

WE HELP YOU PLAN, FIND AND BUY AN OVERSEAS PROPERTY

How to buy a holiday home in Greece



Your guide includes:

- Step-by-step timetable
- Where and what to buy
- Set your budget
- The legal process
- Making money from rental

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As a holiday-home destination Greece boasts about twice the sunshine hours of the UK, a relaxed café culture and dozens of islands to choose from, each with its own characteristics and appeal. No surprise that Greece recently overtook Italy as the UK's second-favourite holiday destination for air travellers.

Greece has something for everyone. Families looking for a bucket and spade holiday, clubbers and nighthawks, culture vultures in love with the antiquity and myths, anyone just looking for a relaxing break overlooking a sparkling sea... Greece has nearly 600 blue flag beaches and 18 UNESCO world heritage sites. Traveling to the islands by ferry makes every trip feel like an adventure, although most are only a couple of hours from Athens.

It's been a top choice for British holidaymakers since the days of the Grand Tour, and can be your perfect bolthole in the sun.



A guide to your viewing trip

Don't book your trip to see property in Greece without **Your Viewing Trip** guide, from Your Overseas Home. Just click to download.



Why buy a holiday home in Greece?

A good investment?

Compared with the rest of the northern Mediterranean, Greek property is competitively priced. The country's slow recovery from the global financial and Greek debt crises held prices back for years and there are plenty of bargains still to be found. Which all makes Greek property an enticing investment opportunity, allowing for endless cheap holidays while your property should – although not guaranteed – rise in value. What are the rental returns like?

What are the rental returns like?

In the year before the pandemic, 34 million tourists flew into Greece, a rise of over 20% on the year before. In the past, Greece relied mainly on the three months of high season: June, July and August. However, Greece is increasing its offering in the 'shoulder seasons' too, so if you rent out your property you could make money from April to October. While there are stricter rules on renting now, the rise of Airbnb and similar websites make profitable rentals easier to organise.

What are the benefits of a holiday home?

- 1. Cheaper holidays.** Booked well in advance, a flight to Greece need cost no more than a train from London to Birmingham. With your own apartment or villa, you'd save a fortune on hotels and have more space and freedom.
- 2. Welcoming friends.** Busy lives make it hard to catch up with friends, but a holiday home can be the perfect incentive for organising reunions, or just giving an old friend a favour.
- 3. Family gatherings.** How often do we promise the extended family to see each other more often and then just not get round to it? With a holiday home in Greece, all the generations, plus uncles, aunts and cousins can decamp to the family holiday home to enjoy quality time together.
- 4. A new culture, in depth.** Travel should broaden the mind, but you'll never truly understand Greece from a bit of island hopping in the Aegean. Repeated visits where you get to know your neighbours, learn the language, understand local and national society, shop in the market and cook the local dishes – that's a much richer experience.

Is your dream home in Greece here?

Now check out some gorgeous properties in Greece. All from our trusted estate agent partners.



Up to €150k



€150k – €250k



€250k – €500k

Step One: how to pay

For those wondering how to buy a holiday home, including how to raise the money for such a big project, follow our seven-step process for a safe holiday home purchase in Greece.

There are essentially two ways to fund your holiday home: your own assets, borrowed funds, or a mixture of the two.

Your own money might include your savings, selling off an heirloom gathering dust or an investment not making a very exciting return, or using your pension “lump sum”. When it comes to borrowing money, you probably have more options than you imagined.



Need more funds? Speak to our Greece property consultants on 0808 252 7870, or click the button.



Can I get a mortgage for a holiday home?

Yes! You can get a mortgage on a property, based on your earnings and ability to pay it each month. This can be from a UK-based or overseas lender. Mortgages are cheap right now and widely available in Greece for both residents and non-residents.

It is important to start your mortgage application as soon as possible so you have an accurate idea of your budget. You will usually need a minimum 20% deposit, sometimes rising to 30%. Banks will lend to non-resident buyers, typically offering LTVs (loan-to-value) of up to 70%. They come with variable or fixed rates, and typical terms of 25-30 years.

Here are four other ways to finance a holiday home:

1. Downsizing

If you have a UK home and are ready to move to somewhere smaller, this is the most flexible way of raising money. You save any borrowing costs and may be able to live on the proceeds of any invested surplus, since Portuguese property is generally cheaper than British.

