

The Greek Real Estate Market

4 Residential spaces “The grand shift challenge”



The grand shift: Housing trends shift under growing affordability pressures and changing demographics

Greece entered 2026 with a residential market that has stabilised after a strong post-crisis rebound, yet remains structurally constrained by affordable housing shortages and access challenges.

While demand remains elevated and supply tight, price growth, though gradually moderating, continues to outpace income growth, reinforcing affordability pressures. International buyers still play a meaningful role, attracted by lifestyle considerations and relative price advantages, particularly in major urban centres.

Athens and Thessaloniki remain the main focal points of activity, supported by regeneration initiatives, infrastructure upgrades, and sustained investor interest, including continued inflows from non-EU buyers seeking residency, capital preservation, and long-term exposure. However, rising housing costs, limited new supply, and rental market distortions have intensified the housing affordability challenge, prompting increased policy intervention.

Recent tax measures, rental market regulations, and construction incentives are reshaping conditions for households and investors alike, with a growing emphasis on moderating price pressures and improving access to housing.

Demographic decline - driven by low birth rates, ageing, and outward migration - further complicates market dynamics, shifting demand toward smaller, more affordable units and longer-term rentals, including in secondary cities supported by targeted incentives. Policy priorities are increasingly oriented toward mitigating the housing crisis through renovation programmes and “green” upgrade schemes (such as “Exoikonomo”), aimed at expanding effective supply and improving affordability within the existing housing stock.

Overall, residential demand in Greece is shaped less by lifestyle-driven preferences and more by affordability constraints, demographic realities, and policy-driven reallocation, underscoring the incomplete and uneven nature of the market’s recovery.

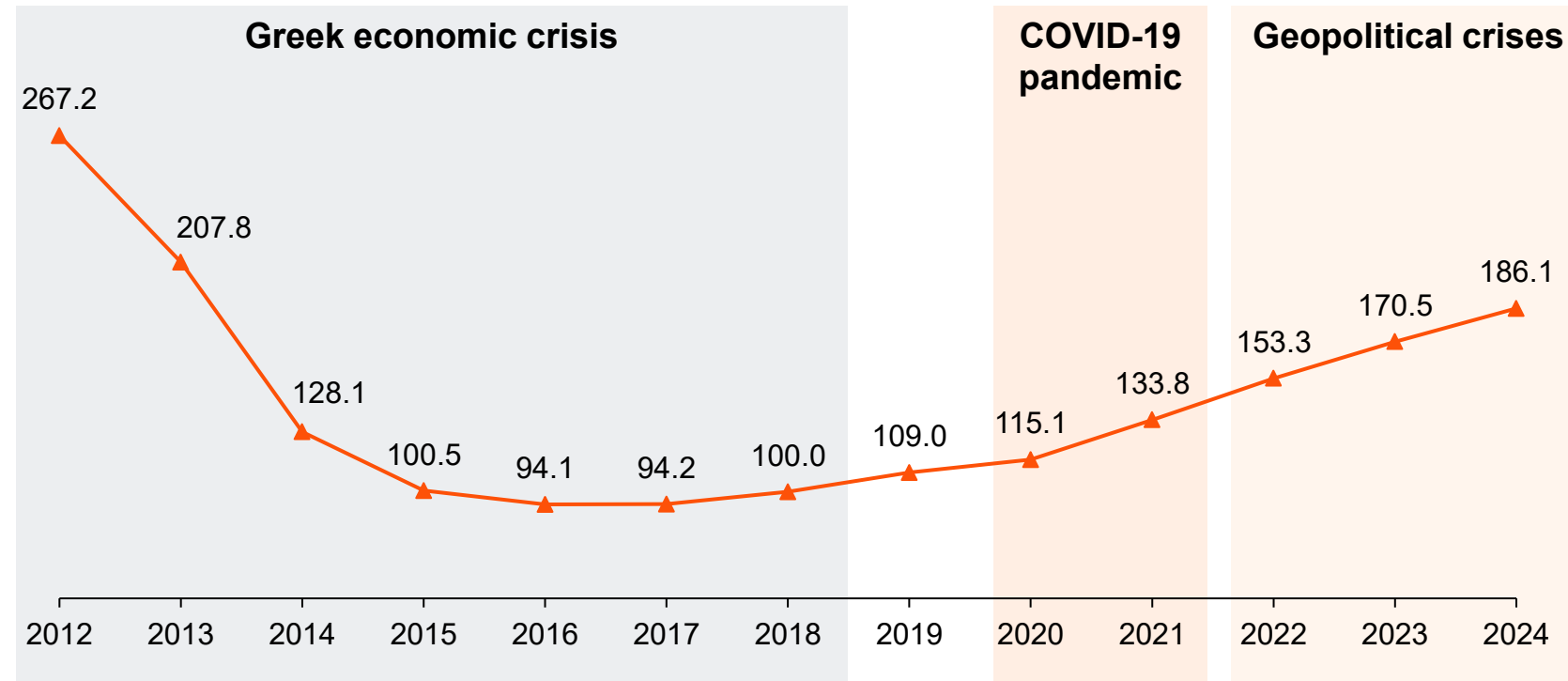


The PwC Residential spaces Performance Index

indicates signs of growth since 2018, despite persistent structural constraints

Residential spaces Performance Index

base year 2018



Source: PwC analysis



The Index is based on the below 4 key factors:

