LEGAL AND ECONOMIC DIMENSIONS OF SHORT-TERM RENTALS IN GREECE

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ABSTRACT

The main purpose of this paper is to dissect the institution of short-term rental in Greece. First, the basic concepts of the sharing economy and short-term rentals are analyzed; along with those specific characteristics of short-term rental that make it difficult to categorize it as a specific type of lease, despite similarities with typical lease. This is followed by a review of the legislative framework that determined the nature of short-term rental in Greece, with an emphasis on the basic provisions of Law No. 4446/2016 and Law No. 4472/2017. More specifically, the study outlines the main restrictions set by the previous Article 111 of Law No. 4446/2016, with the aim to hinder the substitution of legal accommodation by illegal accommodation, as well as the institutional changes brought by Article 84 of Law No. 4472/2017 to Article 111 of Law No. 4446/2016. Next, the Airbnb phenomenon is investigated: its positive effects on the economy—mainly due to the exploitation of real estate, the creation of new jobs, and the strengthening of public revenue through taxation—but also the negative effects, such as the increase in rates of conventional rentals, the increasing trends in the real estate market prices and rental prices and the removal of the "permanent" population from those places where Airbnb is dominant. Furthermore, the study describes the oversupply of Airbnb-type accommodation in Greece and the concentration of properties in the hands of a few individuals or small groups of individuals, which shows that the concept of the said institution is now moving away from the logic of supplementing the host's income that existed at the birth of the phenomenon. The regulatory interventions in the Airbnb

market in Greece are also analyzed, with the aim of limiting arbitrariness due to the abuse of the institution. The paper also presents the consequences of the Covid-19 pandemic on short-term rentals and short-term rentals' impact on the hospitality industry in Greece. The study concludes that only with the adoption of some useful legal restrictions will short-term rentals not end up as a controlling instrument in the hands of a few individuals, but will remain within the framework of the "sharing economy" and not simply become a "platform economy".

Key Words: short-term rentals, Airbnb, sharing economy, Greek law, restrictions, pandemic.

INTRODUCTORY CONCEPTS

The Airbnb phenomenon emerged in 2007, when two young housemates in San Francisco, in order to find money to pay their monthly rent, sublet the living room of their house (Aydin, 2019). In 2008, in partnership with an entrepreneur, they created Airbnb, which operated as a digital platform and took its name from "Airbed & Breakfast", a phrase describing the services provided to customers, which were air mattresses and breakfast.

The phenomenon of short-term rentals as a way of exploiting real estate has developed in the context of a new economic model which emerged in the last decade, that of the "sharing economy" in our society rapidly evolving with new technologies (Martos-Carrión & Miguel, 2022). "*The sharing economy is defined as any model where digital platforms create an open market for the temporary use of goods or services often provided by individuals*" (Article 111(1)(b) of Law No. 4446/2016 (Government Gazette A΄ 240 22.12.2016). Specifically, Efstathopoulos et al. (2019) argued that this system is based on the sharing of assets or services, free of charge or for a fee, directly between individuals (p. 11). Today, with the use of the internet and digital platforms, the sharing economy is also understood as the exchange of tangible and intangible resources (including information) between members, during which transaction the intermediary-manager is replaced by a digital platform.

The sharing economy presupposes the existence of at least three players, namely: a) the service providers, who offer available assets, resources, time, or skills and who may be private individuals or professionals; b) the users/recipients of these services; and c) the intermediaries, who connect

the providers with the users/recipients through a digital platform, thus facilitating transactions between them.

The concept of short-term rental, in the light of Greek law

In/Under Greek law, according to Article 111(1) of Law No. 4446/2016, "a short-term rental is defined as a rental of real estate concluded through digital platforms for a specific period of less than one year". Also, POL Circular No. 1187/2017 "Short-term rental of real estate in the context of the sharing economy" provides in Article 1(1) that " 'Short-term Rental' in the context of the 'sharing economy' is defined as the rental of 'Real Estate' concluded through digital platforms for a specific period of time, less than one year and containing the elements defined in Article 6 hereof".