2. Family money

Given how well a holiday home fits family life, many families have chosen to pool their resources. It might be grandparents making a “living inheritance”, or it could be siblings pooling resources. It also means you share the workload of running a home abroad. For information on how to do it, read our guide, **Buying Abroad With Family**.

3. Your pension

Until 2015, you were limited in what you could do with your pension “pot”; forced to convert it to an annuity to provide a lifetime’s income. Now the holders of defined contribution pensions can convert it to cash and do what they like with it. You can withdraw 25% of the pot tax-free, with the remainder taxed at annual scale rates as and when it is withdrawn.

4. Equity release

Equity is the difference between the value of your home and the balance of any mortgage on it. If you bought decades ago it can add up to hundreds of thousands of pounds. If you’re over 55 and own a UK home worth at least £70,000, you should be eligible. With most equity release schemes you need to be staying in the UK property for six months of the year, so it works very well for holiday home buyers in Greece. As the equity is already yours, releasing it is completely tax-free.

Don't forget your ongoing financial costs.

Whether resident or just a holiday homeowner in Greece, you’re liable for real estate tax (ENFIA). The annual property tax is calculated progressively from €2 to €13 per square metre, depending on such factors as the date of construction and the area it is in. Additionally, for individuals, a tax is levied on the total value of the owner’s property exceeding €200,000.

If you rent out your property in Greece, this will count as an income and you will have to pay taxes.



You pay a flat rate of tax on the gross income and are not able to deduct any operational expenses or bills. The Greek government has the occasional crackdown on people not paying rental tax, so this is something to be wary of.

Utilities average around €230 per month for an apartment in Greece, which is relatively high, but other living costs are low. If you’re paying these amounts from the UK, don’t forget that exchange rates will change what you’re paying in pounds, unless you lock in your exchange rate for the year.

To be put in touch with an authorised tax and financial advisory firm about financial planning, pensions and taxation in Greece, speak to our Greece property consultants on 0808 252 7870, or click the button.

Step Two: Essential Decisions

With so much of Greece so beautiful, turning pipe dreams into firm plans means making some choices. Start narrowing your options by asking yourself these five basic questions.

Why are you buying?

You know you want to buy a holiday home in Greece, but why exactly? Analysing and articulating your thoughts can help motivate and direct you, so write down your ideas. Here are some examples:

- We want a break from winter gloom whenever we like
- Our grandchildren will love holidays with us, I want a place to invite old friends
- The kids have left home; we need a new adventure
- We're not getting much return on savings in the bank, why not try investing in property?

How will you use it?

Long weekends, three weeks over the summer, for investment, for rental, holidays and then eventually retirement? Be honest, and if you really don't think you'll be nipping down for weekends, save money by being further from the airport. If you want it all to yourself and don't need the money, why worry about rental or investment potential? Bear in mind that under EU rules, third country nationals (like Brits and Americans) can stay for up to 90 days in every 180 without requiring a visa.

How much can you afford?

There may be ways to raise more money, or even share the costs, but get an idea of your realistic budget from the off. You should budget for at least 10% extra for buying costs. Don't forget also that you won't quite get the "interbank" rate for your currency that's shown on the news and the FX sites, but a percentage point or two below that. Speak to Smart Currency about that.

Separate 'must haves' from 'nice to haves'

What are your deal-breakers? How many bedrooms or bathrooms do you need? Is a pool essential or would a nearby beach be better? Outdoor space? What would make it perfect for you? Do you want a terrace, garden and/or a swimming pool? (Use our checklist on the next page.)

What are your turn-offs?

It's nice to be positive, but focusing on what you can't abide can be liberating too. Would you hate queueing for a hire car every trip? Is a sandy beach less appealing than your own pool? Or are you worried you'll be saddled with all the pool cleaning? Would having other holidaymakers on your doorstep all summer get a little irksome, or would being more remote and needing to learn a little Portuguese be worse? You want to love this home, so spell out what will stop that happening, then see if your partner or spouse feel the same.



Everything you need to buy, in one place

Plan: Meet the experts at webinars and virtual events. Get trusted help on the legal, financial, tax, visa and healthcare aspects of a property purchase.