Demand

Supply

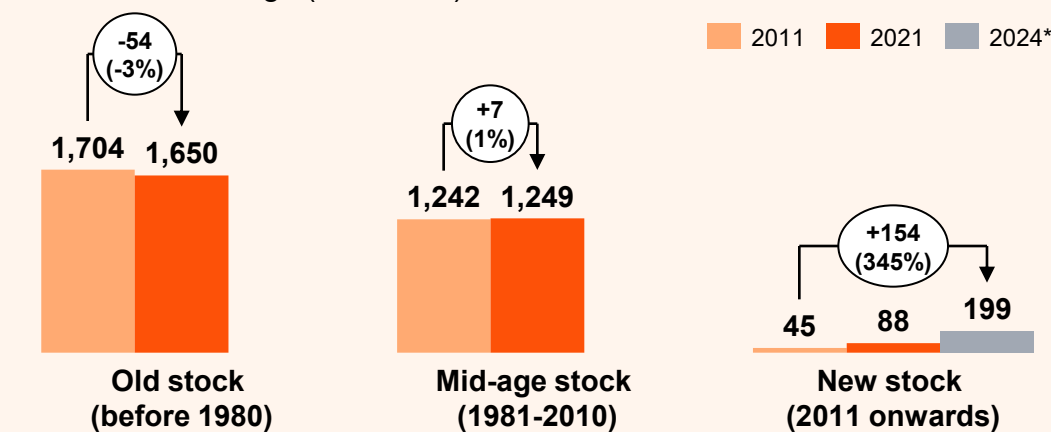
Pricing

Investment

Residential supply remains constrained by an ageing housing stock and slow renewal activity

Ageing housing stock

Number of Dwellings (in th units)



*estimation
Source: Hellenic Statistical Authority (ELSTAT)

Pre-1980 dwellings still account for the largest share of Greece’s housing stock. **More than 53%** of the dwelling stock is **over 45 years old**, despite the recent rising construction activity.

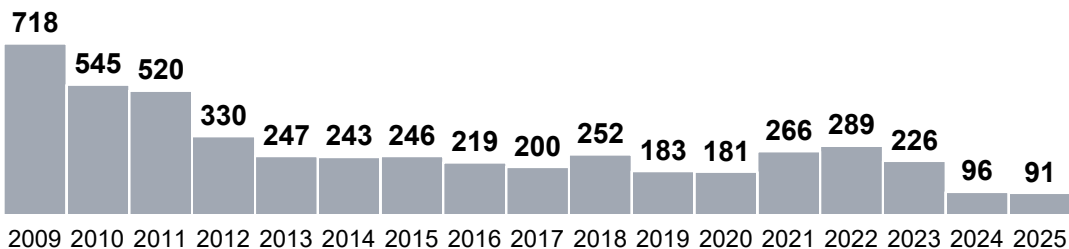
The ratio of new to old buildings over time increased from 5.3% in 2021 to 12.1% in 2024, indicating a **gradual renewal of the building stock** and reflecting a growing demand for modern dwellings.

However, **one out of three dwellings remains vacant** underscoring a structural inefficiency in the residential market as a significant share of the existing stock is either obsolete, unsuitable or unavailable for occupation.



Limited renewal activity

Volume of Dwelling renovations (in km³)



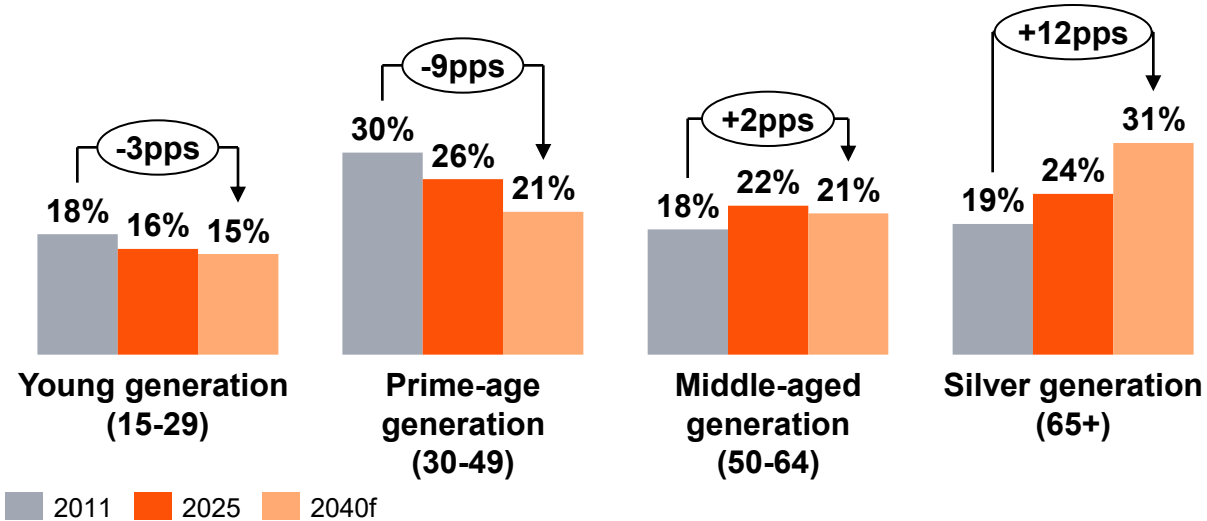
Source: Hellenic Statistical Authority (ELSTAT)

Residential renovation volumes remain structurally weak, reflecting **prolonged underinvestment** and **affordability constraints**, contributing to an **aged residential stock** and **delaying its renewal cycle**.



