

Make Exarcheia's Housing Affordable Again

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Introduction

The economic crisis that affected Greece since 2011 and European Austerity politics led to considerable cuts in the Greek public budget and shortcomings of social welfare (VAIOU & KALANDIDIS 2016: p. 462). The reduction or loss of income afflicted prosperity and pushed great parts of the population into poverty. The impacts also arose regarding housing affordability (MALOUTAS 2014: p. 159). Originally, the percentage of private ownership was higher than the share of tenants (EUROSTAT 2018). However, the crisis increased the dependence on loans and slowed down purchasing activity at the mortgage market (SABANIOTIS & HARDOUVELIS 2012: p. 3). Moreover, during the crisis, the housing taxation was raised while salaries decreased, which impeded the affordability of housing for the common people. Generally, there is no comprehensive housing policy in Greece that could support people who were not any more able to afford their homes (MALOUTAS 2014: p. 159).

This is an extraordinarily relevant topic in Exarcheia, an area that can be considered as a residential neighbourhood. Still, homelessness is a significant problem as becomes apparent in the streetscape. However, there are numerous abandoned houses that form a potential that could be used for the implementation of a higher stock of affordable housing. Furthermore, the area accounts for several listed - thus protected - buildings, whose renovation underlies strict regulations, and which can hence not be adjusted for social housing. Nevertheless, an increasing share of recently opened short-time rentals (e.g. AirBnB) have also appeared for touristic reasons and have

been discussed to be one cause for the withdrawal of affordable buildings from the housing market (HOST COMPLIANCE 2018). These contradictory developments affect the housing situation in Exarcheia and can thus be interpreted as a danger for affordability in the area. In this context, affordable housing is defined as “social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market” (GOVERNMENT DIGITAL SERVICE 2018) with a focus on particularly vulnerable groups like low income or homeless people.

The emerging questions are, why affordable housing is particularly relevant for Exarcheia and how the matter could be solved with regard to the particularity of the area. Thus, the present article shows an overview of the housing market and ongoing changes in Exarcheia (See Chapter 2). A SWOT analysis (see Chapter 3) was conducted to identify the potentials and risks for the neighbourhood of a more intense use as an affordable residential area. However, the expansion of a supply with affordable housing requires the involvement of different stakeholders which will be reflected by different scenarios of development which were considered as realistic (see Chapter 4). As to this, possible approaches will be presented in Chapter 5.

Exarcheia area

Exarcheia is a neighbourhood located in the historic centre of Athens and home to approximately 20.000 inhabitants in an area of 900m². Most of the inhabitants (52%) are students, artists or professionals, thus, it can be considered as a middle-income area. This also arises with a rental level of 5-10 €/m², while the Greek average (as of 2014) is approximately 4,2 €/m² (PMSCS REAL ESTATE FRANCHISING INC. 2016). The ownership rate in the area before the crisis (as of 2011) was 48% (ibid.).

The area has schools and universities (e.g. National Technical University of Athens, Law School) and institutions of culture of national importance (e.g. National Archaeological Museum) which enhance the quality of life in the area. Another contribution to this are the green, open spaces, like Strefi Hill or Exarcheia Square and multiple bars and restaurants. Notable are also some neoclassical buildings of the 19th and early 20th

century, as well as modern blocks of flats of the 1930ies. However, some of them are listed in a special category of protection, which makes their renovation cost-intensive (SMITH 2017).

The area is characterised by a distinct atmosphere of solidarity and acceptance of diversity and residents act as a community. This mood attracts alternative people who seek the area's alternative nightlife. However, this atmosphere is a mixed blessing. Exarcheia has always been characterised by fiery political action and is the centre of action of anarchist groups of Athens. Furthermore, Exarcheia is the centre of many squats that resulted e.g. from the refugee crisis (MOVING EUROPE 2016). Conflicts and road battles between anarchists and police are a common phenomenon (MIARI 2018). Unfortunate is also the fact that in the area, and especially at the Exarcheia square, there are a lot of homeless people, dealers and drug-addicted people giving the area a sense of insecurity (PETTAS 2015: p. 141). Additionally, the high share of abandoned houses beside the main axes of the area and listed protected older buildings that would require high expenses for renovation hamper the housing market.

