Impact of Airbnb on Real Estate Market in Athens
Sharing economy in the real estate market

Sharing economy triggered by:

- Population growth
- Urbanization
- Public mistrust in multinational businesses
- Global recession
- Spread of Internet

Source: UN DESA
Positives and negatives of sharing economy in the real estate market

Positive effects

- Increasing of entrepreneurship,
- Stimulating the local economy,
- Use of unexploited capital,
- Distribution of profits to population groups traditionally not involved in the tourism industry,
- Upgrading the building potential,
- Creation of new jobs,
- State revenue increase from the taxation of the activity,
- Reducing energy consumption, greenhouse gas emissions, waste and water consumption,
- The possibility for tourists to save money

Negative effects

- Extensive tax evasion,
- Inequality in tax treatment between traditional accommodations and shared ones,
- Excessive growth of property values,
- Increasing of rents for permanent residences,
- Reduction in hotel revenues,
- Dubious quality of services,
- Shared properties do not comply with the safety and public health rules
- Difficulty to protect the consumer,
- Reducing labor costs and abolishing labor rights for employees
- Residents are being expelled from city center’s neighborhoods
- “Hotelization” of entire neighborhoods,
- Traditional functions of the city are transformed to tourist services,
- City is losing its identity,
- Discrimination and inequality towards minority social groups,
- Exclusion from the benefits, for those who do not have access to the internet,
- Transformation of traditional city planning models,
- Nuisances that upset the residents’ everyday life
The legislative framework for short term rentals in Greece today

- In 2016 for the first time short term rentals become legal in Greece
- The legislation introduced the “Short Term Lease Registry”
- Income from short-term rentals is taxed on the same scale as other property income
- Real estate operators and agencies are allowed to be registered in the Short Term Lease Registry
- There is not a 2 apartment limit per owner or rental limit for 90 days per year
- Provision of services other than bed linen supply, is prohibited.
- Greek legislation has regulated short term rentals from a fiscal point of view, completely ignoring consumer protection issues, security issues and residency protection issues for the weaker economic groups.
Airbnb’s resonance in Greek society

Do you know what sharing economy is?
- Yes: 48%
- No: 23%
- Not sure: 29%

Do you rent your property through Airbnb or similar sites?
- Yes: 7%
- No: 93%

Have you ever used platforms like Airbnb, Rentalia etc?
- Yes: 53%
- No: 47%

Have you ever booked through a platform like Airbnb?
- Yes: 36%
- No: 64%

How would you describe the experience of renting your property through Airbnb?
- Positive: 63%
- Neutral: 13%
- Complicated: 25%
- Under certain conditions: 50%
- I don’t know: 13%

Do you think that making reservation through Airbnb is cheaper than using other conventional ways?
- Yes: 27%
- No: 93%
- I don’t know: 13%

Do you believe that it is profitable to rent your property through Airbnb?
- Yes: 25%
- No: 25%
- Under certain conditions: 37.50%
- Neutral: 25%
- Complicated: 25%

What was the amount of money you invested in your property?
- 200 - 2000: 25%
- 2001 - 5000: 25%
- 5001 - 10000: 25%
- Over 10000: 12.50%
Airbnb’s presence in Athens

Airbnb total listings in Athens

- Shared room
- Private room
- Entire home/apartment

Source: https://medium.com/athenslivegr/mapping-the-dominance-of-airbnb-in-athens-4cb9e0657e80
Airbnb’s presence in Athens

Source: Tranio.com

Average property prices and short-term rental rates in Athens

Source: Spilitogatos.gr (May 2018)
Airbnb.co (May 2017–April 2018)
Airbnb’s presence in Athens

Which neighborhoods top the Airbnb chart of Athens and what’s the average price to stay there for a night?

The historic center of Athens and the neighborhoods of Exarchia, Koukaki and Neo Koimos are the areas with the greatest concentration of apartments on Airbnb.

- Plaka: 661 listings at an average of €77.5/night.
- Kerameikos: 535 listings at an average of €86.4/night.
- Koukaki: 343 listings at an average of €86.4/night.
- Kolonaki: 194 listings at an average of €88.5/night.
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Following Votanikos with 42 units, here’s the neighborhoods with less than 40 listings each, and 308 listings in total.