Population ageing and longevity are gradually slowing housing mobility

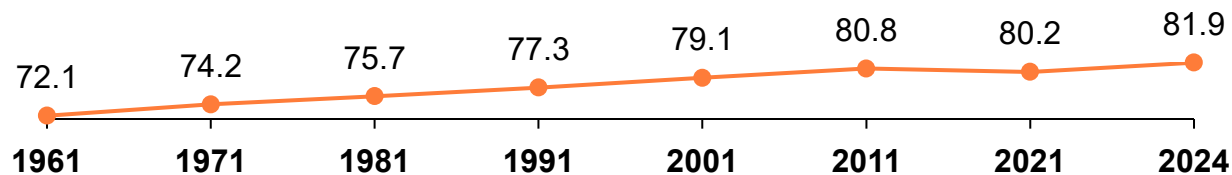
Greece's population per age group
% of total population



Note: Children (under 15) account, on average, for 13%.
Source: Eurostat

Greece's life expectancy

Average years a newborn is expected to live



Source: Eurostat



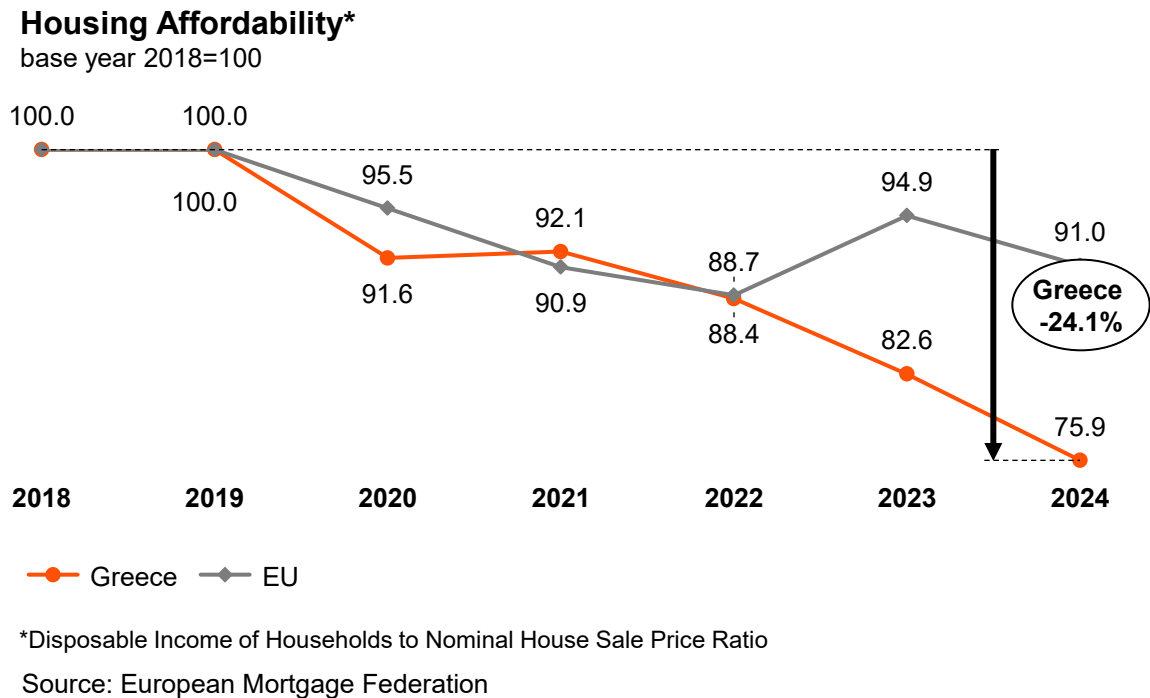
Greece's ageing population is reshaping housing dynamics

The share of older age groups in Greece is steadily increasing, while younger and prime-age populations are gradually shrinking. At the same time, rising life expectancy is extending housing occupancy periods, contributing to lower residential mobility across the market.

Longer occupancy slows housing circulation

As households remain in the same dwellings for longer periods, fewer residential properties become available in the market. This gradually constrains the availability of larger dwellings for younger households, particularly in urban areas.

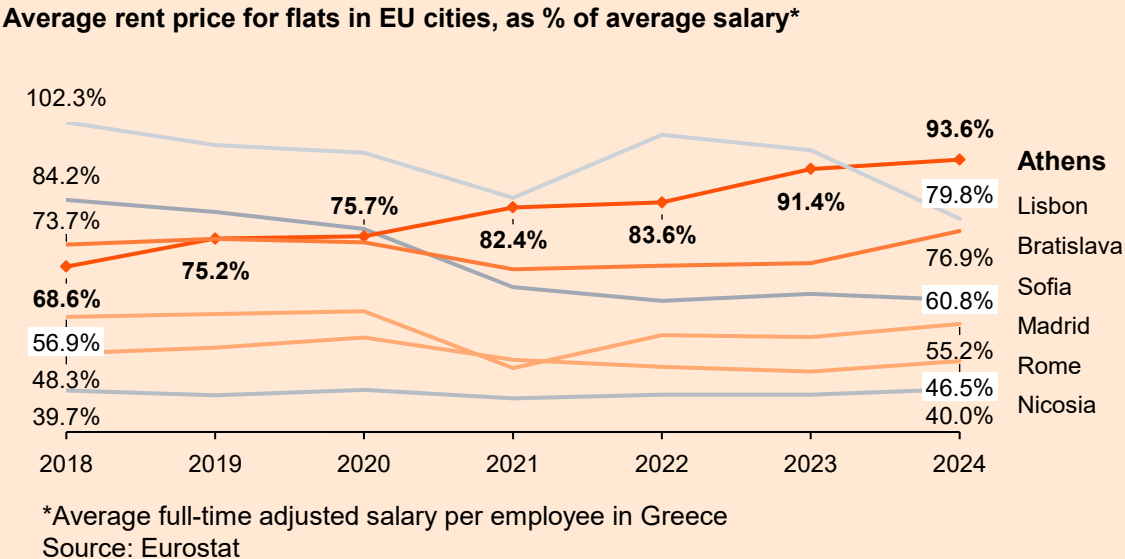
Housing affordability pressures are reshaping residential demand, particularly in Athens



