainly designed and implemented by the national government. The Ministry of Social Cohesion and Family is responsible for the housing strategy. An inter-ministerial committee was set up in 2025 to coordinate governmental interventions. The powers of regions and cities are limited to implementing actions. Other powers related to housing, such as spatial and urban planning, have also been centralised in recent years.

Housing policy is primarily supporting housing demand through EU funds. The Recovery and Resilience Fund has supported low- to medium- income young people (up to the age of 39) to buy their primary residence (9 000 applications approved), and has subsequently extended support to older people (up to the age of 50 years, 11 400 applications approved). In addition, target benefits are allocated to students for accommodation (42 000 application approved) and to low- and medium-income people for renting (almost 900 000 applications approved).

Fiscal incentives are in place to encourage housing demand and supply. Revenue income tax exemptions are provided for owners of new units that place their property on the rental market. VAT exemption is also applied on new construction. The government recently announced other tax measures with the same objective: a 50% reduction of the recurrent property tax (ENFIA) for primary residences in villages with less than 1 500 inhabitants (full exemption as of 2027), and an income tax reduction for freelancers operating in villages outside Attica to incentivise living outside the main urban areas.

Provision of social housing stopped during the financial crisis, and has not yet been reestablished. Following the abolition of the public institution in charge of social housing for public workers in the early 2010s, there is no dedicated structure for the provision of social housing or any dedicated financial mechanism for developing and maintaining social housing stock. Pilot actions in the municipalities of Athens and Thessaloniki are currently being implemented on a very small scale.

The preparation of a housing strategy has started and its implementation will require continued efforts and resources in the coming years. The Ministry of Social Cohesion and Family was set up in June 2023, with responsibility for homelessness, housing assistance and affordable housing. The Ministry is working on setting out a national housing strategy with support from the Recovery and Resilience Facility. The strategy will build on ongoing policy actions and the set-up and implementation of framework conditions, such as setting up implementing bodies for social housing provision, housing data analysis and policy development, and cooperation with local governments. However, a comprehensive legislative framework for social housing is also required to support investments in affordable energy-efficient housing and social housing for vulnerable households. This overarching strategic framework needs to be followed up and delivered in a coordinated manner to address housing-related challenges across Greece.

The registration of new short-term rental accommodation in metropolitan areas has been frozen. The government decided to freeze the registration of new establishments in the central districts of Athens for 2025. This decision

([319])Trends, challenges and prospects of Construction in Greece, 2025.

([320])See Eurostat [prc_ppp_ind_1] dataset.

([321])Balouktsi et al. (2026) Housing investment needs in the EU. JRC Technical Report 144419

was then extended to other districts of Athens and Thessaloniki and prolonged to 2026.

Regeneration and renovation of the housing stock proceed at a low pace. Support to renovation was provided through the Recovery and Resilience Facility, by subsidising lending for renovation and subsequent renting of private households (3 900 applications approved). New policy initiatives were announced at the end of 2025 to renovate unoccupied dwellings and bring them back to the market.

Reform of building regulation has been announced to reduce uncertainty and simplify and speed up procedures. According to the Greek Ministry of Environment, for 23% of urban planning authorities, the average time required to issue a building permit exceeds three months, while there have even been cases where this time has exceeded five years. The complexity of the process for issuing building permits, which varies by region, led to the announcement in November 2025 of the reestablishment of building services and their integration into the Greek Land Registry The New Building Regulation is planned for adoption in Q1-2026.

Vulnerable groups

Structural factors such as limited social housing, market imbalances and tourism pressures compound affordability issues. In 2024, Greeks spent on average 35.5% of the available household income on housing costs (vs 19.2% in EU) and a substantial 28.9% of the population lived in households where housing costs exceeded 40% of the household's disposable income, more than three times the EU average (8.2%)([322]). Greece has the highest share in the EU of people living in households that fall behind on mortgage, rent or utility bills, at 42.8%, far exceeding the EU average of 9.2%, while a third of the Greek population (32%) are unable to pay utility bills (heating, electricity, gas, water, etc.) on time (vs 6.9% in the EU). This results in high rates of energy poverty, with 19% of the population unable to keep their homes adequately warm (vs 9.2% in the EU). Housing burden disproportionately affects tenants and homeowners with mortgages, as 20.9% of owners with loans and 37.4% of market-rate tenants face housing cost overburden, far above the EU averages of 5% and 19.2%, respectively. Single households and single-parent households have higher risks, with around two thirds of them (65.1% and 65.8%, respectively) experiencing housing cost overburden, while the corresponding share among households with two or more adult members is considerably lower (below 25%). Among low-income households (below 60% of median equivalised income), the burden is even more acute, as on average 62.8% of their income is spent on housing (vs 26.9% in the EU), while 9 out of 10 (88.9%) people at risk of poverty face housing cost overburden. In addition, overcrowding remains high at 27% (vs 16.9% in the EU).