- Kolonaki: 7 listings at an average of €524.7/night.
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### Airbnb’s presence in Athens

<table>
<thead>
<tr>
<th>AREAS</th>
<th>AVERAGE DAILY RATE</th>
<th>OCCUPANCY RATE</th>
<th>REVENUE</th>
<th>BOOKED PROPERTIES</th>
<th>ACTIVE LISTINGS</th>
<th>AVERAGE WEEKLY VIEWS</th>
<th>AVERAGE RATING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATHENS</td>
<td>48,00 €</td>
<td>70%</td>
<td>809,00 €</td>
<td>5,137</td>
<td>6,646</td>
<td>118</td>
<td>4.7</td>
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<td>COMMERCIAL TRIGONIO</td>
<td>68,00 €</td>
<td>74%</td>
<td>1,303,00 €</td>
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<td>914</td>
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<td>MUSEUM EXARCHIA NEAPOL</td>
<td>40,00 €</td>
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<td>677,00 €</td>
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<td>590</td>
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<td>KOLONAKI</td>
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<td>54%</td>
<td>876,00 €</td>
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<td>ACROPOLIS</td>
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<td>AMPELOKIPOL</td>
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<td>530,00 €</td>
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<td>THISEIO</td>
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<td>118</td>
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<tr>
<td>NEOS KOSMOS</td>
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<td>68%</td>
<td>760,00 €</td>
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<td>AG. ELEFTHERIOS</td>
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<td>636,00 €</td>
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<td>GAZI</td>
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<td>LARISIS STATION</td>
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<td>PETRALONA</td>
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<td>ZAPPEION</td>
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<td>1,285,00 €</td>
<td>75</td>
<td>88</td>
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<td>4.7</td>
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Source: AirDNA
Airbnb’s presence in Athens

**Market Grade**
- Rental Demand: 77
- Revenue Growth: 53
- Seasonality: 78
- Regulation: 75

**Average Daily Rate**
- €50

**Occupancy Rate**
- 78%

**Revenue**
- €914

**6,646 Active Rentals**
- 85% Entire Home rentals

**Rental Type**
- Entire Home
- Private Room
- Shared Room

**Rental Size**
- 1.5 Bedrooms / 4 Guests on average

**Rental Growth**
- 112% Annual Growth

**3,603 Active Hosts**
- 37% Available Full Time

**Available**
- Super Hosts
- Multi-listing Hosts
- Single-listing Hosts

**Booked**
- Multi-listing Hosts (58%)
- Single-listing Hosts (42%)

Source: AirDNA
Airbnb’s presence in Athens

**Average Daily Rate**

- **Entire Home**: €50 (2% Monthly)
- **Private Room**: €24 (2% Monthly)
- **Shared Room**: €13 (5% Monthly)

5702 Active Listings

*Source: AirDNA*
Airbnb’s presence in Athens

Occupancy Rate: 79%
Booking Lead Time: 47 days
Booked Properties: 5,137

Historical Occupancy Rates

Source: AirDNA
Airbnb’s presence in Athens

Source: AirDNA
Analysis of spatial distribution patterns of retail stores in Koukaki area, Athens
Analysis of spatial distribution patterns of retail stores in Koukaki area, Athens
Analysis of spatial distribution patterns of retail stores in Koukaki area, Athens
Is it really that profitable to rent your property through Airbnb in Athens today?

Renovation and equipment of the apartment in furniture and appliances will cost about 10,000 Euros.

Renting through Airbnb will give a net profit of 3,500 Euros per year if the occupancy rate is about 105 nights per year.

Renting in long term rental market, will give a net profit of about 4,500 Euros per year, given the current rental prices in the area.
Conclusion

- The impact on tourist cities in Greece has just begun to emerge
- Greece will not confront the problems other countries have, due to short term rentals, because real estate market prices are not shaped by large owners and real estate companies.
- Problem in housing availability is likely to be seen during the next years in popular tourist areas, as are Mykonos, Chania, Santorini etc.
- Prices have begun to rise due to Airbnb, in the center of Athens
- Problems will be intensified in areas with increased touristic demand and in certain neighborhoods of Athens, while gradually will fall back for the rest areas and the market will revert to long-term lease
- After the implementation of the Short Term Lease Registry, it is estimated that gradually the management of short-term real estate leases will be done professionally.
- Phenomenon such as “Hotelization” has already appeared in certain neighborhoods in vicinity to tourist attractions
- The Greek state has no tools to predict and regulate the negative effects of short-term real estate leasing
Suggestions

- Any legislative arrangements made in the future should not prohibit or stop short-term rental of real estate.
- The state structures responsible for urban and spatial planning should revise the planning of land-use and housing development in order to prevent the impact of short-term rentals.
- A tool for monitoring the impact of real estate short-term rentals should be developed.
- It is necessary to have proper legislation in order to avoid negative effects on the tourist industry and property rental prices.
- The law must ensure the minimum acceptable services are provided by the owners (safety, cleanliness etc.).
- A solution should be found for securing tax revenue, as the lack of generalized controls makes tax evasion very likely.
Impact of Airbnb on Real Estate Market in Athens

Thank you for your attention

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