

## **Rented accommodation in Greece: shortcomings and challenges in view of the recent acute economic crisis**

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In contrast to other European countries with a developed social welfare system, households in Greece have generally tended to achieve access to proper housing based in their own savings rather than through statutory support. The economic uncertainty and political instability of the country's recent history has been reflected on its relatively high percentages of home-ownership of nearly 75% of the total housing stock. The recurrent threat of losing one's home has traditionally led Greeks to secure a dwelling of their own regardless of its size, age or status, the most important qualification being full ownership. In other words, a home had to be entirely eviction-resistant, functioning as a symbol of mistrust addressed to the country's administrations since the establishment of the modern Greek state in 1830.

As a result the private rental sector has not been traditionally developed in Greece not being supported by statutory policies that aimed to induce Greeks into home ownership. Undoubtedly, a generous share of the strong urbanization trends of the post WWII period has given rise to the private housing construction sector that boosted the housing stock of large urban centers mainly through self-housing and the system called 'antiparohi' in which small scale developers cooperated with small property owners to develop urban land.

According to the latest available statistics on the share of the rental sector per region in Greece, the percentage of private renting accommodation in Athens was 29%, in Piraeus 25% and in Thessaloniki 23% in 2001. At the same time the country's average was 20% while in rural areas, as in the region of Evrytania, the percentage of the rental sector was as low as 6%. Similarly, it is noted that rented accommodation in

the largest conurbation of Athens varies significantly ranging from 20% to 58%, not necessarily being positively relevant to discrepancies in household income.

On the other hand, and with reference to housing support, it is important to note that unlike almost all other European countries no socially supported renting sector ever existed in Greece. Indeed, social housing, mostly in the form of ready-made dwellings distributed to its beneficiaries through a lottery system or housing loans in favorable terms, has always been minimal in output. The Workers' Housing Association (OEK), which has been the main responsible body on the field, also provided rent subsidy to a number of beneficiaries who rented their dwellings in the private sector, yet its housing program stopped in the beginning of 2012 when the organization ceased to operate.

Furthermore, the recent economic crisis has been reflected on the country's growing percentage of unemployment and poverty forcing a sizeable number of households in despair due to the threat of eviction from their primary residences. Among the EU Member States, Greece had the highest overall unemployment rate in 2013 (27.8%) which although dropping was still high (26.1%) in July 2014. Total household income in Greece dropped by 1/3 between 2007 and 2012, with average losses of some 4,400€ per person. In 2012, 23.1 % of the country's population was classified as being at-risk-of-poverty, Greece ranking in the worst position among the EU member States. That has a severe impact in most cases, as long as the threat of eviction is related to job losses and generally to levels of unemployment and poverty.

As statistics in Greece become particularly alarming it is essential to assess the impact of the current economic crisis on vital aspects of the quality of life such as access to proper housing. Indeed at European level the increased unemployment rates and the loss of available income due to the crisis have been forcing a growing number of households in despair as it has already become evident in countries like Spain several years earlier. Similarly and referring to Greece, a country that has been tormented by the economic crisis since 2009, the analysis of the phenomenon of loss of homes has been particularly interesting as it focused on a crucial field on which practically no research has been conducted in the past.

This had been made possible by the research requested by the European Commission for all 28 European member states in 2014. The present paper incorporates several crucial findings of this research pertaining to the rental sector in Greece. The overall impression has been that despite the loss of jobs and the loss of income due to the austerity measures imposed, the incidence of evictions of households from primary residences has not been so intense mainly due to the moratorium that protected debtors with mortgage arrears in as much as owner occupied homes were concerned. On the other hand, research on evictions from rented accommodation yielded a very interesting fluctuating result as the phenomenon escalated during the years 2010-12 only to drop considerably in 2013 despite the continuing aggravation of the economic crisis. Thus it appears that the phenomenon of evictions from rented primary residences in Greece is a very important issue that needs particular attention by policymakers at different levels. As current trends become increasingly distressing, it is essential that the Greek state, whether central or local, undertakes a more active supportive role on protecting people against the loss of home as on the whole the situation seems to become worse.

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