

Real estate planning and environmental considerations in Greece

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Planning and environmental issues

Planning

Which government authorities regulate planning and zoning for real estate development and use in your jurisdiction and what is the extent of their powers?

The planning procedure follows the hierarchic structure of spatial and urban planning. Legislative and decision-making powers rest mainly with the Ministry of Environment and Energy, which is the competent national authority for strategic spatial planning (ie, national and regional spatial plans), sustainable development and environmental policy. Regional authorities give their opinion on regional spatial plans. Local authorities are entitled to initiate local spatial plans, which are approved by a presidential decree, and to elaborate and monitor urban planning implementation plans, which are approved by the general secretary of the region. Local and special spatial plans are classified as regulatory plans. Urban plans may provide for zones for the control of urban expansion, as well as zones where specific incentives are given for renovation or rehabilitation. Archaeological or environmental protected areas may be classified in zones with different terms of use.

Apart from the above central and peripheral services, administrative organs at the national level (eg, the National Spatial Planning Council and the Central Council for Urban Issues and Disputes) and the regional level are established with consultative, advisory, monitoring and inspection competences for planning or other specific issues. For tourism-related complexes and strategic investments, the Ministry of Tourism and National Economy and/or the General Secretariat of Strategic Investments are involved. For large-scale public properties and privatisation projects, a central council of administration is established which gives its opinion in view of the approval of the special spatial plans for public properties. For the metropolitan areas of Athens and Thessaloniki, respective councils for metropolitan planning have been established. Most notably, relatively recent changes to the planning classification and process, and the interrelation between planning levels, need to be clarified and coded.

What are the eligibility, procedural and documentary requirements to obtain planning permission?

Planning permission applies only to business activities, and the procedural and documentary requirements depend on the nature of the development project and investment. Planning permission includes all necessary environmental approvals and studies (eg, master plans and all other studies needed to obtain a building permit). A special procedure is provided for planning regarding public properties and strategic investment (ie, special spatial public properties plans and special spatial strategic investment plans), as well as for areas for specific activities (eg, organised areas for productive activities or tourism-related complexes, logistics and business parks). Specific procedures and requirements apply for each of these activities and different authorities are competent. Building permits and operational licences must comply with the general planning regulations, as they

are granted according to the land use stipulated in the urban plan, as well as with the relevant general building regulations and specific building regime regulations (eg, for islands, protected settlements and areas outside a city plan).

Can planning decisions be appealed? If so, what is the appeal procedure?

Planning decisions can be appealed before the Council of State for reasons of legality within 60 days of their issuance or obtaining full knowledge of issuance. Appeals are allowed only in regard to the legality of the planning decision and must explicitly set out the grounds on which they are based.

What are the consequences of failure to comply with planning decisions or regulations?

Failure to comply with planning decisions or regulations may result in forced compliance (where possible) and a halt to the works.

The consequences for illegally constructed buildings (in violation of planning rules) may include:

- revocation of the building permit;
- demolition of the illegal building where no subsequent settlement or legalisation has been made;
- administrative fees; or
- penal liabilities.

For investment projects, planning or licensing violations may result in revocation of the investment approval decision and/or financing subsidies (if any). A plan that violates licensing terms and procedures or conflicts with the general principles of urban or spatial planning according to the Council of State jurisprudence may be ruled null.

What regime governs the protection and development of historic and cultural buildings?

Specific laws and regulations provide for the protection of archaeological sites, ancient and other monuments and listed buildings, historic sites and sites of particular natural beauty. There are rules and restrictions on:

- the execution of works (eg, no building permit can be issued without the prior written consent of the archaeological service);
- building procedures (eg, an opinion required from the Council of Newer Monuments or the Architectural Design Committee, trial trenching or excavations before any work); and
- special building commitments (eg, architectural design or distance requirements).

In addition, there are prohibitions against activities which might threaten the environment, building in certain areas (eg, in zones of absolute protection) and changes of use. Penalties for violation of the relevant regulations are severe and orders to halt works may also be issued.

Government expropriation

What regime applies to government expropriation of real estate?

