

Greece

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IN A NUTSHELL

- Real GDP grew by 2.3% in 2024, at the same growth rate recorded in 2023.
- House prices continued to rise strongly, although at a decelerating rate; apartments rose by 8.9% (13.9% in 2023).
- Total outstanding housing loans declined by 2.6% against a drop of 3.5% in 2023.

MACROECONOMIC OVERVIEW

Economic activity continued to grow in 2024 at the same rate as in 2023 (2.3%),² significantly outperforming the euro area average at approximately 2.5 times higher than the corresponding rate in the eurozone (0.9%).

The main drivers of economic growth were private consumption, investment and exports as well as other factors, such as the strong performance of the tourist sector.³ In particular, growth rates in real terms were 2.1% in private consumption, 4.5% in gross fixed capital formation and 3.8% in exports of services. In contrast, the increase in imports of goods and services (5.1% and 6.7% respectively) weighed GDP growth. In Q1 2025, GDP (seasonally adjusted data) continued growing by 2.2%, year-on-year, well above the euro area average (1.5%), mainly driven by exports of goods and services (2.2%) and private consumption (1.9%). On the contrary, the decline in gross fixed capital formation (down 3.2%, year-on-year in real terms), and the increase in imports of goods and services (2.4%) contributed negatively to GDP growth in Q1 2025.

The economic outlook remains positive, despite continued uncertainties surrounding the domestic and the global economy. Looking ahead, according to the latest press release of Bank of Greece on Monetary Policy Report 2024-2025 (June 2025),⁴ economic growth in 2025 is expected to remain at the same rate as in 2024 and decelerate slightly in 2026 mainly driven by investment, supported by available European resources, and private consumption. More specifically, the growth rate of the Greek economy in 2025 will continue to outperform the European average in 2025 and is expected to stand at 2.3% and to decelerate to 2.0% in 2026 and marginally accelerate in 2027 (2.1%). Investment, exports and private consumption will continue to be the key drivers of the economy in the coming years.

Investment in total construction (ELSTAT, non-seasonally adjusted data at constant prices) increased further by 5.7% in 2024 at a weaker pace compared to 15.6% in 2023 (2022: 22.7%), whereas residential investment increased for seven consecutive years, although in 2024 it increased at a slower pace compared to the total (2024: 2.7% against 24.7% in 2023 and 57.8% in 2022). The difference was

mainly due to investment in “other” construction (non-residential construction and civil engineering) which grew by 7.7% in 2024 (10.2% in 2023 and 8.3% in 2022).

In 2024, the labour market improved further, and unemployment declined, due to solid economic growth. According to ELSTAT – Labour Force Survey (non-seasonally adjusted data), employment increased, on average, 2.0% in 2024 slightly higher than in 2023 (1.3%) and at a moderate pace against employment rate in 2022 (5.4%). Employment growth in 2024 was greater for women than for men (2.5% and 1.6% respectively). The unemployment rate, although declining steadily and significantly in recent years (10.1% in 2024, 11.1 in 2023, 12.4% in 2022), remains high compared to the European average (6.4%). By gender distinction, the unemployment rate declined for both men and women while the rate of women (12.8%) remained significantly higher than that of men (8.0%). According to the Bank of Greece Governor’s Annual Report 2024,⁵ labour market developments will further improve, reflecting the continued growth in economic activity and the increase in household disposable income and with the unemployment rate expected to decrease in 2025 to 9.9%.

In 2024, HICP inflation (according to ELSTAT data) declined further to 3.0% compared to 4.2% in 2023 but remained relatively elevated – due to persistent services inflation – compared to euro area average (headline inflation dropped to 2.4% in 2024 from 5.4% in 2023). On the other hand, core inflation (inflation excluding unprocessed food and energy prices) decreased to 3.4% against 6.2% in 2023. In the first five months of 2025, HICP headline inflation stood at the same rate, at 3.0%, due – in addition to persistent services inflation – to the increase in food and non-energy industrial goods inflation. In 2025, HICP inflation is expected to stand at 2.5%,⁶ reflecting persistently high services inflation, mainly due to expected increases in wages and rental prices and pressures from high, mainly foreign, demand (tourism).