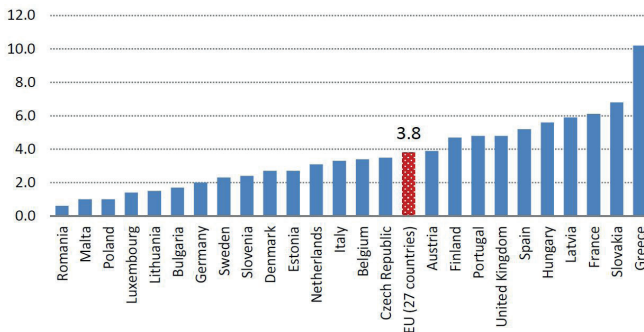


Fig. 1. Percentage of Households with problems in paying their rents and mortgages by country (PITTINI 2012: p. 8)

Like other neighbourhoods of Athens, Exarcheia was severely hit by the crisis. As shown in Fig. 1, the Greek population are the ones with highest difficulties of paying their rents and mortgages. The relevance for Exarcheia is also revealed with regard to post-crisis vulnerability. As has been referred to before, homelessness is a particular matter for the area (ARAPOGLOU & GOUNIS 2015).

A central matter in this context is the fact that in Greece, as a consequence of austerity politics, since 2012 there is no national housing policy on a rental basis that is able to compensate these shortcomings (PITTINI et al. 2015: p. 54). Nevertheless, since 2015 there have been approaches to step in here, with regard to support in the payment of rents or the supply with electricity (ibid.).

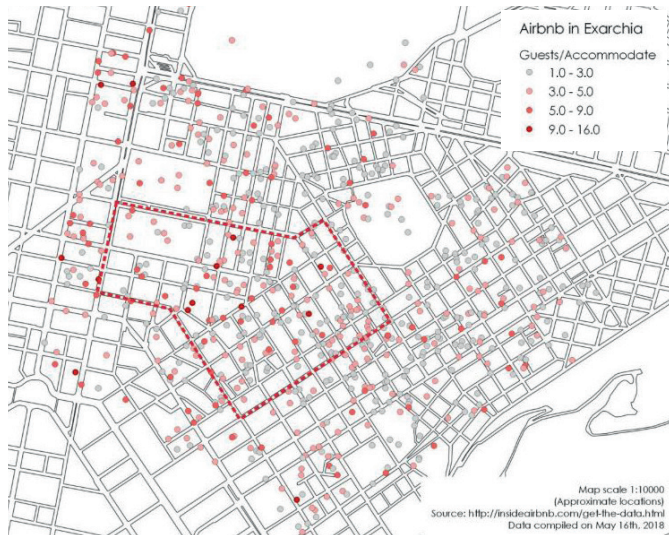


Fig. 2. Overview of Short-term rentals (AirBnB) in Exarcheia by average number of guests (COX 2018)

However, investment has experienced a new rise in Exarcheia. The area has lately attained new attention as a tourist area. For example, in 2017, an investor purchased various flats and refurbished them as accommodations for short-term rentals (CHRYSOPOULOS 2017). So, as shown in Fig. 2, Exarcheia has become a popular area for short-term tourist accommodation via Airbnb (COX 2018). Furthermore, the centrality of Exarcheia makes neighbourhood attractive and at the same time may in the future put it under pressure.

To sum up, the area is already a residential neighbourhood, which has still a high potential due to its high share of abandoned houses and a high number of homeless people in need of shelter (PITTINI et al. 2015: p. 54-55).

To identify the potentials of Exarcheia on intensifying the residential use, the authors conducted a SWOT analysis. Potentials and risks were determined regarding their impact on the development of housing and quality of life in the area.

Analysing Exarcheia

Generally, SWOT analysis (short for: Strengths, Weaknesses, Opportunities, Threats) is a strategic planning technique that is used by businesses for the analysis of their internal and external environment, when the businesses are up to take a decision concerning the objectives they have laid down (KARPPI et al. 2001: p. 15-16). Still, SWOT analysis is often used in the field of urban planning, too. It applies when an area should be analysed with regard to its strengths and weaknesses and the opportunities and threats that concern this area in order to be able to propose proper and efficient future strategies (ibid.).

