



## GREECE – September 2020

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#### New objective values for properties expected in 2021

The planned adjustment of the property rates used for tax purposes, known as “objective values,” will now be completed next year, along with the reduction of the Single Property Tax (ENFIA) originally scheduled for 2020.

The health crisis put the brakes on government planning, as surveyors were unable to complete their work. This should resume soon provided conditions allow for it.

Finance Minister Christos Staikouras told Mega TV on Thursday that the objective value adjustment had to stop due to the coronavirus pandemic measures. It will continue, though, so that the election program of the government that includes the ENFIA reduction be fully implemented.

Last year the government introduced a first cut to the ENFIA dues that averaged at 22%. It was supposed to be followed this year by another 8% reduction on average, but Covid-19 affected that too. The tax cuts are likely to resume next year.

The new parameter on the table regarding the curtailment of ENFIA is whether that will be realized on the main tax or the supplementary one, which is payable by owners of property topping 250,000 euros and concerns about 500,000 owners.

The reduction of the supplementary tax has also been among the recommendations of the committee led by Sir Christopher Pissarides.

The supplementary property tax adds up to €629 million and is paid by 450,000 individuals and 50,000 corporations. The total value of the assets they own exceeds €600 billion, while total property in Greece is worth slightly over €1 trillion in terms of objective values.

The ENFIA dues will increase for owners whose property has been undertaxed to date. This will be done through the inclusion in the objective assessment system of properties in 2,900 areas around the country, leading to additional state revenues of €400-500 million.

There will also be a significant adjustment to the objective values and ENFIA dues in areas that have benefited from short-term leasing on line, such as the center of Athens.

#### International Property Tax Institute

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