A short-term rental of real estate requires the involvement of at least three parties, namely the lessor, who may act in person and/or through the property manager; the platform, which usually acts through its manager; and the lessee. The manager of a short-term rental property is defined by the provision of Article 111(1) of Law No. 4446/2016 as "the natural or legal person or any kind of legal entity that undertakes the process of listing real estate on digital platforms for the purpose of short-term rental and generally arranges for the short-term rental of that real state. The property manager may be either the owner of the property or a possessor or a usufructuary or a sub-lessor or a third party".

According to Article 111(1) of Law No. 4446/2016, "digital platforms are defined as electronic, bilateral or multilateral markets, where two or more groups of users communicate online through the mediation of the platform operator in order to facilitate a transaction between them". Thus, a condition for the inclusion of short-term rental in the provisions of Article 111 of Law No. 4446/2016 is that the short-term rental must be concluded through a digital platform. The role of the digital platform is intermediary on both sides, i.e. on the platform-host as well as the platform-guest side. The digital platform (a market dominated by Airbnb) brings the host and the guest into contact in order to sign the contract for the short-term rental of the property and is responsible for handling the process. The revenue of the company that manages the platform is the commission (the percentage) that it retains from each agreement (booking) made. In other words, individuals pay a percentage of the rent as a fee to the platform for the brokerage services it provides. The

platform actively intervenes in the process before the contract is signed, as it identifies the most suitable accommodation for the user concerned, taking into account several criteria (e.g. prices, duration of stay/seasonability, changes in demand, special events, reviews, other services provided, etc.) (Busch, 2019).

It follows from the above that if a short-term rental of a real estate property is concluded outside the digital platform, the latter does not fall under the provisions of Law No. 4446/2016 and the lessor does not have the obligations imposed by Law No. 4446/2016. The user of the digital platform, which may be the lessor or the lessee of the real estate, enters into a contract with the digital platform, which is governed by the terms of the platform. As Spyridonos (2019) remarks, this contract is purely a contract of adhesion, because the user of the platform has no power to modify the terms by negotiation (p. 123 et seq.).

Moreover, the Greek legislator in article 39A of Law No. 4172/2013 stipulated that "the income earned, by natural persons, from the short-term rental of a property of the sharing economy, as defined in Article 111 of Law No. 4446/2016, as applicable, is income from real estate and the provisions of Article 3 and Article 40 (4) of Law No. 4172/2013 (A' 167), as applicable, if the real estate property is rented out furnished without the provision of any service other than the provision of bedding. In case any other services are provided, this income constitutes income from business activity according to article 21 of Law No. 4172/2013, as applicable"[2]. In other words, the Greek legislator wanted to imprint a non-business status to the phenomenon of short-term rentals, since the income earned by the lessor is income from real estate property.

The legal classification of short-term rental

According to Greek legal theory, short-term rental is a special type of lease which has its own particular characteristics and cannot easily be included in a specific type of lease. Short-term concession of the use of real estate has elements of various types of contracts, such as the hospitality contract, the hotel contract, and the typical lease. In short-term rental—despite its specific characteristics, such as the short duration of the lease, tourism-orientation, and the fact

[2] If the property is rented out furnished and without the provision of any service, other than the provision of bedding, the income earned by the lessor is income from real estate, while if any other services are provided, this income is income from business activity (Finokaliotis, 2020, pp. 375-376).

that it is concluded between individuals and not between commercially active persons, in the context of the sharing economy, and via an online platform—the core of the agreement is the granting of the use of the accommodation by the lessor/host for a consideration, which is the basic content of the lease contract.

