



Les défis de développement pour les villes et les régions dans une Europe en mutation

## Urban regeneration: legal, economic and governance issues regarding the renewal and reuse of derelict properties in Greece

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### Résumé / Summary

Since many decades, there are numerous derelict, vacant or abandoned properties in central locations of the Greek cities and traditional settlements. This phenomenon is exacerbated during the long-lasting economic crisis, and it is mainly due to high overall costs of the buildings' renewal, legal impediments and low market values, resulting in serious environmental, economic and social consequences.

To address the problem of abandoned properties and their use for urban regeneration and development purposes, timely State initiatives enabling the financial leverage of private capital for the adaptive reuse of the old buildings are now imperative. Before any initiative, it is necessary to develop a flexible and clear institutional framework that will solve long-lasting problems, so as to fill important lacks in the Greek Legislative armature.

The main objective of this paper is to discuss the main legal, economic and planning issues that have to be addressed through a new institutional framework - that has been already elaborated - for the renewal and reuse of vacant and abandoned properties. This new legal instrument has the following aims:

• To enable targeted interventions in condominiums, separate buildings and groups of buildings, i.e. interventions at the level of the unit (property / owner / user).

• To address the issue of buildings' renewal in co-ownership status, where today each intervention is extremely difficult. The extremely high levels of buildings in co-ownership is considered as the most important factor for their deterioration.

• To address urban planning and regeneration issues of the Greek institutional framework and practice: urban plans and management, zoning, governance, etc.

• To enable the use of new financial instruments that have been established by the European Union for the promotion of urban development and the implementation of various types of incentives in selected urban areas, with serious problems of degradation of their building stock, social and economic problems; thereby enabling the use of EU funds for sustainable investment in urban areas with taking into account the State aid European regulations. In most cases, for the renewal and reuse of obsolete buildings, it is

necessary to apply incentives, which will enable the private sector and will promote financial leverage, and they will bend any hesitations and objections by the owners and co-owners of the properties.

¶ To make possible the securitization of real properties in co-ownership status in order to make effective:

- broad interventions in the buildings so as to begin modern and functional,
- the risk management among all participants: owners, enterprises that undertake the renewal and funders,
- the equitable allocation of the land rent generated
- the use of European and national resource; this is a prerequisite for which is the financing of (relatively) large projects.
- the bank financing of the projects; in degraded urban environments, the project funding is problematic because of the high risk thereof.

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