Greece’s Housing Affordability Index has declined significantly since 2018, reflecting the widening gap between housing costs and disposable income. As affordability pressures intensify, household access to housing becomes more constrained, gradually reshaping residential demand patterns.

The Athens case: Rising rent-to-income pressure

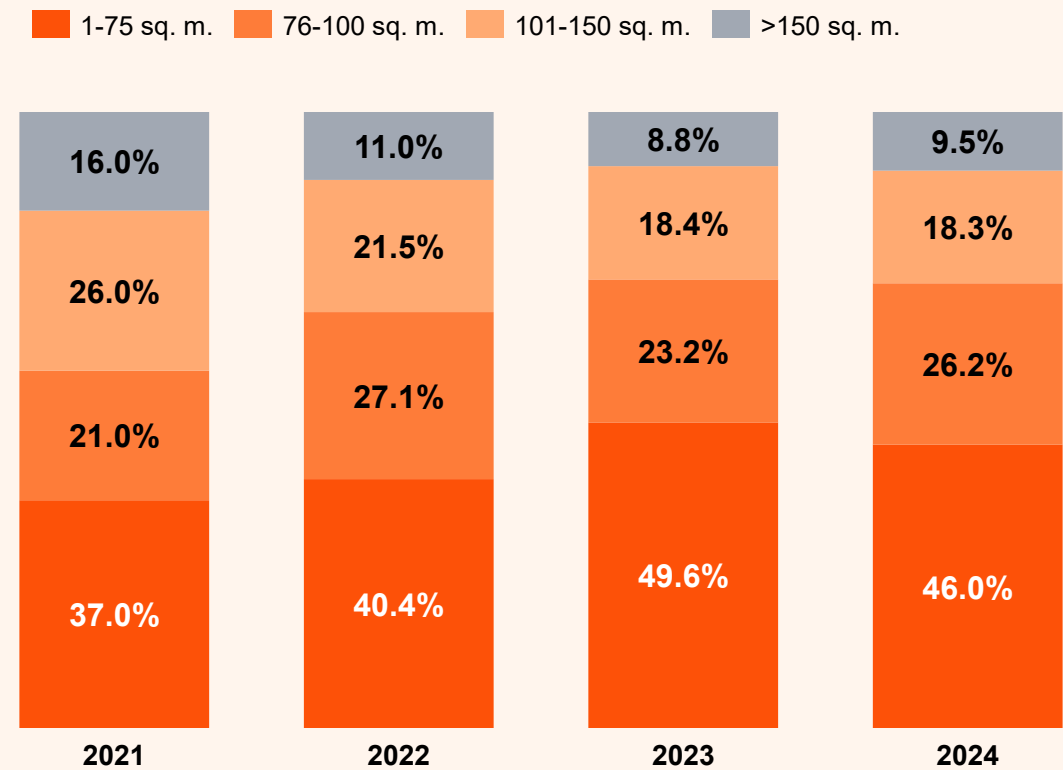
In Athens, average rental costs absorb most, if not all, of tenants’ monthly salary.



Athens has become one of Europe’s most affordability-constrained rental markets, with rents absorbing an increasingly large share of disposable income. This increases pressure on urban households and reinforces demand for more affordable housing solutions.

Affordability challenges and changing housing needs are shifting demand toward smaller dwellings

Dwelling Purchases per Size
% of total dwelling purchases



Source: RE/MAX Greece nationwide survey – Property purchase and sale profile based on square footage