In 2024 the amount in foreign direct investment (Bank of Greece data) increased to EUR 6.7 bn (from EUR 4.8 bn in 2023) with the real estate contribution⁷ remaining strong (40.8% in 2024 against 44.7% in 2023).

According to the 2025 Annual Progress Report for Greece, submitted by the Ministry of Finance in April 2025, in 2024, the general government balance in Greece turned to a surplus of 1.3% of GDP. The general government primary outcome had a surplus of 4.8% of GDP (higher than 2.4% of GDP, as estimated in the 2025 Draft Budgetary Plan in October 2024), mainly as a result of a satisfactory economic growth in 2024 as well as due to higher tax revenue and containment on primary expenditure. The general government debt decreased to 153.6% of GDP at the end of 2024 from 163.9% in 2023. For 2025, a sustainable and strong primary surplus of +3.2% of GDP is expected, on the back of a solid economic growth and the general government debt is expected to drop to 145.7% of GDP, i.e. reduced by 7.9 p.p. compared to 2024.

¹ The views expressed are solely those of the author and should not be interpreted as reflecting the views of the Bank of Greece.

² Hellenic Statistical Authority (ELSTAT): non-seasonally adjusted data at constant prices.

³ Bank of Greece: Border Survey. In 2022, tourism activity almost rebounded compared to 2019 (revenues amounted to EUR 18 bn) at approximately by 97%. In 2023, revenues from tourism activity outpaced the 2019 revenues by 113.3% and amounted approximately EUR 21 bn. In 2024, revenues from

tourism activity outpaced the 2023 revenues, recording an increase, on average, 4.5% and amounted approximately EUR 22 bn.

⁴ Press release of Bank of Greece: Monetary Policy Report 2024-2025/19.06.2025.

⁵ Press Release of Bank of Greece: Governor’s Annual Report 2024/08.04.2025.

⁶ Press release of Bank of Greece: Monetary Policy Report 2024-2025/19.06.2025.

⁷ Net inflows of funds for real estate purchases by foreign investors.

HOUSING MARKETS

In 2024, the Greek real estate market has maintained its positive momentum. Despite the conditions that have emerged over the past three years as a result of heightened geopolitical instability, increased construction and operating costs and rising financing costs in the domestic market, the housing market in Greece experienced strong price increases, though at a decelerating rate in 2024 compared to 2023, as demand, both domestic and international, remained high amid limited housing supply.

In the housing market prices continued to grow in 2024 although at a decelerated rate. More specifically, based on Bank of Greece residential data (valuations) collected by credit institutions, at a country level, in 2024, nominal apartment prices increased on average by 8.9%, against 13.9% in 2023. Broken down by property age, during 2024, stronger rates of increase are recorded in new apartment prices (up to 5 years old) compared with the corresponding increases to old apartment prices (over 5 years old) standing on average at 10.2% and 8.1% respectively. By geographical area, higher annual rates compared to the average annual growth rate for the entire country were recorded in Thessaloniki (11.4%) and other regions of the country (10.7%) and to a lesser extent in Athens (8.4%) and other cities (7.4%). It is worth mentioning that the index of apartment prices in Q4 2024 just overpassed the historical peak in Q3 2008 by 0.1%.

The housing market continued its positive performance in 2024, supported by strong demand and by a low supply of particularly high-quality housing. The dynamics of the residential property market in 2024 are reflected both in data from the Golden Visa Programme and foreign direct investment (FDI) as well as in other relevant indicators. Foreign investment interest is reflected in Golden Visa data – despite new restrictions introduced in 2024 – as well as in Bank of Greece data on net inflows of funds for real estate purchases by foreign investors. More specifically, for 2024, net receipts for real estate purchases from abroad are still at a high level as a percentage of total investment in the country (41%), exceeding EUR 2.5 bn, up by 28.9% relative to 2023 (EUR 2,750 mn compared to EUR 2,133 mn in 2023). In 2024, residential investment (at constant prices) increased on average by 2.7%, though at a weaker pace compared to 24.7% in 2023, and still remains at low levels as % of GDP (2.4%). Moreover, in 2024, building activity for dwellings in the country (ELSTAT data) recorded a significant increase in both the number and building volume of new building permits, by 31.8% and 24.2%, respectively, higher compared to the growth rates recorded in 2023 (22.2% and 14.7%). At the same time, positive business expectations for residential construction (IOBE⁸ data) strengthened further in 2024, but with a moderate increase of 7.7% compared with an annual increase 18.1% in 2023. The total cost of new residential building construction (ELSTAT data) continued to increase by 3.7% in 2024 but slowed down from an increase of 6.2% in 2023. The total amount of new housing loans⁹ increased by 20.4% in 2024, but continues to remain below pre-crisis levels, while the outstanding amount of housing loans decreased by 2.6%. According to data from the Bank Lending Survey, there has been a decline in demand for housing loans for almost three years (with the exception of Q2 2023) due, inter alia, to the level of housing loan interest rates.

