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## Access to Housing and Social Inclusion in a Post-Crisis Era: Contextualizing Recent Trends in the City of Athens

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### Abstract

The way housing affordability evolved since WW2 in Greece—and in its capital city in particular—is an example of how the South European welfare system managed, for several decades, to provide socially inclusive housing solutions without developing the services of a sizeable welfare state until global forces and related policies brought it to an end. The increased role of the market in housing provision since the 1980s, the rapid growth of mortgage lending in the 1990s, the neoliberal policy recipes imposed during the crisis of the 2010s and the unleashed demand for housing in the aftermath of the crisis have led to increased housing inequalities and converged the outcome of this South European path with the outcome of undoing socially inclusive housing solutions provided by the welfare state in other contexts. The article follows longstanding and recent developments concerning the housing model in Greece and especially in the city of Athens, focusing on mechanisms that have allowed access to affordable housing for broad parts of the population during different historical periods, and examines the extent to which the current housing model remains inclusive or not. The aim here is to discuss the most important challenges concerning access to decent housing and highlight the need for inclusive housing policies to be introduced into the current social and political agenda.

### Keywords

affordable housing; Athens; crisis; gentrification; inclusive housing policies; short-term rentals; tenure; tourism

### Issue

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### 1. Introduction: Contextual Diversity of Housing Affordability and the Greek Case

Crises are usually assumed to deepen social inequalities in relatively short periods of time. Income is severely reduced for most social groups as jobs become scarce, and small property owners are often dispossessed since they have to sell property under conditions of low demand. Those with considerable wealth can endure the impact of the crises much longer and can even profit at the medium or long term by acquiring property at a low price.

However, this is not always the case. The major crises of the last century—the two world wars and the finan-

cial crisis of 1929—did not lead to increased inequalities. They were, rather, followed by long periods of decreasing inequalities, as counter-intuitively depicted by the works of Piketty (2014) and Milanovic (2016). Nevertheless, these decreasing inequalities were not structurally produced by the crises, but by the major policy changes they induced within the particular political climate and the global balance of powers during these particular post-crisis eras.

The sovereign debt crisis in the countries of Southern Europe exercised strong pressure on their residual welfare systems. Incomes were reduced—sometimes severely, as in the case of Greece—unemployment in-

creased considerably and extreme forms of deprivation, such as homelessness, became important, since their family-centered welfare systems were no longer able to address the needs exacerbated by the crisis. Housing was affected in different ways among these countries, despite their similarities in housing provision and consumption practices (Allen, Barlow, Leal, Maloutas, & Padovani, 2004). The effect on affordable housing appears much more severe in Spain and Italy—although both were hit less severely by the crisis than Greece—as witnessed by the extent of evictions and the importance of the housing-related movements (Siatitsa, 2014).

Housing affordability is usually assumed to be an issue when a considerable part of the working class cannot find adequate housing. In advanced industrial societies, this was usually the case when housing provision was left to the market. Affordability of housing was eventually addressed through important state intervention under different forms—public provision of accommodation for rent below market prices, subsidized rent in the free rental market, rent regulation, subsidized access to homeownership, etc.—and, eventually, housing became one of the main social services provided at the apex of the welfare state and the one that suffered the most when it declined (Esping-Andersen, 1999).

In Southern Europe, housing affordability has been much less related to the industrial working class due to the weaker and belated local industrial development, except the few regions of Piemonte, Lombardia, and Catalunya. Overall, access to housing was mainly a problem for the large groups of internal migrants directed to the main cities, who produced an unprecedented urbanization wave for the whole region (Leontidou, 1990). Moreover, the very large numbers of Southern Europeans who migrated to Western Europe or overseas indicates that the push effects during the first post-war decades were much stronger than the capacity of the region's cities to accommodate the outgoing population (Allen et al., 2004). The plethora of the workforce and the relatively weak industrial development acted as disincentives for investing in housing policies along the lines of the Western or Northern European welfare states, while the clientelist and, in most cases, authoritarian political systems promoted different answers for the housing question.