Methods

One of the *strengths* of Exarcheia as a housing area are the universities and schools, that serve the residents and also attract young people, particularly students, to live in the area. Moreover, the area is easily accessible by metro and bus, as there are metro stations nearby and bus stations on the central roads of the area. In addition, there are many bars and restaurants that also attract young people from other areas and tourists. This makes the area liveable during day and night.

Analysis

Also, Exarcheia has its own character that comes from the community feeling, the solidarity and the acceptance of diversity someone can feel there. This creates a special atmosphere and reputation that make some specific groups of people feel comfortable there and increase the interest and curiosity of tourists to visit the area. Another strength is that in the area or nearby there are some important green spaces, such as the Strefi Hill, that improve the climate and enhance the quality of life.

The *weaknesses* include the feeling of danger that is created by the often confrontations between anarchists and police and, also, by the drug-dealers that haunt the area. This situation makes Exarcheia not a family-friendly district and discourages such groups of people from living there. Also, in the area there

are some abandoned houses and some listed buildings that, as explained in Chapter 2, can very hardly be used again and, hence, are fated to be ruined. Generally, one reason for such problems is the passive state and its tendency not to intervene in the housing market (PITTINI et al. 2015: p. 54-55). Another weakness is the fact that most buildings in Exarcheia are old and have an old infrastructure (e.g. heating, energy). They do not offer much comfort at a good price and are not very attractive for purchase and tenure.

The great number of homeless people in the streetscape of Exarcheia negatively affects the attractiveness of the neighbourhood. Despite the fact that there are some initiatives in the area engaged in helping these people, according to the authors' point of view this problem is still far from solution.

Among the *opportunities*, the abandoned and the listed houses, that comprise potential living spaces should be mentioned, on the condition that the ownership structure is clear. Also, the current low prices of the houses for purchases are an opportunity for probable buyers and investors, who will set in motion the local market. In addition, the increasing tourism in the area increases earnings in local shops, bars, restaurants, hotels, etc. The human resources, like students, academics, refugees, comprise also a great opportunity for the area. With their knowledge, they have the resources initiatives they can cooperate and change Exarcheia for the better.

The *threads* deal with the increasing investment that occurs in the area for touristic reasons and that could result in gentrification. In this context, gentrification is used from a Mediterranean perspective, as a long-term development driven by the free market and involving particularly entertainment and nightlife features in the public space (ALEXANDRI 2018: p. 37). At the same time, there is a Golden Visa programme from 2013, which encourages investment on a big scale by wealthy people from abroad combined with the issuance of a Greek visa (LA VIDA GOLDEN VISA 2018). This external interference in the mortgage market can be viewed as a potential threat for Exarcheia, as it possibly encourages speculation.

Overall, Exarcheia is an area that has its own, special character with the community feeling and the acceptance of diversity. In combination with the universities, the favourable infrastructure and connectivity, the bars and restaurants the area is to be lived in or to be visited. On the contrary, situations like the confrontations between anarchists and police as well as the streetscape that is characterised by abandoned buildings, homeless people and drug dealers discourage people from choosing this area to live in. At the same time, the increasing tourism creates opportunities for the local owners and to investors. Although, this increasing investment for the touristic reasons runs the risk of resulting in gentrification. In that case, current vulnerable residents can no longer afford to live in the area and will prefer to leave for a cheaper one. The threat in this matter is the possible change of the character of Exarcheia to a touristic and hardly affordable area. These considerations are the basis on which scenarios regarding the implementation of projects and policies in favour of a higher stock of affordable flats in the area were developed.

For a better understanding of the district of Exarcheia, the authors developed scenarios to analyse the current state of art and possible developments in the future. Scenario planning describes a tool using simplified models of possible states of the future to facilitate decision-making (SHOEMAKER 1995: p. 25-26). In accordance with SCHWARTZ (1991: p. 45), it is part of the strategy of planning that explores “alternative future environments” that might impact decisions. While analysing the neighbourhood, the authors discovered that there might be three scenarios that could develop over the next few years:

The first scenario describes the case of *no* change, no intervention by the inhabitants of Exarcheia, nor by the authorities. This case is characterised by the development from a rather alternative neighbourhood to a touristic and leisure hotspot. With the current shift from ownership and rental homes to short-time rentals (e.g. AirBnB) run by foreign investors, the housing market will change further in direction of short-time and holiday rentals. Along with investments and buying-up, many buildings and flats will be renovated and valorised. Resulting from this de-

Scenarios

Scenario 1: The development continues consistently

velopment the rental market will experience a shortage, which consequently implies rising rents. The shortage of living space and higher rents will lead to a smooth gentrification process (as described previously), less affordable housing, and therefore, people have to move to other districts. Especially vulnerable groups such as students, elderly people and low-income people will be affected.

