Changes in Housing and Property under the Austerity Regime in Greece
Challenges for Movements and the Left
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1. Introduction

Especially since 2008, housing has emerged once again as a key terrain of contradiction and conflict. The field is very much related to the roots of the global financial crisis (especially due to the scale of housing finance); however, it is also one of its most dramatic consequences and of particular strategic importance to the processes of capital recovery (Harvey, 2012). The abrupt destabilization of previous welfare and societal arrangements that provide housing for the vast majority creates a momentum of deeper understanding and questioning of the contradictions expressed through housing – between commodity and human right, and between exchange and use value (Harvey, 2014). In such a moment, previous perceptions and certainties are reviewed. Discussions about alternative ways of providing affordable and decent housing are generated as demands for public intervention and alternative solutions become more widespread (Marcuse, 2009; Hodkinson, 2012).

The housing question returns in more and more contexts. All over Europe, in terms of housing, precariousness and deprivation are escalating. The growing number of arrears, repossessions, and evictions as well as increasing homelessness illustrates this. Although housing is a contextually-determined and path-dependent field, local housing markets and systems have become more and more interconnected due to processes of financialization (Martin 2011), the involvement of global actors, and the prevalence of neoliberal doctrine. In differentiated and uneven ways, this doctrine shapes the locally implemented policy answers on the basis of fiscal austerity, dispossession, privatizations, liberalization, and welfare state retrenchment (Peck et al., 2013; Aalbers, 2015).

Critical urban analysis can play an important role in the process of bridging these different realities and creating a common space of mutual understanding, exchange, and solidarity. First, it can do so by exposing the similar logics underlying recent restructuring measures and the strategies of financial and political elites. This helps obtain a broader understanding of the role of housing and land in the processes of urban restructuring that have occurred since 2008. Second, critical analysis can provide insight into the political heritage (i.e. institutional history and genealogy of policies and discourses) related to housing in different contexts, including the rapid expansion and consolidation of the neoliberal paradigm during the last decades. A greater understanding is gained of why some policies and programs as well as claims, practices, perceptions, and ideologies are more legitimate than others, why they do or do not appear on the public agenda, and why they are more likely to occur in one context than the other. A process of comparison and synthesis is required in order to understand similar trends and convergences as well as important differences. The aim is to contribute to the development of a strong and far-reaching counter-framing of the housing issue and to pose critical questions regarding possible alternative policies, claims, and practices.

This chapter addresses these issues by focusing on the impacts of the global financial crisis and public-debt crisis management policies on housing and real estate property in Greece. First, it explains the specificities and particularities of the Greek housing system. Then, it presents the recent political transformations (e.g. policies, public debates, and social contestations) of the Greek housing system that followed the austerity measures implemented since 2010. The aim is to provide a background for a common understanding of the differentiated effects of neoliberal austerity in the field of housing, which was imposed by international bodies and customized and implemented by local elites.

2. Neoliberal austerity in Greece

In the case of Greece, housing – both in terms of production (i.e. real-estate and construction bubble) and consumption (i.e. private debt) – was not closely related to the causes of the financial breakdown, as was the case in other countries, such as the United States (Gotham, 2009; Immergluck, 2011) or Spain (Lopez & Rodriguez, 2011). Rather, housing problems have emerged as a consequence of the severe austerity measures implemented and the spiral of recession and economic collapse provoked by these measures.

The beginning of the crisis, in Greece, was marked by the introduction of the European Mechanism of Support (ESM), in 2010, and the implementation of structural economic adjustment programs and measures as part of consecutive agreement memorandums monitored by the troika (i.e. European Commission,
European Central Bank, International Monetary Fund). As in most places, the promoted measures and reforms primarily aim to protect the financial sector and global investors, while consolidating new labor-capital relations (Hadjimichalis, 2011). Adjustments include massive state-financed rescue and recapitalization programs of the financial sector, paralleled by “inevitable” public expenditure cuts, the curtailment of the welfare state, the dismantlement of labor and social rights, as well as the extensive privatization of public assets. This has resulted in a vast social and economic catastrophe. What started as a public debt crisis has, since 2010, evolved into a wider social, political, and humanitarian crisis: unprecedented unemployment levels, precarious employment and poverty, massive income losses, and the depletion of the social structures and provisions left in an already residual welfare state. In economic terms, austerity measures have led Greece to economic collapse and a vicious circle of recession and escalating indebtedness, rendering the public debt socially and economically unsustainable. At the same time, the last five years of crisis management have provoked radical changes to the political scene: a deep depreciation of the old political system, intense social mobilizations, and politicization of the public debate, but also the rise of far-right fascist and racist perceptions and attitudes. A major milestone in this process has been the rise of a left-wing party (in power) in 2015.