The low percentage of public housing for rent in the housing provision systems of Southern European countries, compared to those of Western or Northern Europe, testifies to their different path in terms of addressing housing affordability (Allen et al., 2004). In Greece, public housing for rent has never been developed and continues to be completely absent. However, housing needs have been important in peripheral European countries, where before the severe damages of WW2 and the Civil War (1946–1949), housing conditions were very poor: In 1940, 57% of households lived in one room, 28% had no kitchen, 94% had no bathroom and 9% had no WC of any kind (Stratis, 1955). Housing conditions improved

considerably after the wars. The ratio persons/room in the metropolitan area of Athens increased from 1,96 in 1939 to 2,5 in 1947 due to the war and then decreased to 1,47 in 1961 and 1,03 in 1975 (Centre of Planning and Economic Research [KEPE], 1976, p. 121; Jenks, 1957, p. 3). The improvement of housing conditions has been even more considerable for lower-income groups (Maloutas, 1990, p. 16). At the same time, tenure remained relatively stable—around 55% of homeownership between 1958 and 1986—after its increase in the first post-war decade (Maloutas, 1990, p. 123).

The improvement of housing conditions continued after the 1980s. Available housing space for residents of Athens increased between 1991 and 2011. Those with less than 20 square meters per capita decreased from 40.5% to 21.5% and those with more than 30 square meters per capita increased from 26.4% to 45.6%; and homeowners increased from 65% in 1991 to 66.4% in 2011 (National Centre for Social Research and the Hellenic Statistical Authority [EKKE-ELSTAT], 2015). This improvement of housing conditions, however, was not a permanent trend from the early post-war period to the crisis.

Since the early 2000s, comparative housing studies have documented the important changes in housing policies and systems due to the effects of European integration, the broader globalization trends, and fast mobility of neoliberal policies (Doherty et al., 2004; Kleinman, Matznetter, & Stephens, 1998; Peck, 2011; Peck & Tickell, 2002). Questions of convergence or divergence under these global trends were discussed (Kemeny & Lowe, 1998), as housing markets became more and more interconnected, due to the financialization of housing (Aalbers, 2016), and housing policies under the neoliberal doctrine followed interconnected paths of providing affordable housing through the markets, became more targeted, and were to a great extent delegated to the third sector. The Global Financial Crisis revealed the risks and growing inequalities produced by the gradual retrenchment of the state from the provision and protection of housing (see Fields & Hodgkinson, 2018). Post-crisis international market trends and global finance continue to play an important role in shaping local housing conditions. However, diversified responses at the national and local level have produced different outcomes.

In Southern European countries, the homeownership model, more and more dependent on lending rather than traditional mechanisms, has been strongly contested (Alexandri & Janoschka, 2017; García-Lamarca & Kaika, 2016), discussions about the need for a renewed social housing agenda and affordable housing provision have multiplied (e.g., Marcuse & Madden, 2016; Poggio & Whitehead, 2017), while coping strategies from the local level and solidarity initiatives have been pointed out as prominent fields for social innovation in housing (Arapoglou & Gounis, 2017; Gosme & Anderson, 2015). The analysis of genealogies and path-dependencies of national and local housing systems is crucial in the pro-

cess of understanding these radical transformations and their effects, but also for identifying relevant institutional changes and new housing policy directions to answer growing needs and deepening housing exclusion (see Anderson, Dyb, & Finnerty, 2016).

In this article, we provide an overview of long-standing and, more importantly, recent developments concerning the housing model in Greece and especially in the city of Athens, in other words, concerning the mechanisms for the production of and for the access to housing. With regard to the relevant experience of past decades, the overview provided here is based on the accumulated knowledge found in the existing academic literature. As for the very recent developments, which there is not yet extensive literature on, while relevant data are limited and/or questionable, the overview is based on a careful and critical collection of evidence found in relevant scientific studies, reports of European and national institutions and organizations (such as Housing Europe, the European Federation of National Organisations working with the Homeless [FEANTSA] or ELSTAT) and the press. Special emphasis is given to the city of Athens since it is the capital city of a centralist state, as well as by far the largest metropolitan area in the country and, therefore, the place where the processes of access to housing and their effects become more visible and understood. Beyond the mere description of the Greek housing model and its transformations through time, we simultaneously examine whether and to what extent this has been and/or still is a socially inclusive model.

