

AP & GENERALIS GUIDE

Real estate purchases in Greece since 1.1.2024 via the notarized digital real estate file

On January 1, 2024, the so-called digital real estate file (ηλεκτρονικός φάκελος ακινήτου) was introduced in Greece. The work of the notary's offices is to be almost completely digitized so that all necessary certificates from the authorities are brought together in the notary's digital real estate file. This should also result in faster and more transparent processing.

Imagine you travel to Greece to view your dream home on a Greek island or on the mainland, meet the seller, agree on the purchase price, call a notary and in a few days you can sign a notarized purchase contract. All further transactions are carried out electronically via the digital property file, which the notary sets up for you. The entire process is much safer for you as a foreigner because you only have to call and instruct the notary,

- the property is already automatically reserved for you and can no longer be sold to someone else
- the entire process is digitally accompanied and traceable
- all payments, including payment of the purchase price, can only be made by bank transfer (or bank check).

This is roughly how the Greek Ministry of Digital Governance envisioned the future of real estate transactions in Greece, introducing the process of purchasing real estate via the digital real estate file¹. Even if not all objectives can be implemented so easily for foreign buyers straight away and some adjustments still need to be made for transactions between residents, the introduction of the digital property file represents an important milestone in the digitalization and acceleration of the property purchase process in Greece.

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After a brief overview of the old procedure, you will find the most important innovations of the digital procedure under II. together with an overview of the most important effects for foreign buyers under III.

I. Previous procedure:

Currently, when purchasing land or real estate, the buyer commissions a notary's office after the contracting parties have reached an agreement, which then sends the seller a list of the required documents (usually: title deeds, plans, building certificate, energy certificate, building regulation certificates, tax certificates, etc.). After the seller has obtained these documents themselves and sent the originals to the notary's office, they are checked and then the land transfer tax declaration is submitted and the purchase contract is notarized. The notarized purchase agreement must then be submitted by the buyer to the relevant land registry office as a notarized copy. The contracting parties must also take care of registering the property with the tax office themselves. So far, the procedure has been largely driven by the notary's office, but also by the seller, as the latter must obtain all certificates and documents requested by the notary's office and provide them to the notary's office.

II. Procedure with the notarized, digital real estate file:

With the digital file that has now been introduced, the notary's office is authorized by the seller to retrieve the necessary certificates digitally from all offices and to merge them into the digital property file. By networking the tax office, the Technical Chamber of Greece and the land registry, the notary's office can obtain the necessary certificates itself (without any additional effort on the part of the seller) and therefore much more quickly and effectively.

The special thing about this is that when the digital file is set up by the notary's office and confirmed by the contracting parties, the property to be sold is virtually reserved and blocked for further processing.²

Once the notary's office has retrieved all the necessary certificates and merged them into the file, the notary's office can also upload the land transfer tax declaration to the system and then notarize the purchase contract. After notarization, the notary's office uploads the purchase contract to the system and links the digital file to the land registry. Finally, buyers can call up the fee to be paid to the land registry in the system and pay it online.

The parties can call up the progress of the procedure at any time in the digital property file and follow directly how the individual points on the digital checklist change from red to green.

² As long as there is still a choice between the old and new system, it would theoretically also be possible for the seller to sell the land/property in parallel using the old system. As a rule, however, the notary's office will also check whether a digital real estate file has already been created and the property reserved when a purchase is processed using the old system.

One current disadvantage of the digital file is that it can only be used for regions in which the transition from the land register to the land registry has been completed. For this reason, the use of the digital file is not yet mandatory, meaning that notarizations can also be made using the old procedure without using the digital file.

Unfortunately, in this first phase, the digital real estate file only applies to transactions between private individuals and not yet to sales of new buildings, which are usually built and sold by property development companies.

III. Application and security for foreign buyers of real estate in Greece

The digital file procedure is essentially based on the already digitized procedures of the Greek Tax Office, the Greek Chamber of Technicians and the Land Registry, which together automate and accelerate the entire procedure. For foreigners, these systems are only accessible via a Greek tax number, which must be obtained before the procedure begins. For everything to work digitally, a Greek mobile phone number is also required, which is used to authenticate the processes, and a Greek bank account for the payment of the transfer fees at the Land Registry.

It is therefore advisable for foreign buyers to also provide the lawyer appointed with these powers so that the participation of the foreign buyer in the digital file procedure is ensured from the outset.

Security: Although the digital property file procedure ensures greater transparency and traceability throughout the entire process, it does not yet offer sufficient security with regard to the accuracy of entries in the land register and land registry and the legality of building regulations for the property to be purchased. Foreign buyers in particular are therefore still advised to appoint a lawyer and a civil engineer to ensure the above-mentioned points.

Summary

The great advantage of the digital real estate file is that it is linked to all important services, such as the tax office, technical chamber and land registry. The purchase property is reserved by confirmation of the contracting parties so that the seller can no longer dispose of it in any other way. Furthermore, the entry in the land register and the notification of the purchase to the Greek tax office are now also automated. Despite initial application and adjustment difficulties, which will certainly occur, it can generally be assumed that the new procedure will speed up and optimize the process of buying property in Greece in the near future.

Where this is already possible, we recommend that both buyers and sellers opt for the digital file procedure. This is also advantageous for buyers for another reason. Once the procedure has been completed, they receive all relevant documents in digital form. In the event of a subsequent resale, all the necessary documents are then easily retrievable.

For qualified advice in individual cases, the employees of AP & Generalis are available at any time for a consultation in Athens or Berlin and, of course, by telephone or video conference (Teams, Zoom, Skype).

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