Within this context, Greece, today, is facing a severe and escalating housing crisis, which affects broad sections of the population, thereby multiplying housing precariousness, inadequacy, and exclusion, as households are increasingly overburdened by housing costs and face bad housing conditions, energy poverty, overcrowding, seizures, evictions, and homelessness. Today’s housing problem must be acknowledged primarily as an income and labor problem, rather than a result of the housing market. In 2014, the unemployment rate reached 25.6 percent (more than 50 percent youth unemployment rate), while incomes dropped by 30 to 50 percent in both the private and public sectors opposite 2010. Thus, increased housing deprivation relates to individuals’ inability to cover monthly housing expenses. This is also depicted by Eurostat data, which shows that Greece records the highest rates of housing cost overburden in the European Union. This is also due to the increasing costs of basic utilities, such as electricity, and the excessive taxation of income and property – a pillar of the structural adjustment programs that disproportionately burden low and middle incomes (Giannitis & Zografakis, 2015). As a consequence, households’ private debt to banks, the state, and social security funds has been culminating.

The housing crisis landscape is also characterized by increasing housing deprivation and homelessness, the increasing need for emergency shelter for thousands of refugees and migrants arriving from the Middle East and Africa (according to international organizations, 310,000 people crossed Greek borders by September 2015) and the further marginalization of vulnerable groups. This is coupled by a steep recession in the housing market and construction sector, the destabilization of previous economic and social housing arrangements, and the complete lack of tools and means to implement housing policy.

3. The Southern European housing model and Greek particularities

In cross-country comparative analyses of the European Union (Allen et al., 2004), the Greek housing system is placed in the Southern European housing group alongside Italy, Spain, Portugal, and Cyprus. This housing group is characterized by high homeownership rates, the importance of family and family networks for the provision of welfare and housing, extremely small (zero percent in Greece) social housing sector, and indirect public intervention in housing (e.g. fiscal incentives, subsidized mortgage, land and construction laws). The rental sector accommodates a higher percentage of low-income residents and migrants: it is considered a transitory tenure for middle and upper classes. Southern European housing systems also have high rates of second and vacant housing, while construction and real estate are key economic sectors. In these countries, housing has played a very significant role for social integration and social stability. It has been at the core of family strategies, such as investing savings in real estate property in order to ensure social security and welfare for family members.

As in other Southern European countries, access to ownership since the postwar/post-civil war period has been a specific class project, following the motto “every proletarian, a homeowner.” The aim was to secure social harmony and order by using homeownership as a means of social control. This project was implemented in every country using different strategies and with many contradictions; at the same time, popular classes claimed access to ownership to be a means to secure the right to housing (Leontidou, 1990). In Greece, housing was reserved as a terrain for the formation and sustainment of a “petty-bourgeois” class ideology; this allowed the wide redistribution of rents from urbanization processes to lower and middle strata, thereby democratizing speculation (Mantouvalou et al., 1995) and wide social participation in what has been called “sui generis popular capitalism” (Maloutas, 2003).

Due to historical processes of land distribution and urbanization, property ownership in Greece applies to small and fragmented land plots and housing, which are broadly distributed among social groups, although uneven in terms of quality and value. As a consequence, there are no major housing owners – neither the state nor social security funds or private companies. Housing production – spatial development in general –
has traditionally been characterized by individual construction, often linked to informal urbanization processes, self-promotion, and self-financing (i.e. of traditional nature, through family savings and parental transfers). These mechanisms facilitated the emergence of extensive housing market activity, in which small construction companies, landlords, and capital prevailed, thereby becoming an important motor of the Greek economy (in terms of gross domestic product and employment). The housing sector has intentionally been protected from the involvement of big capital and large construction companies, also through state control of the financial sector. In the past, this allowed for the development of small and medium-sized promoters, construction companies, and material production industries.