At first, we stress that the early post-war period was marked by two housing provision systems (the self-promotion and the land-for-flats system) that enabled access to decent housing for a wide range of different social groups. Thus, these housing provision systems managed to assure a relatively high level of social integration and inclusion, even though they were not the outcome of explicit socially inclusive housing policies (Section 2). Next, since the 1990s and due to the liberalization of the housing market and the rapid expansion of mortgaged loans from private banks, access to housing became much less socially inclusive (Section 3). The outburst of the crisis back in the late 2000s further hit the housing sector, in a period when socially inclusive processes were heavily undermined, exacerbating ongoing rather than generating new processes of housing deprivation and inequalities. However, at the same time, niches of affordable housing were still preserved amidst crisis conditions (Section 4). Lastly, during the current so-called post-crisis period, with the real estate sector growing significantly following the sharp increase of tourist demand and investment interest, housing affordability is severely at stake, especially for the most vulnerable and unprotected population groups, such as the unemployed, the elderly, migrants and refugees, often faced with extreme conditions of housing precariousness and deprivation (Section 5).

Based on a thorough overview of long-standing and recent developments concerning the housing model in the case of Greece and especially in the case of the city of Athens, this article aims to reveal the most important current challenges concerning the access to decent housing, as well as in relation to social integration and inclusion. It is argued here that the crisis, which hit back in the late 2000s, and what followed next does not constitute a distinctive turning point but a catalyst in a long process of decreasing social integration and inclusion through (a decreasing, more and more unequal) access to housing while regulating housing policies have always been almost non-existent. We close this article by highlighting the need for inclusive housing policies that must urgently be introduced—for the first time in the case of Greece—into the current social and political agenda.

## 2. The Production of Affordable Housing in the Greek Capital (1950–1980)

Athens has undergone very important changes from the early 1950s to the end of the 1970s. Its population more than doubled, inducing housing needs which amplified the post-war reconstruction process. Internal migration towards Athens was not produced by the appeal of its labor market, but by push factors in the places of origin of migrants (Burgel, 1976). This meant that the labor market was not the cornerstone for migrants' integration in the Athenian society and—similarly to other large cities of Southern Europe—access to housing primarily enabled the integration procedure (Allen et al., 2004). Access to housing during that period was mainly provided through two housing provision systems: self-provided affordable housing in the city's urban fringe and affordable apartment housing in the city center through the land-for-flats system (Leontidou, 1990; Maloutas, 1990; Prevelakis, 2000).

### 2.1. The Self-Promotion of Affordable Housing

The new migrants in Athens during the 1950s and 1960s were very numerous—the city's population more than doubled since 1951 (Maloutas, 2018, p. 27)—and their occupational profile was unstable and precarious. Most of them were occasionally employed in construction (men) and personal services (women) and, therefore, not suitable to become tenants since they were either unable to face regular expenses or were housed by their employers. Housing needs, however, were growing fast and the political unrest they could produce in the unstable post-civil war climate was seriously considered by the authoritarian right governments of that period. The solution eventually promoted was self-promotion—often involving illegal construction—on a legally acquired small plot. This solution also served big landowners holding large pieces of rural land at the city's outskirts, who were permitted to segment their properties into tiny lots and sell them as *kleingarten* (small gardens) that the new set-

tlers unofficially transformed into urban building plots (Mavridou-Sigalou, 1988).

This housing solution was partly inspired by policies regarding the housing of the refugee waves of the 1920s when over a million Greek-origin residents of Asia Minor were deported to mainland Greece, after the Lausanne treaty in 1923 (Gizeli, 1984). Self-promotion was actively encouraged by the US—who had just taken over the supervision of the Greek protectorate from Great Britain—as an effective way to confront communist influence by transforming poor internal migrants to small property owners (Kalfa, 2019). Homeownership increased, and mainly became socially disseminated. Properties may have remained unequal, but being an owner became much less socially distinctive.

