



GREECE – August 2018

NEW REVISION OF OBJECTIVE VALUES IS PLANNED 1

New revision of objective values is planned

The Finance Ministry committee responsible for the adjustment of property prices used for tax purposes – known as “objective values” – will head back to the drawing board after the summer holidays.

Before the objective values announced in June have had the chance to sink in, the committee is having to readjust the taxable rates, with the new ones that have yet to be determined scheduled to apply from mid-2019.

The adjustment may not only concern the zone rates but also the commerciality factors.

The committee further intends to revise the way it calculates objective values, aiming at the optimal approach to achieving the real property values by modifying the coefficients for property age, floor, facade etc, while factoring in supply and demand in the real estate market too.

The adjustment of objective values both in 2019 and in 2020 was announced by the European Commission in its compliance report for Greece in June without taking into account the values the government had just announced – obviously, considering that they did not match reality.

The report noted that Greek authorities have conducted extensive changes to objective values with the aim of reducing the difference with market rates by 50 percent next year and fully aligning them with the going rates in 2020.

This means that more changes should be expected in the calculation of the Single Property Tax (ENFIA), as the rates to be used for this year will change again next year and again in 2020, adding to the load of some households and easing the burden on others.

Estate agents report that objective values in some parts of the greater Athens area such as Maroussi, Kifissia, Filothei and Papagou are still higher than market prices. In contrast, fresh hikes should be expected in areas such as Drapetsona, Keratsini and Perama in Piraeus.

This development is set to force the Finance Ministry to recalculate ENFIA payments from scratch so as to avoid fresh tax hikes on low-income districts.