Housing has also been the main mechanism for the integration of migration flows in Greek society and the main strategy for upward social mobility, since it has functioned as a multiple asset in the context of the family economy (i.e. covering housing needs, additional income, investment strategy, entrepreneurial asset for small and medium-sized enterprises). Within this model, households play a dual role as tenants and small-scale investors. Thus, the contradiction between the use and exchange value of a house is blurred.

Important changes and restructurings took place in the housing and construction sector in Greece during the 15 to 20 years preceding the crisis (i.e. period of prosperity and growth). These processes intensified significantly during the period from 2000 to 2007. Especially since the second half of the 1990s, Greece experienced profound economic changes, which were mainly financial in nature (i.e. expansion of credit and consumption, increase in households wealth due to increase in financial liquidity, rise of real estate assets and rent prices, increased housing construction). At the same time, inequality, poverty, and social polarization increased. Previous financing mechanisms (e.g. family savings, exchange in kind, self-promotion) became less common. Credit liberalization and expansion, due to the significant drop in interest rates, especially since 2001, and the increasing share of housing finance in gross residential investment has contributed to significant increases in housing prices. This has resulted in a considerable transfer of resources to land and property owners, but also to rising inequality in terms of access to housing (Emmanouil, 2004). The traditional housing construction and urban development model started to fade as a clear trend of concentration and growth in the construction sector occurred. The consecutive European Structural Funds Programs and construction activity for the 2004 Olympic Games fuelled this trend. However, housing remained the field of smaller agents, with the exception of luxury housing production and touristic housing.

This model provided access to affordable housing to a large section of the population without the need to develop demanding competencies and public investment. The role of the state has been limited to the facilitation of market activity through the provision of incentives for access to homeownership and the development of indirect means of intervention (e.g. tax exemptions, subsidized loans, land and building regulations). The basis for the housing policy model implemented throughout the twentieth century was set, since 1922, which marked a decisive moment in Greek history, when 1.5 million refugees from Asia Minor (one-third of the Greek population at that time) had to be accommodated and integrated in Greek cities and rural areas. Despite a significant effort to develop a public housing production sector, the direct provision of housing remained residual and focused on limited social provisions as well as emergency shelters.

In recent years, the only public body that implemented housing programs was the autonomous Workers Housing Organization (OEK), which was abolished by the Second Memorandum, in 2012. In the implementation law, it was explicitly labeled a “non-priority investment.” This decision, which can be attributed to hasty miscalculations of the possible benefits of taking the organization’s financial reserves and real estate property, is indicative of the lack of significance attributed to housing policy in Greece. It had serious repercussions, both for its beneficiaries, who were left unattended to during a period when support was mostly needed, as well as in terms of depriving the administration of the only tool for expanding and implementing any social housing policy.

Other public policies in the housing sector, such as means-tested rent subsidies for students, rent subsidies to households hit by natural disasters, and rent subsidies for uninsured elderly people, are marginal. The homeless policy sector is also quite underdeveloped; however, it has expanded during the last five years with the help of public funding and private donors in order to cope with growing needs (FEANTSA, 2012; Arapoglou & Gounis 2014).

As a result of the previously mentioned characteristics of the housing sector – path dependence of social practices, systematic and longstanding policies promoting owner-occupation –, access to housing through homeownership constitutes an ideology strongly rooted in Greek society, which enjoys widespread social approval. Housing problems have been silenced and kept “invisible” since demands (e.g. social movements) for the development of a social housing policy sector remained marginal. Public resources have been allocated very unequally, privileging the middle and upper classes. Widespread implication in speculative processes has provided coverage for clientelism, elite corruption, and privileges, while many groups were left “outside” of the system (e.g. lower income citizens, youth, migrants, newcomers). This became more evident as access to housing became increasingly conditioned by the financialized housing market and housing prices increased, which led to intensified segregation processes and socio-spatial inequalities.
4. Restructurings affecting housing in fiscal adjustment programs

The crisis management period, since 2010, signifies a strategic turn from Greece’s previous land and housing model, with the state changing from a facilitator to an “enemy” of poor and working class people. Housing and real estate assets turned from a strategic resource into a burden for the vast majority of the population.

We can define three main fields of policy intervention within the fiscal adjustment programs directly or indirectly related to housing: (1) income and real estate property over-taxation as a key approach to increasing public revenues, (2) the management of private debt, both towards banks and the public sector, which targeted real estate assets as a main source for debt repayment, and (3) the “modernization” of the real estate sector, starting with public assets, but also targeting the private sector.