### 2.2. *The Land-for-Flats System*

Homeownership was not only stimulated by self-promotion; it was mainly addressed to recent internal migrants who could often implement self-construction processes. Several other groups, especially not involved with manual labor, were less suitable for self-promotion, mainly if it involved self-construction. The land-for-flats system (*antiparochi*) filled the gap for those who were not recent residents and/or were in higher positions on the social ladder.

The land-for-flats system was, in fact, a joint venture between a small landowner and a small building promoter who joined forces (land, capital, building know-how) to produce an apartment block, which they eventually split at the end of the works according to their initial contract based on the share of land in the whole investment (Antonopoulou, 1991). This system was prolific in the 1960s and the 1970s and completely reshaped the city's housing stock. More than 34,000 new apartment blocks of five stories or higher were built from the early 1950s to the late 1970s in a city where less than 1,000 such blocks existed before 1950 (Maloutas & Karadimitriou, 2001). Its success was related to the important tax reliefs it enjoyed compared to alternative building promotion and to the increase of construction coefficients in the late 1960s, which made it even more attractive. As a result, the housing market was flooded with a constant supply of affordable apartments.

### 2.3. *Homeownership, Social Mobility and the City's Social Geography*

Affordable housing in Athens during the early post-war period was provided mainly to those who could access homeownership either by investing their savings and/or their personal/family labor, their family's assistance, or the selling of property at their places of origin. This option did not cover everyone; in fact, it left out the most vulnerable who could not take advantage of the relatively low cost of access to homeownership. It covered, however, broad housing needs since those of the most

vulnerable members of lower-income groups were usually covered through family solidarity (Maloutas, 2008).

The two aforementioned housing provision systems have significantly affected the city's social geography. Self-promotion has steadily established the native Greek working class in the suburbs of the western part of the city and the outer periphery, reproducing both the center-periphery and east-west social dichotomy. Land-for-flats, on the contrary, has massively provided affordable housing in neighborhoods in and around the center, allowing for a socio-spatial mix and, eventually, contributing to the gradual suburbanization of upper-middle- and middle-class households (Maloutas, 2018).

The policy to facilitate access to homeownership for a wide range of social groups followed broader political objectives in a tradition of right-wing populism and clientelism (Vaiou, Mantouvalou, & Mavridou, 1995). The outcome of this policy option has been much broader than the limits of the housing sector. Increased access to homeownership contributed to social inclusion since it became a pillar of the large wave of social mobility during the first post-war decades, along with the small family business, self-employment, and access to higher education (Maloutas, 2010).

### 3. **The Progressive Demise of the Access to Affordable Housing Since the 1990s**

The land-for-flats system provided massively affordable housing, but at the same time, it set the market as the main mechanism of housing provision. Conditions of supply, demand, and rent regulation during the early post-war decades were favorable for maintaining affordability and enhancing social inclusion in terms of access to housing. These conditions, however, changed over time.

Self-promotion—the most accessible way to homeownership for lower social groups—started declining since the 1960s. When inflation and interest rates dropped spectacularly in the 1990s, the mortgage market was unleashed following the abolition of important restrictions for private banks in mortgage lending (Economou, 1988). Bank credit contributed to boosting real estate transactions by considerably increasing the purchasing power of middle-class households. It also induced price increases and reduced the access of lower-income groups to decent housing (Emmanuel, 2004, 2014). The homeownership rate increased for higher occupational groups (managers, professionals, and their associates) from 67.2% to 73.9% between 1991 and 2011, while for lower ones (manual workers) it decreased from 64.2% to 57% (EKKE-ELSTAT, 2015).