According to the latest available data, real estate transactions¹⁰ increased by 8.8% in 2023 (122,123 transactions) against an increase by 7.2% in 2022 (112,283 transactions) and after a strong rebound in 2021 (104,746 transactions) by 40.1% against 2020. Due to the strong dynamics in Greek real estate market a further enhancement on the number of real estate transactions is expected for the year 2024.

Strong price growths in house prices recorded in the last three years have worsened house affordability, as prices level out of proportion to increases in disposable income. To alleviate the housing crisis, new legislation was introduced with strict conditions and restrictions on both the Golden Visa Program and short-term rentals in 2024. More specifically, Golden Visa Program in Greece has undergone significant changes, effective as of August 31, 2024, in order to reduce transactions from foreign investors buying property, such as the introduction of a dual-zone system for real estate transactions and increased thresholds in both tiers. New short-term rental regulations for 2024 have been established with strict conditions and licensing limitations imposed by local authorities especially in high-demand areas with limited housing availability.

Positive price growths in house prices recorded in the first months of 2025. In Q1 2025 the annual rate of change in apartment prices for the entire country stood at 6.8% year-on-year. The apartment price index in the Athens area registered a significantly lower annual growth rate than the average annual rate nationwide (5.5%). Despite house price growth and continued interest in housing during the first months of 2025, some market-related indicators are recording negative rates of change. More specifically, in Q1 2025, net foreign direct investment in Greek real estate was EUR 356.8 mn, (EUR 520 mn in Q1 2024, a 31.4%, year-on-year, decrease). Residential investment (seasonally adjusted ELSTAT data at constant prices) decreased marginally, by 0.3%, year-on-year, in Q1 2025 and still remains at low levels as a % of GDP (2.1%). Residential building activity (ELSTAT data) decreased significantly in the first two months of 2025, recording an annual decrease of 49.7% in terms of building volume (in cubic meters) and 50.8% in terms of the number of permits. The total cost of construction of new residential buildings (ELSTAT data) during Q1 2025 continues to increase (3.5%, year-on-year), although at a slightly decelerating compared to the corresponding period of 2024 (4.0%). On the other hand, positive developments were recorded in the Golden Visa Programme, under which, in the first four months of 2025 the issued and pending residence permits (Ministry of Migration and Asylum data on legal immigration: April 2025) reached 3,506 applications compared to 2,659 in the corresponding period of 2024, up by 38.9% year-on-year. Finally, the business expectations index for the construction of houses (IOBE data) in the first five months of 2025 recorded an increase of 8.5% year-on-year, compared to a marginal decline in the corresponding period of 2024 (-0.2%).

In 2025, a new rent subsidy program was introduced, effective from 2025 onwards, in order to alleviate housing costs of vulnerable households. According to this program, a single monthly rent – based on the contract rent of the previous year – will be provided by the State Budget, as a refund to eligible tenants of primary and student residences based on household's income

⁸ IOBE: Foundation for Economic & Industrial Research.

⁹ Data are based on the [Bank of Greece interest rate database](#) on new housing loan contracts.

¹⁰ Source: ELSTAT. Annual data collected by notaries throughout the country, including all real estate categories of residential and commercial properties (dwellings, retail, offices, building plots, etc.). Latest available data: 2023.

criteria, up to the end of November of each year. The one-year State Program “My Home II”, aims to ensure access to housing for vulnerable households by providing low-interest housing loans.¹¹ Also, a new government initiative plan in order to alleviate the housing costs especially of vulnerable households, is the construction/reconstruction of suitable apartments, which will be offered at low-cost, social rents, with the participation of private construction firms in the development of social housing on State-owned land.