Smaller spaces, stronger demand

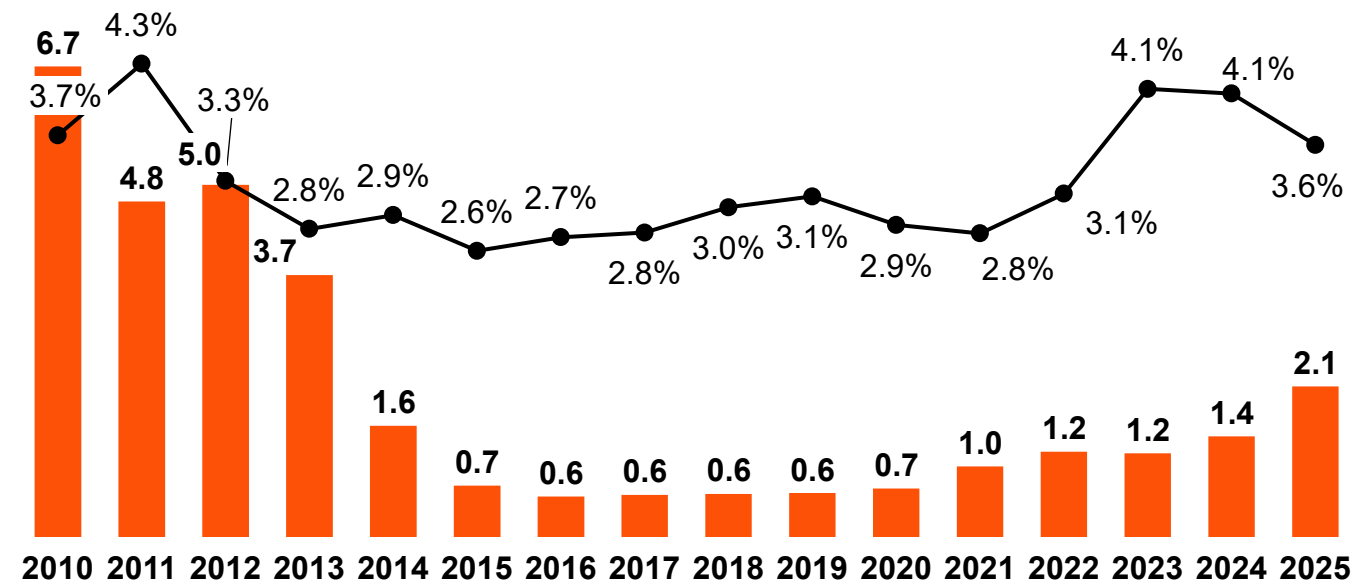
As affordability pressures intensify, demand is increasingly concentrating in smaller and more affordable units, particularly apartments below 75 sq. m. This trend reflects both the financial constraints that younger households face and the changing housing needs of older age groups.

Demand patterns are gradually evolving

Part of the older population is gradually shifting toward smaller and more practical housing options, while younger households increasingly seek more affordable housing options. As a result, demand is becoming increasingly concentrated in smaller residential units, particularly in urban areas.

Mortgage lending constraints and rising interest rates since 2022 drive new demand patterns

New mortgages (€ bn) and Interest rates (%)



● Interest rate
■ New mortgage loans

Source: Bank of Greece

Government support schemes

“Spiti mou I”
“Exoikonomo – Anakainizo for Young People”

“Anakainizo – Noikiazo”

“Spiti mou II”
Unification of “Anakainizo” schemes



High interest rates combined with the intensifying housing affordability crisis discouraged households from buying a house.

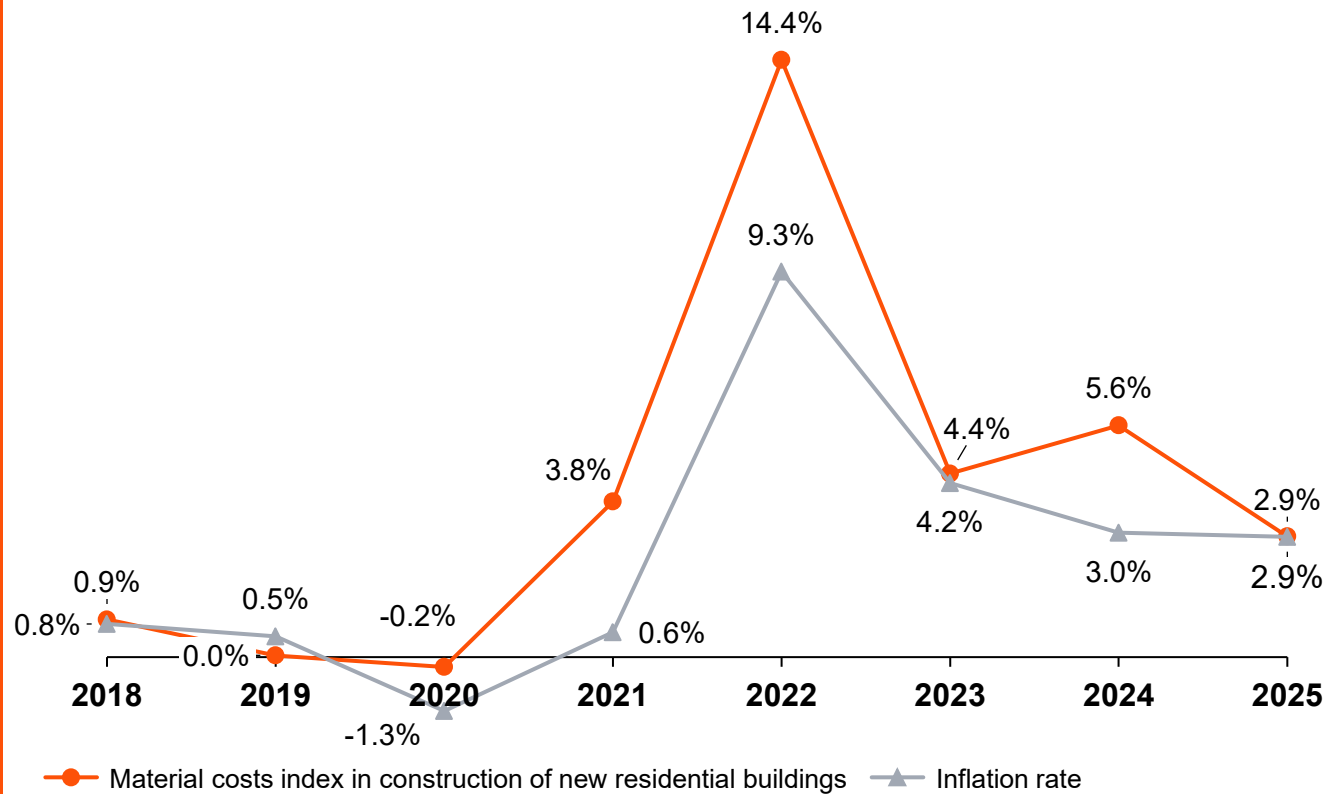
The easing of interest rates in 2025 together with targeted government support schemes introduced since 2023 have partially supported the recovery of mortgage lending, which reached €2.1bn, still below the pre-financial crisis levels.