The growing social inequality in access to housing has been attenuated by several factors that decreased its social and political visibility. Since the 1980s, housing demand for new residents diminished following the sharp decrease of internal migration. Housing demand in Athens since that period increased mainly due to the demand for suburban housing by expanding middle-class

households. On the other hand, the shrinking native Greek working class remained spatially immobile and the housing needs of its young generations were usually accommodated through defensive family strategies of intergenerational redistribution of housing resources (Maloutas, 2008). Nevertheless, a new wave of housing needs and demand appeared in the 1990s with the important growth of immigrant groups. Although the number of immigrants was high and rapidly growing, the social and political impact of their housing needs has been minimized by the fact that they were politically voiceless and because they were able to find affordable accommodation in a segment of the private rented sector that had been gradually abandoned by native Greek households (Balampanidis, 2020; Kandylis, Maloutas, & Sayas, 2012; Vaiou, Karali, Monemvasitou, Papaioannou, & Photiou, 2007).

#### 4. The Impact of the Crisis on Housing Affordability

The global financial crisis of the late 2000s affected the housing sector where social inequalities had been growing for the last twenty years. The impact of the crisis was very unequal concerning tenure. Tenants were immediately affected by the sharp growth of unemployment and by the considerable decrease in salaries/wages. As a result, they were often unable to meet their rent contract obligations and had to look for smaller houses or to share dwellings with family members or friends. Housing needs have been addressed as individual/family issues during many decades and they continued to be treated as such even during the crisis. Measures protecting tenants have always been residual compared to those for homeowners since the early post-war period, and they were completely canceled with the liberalization of the housing market in the 1990s, while measures adopted in the framework of the Greek adjustment programs accelerated rental eviction processes. Thus, solutions to housing problems during the crisis were mainly requested traditionally. For example, the late emancipation from parental homes, whose share was already growing in the 2000s, was further reinforced during the crisis, while many young people living autonomously had to return (Balampanidis, Patatouka, & Siatitsa, 2013; Serraos, Greve, Asprogerakas, Balampanidis, & Chani, 2016; Siatitsa, 2016).

The crisis was harder on those without resources from family or other self-help social networks, i.e., mostly newcomers in the country, especially refugees. Overall, homelessness increased visibly as reported by relevant research (Arapoglou, Gounis, & Siatitsa, 2015; FEANTSA, 2018), although it is not possible to have a precise estimation of the population affected since there are no valid measurement processes in Greece—on top of the broader issues of measuring and comparing homelessness across contexts (Anderson et al., 2016). Refugees in particular—who increased sharply after 2015 and constitute one of the most vulnerable popu-

lation groups and most exposed to housing deprivation—were trapped in conditions with no housing or other integration policies. These conditions further deteriorated with the abolition in 2010 and 2012 of the only two housing agencies—the Workers Housing Organization and the Public Agency for Planning and Housing—according to the memorandum agreements. Instead, a crisis management anti-poverty emergency model was developed (Arapoglou & Gounis, 2017), which was rather new for Greece. Refugee housing issues have been perceived as emergency problems for a transient population, independent from those of the local population, and tackled with the assistance of EU funds, the United Nations High Commissioner for Refugees (UNHCR), and NGOs at least up to 2020. Refugee camps, which eventually became detention camps under the new conservative government, are completely separating refugees' housing needs from those of the rest of the population (Kandylis, 2019). Different approaches seeking the integration of refugees through housing and other processes promoted by local authorities, international organizations and NGOs—e.g., the UNHCR urban accommodation program ESTIA, involving 2,000 apartments and 14,000 people (UNHCR, 2019), or the project “Curing the Limbo” of the Municipality of Athens—are of a smaller scale and precarious status, while the social inclusion of refugees is further undermined by the recently constricted rights of asylum seekers in terms of access to health and education services.