Arguably, then, short-term rental has the most functional similarities with traditional leasing: it displays elements of a residential lease, as it is almost always employed in cases of residential use, and as such cannot be subject to the protection of PD No. 34/1995 1995 "Codification of the provisions of the laws on commercial leases" (Katras, 2020, p. 571). In this light, the provisions of Articles 576 et seq. CC, 583 et seq. CC, 585 CC, and 588 CC may be applied to this form of lease as well. In addition, the general provisions on the abnormal development of reciprocal contracts (failure to perform – default – substandard performance), adapted as appropriate, may also apply to this form of contract (Christakakou-Fotiadi, 2019). As stated in Spyridonos (2019), short-term rental sometimes exhibits elements of commercial leasing (p. 28); it is observed that, in practice, private individuals lease their urban properties to businesses in order for the latter, having the right to use them and receive the rent, to sublet them further.

Legal framework regulating short-term real estate rental in Greece

In Greece, short-term rentals in tourism—and especially the ones concluded through digital platforms—were initially established in 2013 with a number of laws and circulars. The most important laws for short-term rental are: A) former Law No. 4446/2016, and in particular Article 111 thereof, which set the conditions and regulations for short-term rentals through a digital platform and provided the definitions of the "sharing economy" and "digital or online platforms"; B) Law No. 4472/2017 (Government Gazette A΄ 74/19.05.2017), where: 1) based on article 83 of Law No. 4472/2017, article 39A was added to Law No. 4472/2013 which defined income from short-term rental of real estate in the context of the sharing economy as income from real estate and not income from business activity; and 2) based on Article 84 of Law No. 4472/2017, Article 111 of Law 4446/2016 was amended and "short-term rental" was characterized as "short-term rental in the context of the sharing economy".

Law 4446/2016 (in its previous version)

Specifically, Article 2 of former Law No. 4446/2016 provided for conditions and set limits in order to apply the system of short-term rental through digital platforms, which should be followed cumulatively and were the following: **a.** The lessor or sub-lessor would have to be a natural person, registered in the "Short-Term Stay Property Registry" and would receive a unique registration number in it, which would be indicated in any posting on a digital platform, as well as in any medium of display; **b.** No more than two (2) real estate properties per income earner's TIN number were allowed to be registered; **c.** The property should have a minimum area of nine (9) square meters and should have natural lighting, ventilation, and heating; **d.** The property should meet all legally required building permits or be preserved in accordance with the provisions of Law No. 3843/2010 (A΄ 62) or be subject to the provisions of Article 24 of Law 4014/2011 (A'209); **e.** A general maximum rental period was also set which should not exceed ninety (90) days per calendar year. Another special limit complemented the above provision and concerned the conclusion of short-term rentals for islands with less than ten thousand (10,000) inhabitants, where the rental of each property should not exceed sixty (60) days per calendar year.

Exceptions to the above provisions on the determination of the time limit of the rental were set by the legislator himself in the same paragraph 2, indent c', subparagraph 2 where the limits of ninety (90) and sixty (60) days were justified if the total income of the lessor or sub-lessor, from all the properties available to let or sublet did not exceed twelve thousand (12,000) euros in the same tax year. Finally, a restriction was introduced in paragraph 2, indent f' of the same article, whereby the properties had to be let furnished, without the provision of any service other than the provision of bedding.

Article 3 provided for administrative penalties in the event of a breach of indents (a) and (b) of paragraph 2, an independent administrative fine of five thousand (5,000) euros and the lessor was obliged within fifteen (15) calendar days to undertake the necessary compliance actions, otherwise in case of recidivism within the same fiscal year from the issuance of the act imposing the fine, this fine was imposed at twice the amount, and in case of each new violation, at four times the amount.