The Constitution contains the main provisions on expropriation, as an exceptional compulsory land purchase by the state or public entities for public benefit. The Code of Expropriation regulates the conditions and procedure for the completion of expropriation on full compensation of the property owner, as determined by the court, by agreement with the owner or by exchange of land.

What is the required notice period for expropriation and how is compensation calculated?

Expropriation is declared through a ministerial decision. Expropriations for town planning needs (eg, common-use spaces such as roads, squares and cultural spaces and buildings) are declared simultaneously through a presidential decree approving or amending the city plan. An application to determine the affected owner's compensation must be filed with the relevant court within four years of publication of the ministerial decision; otherwise the expropriation is subject to revocation. The same applies if:

- the expropriation has not been realised for its intended purpose within 18 months of the above court decision; or
- the public entity benefiting from the expropriation has undertaken no action to realise the intended purpose of the expropriation within five years of completion of the procedure (ie, the deposit of the compensation in the Loans and Deposit Fund).

The law provides that compensation is calculated according to the objective value of the property, pursuant to a ministerial decision and depending on the property location and other qualities. However, it is at the court's discretion to take into account any other adequate criteria to calculate the value of the property (eg, comparative data and market value).

Environmental issues

What environmental certifications are required for the development of real estate and how are they obtained?

Real estate development projects are subject to environmental licensing. Investment projects, works and activities are classified in two categories (A and B), depending on their nature and scale. Works and projects in category A1 (having significant impact on the environment) are subject to a decision on environmental conditions approval issued by the Ministry of Environment. Works and projects in category A2 are subject to an environmental impact study issued by the general secretary of the region. Works and projects in category B are subject to environmental commitments issued by the authority responsible for the operational license.

For activities in natural areas, environmental protection requirements are issued in the presidential decrees and ministerial decisions relating to these areas.

In general, for the issuance of the above administrative acts, an application must be submitted along with relevant documentation and information, including:

- a topographic diagram with a description of the project and a photographic depiction;
- reference to the alternatives regarding the scale, position and technology to be used;
- the main environmental issues arising from the project;
- a special ecological assessment; and
- opinions given during the consultation phase of the procedure.

Administrative fees must be paid in favour of the Green Fund. For strategic investments and public property development, a quicker and more flexible procedure is provided which includes environmental assessment.

What environmental disclosure obligations apply to real estate sales?

Environmental disclosure obligations in sales are related to soil contamination or hazardous substances. In Greece, the usual environmental disclosure obligations in sales are contained in the notary's specific reference in the sale deed, on the parties' declarations, including that:

- the property is not located in a protected area (eg, a forest, natural or archaeological area or on the seaside);
- the property is not crossed by a stream; and
- an energy efficiency certificate has been issued in view of the transaction.

Reference is also made to whether the building is listed.

What rules and procedures govern environmental clean-up of property? Which parties are responsible for clean-up and what is the extent of their liability?

Property owners and possessors are responsible for clean-up of the property. Environmental and urban regulations establish the relevant obligations. Failure to comply with these obligations entails administrative fines and penal liability, while local authorities are entitled to intervene and impose the relevant expenses on the violator.

Are there any regulations or incentive schemes in place to promote energy efficiency and emissions reductions in buildings?

Several laws implementing EU directives and EU energy policy have been introduced, and programmes have been launched to promote renewable energy sources, natural gas, emissions reductions and generally for the regulation and opening of the energy market. The existing institutional framework provides for energy-efficient buildings through:

- mandatory partial (as a percentage) use of solar heating systems in new buildings;
- renovation of public buildings with new heating and cooling systems; and
- obligatory (albeit gradually implemented) provision of new technology services and material and green procurement.

Specific incentives have been introduced for citizens and local authorities, including special financing programmes, tax exemptions and other incentives for the substitution of conventional heating and cooling systems and permitting favourable building coefficients. Efforts have also been undertaken in the agricultural sector (eg, encouraging substitution of conventional fuels), to promote energy saving in open spaces (eg, street lighting) and in the tertiary and public sector (through energy management systems).