

Buying property in Greece

Greece has been a well-known tourist destination for decades. As a member of the European Union and the Euro, it is not only a preferred destination for tourists, but also for people looking for opportunities to invest abroad or just acquire property.

The first step to acquire property in Greece, would be to hire a real estate agent or personally look for the suitable property in area where the potential buyer has chosen to purchase it. It is not uncommon in Greece, especially in places of touristic interest, to find a good deal just by personally searching in the area you are interested in and having personal contact with potential sellers. After choosing the property to buy, the next step would be to hire a lawyer, who can take care of the issues relating to the purchase.

It is recommended that both parties should be represented by a lawyer.

Before anyone, even a Greek citizen, can purchase real estate in Greece, that person must first obtain a tax number, known in Greece as AFM ("Arithmos Forologikou Mitroou"). A lawyer can obtain this number in the tax office responsible for foreign nationals in Greece, if the buyer provides him with a power of attorney and a copy of the ID card or passport. As a general rule, Europeans can purchase real estate anywhere in Greece. In some border-zone areas, a special permit may be applied for by competent authorities.

The buyer of property has to pay property transfer tax before the final contract is concluded. Such amounts to 3,09%; if the property is newly-built and is purchased directly from the professional constructor, VAT is payable at a rate of 24% instead of the transfer tax.

Real estate purchase contracts can only be concluded before a public notary, who acts as an independent official in Greece. If the buyer has the financial means available to pay the price, the final contract can be signed between the parties once all the formalities are settled. Should the buyer need to finance the purchase through mortgage or make a deal with the seller for payment with installments, a preliminary contract could be signed, which could be later executed from the buyer alone, if its requirements are met (e.g. payment of the price). After the final contract is executed, the contract must be registered at the local Land Registry.

According the Greek civil law, ownership of the property is conveyed legally to the buyer only after the notarized contract is duly registered at the Land Registry.

Regarding costs, a foreign national who buys property in Greece will be required to pay:

- The property transfer tax (or VAT, as specified above)
- The public notary's fees



KOSMIDIS & PARTNER
LAW FIRM

- The lawyer's fees
- The land-registry fees

- The real estate agent's fees

Greek authorities are generally concerned about where a foreign national is obtaining money to purchase property in Greece. If the money is coming from abroad – which is the most frequent case – it is advisable that the buyer keeps certification from his bank about the origin of the funds.

In 2013 Greek law provided for the first time the opportunity to property buyers that are non-European-Union nationals to be awarded a residence permit, if they buy property in Greece of a value higher than € 250,000. Such permit is awarded for a term of 5 years and it is renewable in the future, as long as the buyer remains owner of the property. Such buyer may apply for residence permit for his family members as well; the law awards such right to the spouse, children under 21 years of age and the parents.

In order to get such a permit, the purchase price must be paid either by direct bank transfer or through crossed bank check payable to the seller. Furthermore, the permit-applicants must have comprehensive health insurance, to be evidenced by an insurance policy of a term of at least 12 months. Basic requirement for the permit is the valid entry in Greece at least once within the 6 months preceding the application with a VISA type C or D.

The process of receiving the residence permit takes approx. 2-3 to complete after all documents are filed with the authority, but exact times are generally dependent on the authority's workload at the time of application.

For more information please contact:

KPAG KOSMIDIS & PARTNERS LAW FIRM

E-Mail: info@kpag.com

Phone: (+30) 23920 57167 FAX (+30) 23920 57619

www.greece-lawyer.com