Law No. 4472/2017

Law No. 4472/2017 amended Article 111 of Law No. 4446/2016 in its entirety and introduced statutory changes in relation to Law No. 4446/2016. It provided for statutory recognition of the person of the "Manager" as the natural or legal person or any kind of legal entity that undertakes the process of listing a real estate property on a digital platform in order to rent it out on a short-term rental and, in general, as the person who takes all the necessary actions to achieve the short-term rental. Thus, the property Manager can now be either the owner and possessor of the property or the possessor thereof or the usufructuary thereof or the sub-lessor thereof or even any third party. The previous restriction that the owner should be a natural person is removed from the concept of the property Manager. The only restriction imposed was to be registered in the Short-Term Stay Property Registry which is now kept at the Greek Independent Authority for Public Revenue (AADE) (instead of the previous "Register of Short-Term Rental Properties" which was kept at the General Secretariat for Public Revenue).

Following the above changes, the changes that followed are very important, especially since the provisions of the previous Article 111(2), indents b, c, d, e and f have been completely removed, as set by Law No. 4446/2016 to which we referred in detail above, i.e. the provisions relating to the restrictions set by Law No. 4446/2016. The restriction of two (2) properties per TIN, the restriction of the area of the leased property which had to be larger than nine (9) square meters, the restriction of having a building permit, and the restriction of the time limit of 90 days for all properties or 60 days for properties located on islands with a population of less than 10,000 inhabitants, were abolished. The income limit of 12,000 euros per owner set by Law No. 4446/2016 and the high administrative fines in case of violation of the above restrictions, which were tightened in cases of recidivism, were also abolished.

To compensate for the removal of these restrictions, the possibility was maintained that a subsequent tripartite Joint Ministerial Decision (KYA) of the Ministers of Economy and Development (the Ministry of Development and Investment as of April, 2022), Finance, and Tourism may (in the future), for reasons related to the protection of housing, define specific geographical areas where restrictions on the availability of real estate for short-term rentals will apply.

The impact of AIRbnb on the economy

Firstly, the positive effects of the phenomenon include the fact that the increase in short-term rentals has resulted in the arrival of still more tourists, thus creating new business activities directly linked to the business in question. The reconstruction of existing accommodation has given a notable boost to the construction sector and related trades; it has also created new jobs and stimulated the activity of professions such as decorators, graphic designers, web designers, and advertisers who promote accommodation and services. The creation of new types of food outlets, but also new professions created to serve short-term rentals, has provided jobs for people who were not employed. In addition, new services have been created in the service sector, such as the creation of a reception area for tourists' properties, the delivery and collection of keys, on-site tours, cleaning and transportation services or guided tours of the cities, provided by the lessors' themselves or by dedicated companies, which must of course be highly professional and comply with labor legislation.

In practice, however, it has so far been shown that labor legislation is not even remotely guaranteed for those employed in the aforementioned sectors, because these services are usually provided with "black money", thus violating the rights of workers in these sectors and depriving the state of considerable revenue. For this reason, it is necessary to create a legal framework capable of guaranteeing the labor rights of these categories of workers employed in professions created owing to the short-term rental market.

The negative effects of the Airbnb phenomenon in large urban centers are numerous. First, there have been upward pressures on rents for conventional rentals as well as upward trends in the purchase and rental prices of real estate. This is because the already existing number of properties intended for long-term rentals is giving way to short-term rentals serving other types of tenants or visitors. Thus, the following have been observed, inter alia: a) a reduction in the number of properties offered for long-term rentals; b) an increase in lease rates for long-term rentals due to the previous reduction in the number of properties; c) the emergence of "over-tourism" and any consequences this inflicts on the "permanent" population; and d) the gradual displacement of the said "permanent" population away from the areas in which Airbnb is developing.

