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## Future looks grim for the home market

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### Property

Prospects for the Greek residential property market remain particularly gloomy, according to a survey by PricewaterhouseCoopers consultants.

Using a realistic scenario with 0.6 percent annual economic growth in which per capita gross domestic product returns to pre-crisis (i.e. before 2008) levels in around 2030, the study forecasts that home prices will not return to their peak (of the 2002-08 period) before 2050.

The domestic housing market is not expected to reach an equal balance between supply and demand for some three decades – i.e. not until 2047 – due to the increased supply of units, high taxation and difficulty in getting a mortgage.

For the residential property market to revert to the level it was at just before the outbreak of the economic crisis, real economic growth (i.e. growth adjusted for inflation) will have to average at 3.5 percent per annum for several years. Another condition for the strengthening of demand is a reduction in property taxes, while mortgage credit will have to follow the economic growth rate at the very least, the report noted.

This has led PwC researchers to conclude that the housing market will stage a slower recovery than the Greek economy overall, particularly if there are no measures to encourage demand and reduce oversupply.