Expectations for the next period remain moderately positive, amid the unfavourable international economic and political environment, global trade tensions and associated uncertainties, high construction and energy costs; the main impediments include, inter alia, the geopolitical uncertainty, increased energy and material costs, increased prices, worsening housing affordability and other housing costs as well as continues changes in legislation and taxation.

MORTGAGE MARKETS

In 2024, the total stock of housing loans outstanding continued to decline, on average, by 2.6%, at a decelerate pace compared to 2023 (-3.5%). In April 2025 the amount of outstanding housing loans declined, at a decelerate rate, by 2.2%, year-on-year. The total amount of new housing loan agreements,¹² although still low in absolute terms, rebounded in 2024 and an increase was recorded, on average, by 20.4%, against a decrease in 2023 (-1.9%, a fall for the first time after six years of continuous growth). During the period January-April 2025, total new housing loans increased further by 5.8%, year-on-year, compared to a significant growth by 38.9% in the corresponding period of 2024.

According to the Bank of Greece data, in 2024, the average residential real estate-backed loan disbursement amount, including renovation loans, was EUR 70,281 higher than the average amount recorded in 2023 (EUR 68,682) but still significantly lower compared to the previous couple of years (EUR 78,812 in 2022 and EUR 73,157 in 2021). Finally, the average loan-to-value ratio for new mortgage loans in 2024 decreased further by 110 bps to 60.9% from 62.0% in 2023 (62.9% in 2022 and 63.7% in 2021).

In 2024, bank interest rates on new housing loans decreased whilst on outstanding housing loans remained unchanged. More specifically, average interest rates on new housing loans decreased by 4 bps to 4.06% and on outstanding housing loans with an initial maturity of over 5 years remained unchanged to 4.33%. In Q1 2025, the average interest rate on new housing decreased compared to Q4 2024 by 3 bps to 3.69% and compared to Q1 2024 by 77 bps. The average interest rate on outstanding housing loans with an initial maturity of over 5 years compared to Q4 2024 decreased by 19 bps to 4.05% and compared to Q1 2024 by 35 bps. Mortgages with floating rate used to be the most common, but since 2020, mortgages with a fixed rate have become increasingly popular and in 2024 stood at a high level as a percentage of total of new housing loans (70.4% against 65.8% in 2023, 55.6% in 2022 and 43.5% in 2021).

The increase in interest rates has led to lower demand for housing loans for almost three years, according to Bank Lending Survey data. However, the demand for housing loans in Q1 2025 increased quarter-on-quarter due to the launch

of the State Program “My Home II” aimed at supporting new borrowers with more favourable terms in general and final pricing for them and is expected to remain unchanged in the next quarter. Also, according to the same survey, credit standards for housing loans to households remained almost unchanged compared to Q4 2024. Terms and conditions for mortgages to households tightened due to charge increases besides the interest rate. Finally, banks reported that the proportion of rejected loan applications to housing loans remained unchanged.

MORTGAGE FUNDING

From May 2024 to April 2025 private sector deposits increased by EUR 8.0 bn, higher than the increase recorded in the corresponding period of the previous two years (EUR 5.2 bn in the period May 2023 to April 2024 and EUR 7.1 bn in the period May 2022 to April 2023). Households’ deposits grew annually by 2.6% in April 2025.

Use of central bank funding stood at EUR 2.6 bn, at the end of 2024, vis-à-vis EUR 14.3 bn in December 2023. The liquidity is in the form of regular Eurosystem liquidity operations (mainly MROs).

The outstanding amount of unsecured bonds issued by Greek banks, at the end of 2024 stood at around EUR 19.1 bn, from about EUR 12.9 bn at the end of 2023. From the total amount of 2024-end, senior bonds corresponded to EUR 11.6 bn and EUR 7.5 bn were subordinated.

The total outstanding amount of covered bonds issued by Greek banks, stood at EUR 11.5 bn, in 2024-end, not changed vis-à-vis 2023-end.