The effect on homeowners was much less immediate, as restrictive measures against foreclosures due to debt were promptly adopted in 2009 and until 2015, while the 2010 insolvency law for households protected the first residence from liquidation. At the same time, the real estate standstill and considerable price decrease during the crisis reduced pressure on small landowners and limited their displacement. Nevertheless, mortgage arrears increased from 4% to more than 45% and over-indebtedness (Bank of Greece, 2018)—also involving tax arrears—became one of the most burdening issues for homeowners, as real-estate property taxation increased roughly 6 times (from 500 million to 3 billion; see Foundation for Economic & Industrial Research, 2018) to increase state revenues, making homeownership less attractive. Increased taxation also followed the logic of penalizing inactive landed property and motivate real estate transactions, together with other measures such as the reduction of transaction taxation (from 11% to 3%), which had limited effects due to the complete lack of demand for most of the crisis period.

These policies contributed considerably to the significant increase in housing expenses in households' budgets. According to Housing Europe (2019, p. 10), housing expenses in Greece in 2017 required the highest share of households' disposable income (about 41% on average and 72% for those under the 60% median income) among the 31 European countries considered. They also affected small landlords who possess most of the proper-

ties in the private rented market of Athens. These landlords, being dependent on the income from their properties, were usually unable to follow long-term strategies of withdrawal from the market until prices/rents recovered. They often agreed on lower levels of rent to keep their tenants, mitigate their loss of income from other sources, and face their increased taxes. This created a kind of buffer for tenants in the privately rented housing market, alleviating some of the pressure for part of them. Reduced demand for rental and low prices also allowed for the fairly effective implementation of housing programs for refugees (such as the ESTIA program previously mentioned) and other vulnerable groups in the private rental market. Although this situation would be favorable for long term initiatives to promote social rental schemes in exchange to incentives and secured public contracts with small landlords, the momentum was lost by the government of the left (2015–2019), which introduced, however, a rent subsidy for low-means households in 2019 and mainly focused on extreme housing deprivation, such as homeless shelters or Roma housing (Siatitsa, 2019).

Within these negative consequences of the crisis for housing and the parameters that mitigated their effects, affordable housing continued to exist in Athens in two major forms. The first is the large mass of owner-occupied housing in traditional working-class suburbs and throughout the broader urban periphery. This housing stock, already in the hands of lower and lower-middle income groups, accommodates the needs of new generations through family strategies of intergenerational redistribution. The groups related to this stock are mainly native Greeks living in these working-class areas for several generations. Outright home ownership and the endogenous social transformation of these areas (Maloutas, 2004; for a similar pattern in Madrid see also Leal, 2004) have gradually transformed them into socially mixed areas, without gentrification.

The second part of the housing stock which remained affordable during the crisis is the large number of small apartments on lower floors of apartment blocks in the densely built neighborhoods around the city center. These apartments have accommodated lower-income households, especially immigrants since the 1990s. The disadvantages of this stock—small size, absence of sunlight, noise, absence of view, etc.—made it undesirable for those with other options. The undesirability of this stock induced the vertical social segregation in most central neighborhoods and even a stigma for lower floor apartments, but at the same time preserved their affordability (Balampanidis & Bourlessas, 2018; Maloutas & Karadimitriou, 2001).

### **5. Socially Destabilizing Effects for Affordable Housing in the Aftermath of the Crisis**

After many long years, the crisis officially ended in August 2018 with the completion of the third memorandum

agreement. Some indicators—like the unemployment rate which decreased from 27.5% in 2013 to 19.3% in 2018 (ELSTAT, 2019, pp. 30–31)—were showing that Greece was on a recovery course. During this recovery process, housing has been affected by changes in the real estate market and much less by the presumed positive effects of the recovering labor market. Moreover, positive trends for social inclusion in the labor market have started to be curtailed by the redistributive policies of the new government, which reduce the funds for lower-income groups as well as the number of recipients, increase tax reliefs for entrepreneurs and high incomes, maintain the low level of the minimum wage, etc.

In terms of housing policies per se, the subsidization of low-income tenants is reduced, and all other initiatives targeting social integration through housing, undertaken timidly and belatedly by the previous government, are abandoned or marginalized. Policing and public order are given priority and squatters—regardless of the specifics of each situation—are preferred in detention camps or the street rather than in self-help solidarity accommodation assisted by citizen groups. In the new political environment, the housing needs of vulnerable groups are perceived, in the traditional way, as exceptional issues needing solutions to disappear sooner or later. In this line, social inclusion is demoted by the curtailing of asylum seekers' access to health and education until they are given asylum, even though the process is too long and affects their prospective integration and, even more, their children having to live in a kind of welfare vacuum for an indefinite time (Amnesty International, 2019).

