'Mass evictions' in Athens as government offers golden visa incentive to Airbnb investors from Russia and China

Yannis-Orestis Papadimitriou, The Telegraph, February 16, 2019

Nadia 22, a student in the West Athens University, says she was priced out of her neighbourhood.

A Greek government scheme that grants visas to non-EU citizens in exchange for €250,000 (£219,000) property investments is leading to mass evictions, with renters removed from their homes to make way for AirBnB properties, The Sunday Telegraph has learned.

In an echo of the AirBnB ‘epidemic’ in cities such as Barcelona, homes are increasingly being bought and converted into AirBnB properties, primarily by Chinese investors, under the Golden Visa scheme being actively promoted by the Greek government.

A new report has found that there are whole areas of Athens and other Greek cities where AirBnB now amounts to 81-95 per cent of the overall rentals. In the last two years, the number of short-term rental properties has increased substantially, with real estate sources claiming that most of them come from Golden Visa portfolios.

Adverts have appeared in Chinese and Russian offering EU citizenship for property investment.
Golden Visas have in the last five years rejuvenated the real estate market in Greece and the government is now planning to expand the programme.

The visas are the cheapest in the EU - the equivalent in the UK costs £2 million - and allow for non-EU investors to live and do business in Greece, visa-free travel in any country of the EU and the right to apply for an EU citizenship. The vast majority of Golden Visas are taken up by Chinese investors, followed by Russians and Turks lured by the relatively low cost of the visas.

Nantia, 22, claims she has been priced out of a home by this programme. A university student living in the picturesque Pangrati area of central Athens for the last three years, she has been told to move out of her home by her landlord after the owner sold the house so it can be converted into an AirBnB.

One property she visited was priced at €1,100 per month; five and a half times what she's currently paying. “If I can't find something, I'll have to leave my neighbourhood,” she says.

Her flat is a regular two-bedroom (a bedroom and a small living room), a common example of an Athenian polykatoikia apartment from the 50s and 60s. Her current options are mostly garsonieras, small single-room apartments, that are still out of her price range. Houses similar to the ones she owns, now go for 200-300 euros more than her current rent.

Andriana Pilia, the owner of a real estate agency that deals exclusively with foreign investors, says high returns from AirBnB, combined with cheap Golden Visas and the real estate price drop that opened the way for a booming real estate market in recent years.

Real estate companies say that the annual rates of return on Greek properties converted into AirBnBs are extremely profitable, ranging between 5-7 per cent, the highest in Europe.

“My office is next to the Tax Agency for Foreign Citizens”, she says. “Everyday, Golden Visa company vans with Chinese investors and a lawyer park outside to do the paperwork”.

In January 2018, AirBnB announced that the Greek government had agreed to a complete deregulation of short-term rentals, reneging on an earlier pledge. The number of Greek Golden Visas tripled in 2018.
The scheme is actively promoted by Greece's public investment company "Enterprise Greece", and despite repeated warnings by the EU throughout 2018, its officials still travelled to Shanghai and Hangzhou to advertise the benefits.

Since June, the central tram station in Syntagma Square, right outside the European Commission's Greek Headquarters and opposite the Greek parliament, has been plastered with an ad in English, Russian and Chinese with an arrow that leads to a nearby company promising to handle everything investors need for a Golden Visa.

The European Commission in January called for stricter regulation of Golden Visas in EU countries, including Greece.

The Greek government adopted a new law two weeks ago, but many fear it will do little if anything to hold back the tide of foreign investors. It only improves on minor points that have been already used for illegal activities.

But for Antonis Zavitsanos, it’s too late. The 37-year-old fishmonger whose family business had been located a couple of blocks away from Syntagma Square since 1956, was recently evicted when a company bought the building, with the aim of turning it into a “boutique hotel”.

The fishmonger's old place was a scenic small shop, similar to many in the centre of Athens, that have now gone extinct. He has now moved close to Lycabettus. The rent is high, but at a lower price than that of a space near his old place.

He had already seen a drop in his sales, since the area flooded with tourists, before being told to leave. “The centre is dead”, he says.

A spokesperson for AirBnB told The Telegraph: "This report is an attempt by a hotel group to protect its profits and smear hosts who spread tourism benefits beyond hotels to local families, business and communities."

Enterprise Greece denied that the Golden Visa incentive was attracting AirBnB investors. It added: "Greece, in line with the EU's rules, conducts a thorough vetting and all necessary judicial and legal measures are taken to safeguard the interests both of the investors and the Greek state".