

Real Estate Purchase in Greece

Your questions answered

1. Are there any professionals involved in a real estate transaction?

The professionals that are usually involved in a real estate purchase are the following:

- **a real estate agent;**
- **a notary public:** real estate transactions and any related preliminary agreements are executed before a notary public. The law requires such agreements (“legal titles”) to be vested with the form of a notarial deed in order to be valid.
- **a legal and tax advisor:** legal advisory is key in order to ensure the proper legal ownership of sellers, the unencumbered status of the property and the interests of a buyer through proper drafting of the notarial purchase deed. Whilst a full cadastral system has not yet been implemented in Greece, legal title search will normally involve an on-the-spot investigation in the records of the competent Land Registry; it is also key to ensure that past annual real estate tax obligations of sellers have been fully covered as buyers may be jointly liable towards the Greek tax authorities. A tax advisor may also assist with future local tax compliance obligations;
- **a civil engineer:** the review of the building permit vs actual traits of the property, as well as building capacity for plots of land may be required; the latter is more critical mainly in cases where the property is located outside the urban planning zone, which may raise issues about, for example, the classification of the land plot as forest or as part of the coastal zone;

2. What is the current land registration system?

Currently Greece does not have a fully implemented cadastral system. Hence, in certain areas legal titles are registered with traditional Land Registries, which operate as a person-based system rather than a property-based one, which in turn may complicate the on-the-spot legal title investigation. Moreover, after conclusion of the notarial purchase deed, such deed needs to be registered with the competent land registry or cadastral office (depending on the case). This registration is normally handled by a legal advisor and/or notary public (for registration fees see below).

3. How long will it take to complete the real estate purchase?

The usual estimated time of completion of a real estate purchase is approx. 2-3 months (mainly as regards properties inside the urban planning zone). However, in cases of more complex transactions, such a period might be extended up to 3-4 more months (e.g. where part of the property is located in areas classified as forest, are involved).

4. Which are the costs/fees associated with the real estate purchase?

The main costs/fees associated with real estate purchases are the following:

- **Real estate transfer tax:** 3,09% of the market value or the “objective value” of the property, whichever is higher. Sale of new buildings is under certain conditions subject to VAT 24% (instead of 3,09%). However, such VAT has been suspended up to 31/12/2022 and thus, the abovementioned transactions would be subject to 3,09%.
- **Property registration fee:** 0,475% of the higher value between the property’s “objective value” or market value. Additional 0,125% of the above property’s value for the Bar Association Social Security Agency, plus VAT 24%.
- **Notary public fee:** varies depending on the market value or the “objective value” of the property, whichever is higher and is calculated in a progressive scale ranging from 0,80% for value up to EUR 120.000 up to 0,10% for value from EUR 20.000.000,01 or more (there are various rates in between). To be noted that said fee is subject to VAT 24%.

- **Legal fee:** freely negotiated between the parties and vary, mainly depending on the complexity of the matter at hand;
- **Civil engineer fee:** freely negotiated between the parties and vary, mainly depending on the complexity of the matter at hand;
- **Real estate agent fee:** freely negotiated between the parties. However, it is usually set at 2% of the price of the property, plus VAT 24%.

5. Is the acquisition of a Greek Tax Identification Number (TIN) mandatory?

Yes. The acquisition of a Greek TIN is a mandatory prerequisite for real estate purchases in Greece. Particularly for foreign buyers, in order to obtain the TIN, it is a prerequisite to appoint a tax representative acting as a point of contact with the relevant competent authorities. Otherwise this is a simple and straightforward process that may be concluded within a day before the Greek tax authorities – as from May 2021 e-appointments have also been introduced.

6. Is the opening of a Greek bank account compulsory?

Although this is not required by law, a Greek bank account may need to be opened at least for the payment of the costs/fees related to the real estate transaction, such as the property transfer tax and the registration fees. In principle, the opening of a bank account requires the physical presence of the applicant before the Greek bank for authentication purposes. Nonetheless, under special circumstances, which are assessed by the bank on an ad hoc basis, the bank may accept to proceed with the transaction without the requirement of the physical presence (but still through a Power of Attorney) or delay the fulfillment of said requirement until a later stage. Notwithstanding the above, citizens of SEPA (Single Euro Payment Area) countries can pay taxes and duties in Greece, including the real estate transfer tax, via the SEPA Credit Transfer in Euro currency, by making a wire transfer directly from their foreign bank account to the Bank of Greece, under a specific IBAN and payment reference, depending on the tax/fee to be paid.

7. Are there restrictions concerning the acquisition of a real estate property?

Yes, but only by exception: Non-EU or non-European Free Trade Association citizens or legal entities may not obtain a property located in certain provinces or islands characterised as "near-border regions" (e.g. Santorini, Dodecanese islands). However, exceptionally, in such cases, special procedures and additional requirements may be applicable in order to lift the relevant prohibition (i.e. prior authorisation has to be granted by a special Greek Committee). Such authorisation is issued within approx. 1-2 months upon the submission of the relevant application.

8. Are there any additional benefits associated with the real estate purchase for non EU nationals?

Yes. In case of a real estate acquisition, the consideration of which exceeds the amount of EUR 250.000, the non-EU owner of the property would be eligible to apply also for the acquisition of the investor's permanent residence permit (the so-called "Golden Visa"). Greek Golden Visa offers several residence and travel rights both in Greece and the Schengen area. In this respect, the holders of a Golden Visa may enjoy the following benefits:

- unrestricted and unlimited stay in Greece;
- visa free travel to all Schengen area for 90 days;
- no need to stay in Greece to maintain the residency right;
- renewal of the residence permit every 5 years;
- residency rights to all family members: spouse, children under 21 and parents;
- eligibility for Greek citizenship after 7 years of residency.

9. Which are the tax reporting obligations on holding a real estate property?

- Forms of calculation of minimum (“objective”) value for tax purposes
- Real Estate Property declaration (E9 form); related to that, a pre-calculation of annual real estate property tax (ENFIA) will help to manage tax outflows
- Annual real estate rentals return (E2 form – if the property is leased); this return is part of the annual income tax declaration
- On a case by case basis, and subject to appropriate review and advice, tax exemptions or reductions may be available.

Contacts:

Sissy Paraskevopoulou
Senior Manager, RE Tax Compliance
E: sissy.paraskevopoulou@pwc.com
T: 210 6874549

Christina Tsironi
Tax, Senior Manager
E: christina.tsironi@pwc.com
T: 210 6874068

Katerina Pilichou
Manager, Legal Services
E: katerina.pilichou@pwc.com
T: 210 6874400