Although recent signs from housing and broader welfare policies are not encouraging in terms of social inclusion prospects, the main destabilizing effects for affordable housing options are coming from changes in the real estate market, which remain partially undetected and completely unregulated. Real estate transactions have multiplied in the last few years and prices have been steadily increasing, an unequivocally positive sign of recovery for many commentators, mainly fueled by the rapidly rising tourist demand for Greece and Athens in particular. The number of international tourist arrivals in Athens fell 22% between 2007 and 2013 but increased by 56% between 2013 and 2016 while Athens turned into an all-year city break destination instead of a transit place to Greek islands (Izyumova, 2017). This new (tourist) demand has provided ample space for developing the short-term rental sector with the decisive assistance of online platforms, such as Airbnb. The number of Airbnb rentals in Greece and the Region of Athens, in particular, increased from only 132 in 2010 to 126,231 in 2018 and from only 54 in 2010 to 30,184 in 2018 respectively (Athanasidou & Kotsi, 2018), while the total income generated by the so-called 'sharing economy' market exceeded 1.9 billion euros in 2018 (Grant Thornton, 2019). Foreign investors and real estate funds are attracted by these new prospects buying the until recently devaluated housing stock—75% of new trans-

actions have a foreign buyer. Many of them are linked to the Golden Visa scheme, providing a five-year resident's visa in Greece for an investment of €250,000, one of the cheapest in the EU. Up to December 2019, 6,300 investors had acquired a golden visa, 70% of whom of Chinese origin, while most investments—usually in real-estate property—are located in the Region of Athens (Enterprise Greece, 2019).

Athens has been able to benefit from the increase in tourist demand by accommodating a much larger number of tourists than its hotel infrastructure could support. Property owners benefited from the income increase and several professional groups—building workers, construction related engineers, internal decorators, etc.—were provided with new activities after being hardly hit by the crisis (Balamanidis, Maloutas, Papantzani, & Pettas, 2019). However, these new developments—which remain unregulated apart from their tax yielding aspect—have brought important shortcomings, in terms of social inclusion. They are intensifying housing unaffordability through rising rents and prices, especially for residents whose wages remain suppressed, and increase income inequalities among landlords depending on the size and location of their properties. Indicatively, during the period 2016–2018, rent prices in the Region of Athens increased on average by 14.3%, while they increased by 20%, 26% and almost 30% in the southern suburbs, the western suburbs and the neighborhoods of the central Municipality of Athens respectively (RE/MAX, 2016, 2017, 2018).

Apart from the above-mentioned general effects, the rise of the short-rental platform has an impact on the city's affordable housing stock, described in Section 4, in direct and indirect ways. The apartment blocks in central neighborhoods have been acting as barriers to gentrification since housing at their lower floor apartments could not become desirable for regular gentrifiers even following some substantial investment in renovation. Under the new conditions of tourist demand, the disadvantageous small apartments on lower floors can be refurbished for the occasional middle-class tourist/gentrifier, who will usually spend a short period of time, without the advantages of view, sunlight, verandas, etc., but with the advantage of a central location, easy access to places of tourist interest and multicultural ambiance. Moreover, prices are also rising in peripheral areas, including the traditional working-class suburbs, due to rising demand by those who can no longer afford to stay in the center.

For the time being, the displacement of lower-income groups is partly potential and partly in process. The driving force is the expectation of small landlords to profit from taking their properties from the regular rental market and joining the short-rental market after refurbishment. Furthermore, although it is quite early to fully understand the scale and long-term impact of recent transactions, a fast process of housing property concentration in the hands of professional/speculative

agents is taking place, potentially leading to considerable changes in the property structure of the rental market in central Athens. The issue is not on the policy agenda although potential consequences for the most vulnerable groups in the city are extremely serious.