Find: Browse overseas home listings and contact property finders

Buy: We'll help you through the process step by step



Step Three: Complete your property checklist

The location:

	Essential	Preferable
Which part of Greece?	<input type="text"/>	<input type="text"/>
Coastal or inland?	<input type="text"/>	<input type="text"/>
Expat area or avoiding Brits?	<input type="text"/>	<input type="text"/>
City, town, village, country?	<input type="text"/>	<input type="text"/>
Maximum distance to shops?	<input type="text"/>	<input type="text"/>
Max distance to airport?	<input type="text"/>	<input type="text"/>
Max distance to hospital?	<input type="text"/>	<input type="text"/>
Max distance to beach?	<input type="text"/>	<input type="text"/>
Need public transport?	<input type="text"/>	<input type="text"/>
Other location requirements?	<input type="text"/>	<input type="text"/>

The property:

Budget (in pounds)?	<input type="text"/>	<input type="text"/>
Old or modern?	<input type="text"/>	<input type="text"/>
House, flat?	<input type="text"/>	<input type="text"/>
Detached, semi or neither?	<input type="text"/>	<input type="text"/>
Bedrooms?	<input type="text"/>	<input type="text"/>
Bedrooms with ensuite?	<input type="text"/>	<input type="text"/>
Bathrooms?	<input type="text"/>	<input type="text"/>
Living area – open plan?	<input type="text"/>	<input type="text"/>
Separate dining room?	<input type="text"/>	<input type="text"/>
Wheelchair accessible?	<input type="text"/>	<input type="text"/>
Rough square metres?	<input type="text"/>	<input type="text"/>
View?	<input type="text"/>	<input type="text"/>
State of repair?	<input type="text"/>	<input type="text"/>

Outside space:

Garden?	<input type="text"/>	<input type="text"/>
Terrace?	<input type="text"/>	<input type="text"/>
Pool, private or communal?	<input type="text"/>	<input type="text"/>
Garage?	<input type="text"/>	<input type="text"/>

Step Four: Decide where to buy



Find your holiday home

Check out thousands of homes in Greece. When you see one you like, make sure you fill out the enquiry form and our trusted estate agents will find similar properties for you.

Step Five: Organise your euros

You'll need to use a currency specialist to transfer your money to the property seller. The process is quite straightforward. You transfer the pounds to Smart Currency Exchange's client account. Smart buys the required amount of euros and pays it to the property seller or their lawyer. You don't need to go to a bank or handle any cash.

Avoiding currency risk when buying.

While the transfer (or "trade", as it is known) is perfectly simple, as you will know from changing holiday cash, currencies don't stand still. If you are paying immediately, no problem. Simply take a Spot Contract which makes the transfer immediately at today's rate.

For most property buyers in Greece, however, the month or two between agreeing a price, paying a deposit that commits you to the purchase, and paying the final balance, poses a serious risk. During that time, it is perfectly normal for the pound to weaken or strengthen against the euro by several cents. A property that costs €200,000 will, at an exchange rate of €1.20/£1 cost £166,500.

If the pound weakens to €1.10, the price in sterling rockets to nearly £182,000. The simplest way to protect your property budget is via a Forward Contract. This locks in your exchange rate for up to a year without you needing to pay all the money yet.

Talk to Smart Currency
on 020 7898 0541



smart
CURRENCY EXCHANGE

The currency transfer process

Your personal trader will call to discuss your requirements and work out a transfer solution that's right for you.

Your trader will quote the exchange rate and how much your funds will be worth in euros.

When you agree to the quote, your trader will buy the currency for you. The transaction is legally binding.

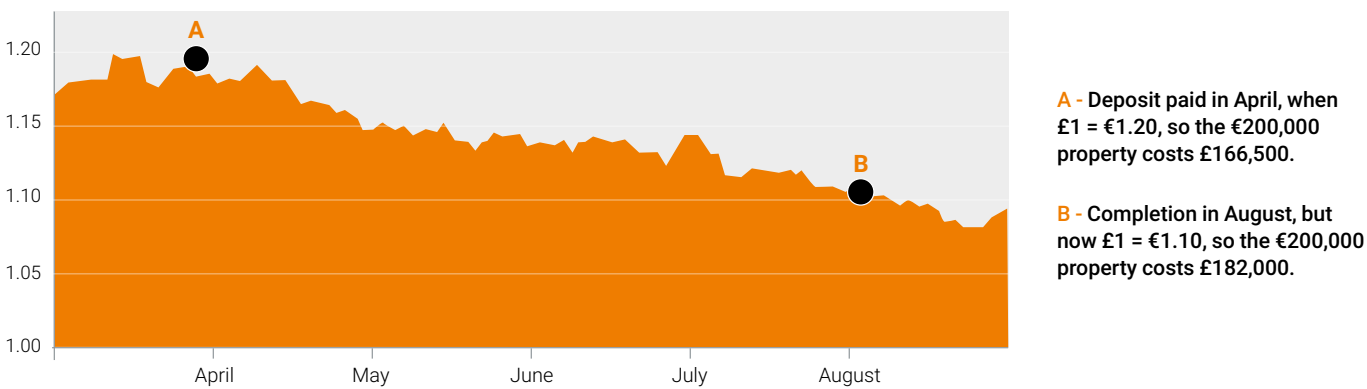
You will receive email confirmation that your trade has been booked, along with payment instructions.