These policy lines advance in an interconnected way and are conditioned by the structural features of the housing market, calculations of political costs, and possibilities for managing social costs within the adopted austerity rational of the memorandums. The new reforms and measures are intensively debated in public discourses, both nationally and on a European level. Regardless of the speed of restructurings and their actual implementation, the legitimacy of imposed measures and new regulatory frame is based on a disciplinary mainstream discourse, which incriminates previous arrangements, moralizes debt, and naturalizes the causes of the crisis and its destructive social effects.

Within the adjustment programs and crisis debate, the high rate of real estate and land ownership, in Greece, but also in Southern Europe in general, has been targeted to be a main source of public revenue for debt repayment through excessive property taxation. High ownership rates (especially first residence) increase the total household wealth in Southern European countries, which results in the portrayal of Southern European households as “income-poor, but asset-rich” (ECB, 2013). Real estate property taxation increases the invoked shortcomings of the previous taxation system and was presented as a necessary reform for its “rationalization.” Nevertheless, the horizontal measures that were disproportionally introduced burdened low and medium-income households (Giannitsis & Zografakis, 2015), rendering the reform extremely unjust and, thus, strongly contested. Anti-social and punitive measures have been adopted, since 2010, to ensure revenues (e.g. electricity bills, high penalties and fines in case of non-payment, immediate confiscation of mobile and immobile assets). In the wider context of high unemployment and abrupt income reduction, taxpayers have reached the limits of their taxpaying capacity, resulting in a large and growing group of debtors towards the state, which added to the already high rate of household indebtedness towards banks.

The issue of household over-indebtedness has been at the top of the agenda for the governments managing the crisis, since they relate closely to banks’ balance sheets and the justification of the banks’ financial viability. Greece is considered to have a highly protective system against foreclosures due to the consecutive suspension of debt auctions for all properties worth up to 200,000 euros, since 2009, and the rigidity of legal proceedings. This protective framework prevented massive foreclosures and forced evictions. Banks, nevertheless, have been advancing the legal processes for property seizure in view of total liberalization.

The public debate revolves around the division between chronic non-payers or “bad” payers and the very needy and vulnerable. According to the troika policy makers, sustained protective measures create moral laxity and abuse, which also contributes to the stagnation of the real estate market. In 2014, a new ethical banking code was introduced, which distinguished between cooperating and non-cooperating debtors. Nevertheless, solutions provided to those that can no longer respond to their economic obligations are far from being viable or just. Furthermore, as was previously mentioned, private debt management does not only involve defaulted credit, but also debts towards the public, which are transferred to debt-collections in many cases.

As in many countries, debt – both private and public – emerges as a dominant social factor in the current phase of globalized neoliberal capitalism. The condition of being indebted is politically constructed as a strategic governance technique; it becomes a means of social control, exploitation, and subordination, while emerging as a strategic field of social confrontation and competition (Lazzarato, 2011; for more mortgage bio-politics in Spain, see Lamarca & Kaika, 2014). People are expected to become the entrepreneurs and investors of their own lives, calculating benefits and costs as well as managing income cuts, unemployment, the curtailment of social provisions, etc. In the case of Greece, as previous social arrangements are collapsing, small-scale real estate property (housing or other) becomes collateral in the risk management of one’s own personal life.

These conditions place pressure on small ownership, since small land- and homeowners are unable to
sustain real estate ownership and property. An extensive process of property reallocation and dispossession seems to be taking place, which also leads to an acute destruction of the capital invested in property. Despite the very low market prices of real estate assets, investors are mainly targeting high-value property, tourism assets, and public property. Processes of property concentration in the hands of real-estate investors anticipating profitable opportunities, which take place in various neighborhoods, cannot be easily measured. Scenarios of property conversion from privately owned housing to rental market investments—especially those owned by banks—are also often discussed in the media. It is still not obvious how this could happen, given the very fragmented and diversified property structure in Greece.