Scenario 2: The residents intervene

The second scenario shows the case that the people that are living in Exarcheia understand the current development and decide to react as a community to preserve the character of the neighbourhood. The citizens work hand in hand with local initiatives in a bottom-up planning process on the reputation and the built environment of the neighbourhood. Therefore, the development, that is desired by the people living in the district can be realised. This Scenario seems possible due to the special community feeling that was identified as one of the strengths of the area and has been useful in other occasions before.

Scenario 3: The state intervenes

The last scenario presents the case of intervention by the authorities. The government detects the current development and decides to step in. Consequently, the state could set up policies, restrictions and regulations to limit investments by foreign businesses in Exarcheia. High taxes on the touristic sector and lower taxes to reduce rents, could decelerate the current development and increase the affordable housing market. This would lead to higher attractiveness of the district for residents. However, this assumption requires the recognition of the developments by the state level not only in Exarcheia.

These three scenarios show how the situation in Exarcheia could develop in the next decades and what happens if nothing changes or either the residents or the authorities intervene. From the authors' point of view, the first scenario is not desirable, because it would destroy the uniqueness of the neighbourhood, while the third scenario seemed to be rather unrealistic. Thus, due to the unwillingness and minor acceptance of state intervention in the neighbourhood, the second is regarded to be the most likely development in the future. The second scenario might be the most realistic option, since the area is known for its engagement in the past and shaping the area (SMITH 2016).

This bottom-up principle is only realistic, if the majority of the inhabitants works on the change towards an ungentrified and alternative neighbourhood. It is probable that this will not be possible without any help or intervention by the authorities. To make cooperation between citizens and state possible an additional layer for coordination in between is unalterable. A community-based planning office, based on the German idea of a “Stadtteilbüro” (neighbourhood office), that consists of e.g. residents, planners and architecture students could make joint actions possible and ensure a good communication base. This opportunity of participation makes projects commonly approved and intensifies the community feeling.



Fig. 3. Cazucá Project in Colombia (MANRIQUE et al. 2016)

This concept of cooperation between different stakeholders in Exarcheia leads to possible projects, that could be realised in the neighbourhood. Based on the idea of a project which was released in Colombia (Cazucá project)(see Fig. 3), a possible approach towards affordable housing in the area would be community-based renovation of abandoned, listed or run-down buildings.

The concept of the project is the bundling of available knowledge and means. Students of the National Technical University, which is located in the area, can apply what they have learned during their studies and use theories on a real pro-

Concept and Approach

ject. Homeless people and refugees are also part of the project, as can use and improve their manual knowledge, have a job and, in the end, possibly could get an apartment in the renovated buildings. To finance this proposition, funds of the European Union could be used. The community office, which was mentioned before, could apply for example for financial resources such as the European Social Fund (ESF). This approach is considered as particularly helpful and resilient for the area as it solves local issues proactively instead of waiting for political action from the state level.

Conclusion

To conclude, with regard to housing, it can be summarised that Exarcheia is a residential area close to the centre of Athens which is already home to numerous people.

However, firstly, the authors examined pull and push factors of the area by a SWOT analysis, discussed potential threats such as increased investment or gentrification processes and developed scenarios of involvement by different interest groups. Hence, the authors concluded, that the potentials of Exarcheia are the human capital and the widely-spread abandoned and run-down buildings, which in combination could be the basis for projects to enhance affordable housing. As a comprehensive approach at the state level was not regarded to be likely in a close future, the authors are convinced that community-based approaches have the most direct impact. A cooperative project such as the exemplarily presented that brings together people with different knowledge and abilities could help to enhance the community feeling, while at the same time it is an approach to upgrade houses into social, affordable homes, that if possible also could provide a home for vulnerable people in exchange.

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