Notify Smart which beneficiary account you want your funds paid into.

Once your funds have cleared they are sent to the beneficiary bank, which will then allocate the funds to the beneficiary account.

How a Forward Contract protects you from "currency risk"

Buying without protecting your budget	Buying with a forward contract
<ol style="list-style-type: none">1 You find a property for €200,000. The pound (GBP) buys you €1.20, so you assume the property will cost £166,500.2 You make an offer and it's accepted!3 You exchange contracts and pay a 10% deposit, committing you to buy. Now your solicitor gets to work, with completion scheduled for a couple of months later.4 But the rate drops to €1.10. You are due to complete but now the property costs nearly £182,000.5 If you cannot find the extra £15,500, you won't be able to complete on the purchase. Not only will you lose the property you have set your heart on, but probably your deposit too.6 A rare occurrence? The pound has dropped by 3-10% over the course of the average property buying process on around one in six days on which you could have made an offer over the past few years. Those buyers had to find thousands more pounds to complete than when they agreed the price.	<ol style="list-style-type: none">1 You find a property for €200,000. The pound (GBP) buys you €1.20, so you assume the property will cost £166,500.2 You make an offer and it's accepted!3 You exchange contracts and pay your deposit to the vendor. You call Smart Currency Exchange and agree a forward contract, sending a 10% deposit to secure that €1.20 rate.4 Your solicitor gets to work, completion scheduled for a couple of months later.5 But the rate drops to €1.10. You are due to complete but now the property costs nearly £182,000.6 No problem, you have locked in your rate at €1.20 and the property still costs you £166,500. You have avoided losing £15,500.7 However, a forward contract is a legal contract to buy a certain amount of currency at an agreed rate in the future, so is only suitable for when you have definitely committed to buy.



Step Six: The buying process

Non-EU citizens have the same right to buy in Greece as the Greeks do. It is highly advisable to invest in the services of an independent, English-speaking lawyer who specialises in property law. They will not only oversee and organise the whole purchase process but will often advise you on tax and inheritance issues too. This is even more important if you aren't a fluent Greek speaker, as they will be able to guide you through the details of the transaction, so that you fully understand the contract and supporting documentation.

1. Preliminaries

Everyone making the purchase must obtain a tax registry number (AFM) from the Internal Revenue Service. You also need a Greek bank account, which can take a while to organise. You can do this yourself or, if you give a power of attorney to your lawyer to open on your behalf.

2. Offer and reservation

When you have found the property you wish to buy and have agreed a price, the agent will usually ask you to sign a reservation agreement to take the property off the market at the agreed price. Usually, this will be for 10-15 days. You'll normally pay at least €3,000,

but it could be as high as €10,000 or more, depending on the price of the property.

Sometimes, the deposit will be returnable if you change your mind at this early stage — it depends on the terms. By making the agreement subject to preliminary legal checks, mortgage loan availability on the property and a building survey, the deposit should be returned if there are problems.

3. Preliminary contract

The legal process will usually start with a preliminary contract; a private contract of sale between the buyer and seller agreeing the price, the payment method and any other conditions. When signed, it is binding and a deposit of around 10% of the agreed purchase price must be paid by the buyer. This kind of contract can take various forms, so it's important to go through all details with your lawyer to be sure you understand your obligations and responsibilities.

Greece has strict planning laws which have protected it from over-development. This does mean, however, that an important part of the buying system in Greece is for your lawyer to ensure your property complies. For example, they'll make sure the swimming pool and any extensions — including covered balconies —

are legal. Closing of the sale from the preliminary contract to the sales contract will usually take around four to six weeks.