Demand patterns are gradually evolving

- “**Build-to-rent**” is gradually emerging as a new residential model in Greece, supporting professionally managed rental housing and responding to growing rental demand from younger generations.
- At the same time, a “**Generation rent**” trend is emerging as younger households face increasing barriers to residential ownership due to affordability constraints and limited mortgage accessibility.

Rising material costs and inflationary pressures significantly increased construction costs,...

Material costs index in construction of new residential buildings (% annual change) and Inflation rate (%)



Source: Eurostat, Hellenic Statistical Authority (ELSTAT)

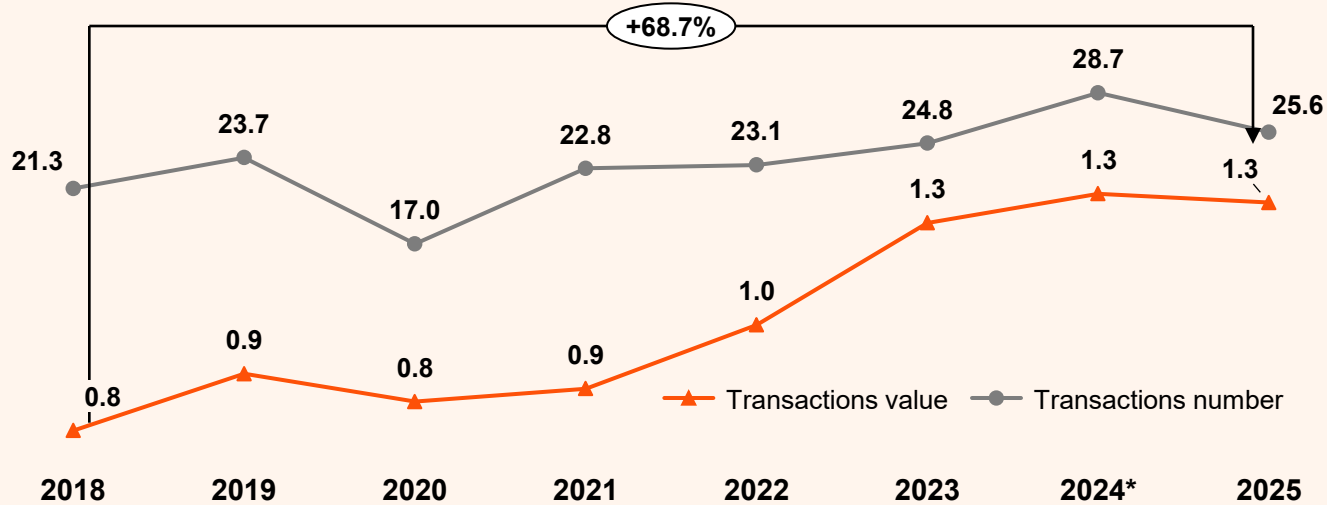
Since 2022, inflationary pressures, higher energy prices and supply chain disruptions following the war in Ukraine have significantly increased construction material costs, which rose by 30% over the past four years.

As a result, construction costs for new residential developments increased materially, further pressuring housing affordability.



...contributing to a nearly 70% rise in transaction values between 2018 and 2025

Residential Transactions Value (th €/sq. m.) and Number (th)



*A portion of the activity recorded in 2024 appears to have been precautionary, aimed at securing existing building rules, ahead of anticipated regulatory changes (NOK; Greek Council of State – StE)
Source: Real Estate Transactions Valuation Register