¹¹ The government co-funded loan Program ‘My Home II’ which aims to facilitate mainly young people in acquiring their first home – a residence not exceeding 150 square meters and be built before 2007, as shown by the building permit – started the application submissions on January 15, 2025. Under this program, individuals/couples aged 25-50 years old and with income criteria from EUR 10,000 up to EUR 20,000 – EUR 31,000 depending on marital status of beneficiary (+EUR 4,000 per child or EUR 5,000 per child for single-parent households) will be eligible for mortgages with duration from 3 up

to 30 years, covering up to 90% of the value of property as in the purchase contract with a max housing loan amount of EUR 190,000 and max property value EUR 250,000. 50% of the mortgage will be financed through public funds (Recovery and Resilience Fund) at a zero interest rate and the remaining 50% will be financed from banks at market rates.

¹² Data are based on the [Bank of Greece interest rate database](#) on new housing loan contracts.

	GREECE 2023	GREECE 2024	EU 27 2024
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.3	2.3	1.0
Unemployment Rate (LSF), annual average (%) (1)	11.1	10.1	5.9
HICP inflation (%) (1)	4.2	3.0	2.6
HOUSING MARKET			
Owner occupation rate (%) (1)	69.6	69.7	68.4
Gross Fixed Investment in Housing (annual change) (1)	24.7	2.7	-4.3
Building Permits (2015=100) (2)	239.9	289.4	136.9
House Price Index - country (2015=100) (2)	151.2	164.7	179.8
House Price Index - capital (2015=100) (2)	169.4	183.6	171.5
Nominal house price growth (%) (2)*	13.9	8.9	4.9
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (2)	28,456	26,986	6,879,667
Outstanding Residential Loans per capita over Total Population (EUR) (2)	2,732.5	2,594.7	15,311
Outstanding Residential Loans to disposable income ratio (%) (2)	19.5	17.5	71.3
Gross residential lending, annual growth (%) (2)	-4.8	19.3	3.9
Typical mortgage rate, annual average (%) (2)	4.10	4.06	4.34

(1) Eurostat Data

(2) European Mortgage Federation – Hyposat 2024, Statistical Tables

* Eurostat Reviewed

** EU 2024 to be confirmed

GREECE FACT TABLE

Which entities can issue mortgage loans in your country? All credit institutions authorised in Greece under the Law 4261/2014, Directive 2013/36/EU.

What is the market share of new mortgage issuances between these entities? Confidential information

Which entities hold what proportion of outstanding mortgage loans in your country? Confidential information

What is the typical LTV ratio on residential mortgage loans in your country? The LTV ratio for new mortgage loans in 2024 decreased further by 110 bps to 60.9% from 62.0% in 2023.

How is the distinction made between loans for residential and non-residential purposes in your country? The distinction is made by the reporting agents themselves.

What is/are the most common mortgage product(s) in your country? Mortgages with floating rate used to be the most common product. But as of 2020-2024, mortgages with a fixed rate are becoming increasingly popular and in 2024 accounted for 70.4% of new loans, significantly up from 65.8% in 2023 and 55.6% in 2022.

What is the typical/average maturity for a mortgage in your country? Not available

What is/are the most common ways to fund mortgage lending in your country? Deposits

• **VAT 24%**

From 2006 until today, the legislation provides for the imposition of the standard VAT rate (24%) on newly built properties. An exemption on first residence was also set. From 2019, when the suspension of VAT collection on new buildings was first announced, there has been a continuous suspension, which (via Law 5162/2024) will be applicable until the end of 2025.

What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?

• **Real Estate Transfer Tax 3%**

Any transfer of real estate - not subject to VAT- is subject to a Transfer Tax (3%), which is applied on the higher value between market and zonal value (property price used for tax purposes) of the real estate property. Such cost is further increased by fees such as municipal tax, notarial, land registration and legal fees.

• **Capital gains tax 15%**

Capital gains tax is levied on property-selling owners (equal to 15% of the difference between the acquisition price and the selling price, progressively depreciated depending on the holding of the property. From the imposition (in 2013) until today, there has been a continuous suspension, which (via Law 5162/2024) will be applicable until the end of 2025.

What is the level (if any) of government subsidies for house purchases in your country?

There are no new developments.