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Abstract

This paper presents the dominant pattern of resort development in Greece and examines critically the legal framework, focusing on the inadequacies of the Greek planning institutions. In this framework, the case of a resort settlement is being presented, revealing the complexities and the drawbacks of the Greek planning system. The paper concludes with some general suggestions that draw on the analysis and seem that they could change the pattern of resort development in the country.

Vacation houses in Greece: Institutions and reality; The case study of Asprovalta

Introduction

In the first section of this paper the dominant pattern of resort development in Greece is presented. The second section examines the response and the inadequacies of the Greek planning institutions in the case of resort development. The third section presents the case of Asprovalta, which is a resort settlement, thus revealing the complexities and the drawbacks of the planning system. The paper concludes with some general suggestions that seem they could change the pattern of resort development in the country.

The dominant pattern of vacation houses in Greece

In order to understand the pattern of resort development that has become dominant in Greece, it is firstly essential to become familiar with two other

spatial features: 'illegal' constructions and development in 'out - of- plan' areas.

The areas called 'out - of - plan' cover most of the Greek territory and in a sense coincide with the countryside (Economou, 1996). These areas are literally not covered by plans, but by a general regulatory frameworkⁱ that is not territorially specified (Economou, 1995). Hence, this framework implies that the right to build originates from the occupation of a piece of land and not from the existence of a land use plan.

The term 'illegal' as far as construction is concerned, is used either in cases in which a building permit does not exist, or in cases in which a permit exists, but the actual construction does not conform to it. It has to be noted that 'illegal' construction is not a recent phenomenon. On the contrary, it is such an old and common practice that it has led to the gradual legalization of the buildings created that wayⁱⁱ. However, until the late sixties, 'illegal' construction had to do mostly with the provision of main residence.

From the late sixties onwards, both construction in 'out - of - plan' areas as well as 'illegal' construction are considered to be strongly related to resort development. Despite the fact that there are also other forms of resort development, this schema is characterized as the dominant.

The reasons for the dominance of this pattern have to do mainly with the policies the central administration has launched - or has not launched - over time, that have had an implicit or explicit spatial impact. Free market forces have played a major role in influencing these policies. More specifically:

- The post - war enjoyment of the right of full pay holiday leave and the degrading living conditions in the citiesⁱⁱⁱ have increased the demand for vacation houses during the last three decades (YPEHODE, NTUA, EKKE, 1997)
- In a context of economic instability, high inflation and deficit of the welfare state, especially in the past, as well as private investment in housing and - after one point - in vacation housing, seemed to be the safe way to secure money (YPEHODE, NTUA, EKKE, 1997; Agalianou, 1984).

- The emergence of a speculative circuit and the effect it has been having on land prices. At first, plots of land of 200 – 300 sq. m. are parceled out illegally by speculators and sold by dubious contractual agreements called 'prosimfona'. In most cases, the new owners build their (illegal) houses by themselves. Therefore, the abundant supply of land along with the low construction cost makes the purchase of vacation houses affordable to a larger number of social groups.
- Sprawl into 'out – of – plan' areas, submitted only to physical and not to planning constraints increases dramatically the supply of land for development and reduces prices further.
- The state intervenes in land development *a posteriori*, mainly because in the short run this procedure reduces fiscal expenses by shifting them to the residents. (Economou, 1996).
- The inefficiency of the legal framework (further analyzed below).
- The tolerance of the state regarding phenomena such as 'illegal' constructions has resulted in their semi – legalization^{iv}.

This pattern of resort development has many consequences in multiple levels:

- Environmentally sensitive areas are adversely affected (destruction of natural scenery, soil erosion, water pollution, lack of waste management, waste of fertile land and other natural resources).
- Low quality of living conditions. Matters such as aesthetics and the preservation of a settlement's cultural identity become secondary, which is a rather surprising fact for a resort settlement.
- In the long run the state has to pay more for the provision of basic amenities and infrastructure in existing settlements.
- Black economy is reinforced^v.

Critique of the legal framework for vacation houses in Greece

As far as the legal framework for resorts is concerned it has to be accentuated that:

- The implementation of strategic plans is stipulated through the current legal framework for spatial planning (Law 2508 / 97 and Law 2742 / 99)^{vi}.

However, it has been common practice in the Greek administrative system that statutory strategic plans determined by law are either not implemented or not even prepared at all.

- The lack of political consensus over planning policies (Getimis, 1992) is also evident in resort development.
- The abundance of regulations for resort settlements causes confusion, as they often overlap and are not consolidated,
- Emphasis is put on small scale physical planning by the use of planning standards. Although outdated in most of the developed countries, the use of standards is still applicable in Greece. Moreover, the standards applied at the moment have not been updated for almost twenty years and are the same for any area being planned, regardless of its role and character^{vii}. However, it is not clear whether the Greek planning administrative system is able to function without the use of these standards.