## 6. Conclusion

Housing affordability has not been a major issue in Athens since the second half of the 20th century—apart from the recovery period from war damages in the immediate post-war years—although housing conditions were problematic, and needs were constantly increasing in a city of rapid growth. Like in many other large cities of Southern Europe, housing needs have been dealt with differently from the welfare state approach in Western and Northern Europe. Opportunities for affordable housing were mainly provided in the form of low-cost access to homeownership, initially involving the initiative of the settlers and the assistance of their family networks, and later through a large number of housing units produced by the land-for-flats system.

For most of the post-war period, housing in Athens was a terrain protected from large capitalist interests by conservative political parties who used housing provision both as a way to regulate the economy and as a privileged field of populist social redistribution arrangements providing electoral gains in the clientelist mode it was operated (Economou, 1988). Since the 1980s, inequalities in the access to homeownership—by far the dominant tenure—have increased as market mechanisms completely dominated housing production and allocation and as the social tissue became more clearly divided with the important inflow of immigrants who considerably increased the size of the lower socioeconomic pole. Immigrants represented an even more disadvantaged stratum since they were not only poor and occupied positions at the lower end of the occupational hierarchy, but they also lacked the protection of family self-help networks and housing property that the local working-class usually possessed.

The crisis exacerbated housing inequalities and had immediate negative effects, especially for the most unprotected. Low-means tenants, immigrants, and refugees were the most visible victims of the crisis, with their income losses immediately exacerbating their precarious position in the housing market. Homeowners were also affected since the rules of the game changed with the accumulation of mortgaged debts, the pressure from banks to clear their balances from non-performing loans, and the large increase of property occupation taxes. Despite the severity and the duration of the crisis, two niches of affordable housing have been preserved both for low-income homeowners—usually native Greeks—and for tenants, at the periphery and around the city center respectively.

The spectacular growth of real estate activity in the aftermath of the crisis, induced mainly by the

sharply growing tourist demand, is further destabilizing access to affordable housing. Rent increases have followed the climbing property prices, especially in areas in and around the city center. In these areas, the typical Athenian apartment block will potentially lose its capacity to operate as a barrier to gentrification. As a result, one of the two niches of affordable housing for tenants around the city center is threatened by a process of gentrification/touristification, which could lead to the displacement of a large low-income group without alternative housing options.

Housing exclusion and affordability has become a rising concern in Greece and especially Athens, during the years of the crisis, and even more so during the post-crisis period, since recent trends have revealed that returning to a previous housing model is not possible, while poverty, inequalities, and intensified speculative market activity are eroding previous mechanisms and resources. Affordable housing in Athens has been available under different forms for several decades without policies that explicitly targeted its provision. However, state intervention was crucial through indirect measures. This strategic/conscious choice of ‘non-policy’—as long as the market regulates itself—that rejoiced broad social consent, made social housing policies seem unneeded, while also hiding the many invisible, but existing, facets of housing deprivation. In the aftermath of the crisis, as housing markets seem to be failing to address persisting social needs, such policies are needed more than ever. Focusing at the city level can contribute to the hidden resources and mechanisms that allowed affordable housing to be accessed by different social groups, even without being acknowledged as such, and raise concern regarding the protective measures and potential resources that could be part of a new social housing assistance model in Greece.

Housing affordability in the Greek case—depicted through the broad changes in the country’s capital city—shows that there is a growing need for social policies across contexts, even where there was no substantial welfare state dismantled by neoliberal policies. The financial crisis of the 2000s, the sovereign debt crisis in Southern Europe and Ireland, and probably even more so the current Covid-19 crisis show that the policy agenda of neoliberalism is only for fair weather conditions. Moreover, this agenda destabilizes social equilibria when implemented by boosting social inequalities and eventually leads to calling back the (welfare) state. The current crisis is an opportunity to impose severe measures on market forces and protect socially inclusive conditions or at least—according to Mazzucato (2020)—to do capitalism differently.

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The authors declare no conflict of interest.

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