

Property Ownership Inheritance

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REGULARIZING AND LEGALIZING BUILDING STRUCTURES FOR A FEE

In an attempt to end illegal construction in Greece and to increase its revenues, the Greek Government has implemented Law No. 4014/2011 which allows the owners of structures, for which a valid building permit has not been issued, to file a declaration and pay an analogous fine in order to “regularize” and/or “legalize” those structures. The deadline for filing this declaration has been extended twice and is currently June 30th 2012.

This law concerns everyone who owns property in Greece since, as of September 21, 2011, any property owner who wishes to sell or convey his/her property must submit a declaration signed by an Architect or Engineer, indicating that the property does not include any structures for which a permit has not been issued. This declaration is required for all conveyances of land or buildings and must be submitted to the Notary Public who will draft the property conveyance document. **Buildings constructed prior to 1955 are exempted from the declaration and fine, provided that the owner can prove that they were constructed prior to 1955.**

In order to ensure that they will be able to sell and/or convey their properties in the future, **all owners of Greek property would be well advised to determine whether valid permits have been issued for the structures on their properties and to thereafter determine whether a valid permit can be issued for those structures, in which case they can be “legalized”. If they cannot be “legalized”, they must be “regularized” pursuant to payment of a fine by the June 30th deadline.**

Legalizing and/or regularizing these structures will also increase the value of the property since the spaces in question will subsequently be included in all conveyance contracts and will be treated as lawful spaces with respect to the market value of the property. All legalized and regularized properties will have the right to benefit from available water and electricity service.

The types of “illegal structures” which may be regularized include the following spaces if a valid building permit cannot be issued: buildings or extensions of existing buildings which exceed the dimensions of a permit which was issued (in terms of height or footprint), swimming pools, balconies, basements, garages, storage spaces and roofed terraces which were transformed into living spaces but were not included in issued permits.

Certain “illegal structures” cannot be regularized under this law, such as structures built upon public property, forestry land, too close to beaches or riverbeds or within protected areas such as archaeological/historical sites, national parks and UNESCO villages. Buildings which have been built too close to roads and which therefore constitute a safety hazard also cannot be regularized pursuant to this law.

The procedure for regularizing structures pursuant to Law No. 4014/2011, does not require inordinate efforts on the part of the owner. An Architect or Civil Engineer who is registered with the Technical Chamber of Greece must be hired and supplied with recent Survey documents (which include coordinates), the building permit, the architectural layout, the title document and the National Cadastre (or Ktimatologio) registration documents, if applicable. The fees for an inspection and assessment by an Architect or Civil Engineer are negotiable; however a reasonable fee would be approximately 200 to 300 Euros. The professional fees for handling legalization and/or regularization are also negotiable and vary considerably, depending upon the status of the property/documents and the complexity of the case.

Unlike previous “regularization” measures, this law imposes significantly lower fines and does not stipulate an annual fee for maintaining the “legal status” of the “illegal structures”. The amount of the fine depends upon the size of the structure, the zone in which it is located and the year of construction. The fine may be paid in 48 monthly installments; however, if the fine is paid in one installment, a 20% discount applies. Another 20% discount applies if the owner does not own any other properties. A further discount applies if the structure was built prior to 1983.

In the event that the owner does not submit a declaration and pay the fine by the June 30th, 2012 deadline, the resulting penalty may be devastatingly high. It is calculated as 30% of the Presumed Tax Value of the illegal surface for the year in which it was constructed plus 5% of the Presumed Tax Value for each year after the year of construction. In the end, some owners may be better off demolishing structures for which a permit has not been issued.

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Our firm provides legal services, in accordance with the highest international standards. The founder and principal attorney, Arsinoi D. Lainioti is licensed to practice in the United States and Greece, with over 20 years of experience providing legal services to international and domestic clients. She holds a Juris Doctorate degree from the United States and speaks English, Greek, Portuguese and French.