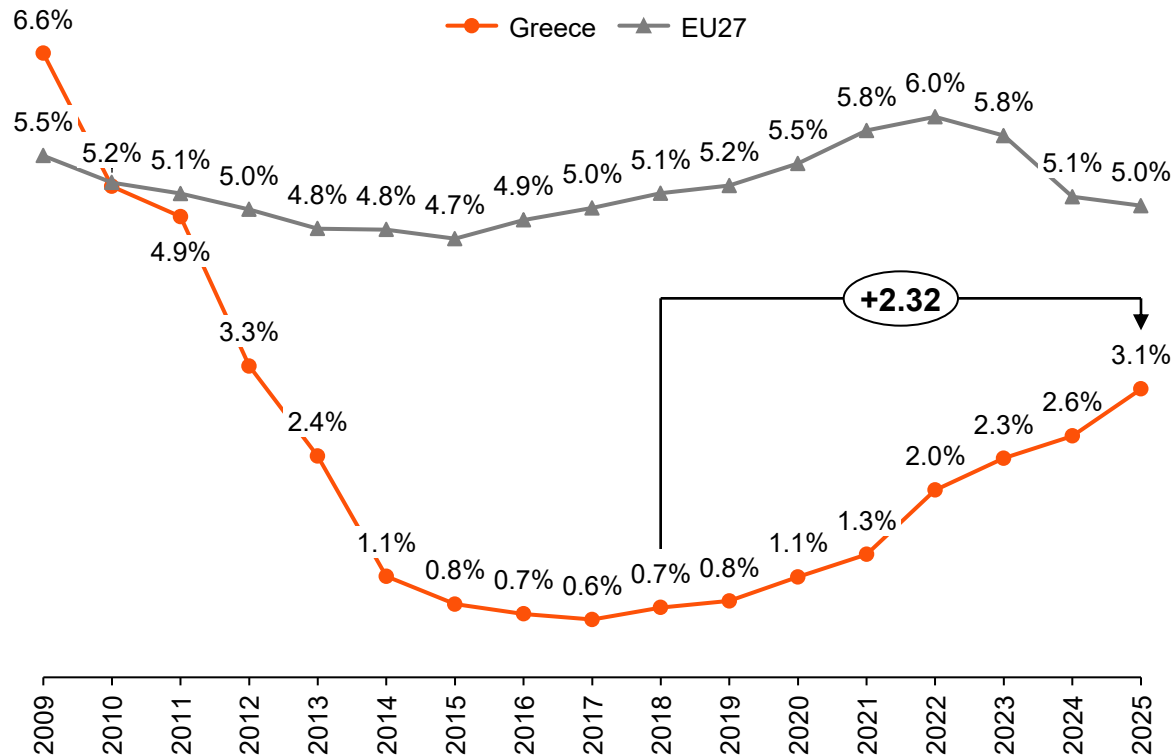
Between 2022 and 2023, the value of residential transactions increased notably, driven by elevated construction costs, which remained high and contributed to reduced housing affordability.



Although residential investment has increased since 2018, there is still an annual investment shortfall of €8.8 bn since the beginning of the financial crisis

Investment in Dwellings

Gross Fixed Capital Formation as % of GDP



Source: Eurostat

- In 2025, investments in dwellings stood at 3.1% of GDP, compared to the historical pre-crisis average of 9.8% and the European average of 6.3%.
- Despite the recovery observed since 2018, prolonged underinvestment has led to cumulative investment gap of €140bn in 2025 or €8.8bn annually compared to 2009 levels.
- While there is a strong appetite for investments in the residential real estate market, the number of active large-scale projects remains limited, highlighting the need for further development activity.



The “**Ellinikon**” residential development stands out as one of the country's few large-scale housing projects, comprising nearly 10,000 units, most of which already sold to Greek and foreign investors*, underscoring the strong demand for investments in the market.

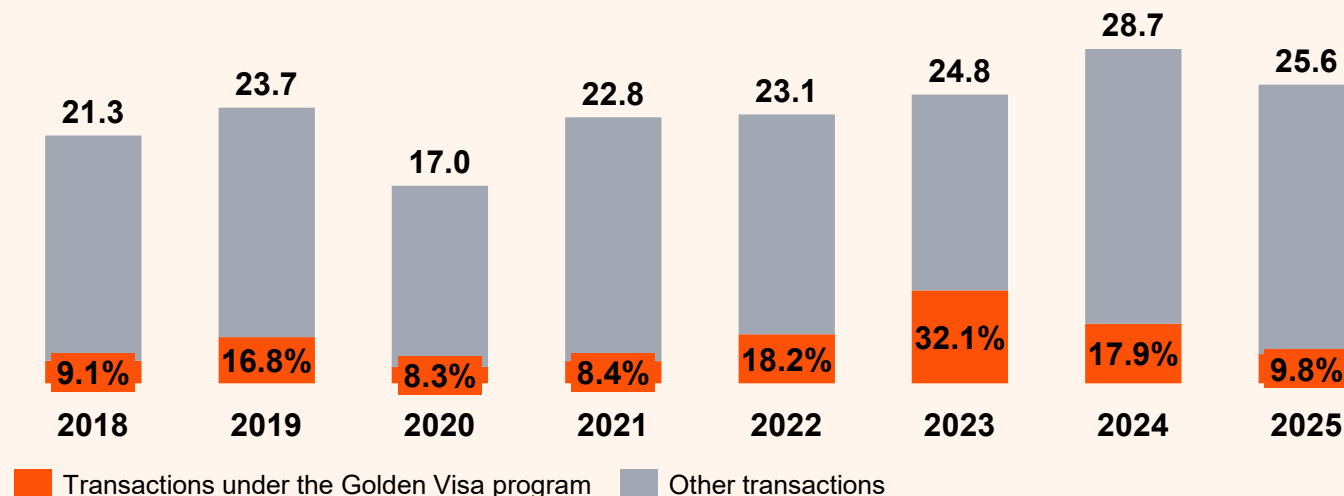
*Source: Lamda Development (Athens Riviera Summit 2025)



Foreign residential investments were strengthened through Golden Visa transactions covering around **15.5%** of total residential transactions, mainly in prime locations.