The Airbnb phenomenon in Greece

The Airbnb phenomenon coincided with the economic crisis that Greece experienced in recent years, with soaring unemployment levels and the existence of several memoranda (MoU) that suspended economic growth in the country. The way for short-term rentals was opened by the passing of Law No. 4336/2015 (Government Gazette 94 A΄ 14-8-2015) and specifically subparagraph A.3 of Article 2(4) (part B) of this law. According to this provision, "*par. 1 of Article 2 of Law No. 4276/2014 (A΄ 155) and par. 7 of Article 2 of Law No. 2160/1993 (A΄ 118) are repealed as of 1 November 2015*". This provision abolished the requirements for the granting of a Special Operation Mark to tourist accommodation and the inclusion in the definition of tourist accommodation of leases less than 30 days, thus opening the way for short-term rentals of real estate to individuals without the need to issue a Special Operation Mark by the Greek National Tourism Organization (GNTO). Thousands of owners have been given the opportunity to rent out their homes through popular online platforms, like Airbnb, or through private rental contracts without the need to issue a Special Operation Mark from the Greek National Tourism Organization. As such, the popular Airbnb platform has spread rapidly in Greece.

The increase in demand, combined with the changing tourist identity of most major Greek cities, Athens included, has led to a boom in the phenomenon of short-term rentals through digital platforms. The oversupply of real estate even in destinations that previously did not find a place on the tourist map, tempted the tourist market. The conditions of the economic crisis therefore favored the development of the Airbnb phenomenon and led Greece to claim a large share of the tourism market. Today, the oversupply of accommodation in Greece has led to a decrease in occupancy and revenues, proving that Greece has reached a critical saturation point which indicates that supply is much higher than demand. Plus, the geographical dimension of the Airbnb phenomenon, with the majority of available accommodation concentrated in Athens[3], demonstrates that the way in which the short-term rental model is developing in Greece is far from the sharing model on which Airbnb was originally based.

The uneven way in which the Airbnb phenomenon is developing gives the opportunity for speculation by only a few players in this market. Moreover, even within the same city, the uneven

[3] In Athens, in 2022, 9,774 dwellings are available, of which 87.6% are entire homes/apartments, 9.6% private rooms and 1.2% shared rooms. See more at: http://insideairbnb.com/athens/ (*March 2022*).

distribution of properties is evident: whereas in the central areas there is an increased concentration of properties, in the areas farthest away from the center of Athens the concentration of properties is low. For example, in the center of the city, many investment companies have bought apartment buildings—especially in low-cost neighborhoods, but also in more gentrified areas such as Exarcheia or Koukaki—in order to make them available for short-term rentals, with the result that there is now a shortage of housing in the center of Athens for residents wishing to secure permanent accommodation. Finally, the image of Airbnb has changed, compared to the past, since owners no longer live in the accommodation they offer and the majority of it tends to be owned by a few owners or managers or management companies, thus creating an oligopoly.

Regulatory interventions in the operation of short-term rentals

Airbnb has now grown to employ more than 6000 employees and is worth tens of billions of dollars[4], giving rise to what is called "platform capitalism". This means that in today's world, goods-sharing services such as Airbnb and other platforms, e.g. Uber, which commercialize all kinds of goods without having any ownership of them themselves, derive from these goods a profit invented by them (Srnicek, 2017). The resources belong exclusively to the provider who contracts with the platform and this platform, by offering networking services, addresses a huge market in which there are only minimal limits.

Therefore, justified objections were raised and that is why there have been regulatory interventions in the Airbnb market to limit the arbitrariness created by the (over)practice of this institution. Some of the regulatory interventions introduced in European cities relate to the length of time a tenant is allowed to stay in the property (Juul, 2017). For example, this length of time cannot exceed 30 days per year in Amsterdam, 90 days in Madrid, Brussels, Berlin, and London, and 120 days in Paris (Barry, 2020). In Barcelona, due to the rise of "over-tourism", a ban on renting out private rooms was introduced in August 2021 and only the renting out of entire horizontal properties is allowed.

Greece has made a regulatory intervention consisting of the obligation to declare the property to the competent administrative authority, through which a special permit for the property is obtained

[4] https://craft.co/airbnb.

and a unique register number is issued[5]. This action ensures a minimum of legality to the short-term rental itself and is carried out on a property-by-property basis and not on an owner-by-owner nor manager-by-manager basis.