Within this context, the creation of a “safe environment” for real-estate investors has also been a top priority of the adjustment policies and discourse. As discussed in numerous real estate journals and the mainstream press, crises create real investment opportunities on very profitable terms. This is due to significant real estate market recession, public property sell-off programs, pressure on small-scale property owners, and broad deregulation of urban development processes. “Professional” investors are expected to mobilize stagnating capital in the non-commercial housing sector. For this purpose, a new modernizing toolbox, which introduces institutional investors into the housing sector and enables the implementation of innovative financial products and tools for the management of real estate property, is needed. Up to now, these include decreasing taxation of real estate property transactions and possession (for large properties), a new operational framework for real estate investment trusts (REITs) in the housing sector, the liberalization of rental contracts, and the decrease of rental income taxation for high revenues. This turn disregards the cultural and economic dimensions of housing and ownership in Greece and further alienates land and housing from local agents, while it follows speculative and profit-oriented goals, rather than ensuring housing as a basic human need.

On the other hand, the materialization of the previously mentioned strategic policy trends is stumbling over structural features of housing and property in Greece as well as the prolonged recession of the construction and housing market, which leads to constant devaluation and limited transactions. Furthermore, the pace of reform implementation has been restrained by massive political and social discontent. Massive housing and property losses would completely overturn the deeply rooted social contract linked to the post-war model of housing and property access. At the same time, it would produce dramatic social damage given the lack of alternatives for access to affordable and decent housing for many households. Nonetheless, the effects of destructive austerity politics. Nevertheless, within the austerity framework, it is suggested that social policy should be reformed into a social safety net, rather than simply dealing with chronic inefficiencies and ineffectiveness of the Greek social welfare model, which narrows an already residual welfare state into one providing only minimal and conditional provisions (e.g. fast cash-transfer schemes). As a result of the crisis, we have witnessed the destruction of previous mechanisms, such as the Workers Housing Organization, and the collapse of social services, especially the healthcare system. The effects of humanitarian crisis (e.g. unemployment, impoverishment, and destitution) are being normalized. A significant part of public funding and efforts is channeled to the development of services and programs for ex-post alleviation of extreme poverty. Given the very limited public financial resources available for social policy, private donations and charitable foundations are turning into key players in the deployment and, often, innovation of social services (Arapoglou & Gounis, 2015).

5. The rise of an emergency model of social crisis management

Within the tight austerity framework, a primary policy concern has been to provide economic solutions for the recapitalization of the banks and the increase of public revenues, regardless of the social costs. In discursive terms, evictions and confiscations caused by debt are seen as inevitable side effects that create opportunities for real estate capital as well as a new field of public policy. A philanthropic discourse about the need to tackle the destructive effects of austerity has developed parallel to economic restructuring, the shrinkage of the public sector and the welfare state, deregulation of labor relations, and the abrupt destabilization of previous arrangements (Peck, 2011).

According to the troika, private debt management must be accompanied by social policies that cope with the effects of destructive austerity politics. Nevertheless, within the austerity framework, it is suggested that social policy should be reformed into a social safety net, rather than simply dealing with chronic inefficiencies and ineffectiveness of the Greek social welfare model, which narrows an already residual welfare state into one providing only minimal and conditional provisions (e.g. fast cash-transfer schemes). As a result of the crisis, we have witnessed the destruction of previous mechanisms, such as the Workers Housing Organization, and the collapse of social services, especially the healthcare system. The effects of humanitarian crisis (e.g. unemployment, impoverishment, and destitution) are being normalized. A significant part of public funding and efforts is channeled to the development of services and programs for ex-post alleviation of extreme poverty. Given the very limited public financial resources available for social policy, private donations and charitable foundations are turning into key players in the deployment and, often, innovation of social services (Arapoglou & Gounis, 2015).

6. Contestations and claims for the right to housing

Since 2010, social mobilizations, movements, and claims for the right to housing have been conditioned by institutional reforms and measures that are directly or indirectly affecting access to housing. The emergence and formation of housing struggles in Greece has, up to now, been characterized by sporadic waves of, mainly defensive, mobilizations and actions; it is based on a networked structure of collaboration among local organizations, popular assemblies, and groups. Although housing deprivation and precariousness is
affecting the whole spectrum of housing tenure, housing mobilizations relate mainly to small-homeowners that are reacting against increased taxation, confiscations, and debt foreclosures.

Action repertoires include more traditional forms of protest, such as demonstrations and sit-ins, but also fiscal disobedience movements and emerging solidarity networks against the execution of electricity cuts in case of non-payment, electricity reconnections (“no house without electricity”), and against auctions (“no house in the hands of bankers and the state”). These initiatives organize informative discussions and events at the local level, give advocacy support, and broaden alliances around the issue of housing with political and social organizations already active in regard to other social issues.

