



4 April 2024



h.alexou@aklawfirm.gr

LEGAL BRIEFING – Real Estate

Just in:

Amendments to the Golden Visa legislation

On 02.04.2024 the Greek Parliament passed a new law, which introduces significant changes to the investor permanent residence permit, colloquially known as the “**Golden visa**”. According to the new law’s explanatory report, these changes aim to boost the real estate market through increasing the availability of properties for permanent housing and putting a -theoretical- stop to the continuous increase in rental prices around Greece.

Article 64 of the new law, which amends articles 100 and 176 para. 49 of the Migration Code (Law 5038/2023), brings about the following main changes:

(a) With respect to the **conditions** for qualifying under the golden visa program:

- Increase of value thresholds;
- New condition of a minimum floor area of 120m².

(b) With respect to **restrictions** on the possible use of properties acquired under the golden visa program:

- Prohibition of short-term leasing (e.g. through the Airbnb platform);
- Prohibition of using buildings converted to residential as offices for an entity’s registered seat.

More specifically:

A. *Acquisition thresholds*

1. The minimum investment for **Attica, Thessaloniki, Mykonos and Santorini**, as well as for all islands with over 3,100 inhabitants, has been increased to **€800,000** (the previous threshold was set at €500,000). This threshold applies to the purchase price for acquisition of ownership in immovable property, as well as to the total rent for long-term leasing of integrated tourist complexes or timeshare leasing of tourist accommodation (Article 100§2.a of Law 5038/2023).

2. For the rest of the country, the above minimum value is set at **€400,000** (up from the former threshold of €250,000).

B. New provisions

1. For existing buildings (and properties with an existing building permit), a minimum floor area of 120 m² for the main premises is now required (Article 100 §2.c).

2. The value threshold must be met through investment in a single property, aligning the rest of the country with the existing requirement for the areas of Attica, Thessaloniki, Mykonos and Santorini.

3. To increase options for permanent housing, the new law introduces lower investment requirements for **converting** existing buildings into residential, setting the minimum amount at **€250,000** for all of Greece (Article 100 §2c). Again, the threshold must be met through investment in a single property and the change of use must be completed prior to submission of the golden visa application.

It should be noted that, for the conversion of industrial buildings to residential, the industrial unit must have ceased its activity for at least 5 years.

4. A similar provision is introduced for **listed** buildings, protected under applicable legislation, where the minimum threshold is set at **€250,000**. Again, the threshold must be met through investment in a single property. In addition, it is provided that any transfer of the property before completion of its full restoration or total reconstruction is considered null and void. Completion of restoration or reconstruction is also required for the first renewal of the residence permit, while administrative fines are envisaged in case of non-compliance.

C. Restrictions

1. The newly introduced para. 7a of article 100 prohibits short-term leasing in the context of the sharing economy platforms, such as Airbnb and Booking. Therefore, **any property acquired as part of a Golden Visa application may no longer be used for short-term leases**. In this context, the law provides that, in the event of violation, the golden visa is revoked and fines are imposed.

2. It is important to stress that the law doesn't specify whether this restriction applies to properties already acquired under the golden visa legislation or whether it is limited to future acquisitions (and relevant residence permits). The relevant explanatory report does not shed any light on the matter either. Further to review of the minutes of the relevant Parliament plenary sessions, it appears that this provision is not intended to affect existing properties, acquired under the previously applicable regime and/or properties acquired within the transitional timeframe provided (please see below under paragraph 4). It is, however, doubtful whether this interpretation would be in alignment with article 4 of the Constitution (principle of equality).

3. Further, in the event of change of use of an existing building, the property may not be used as the registered seat of a business or entity, under penalty of administrative fines and withdrawal of the golden visa.

4. An interim “protective” period is set **until 31.12.2024**, during which investors are allowed to complete their investments under the previous regime. To avail themselves of this option, investors must make an advance payment amounting to at least 10% of the investment or pay the price or rent (pursuant to article 100 §5 of the Migration Code) or execute a notarial preliminary agreement or sign a private agreement of certified date and provide relevant proof of credit, **by August 31, 2024**. If the investment is not concluded by this deadline, investors may still complete their investment in another property under the previous regime, with the final deadline set for **April 30, 2025**.

5. Last but not least, it is provided that golden visas granted under the previously applicable regime remain valid and may be renewed, subject to the conditions prevailing at the time of their issuance.

While the new “golden visa” conditions were announced a while back and were extensively discussed in Parliament, the changes brought forward are expected to be the subject of further review and assessment. Reactions ahead of this bill indicate that the matter is far from resolved.