4. Getting a survey

Greece is an earthquake zone, so your lawyer should check that the property complies with Greece's Seismic Code, as laid down by the Earthquake Planning and Protection Organisation (EPPO). All the same, for this and other matters, it can make sense to get a survey done. UK-based organisation the Royal Institution of Chartered Surveyors (RICS) has members in Greece.

5. Sales contract

A Greek *simvoliographo* (notary) must also be a party to the sale contract. As a buyer you (or your lawyer) will hire the notary, who will prepare the sales contract and make sure all details are right. The sale contract legally transfers ownership between the seller and buyer. You sign it before the notary, who ensures this process is legal. Your lawyer must also be present, as they'll sign the document when the contract's signed.

The notary's main function is to certify Greek documents and agreements to ensure that they meet all legal criteria. They work on behalf of the government and cannot advise or protect the interests of either the buyer or the seller. It is their responsibility to collate all the information on the property and the area to calculate the tax value of the property.

At this signing, the notary will read out all contents of the sale contract, and will sign and complete this, providing they are satisfied that both parties understand this. The seller will need to pay the property transfer tax before the contract is signed, but, once these documents have been completed, the balance of the purchase price will be paid. The notary then registers the property with the *National Cadastre* (Land Registry).



To be introduced to a recommended and trusted Greek law firm, speak to our Greece property consultants on 0808 252 7870, or click the button.



What will your lawyer check?

The matters your lawyer (or sometimes the notary) will be checking over the buying process include:

- That the person who is selling the property has the right to sell it.
- If anyone else has an interest in the property or rights over it, such as neighbours with rights of way or access.
- If there are debts against the property, such as a mortgage or loans.
- That all local taxes on the property are paid up to date
- That the property has been legalised on the Land Registry.
- That any recent renovation work complies with building permission.



Step Seven: If you choose to rent out your home

Non-EU citizens without a visa can stay in Greece for up to 90 days in a 180-day period. So, what happens to your gorgeous property in Greece while you're not there? You may want to rent it out to be enjoyed by others, to your financial advantage.

Another benefit of rentals is that maintaining it in a pristine state for guests means it should be ready to welcome you too, with a sparkling pool and aired rooms when it's your turn to use your own home.

However, to ensure that all holiday homes meet a certain standard of safety and good practice, the Greek government demands that all properties rented out for shorter stays have a licence called the Elliniko Organismo Turismo (EOT). A 'shorter' stay is any time less than three months. An EOT licence is obtained from the Greek National Tourism Organisation and is required no matter who you are renting your property out to, as long as you are receiving income from their stay.

Examples of the criteria to obtain an EOT include swimming pools having depth markings and warning signs. If this is not complied with, then the homeowner could be prosecuted. The requirements of the EOT licence are reasonable and while it may be a bit of faff to obtain one, it would be worth it for the extra income you could make from renting your property.

Moreover, if you let a property short-term, this is classed as a business by the Greek government, so you will be liable to pay taxes.

Holiday home insurance

Home insurance is compulsory in Greece if you have taken out a Greek mortgage. Even if you bought your

property through other means, it can be a good idea to take out insurance. Most guests are respectful, but you can occasionally run into someone who causes problems!

These are the things you will want included in your policy:

- **Accidental damage within your home.**
- **Employee liability (for cleaners, gardeners, etc)**
- **General theft and theft by guests**
- **Unoccupied insurance (for when the property is empty)**
- **Swimming pool protection**
- **Cover for long or short term lets**
- **Public liability**

The cost of insurance will vary depending on the location of the property, the size, number of bedrooms, facilities, etc.



Don't rely on rental income without checking out the rules with your property lawyer. To be introduced to a recommended and trusted Greek law firm, speak to our Greece property consultants on 0808 252 7870, or click the button.

“Your holiday home will be ready to welcome you too, with a sparkling pool and aired rooms.”

Read our other guides

Click the image to download the guide.

Your Viewing Trip

When you get to the business end of buying in Greece, know the right questions to ask your agent before, during and after the trip. Plan effectively and stay in control.

The Property Buyer's Guide to Currency

The traders at Smart Currency Exchange share their tips for a successful property purchase, explaining why currencies move and how to protect your budget from currency risks.

Buying Abroad with Family

Why not spread the cost and responsibility of buying a holiday home in Greece with friends or family? Includes how to organise the financial and legal side, and how to get along!

Buying in Greece

At Your Overseas Home we are passionate about helping our readers buy safely. The Greece Buying Guide explains how to buy, from that first thought to getting the keys in your hand!

Contact us

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