Since 2013, efforts have been made to develop a bigger and more empowered movement against auctions. Rallies have been steadily organized, every Wednesday, in front of local courthouses in order to prevent the execution of auctions. This has kept alert a broad network for immediate solidarity, but also for claim-making and common actions. Demands include a moratorium of auctions until the elaboration of a socially just solution for private debt towards banks and state agencies, including debt cuts or clearance in case of financial inability; the introduction of social criteria for debt rearrangements related to dignified living standards; the prohibition of the sale of loan packages to vulture funds; the development of a socially just taxation system; an end to the penalization of accumulated debt due to unemployment, income decrease and poverty; and an end to real estate property confiscation because of/due to debts to social security funds. These demands are sometimes broadened to claim the right to housing for all; more specifically, the restitution of the Workers Housing Organization and a broad rent subsidy program is demanded.13

Still, the protection of ownership is prevailing: the demand challenges the imposed measures and regulations. Furthermore, the protection of small-homeownership and the right to housing are often considered to be competing demands or to be in need of reconnection, since demanding a social housing policy could be seen as the acceptance of the fact that private debt management might lead to people being evicted from their homes, losing patrimony, or losing lifetime investments. Thus, the demand of “social rent” or the reuse of seized property has not been developed as it has in Spain. Up to now, elaborations within the movements have not advanced much in terms of questioning the previous model (i.e. individual access to housing through the market); there have also been no substantial discussions about possible alternatives.

Could the defense of real estate property be considered a radical demand in this context? In a sense, the defense of “private property” expresses the claim for the right to stay-put and the right for people to keep their places as an ultimate safety net and means of self-protection. In this sense, housing is the “ultimate bastion.” It also constitutes a defense against the concentration of property, processes of deprivation and dispossessions, and eventual socio-spatial segregation triggered by the extreme conditions of destitution. Furthermore, it is a claim for the future. Real estate assets are valuable resources in the hands of households and small enterprises, which could contribute to future social and economic recovery. The broad distribution of these resources could provide the potential for collective contributions to an alternative social and solidarity economy.

But how can individual solutions – defending one’s own home and private property – expand towards more collective ways of managing housing provision, taking housing off the market, collectivizing resources, pooling together small ownership against commodification, and the concentration of wealth? Difficulties to develop broader claims for the right to housing relate to the wide social pervasiveness of homeownership and lack of social imagination in regard to alternative forms of housing access. Claims for social housing are often seen as a defensive position; they are stigmatized and portrayed as a threat by the mainstream populist press. Housing, as an essential part of progressive politics has yet to gain a central and more permanent position within the discourse and claims of the Greek left.

While the left-wing party currently in government (SYRIZA) was still in the opposition, it attempted to elaborate and express alternative legal proposals for defending the right to housing and ensuring access to affordable and dignified housing for all (e.g. management of private debt and non-performing loans, protection of over-indebted households, property taxation, “debt towards the state” rearrangement schemes, programs and policy measures to ensure “housing for all,” and restitution of a social housing organization). While in government, these elaborations have advanced, always conditioned by the negotiations and agreements with the creditors. A rental allowance for 30,000 households has been among the immediate measures to alleviate the humanitarian crisis, together with energy allowances and access to food and basic material goods. However, housing as a public policy field still remains a very marginal concern with a very limited scope.

In the long term, the stakes are very high for the development and implementation of an alternative housing policy based on the principle of housing justice. In the context of Greece, the cultivation and establishment of alternative perceptions and discourses about housing and ownership and the development of a long-term strategy for active public engagement in the housing sector would be required to implement the constitutional right of housing for all. The promotion of collective and non-profit housing schemes would also be necessary.
This would require both bottom-up and top-down activation to challenge and divert basic neoliberal assumptions about real estate asset management and housing access, such as the right to unconditional profit-making, real estate speculation, and the priority of private ownership. Also required are the elaboration and materialization of socially innovative tools and processes that promote experiments of social and solidarity economy in the construction sector as well as in terms of asset management and housing, and the mobilization of all available resources.