Regional disparities in housing availability and costs persist, with Central Macedonia, Peloponnese and Eastern Macedonia-Thrace most severely affected by housing cost overburden rates. Although rural areas faced lower housing cost overburden rates in the past, in 2024 housing cost overburden affected cities (30.1%), towns and suburbs (30.3%), and rural areas (29.0%) to around the same degree. In addition, cities in Greece face increased severe housing deprivation rates compared to towns and rural areas. Regarding energy poverty, the share of people unable to keep their homes adequately warm was higher in southern Greece (Western Greece, Peloponnese, South Aegean) and the Ionian islands. Government policy has recently become more active, mixing targeted support with supply incentives, tax breaks and regulatory shifts, but significant gaps remain in long-term affordability and access, particularly in urban and island areas and for vulnerable groups.

Seasonal and critical workers struggle to secure affordable housing, leading to staff shortages and weakening essential services at local level. Finding reasonably priced housing in the place of their assignment is difficult for employees working in sectors crucial to the functioning and maintenance of key services, such as healthcare, education and care, civil protection and public administration. Housing shortages and high rental prices affect major university cities, putting financial strains on students and their families and forcing many students to delay or

([322])The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

Graph A16.3: **Housing affordability selected indicators**

		EU27				EL							
	unit	2000-25 avg.	2023	2024	2025	2000-25 avg.	2023	2024	2025	unit	2023	2024	2025
House price to income ratio	*2000-25 avg = 100*	100.0	102.0	100.2		100.0	102.8	107.7		YoY%	4.9	4.8	
Rent to income ratio	*2000-25 avg = 100*	100.0	85.1	83.5	84.5	100.0	81.5	82.2	85.9	YoY%	-3.5	0.9	4.5
Overburden rate, total	%	9.9	8.8	8.2		31.1	28.5	28.9	26.4	PPS/y	1.8	0.4	-2.5
Overburden rate, tenant with market rent	%	23.8	20.3	19.2		60.7	40.5	37.4	26.0	PPS/y	2.6	-3.1	-11.4
Overvaluation gap	%					1.8	11.3	16.3	17.6				
Deflated construction production price	*2010 = 100*	102.2	112.2	111.8	110.5	97.6	88.1	88.0	87.4	YoY%	-0.1	-0.1	-0.5
Building permits	*m^2 per ths persons*	483.5	376.9	362.9	379.9	315.2	256.0	341.8	265.7	YoY%	23.1	33.5	-22.3
Residential construction investment	*% GDP*	5.5	5.8	5.1	5.0	4.7	2.3	2.6	3.1	YoY%	15.0	13.0	19.2
Share of ownership	%	70.0	69.1	68.4		74.1	69.6	69.7	69.4	PPS/y	-4.4	0.1	-0.4
Share of people living in overcrowded homes	%	17.7	16.8	16.9		28.0	26.9	27.0	28.3	PPS/y	-1.1	0.1	1.3

Source: Eurostat and European Commission calculations. The overburden rate should be read together with the tenure structure (homeowner, tenants), that may differ across country and regions.

abandon their university plans. Young Greeks (aged 20-29) face disproportionate burdens in the housing market (31.1% in 2024 vs 11% in the EU), contributing to delayed household formation and long-term dependence on family support. High housing costs are therefore linked to broader social strains: access to essential services, intergenerational inequality and geographic imbalances.

A five-year national action plan (2023-2027) has been adopted incorporating several measures for the prevention and treatment of homelessness. In 2023, Greece counted 1 387 individuals experiencing homelessness, representing about 0.01% of the population in official emergency accommodation and shelters. 78% were men and 22% were women. To support homeless persons and people at risk of homelessness, the government is implementing the 'Housing and Work for the Homeless' scheme, combining subsidised housing with social and employment support. In addition, the 'Kalypsi' programme offers three years of free, quality housing to vulnerable groups, such as beneficiaries of the guaranteed minimum wage, large families and single-parent households without a primary residence. The European Social Fund Plus supports the operation of 31 day care centres and shelters for the homeless with a total capacity of 1 070 beds across Greece, to address their basic needs and provide counselling, housing support and labour market reintegration services.

Housing for vulnerable groups and marginalised communities remains poor, segregated and insecure. The population of Roma people is estimated at around 116 090 (1.11% of the Greek population) ([323]), most of them living in settlements with limited basic and often insufficient infrastructure. A significant share of non-EU citizens in Greece live in overcrowded conditions (43.8% vs 33% in the EU) and report high housing cost overburden (38% vs 16.3% in the EU), experiencing higher levels of vulnerability than the general population. In addition, one in three (33%) households with persons with disabilities in Greece spent more than 40% of their income on housing costs in 2024, a share more than three times the EU average (10.4%). Several strategic frameworks are in place (see Annex 14) recognising housing as a priority area for the social integration of vulnerable groups and promoting measures to improve access to adequate housing, but implementation remains slow and fragmented.

([323]) Final draft records for Roma, General Secretariat for Social Solidarity and Combating Poverty, 2025.