Finally, restrictions can be imposed by law in the light of the geographical definition of the areas in which short-term rentals can be applied, because in areas where there is a large supply thereof, the lease rates of long-term rentals have increased dramatically since their supply decreased. Guttenberg (2017) comments that there is not a one-size-fits-all regulatory framework for all destinations, and legislators and policymakers must independently assess the issues surrounding Airbnb in order to formulate the most sensible approach for their communities.

Consequences of the pandemic on short-term rentals

According to a study by Grant Thorton, conducted in 2019 on behalf of the Hellenic Chamber of Hotels, entitled "Sharing Economy: Social impacts and regulatory interventions", in Greece prior to the Covid-19 pandemic, the size of the sharing economy recorded an annual growth of 25% (Grant Thorton, 2019). In particular, revenues from short-term property rentals amounted to €1.9 billion, which is close to 10% of annual tourism expenditure. The figures translate into an annual turnover that approached €2 billion in 2019, the last year before the pandemic (Bellos, 2022).

The outbreak of the COVID 19 pandemic resulted in restrictions on travel for citizens due to the quarantine measures enforced, which severely affected global tourism. Short-term rentals, which have been subject to numerous cancellations since the beginning of the pandemic in the year 2020, could not be left unscathed by the pandemic vortex. As soon as the measures were relieved, bookings of short-term rentals through domestic tourism increased by visitors who preferred mainland destinations that were easily accessible by private car. The coronavirus pandemic, despite the cessation of tourist travel that it imposed, did not destroy the short-term rental market and the latter managed to recover to a significant extent (Taulli, 2020), without, of course, returning to pre-pandemic level (Fairley et el., 2021). This was helped by the leasing of so-called

[5] According to Article 111(2)(a) of Law No. 4446/2016, *"the possibility of short-term rental of real estate through digital platforms in the context of the sharing economy is provided for, under the following conditions: a) The property manager must be registered in the "Short-Term Stay Property Registry" maintained by the Independent Public Revenue Authority (AADE)..."*

private accommodation "vacation rentals" (Schaal, 2020), which are properties that are rented as a whole as opposed to renting individual rooms in a property, because these are usually located in isolated areas and are considered "safer".

The intense competition inherent to the short-term rental market has already kept the prices of real estate significantly lower than those of hotels. It is foreseen that the short-term rental market will grow even more in the future, especially in destinations that have not received many visitors so far due to them being more isolated and remote and without much tourist traffic. The need for individual accommodation that provides security, privacy, and hygiene will lead visitors to avoid mass travel, thus contributing to the development of domestic tourism. Nowadays, the short-term rental market has almost recovered and continues to grow, mainly due to the flexibility of this market, which adapts immediately to any new demand.

On the contrary, hotel tourism is more inflexible and maladaptive, as it cannot easily adapt to the new needs of tourists who seek "authentic and personalized experiences" and who want to interact with and live like a local. It is also worth to note a major difference of renting through platforms, such as Airbnb and HomeAway, compared to hotels. Hotels operate within a specific, defined time frame each year, often depending on their geographical location. For example, hotels located in cities operate all year round, while hotels in island destinations, due to the seasonality of tourism, tend to operate for certain months (seasonally).

On the contrary, for accommodation rentals from Airbnb and HomeAway, the supply is constantly changing according to demand. To showcase, some accommodation may appear available for rent on the platforms for a certain period of time or even for a few days, but it then "exits" the platform. In periods of high demand (either seasonally or for a major event, e.g. matches, concerts, exhibitions) more accommodation appears for rent on the platforms, while in periods of low demand, many are seen to "leave" the platform. Moreover, the owner may reside in the accommodation in question themselves and then attempt to rent it out to someone else on the days when they are scheduled to be away, thus earning some extra income with no interest in further renting (Ikkos & Rasouli, 2019).