References

In 2012, the housing cost overburden rate (i.e. percentage of the population living in households for which housing costs amount to more than 40 percent of the disposable income) reached 33.1 percent of all households, 15.8 percent for “non-poor” (i.e. income above 60 percent of the national median equivalised income), and 90.5 percent for “poor” households. This amounts to 29.1 percent for outright owners, 21.6 percent for owners with mortgage, 53 percent for rental tenants, and 42.1 percent for those living for free (URL: http://ec.europa.eu/eurostat/data/database (ilc_vho07).

In June 2014, non-performing loans totalled 77 billion euros (45 percent of the gross domestic product) – 44 billion euros in business loans, 21 billion euros in housing loans, and 12 billion euros in consumption loans – corresponding to 1.5 million debtors. Private debt totalled about 85 billion euros (67 billion euros for taxation, 16 billion euros social security funds, and 1.5 billion euros towards public utility companies). Public debt totalled 321 billion euros (172 percent of the gross domestic product), while the interior debt of the public towards third parties amounted to more than 6 billion euros. The data were collected from various sources and are only indicative of the size of the problem.

According to the most recent research on homelessness in the broader metropolitan area of Athens (3.8 million inhabitants), 17,800 people were estimated to be roofless or homeless (according to FEANTSA typology), while another 514,000 people live in precarious conditions in the rental sector (Arapoglou & Gounis, 2014).

The construction and real estate sectors actually collapsed due to an abrupt decline in demand and broader economic suffocation. Private construction activity, building permits, and overall construction investment have dropped by more than 80 percent, since 2008, while there is a high percentage of vacant housing and commercial assets, large stock of unsold property, and dramatic reduction of real estate transactions (see also ?MF, 2013).

The unequal distribution of land values is illustrated in the real estate asset registry of the Ministry of Economy and Finance. Seventy-four percent of owners hold assets that correspond to 31 percent of total taxable real estate assets, while only 10 percent of owners hold 46 percent of taxable value (Ioannidis, 2013).

The two largest landowners in Greece are the state and the church, which mostly have assets other than housing (e.g. land plots, natural reserves, as well as office and retail buildings). State bodies (e.g. children’s protection institutions, old-age retirement homes) and the church own dispersed flats and houses. However, this amounts to only a very small percentage of the total stock (Hadjimichalis, 2014).

An indicative figure of the importance of non-financial means for access to housing is that, in 2009, 39.6 percent of all owners attained property through inheritance or parental transfer (Tzamourani, 2013).

The mortgage market was state-controlled, until the mid-1990s, and addressed mainly the public servant sector. The deregulation of housing mortgages took place after 1994, in compliance with institutional harmonization in the European Union, which Greece joined in 1981.

The housing price index increased by an average rate of ten percent, which increased to 12 percent, in 2006, and started declining after 2007. Housing prices (sale and rental) doubled between 1993 and 2007 (Symigiannis & Chondrogiannis, 2009). Although there were signs of housing market overheating before the crisis, prices and mortgage expansion have remained at a moderate level.

The Workers Housing Organization (OEK) budget was mainly directed towards subsidized loans for homeownership and the small-scale construction (amounting to three percent of total construction at its peak) of new houses for purchase (similar to the Spanish VPO system) and rent allowance (150,000 beneficiaries at its peak in 2009). Its beneficiaries consisted of private sector workers; it was initially funded through a tripartite contributory system (e.g. workers, employees, and the state). Actually, OEK was autonomously funded by wage deductions, since the state had long stopped contributing. After the Second Memorandum, workers’ contributions have been collected in a special inactive fund, while employers were exempted.

Since 2007, there has been a constant drop in housing prices. The annual housing price index provided by the Bank of Greece has dropped by 40 percent since 2007. Market prices, in reality, are even lower.

According to the Greek Statistical Authority, based on data collected from notaries, transactions dropped from 117,900, in 2009, to 45,000, in 2013, and even further, in 2014 and the first semester of 2015 (EMF, 2013).

The government change, in February 2015, gave hope for the potential implementation of a just taxation and private debt management system. Nevertheless, these have been critical issues in the negotiations with Greece’s creditors. This is due to the significance of non-performing loans for the stability of the banking sector and taxation for public revenues, which makes the extent of reforms in favour of over-indebted and overburdened households unclear.

Quelle: https://www.theaterderzeit.de/buch/urban_austerity/33786/komplett/

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