Number of Residential Transactions

In th units

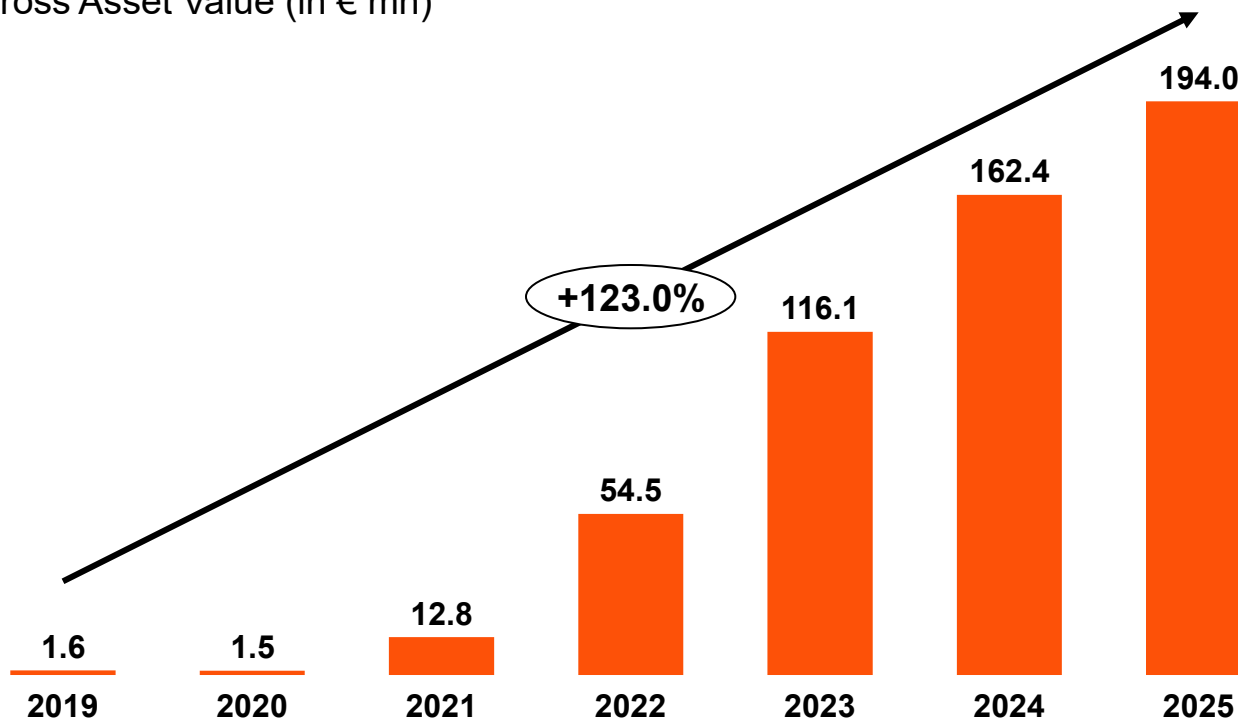


Source: Real Estate Transactions Valuation Register, Hellenic Ministry of Migration & Asylum (December 2023 & January 2026 reports)

- The Golden Visa program, originally introduced in 2013, has played an important role to residential demand in Greece, and, particularly, in prime urban (such as Athens and Thessaloniki), and island locations.
- Over time, Golden Visa transactions became increasingly concentrated in prime locations, influencing transaction activity and residential pricing dynamics. As a result, in 2023 the government increased the minimum investment threshold from €250k to €400k nationwide and to €800k in Attica, Thessaloniki and selected islands, resulting in a 25% decline in new applications in 2025 compared to 2024.

REICs' portfolio in residential projects remains limited, despite the significant growth recorded over the last 6 years

REICs' Investments in the Residential Market
Gross Asset Value (in € mn)



Source: REICs' Financial Statements, PwC analysis



REICS are allowed, under the law 2778/1999, to invest up to 25% of their portfolios in the residential market.

However, the **scarcity of large-scale residential projects**, that typically attract REICs, and the **highly fragmented structure of the market**, constrain investment opportunities at scale.

In 2025, REICs' exposure to the residential market was still below threshold, accounting on average, for

~5%
of their total portfolios

PwC Residential spaces Performance Index

The Greek residential market has entered a new structural phase, where affordability constraints, demographic ageing and supply limitations are reshaping housing demand, tenure patterns and investment dynamics.

Demand

Demographic ageing and affordability pressures are reshaping housing demand, shifting preferences toward smaller dwellings and rental housing, while mortgage activity remains below pre-crisis levels despite the recent recovery.

Supply

Despite the recovery in development activity since 2018, the Greek housing stock remains structurally aged, with limited renewal and renovation activity.

Pricing

Rising construction costs and inflationary pressures contributed to higher residential transaction values, further intensifying housing affordability pressures.

Investment

Although residential investment activity has recovered in recent years, the market remains structurally underinvested, while large-scale residential projects remain limited.



The PwC Residential spaces Performance Index indicates that residential market momentum is expected to continue the next years

Looking forward, the residential market is expected to remain robust, supported by improving financing conditions, although this outlook should be read alongside the considerable volatility in its underlying key performance indicators over the past decade. Transaction value per square metre has risen overall, albeit unevenly, driven mainly by construction costs and inflationary pressures rather than steady appreciation, while transaction volumes spiked temporarily on precautionary purchasing ahead of anticipated building-code changes before normalising, reflecting the influence of regulatory timing as much as underlying demand. Gross investment in housing has followed a similarly uneven path from a structurally depressed base, achieving only a partial recovery and remaining well below pre-crisis and EU average levels, leaving a substantial investment gap compounded by the scarcity of large-scale projects. With supply likely to remain structurally limited, prices should hold even as activity stabilises, pointing to continued but more moderate growth in the medium term, unfolding unevenly rather than along a predictable path.



In summary, the market forecast indicates ongoing growth, though at a more moderate rate in the medium term.



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