Greek hotel owners consider businesses that rent out residential properties and self-contained rooms that operate as hotels—under the guise of short-term rentals—as unfair competition that has reached uncontrolled proportions. Unfortunately, there appear to be dozens of businesses around

the country, and especially in metropolitan areas, that operate entire buildings with self-contained rooms that they rent out to foreign travelers through online platforms such as Airbnb; these buildings seem to operate as hotels, but without the tax and other obligations that this requires. They do, however, absorb a significant share of incoming and domestic traffic, undermining the functioning of the coordinated hotel industry through practices that hotel owners describe as clearly unfair.

Closing remarks

The policy on the issue of short-term rentals has gone through many ups and downs, and the equation that needs to be solved has many parameters. What is certain is that the policy followed must strike a balance between the state, the property owners, and the digital platforms. The preservation of free competition must also be taken into account. This relationship becomes complicated because favoring one category—for example, by reducing restrictions—creates an unwarranted abuse of short-term rentals, with the result that hotel tourism is affected, signs of "over-tourism" surface, levels of conventional rentals increase, the cost of living rises and the quality of life of the local community in question is reduced. On the other hand, by restricting the use of short-term rentals, competition is reduced, revenues to the state are reduced, no new market for short-term rental-related products and services is created, no "over-tourism" complications emerge and permanent residents are not displaced. Thus, it seems that the above equation has many parameters which are difficult for the State to balance without affecting one or other sector or the general interest of the citizens.

The current economic model of the digital sharing economy is far from its primary purpose and the practice of Airbnb has moved away from the original concept of the platform. Today, the economic power of the platforms has increased so much that they both influence local communities and also give birth to new forms of tourism. The sharing economy, which has evolved into a "platform economy", has had a negative impact on the property market, public revenues, the labor market, the environment, and social cohesion (Grant Thorton, 2019). The originally inspired terms of "sharing economy" and "collaborative economy" have been almost entirely replaced by "platform economy", which is now a term referring exclusively to the medium, i.e. the digital

platform that brings the host and the guest together in order to draw up the relevant short-term rental contract.

The regulatory challenges created by Airbnb clearly demonstrate how the emerging collaborative economy has produced important and difficult questions about regulation in the digital age. In Greece, there are currently no legislative restrictions on the use of short-term rentals, since there are hardly any strict conditions for their implementation, as is the case in many other European cities which have safeguarded citizens' rights to a greater extent by imposing significant restrictions. The dimension that the Greek legislator wanted to invest the phenomenon of short-term leasing with by former Law No. 4446/2016 was one more in line with the principles of the sharing economy, i.e. the sharing of goods and services to enhance the income of the owner and not the over-profit from irrational business activity. The provisions of former Law No. 4446/2016 were set as restrictions to suppress arbitrary practices and prevent short-term leases from falling prey to monopolistic or oligopolistic schemes. This aimed to secure that such leases would not be concentrated in the hands of a few since, on the one hand, the use of the system was limited to only natural persons (legal persons or entities were excluded) and, on the other hand, even these natural persons had to conform to a limitation of two properties per owner's VAT number (lessor or sub-lessor).

Law No. 4472/2017 provides the legislator with the possibility, if and when they observe that conditions apply which require the existence of these restrictions, to establish such restrictions by means on a Joint Ministerial Decision (KYA) of the Ministers of Development and Investment, Finance, and Tourism. To date, however, the said restrictions have not been imposed on short-term rentals, even though many areas of Greece are literally "suffering" from the existence of a multitude of properties available on the platform; besides, there are also issues related to the security of the properties themselves in the absence of the strict urban planning framework established by former Law No. 4446/2016.

In conclusion, what is required is a legislative framework with clear operating rules, which will both provide for restrictions on short-term property rentals and include mechanisms to monitor the implementation of the regulations and the restrictions imposed, so that short-term rentals remain within the framework of the "sharing economy" and not turn into a "platform economy".

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