The case study of Asprovalta

Asprovalta is a coastal resort located just eighty (80) kilometres away from the second larger city in Greece, Thessaloniki. It comprises of an old settlement that was planned in the late 1920's surrounded by a subsequently built area of vacation homes. Population fluctuates from 3,000 residents during the winter to 40,000 during the summer. The vast majority of the permanent residents live within the borders of the old settlement. Tourism accounts for almost 83% of total employment.

The newly built part has been formed during the last three (3) decades, mainly through 'out - of - plan' and 'illegal' development. In 1999 the size of that part was twenty-one (21) times the size of the older planned one^{viii}. This settlement is an example of ribbon development (5 km long and 1.2 km wide) along the highway that connects Thessaloniki with Thrace and the Turkish borders.

Asprovalta's new part is a typical case of resort development where market forces overwhelmed the state. Until 1987 planning intervention in Asprovalta was limited at all levels. When eventually the state decided to intervene,

physical conditions had already been shaped. Hence, strategic planning was considered unnecessary.

Despite the fact that planning procedures have been simplified, the overall process is still not over after fifteen (15) years. This is due to constant revisions and insufficiency of data. Revisions were required because of dramatic changes in the new part of the settlement ^{ix}.

These procedures reward those who built illegally, since they fuel expectations that, eventually, 'illegal' residences will be legalized. Furthermore, 'prosimfona' cannot be legally binding in allocating the 'allowed built floor space'^x among the new owners. As a result, one of them can build up to the allowed plot - ratio, thus leaving no development rights to the others' properties. This creates a monopsony market for the substantially devalued property of the remaining owners.

It is doubtful whether the owners of vacation houses in Asprovalta have benefited from this development pattern in the long run. The design and construction quality of residences is low, the majority of them being prefabricated houses. Amenity standards are particularly low as well.

The low quality of the built environment and the waste of other natural resources, such as fertile agricultural land hinder diversification of the tourist industry and the local economy in general. The low expenditure mass tourism monoculture leaves Asprovalta vulnerable in case of a recession.

Moreover, the legal framework for the provision of urban infrastructure through land contribution and betterment taxation in Greece treats small plots of land favourably. Since 59% of the plots of land in the new settlement is smaller than 300 sq.m., it is doubtful whether the land required for the construction of basic infrastructure will be gathered^{xi}.

The use of planning standards is problematic as well. On the one hand, the standards are not adapted to the needs of resort development. On the other hand, the substantial size difference between the permanent and seasonal population results in a great deficit during summertime and a surplus during wintertime. Thus, the quality of these amenities is low and their allocation rather unrealistic, especially during the summer season.

Conclusion

The dominant pattern of resort development in Greece i.e. 'illegal' construction in 'out - of - plan' areas has been shaped due to the ineffectiveness of the Greek planning system as well as individualism. However, the consolidation of the legal framework and the implementation of strategic planning could benefit organized private development. The latter should be also reinforced by specific restrictions with regard to 'out - of - plan' development. Finally, it has to be taken into consideration that if the pattern of resort development is to be changed, specific actions should be taken in order to increase government's effectiveness at all levels.

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ⁱ This framework gives the ability to anyone who occupies a plot of land that is larger than 0.4 Ha, to build a residence of maximum 200 sq.m.ⁱ

ⁱⁱ **Planners** in Greece have adopted the expression 'generations of illegal buildings' in order to name these actions. Up to now there have been four (4) 'generations', implying that the state has legalized illegal buildings four times in the past.

ⁱⁱⁱ This was due to the rapid and unplanned urbanization that took place in the fifties and sixties.

^{iv} The increasing demand for resort houses as well as the social diffusion of the phenomenon did not leave politicians indifferent. There have also been cases in contemporary Greek history, in which tolerance was substituted by a more active role of the state in the reproduction of such phenomena.

^v As Greece does not have a cadastre, speculators frequently **encroach upon** public land. Furthermore, the state suffers damages from the secret contractual agreements, **"illegal"** houses that are not declared as an asset, **contractors** who build these houses without a receipt, **building permits that are never issued**, as well as rents that are not declared as an income.

^{vi} Strategic plans **that implicitly refer to** resorts are the General Framework of Spatial Planning and the Special Framework of Coastal Areas.

^{vii} Although the current legal framework concerning urban development (Law 2508 / 97) **refers to** the need to update the standards that have been commonly used, no serious action has been taken towards this direction. It could be argued though that there are two exemptions. The first one **is related to** the case of settlements with less than 2,000 inhabitants and the other one **to** the case of private development of resorts.

^{viii} The actual size of the old settlement was 19.1 Ha, while the surrounding new settlement was 407.2 Ha.

^{ix} It was estimated that within a decade, from 1985 to 1995, the built floor space **in the new settlement** had increased by 88.4%. The corresponding percentage for the old part of the settlement was significantly smaller.

^x More precisely, the plot – ratio.

^{xi} Surprisingly, in the case of resort development, land contribution and betterment taxation for small plots of land is even lower.