



The evolving modalities of gentrification in Athens vis-à-vis Greece's shifting growth models: Insight from a novel multi-scalar approach

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Abstract

Gentrification theory remains highly relevant, particularly amid an escalating international housing crisis. Yet, in Southern Europe, despite soaring rents and deepening dependence on tourism, the analytical rigour of gentrification theory is contested. This article draws on early accounts from within critical geography and employs a novel, multi-scalar approach, combining secondary, primary and policy analysis, to examine waves of gentrification in Athens, an illustrative Southern European metropolis, vis-à-vis domestic growth models. Its analysis distinguishes two waves of gentrification up to the 2004 Olympic Games gradually restructuring Athens' inner city amid Greece's primarily urbanisation-driven growth. It also identifies two further waves to the present during which time gentrification sprawled outward and intertwined with touristification. The findings show gentrification in Athens evolving as Greece's construction-driven model shifted towards tourism dependence; initially, to exploit emerging rent gaps and rationalise inner-city landscapes amid the structural weaknesses of domestic industry, and subsequently, to restructure property markets towards tourism-related uses and facilitate debt-driven financialisation. Building on these findings, the article argues that gentrification in Athens not only adapts to shifting sectoral priorities but actively accommodates future trends, including touristification. Moreover, stressing that the imperative of extracting value from the built environment has remained diachronically unchallenged, it emphasises gentrification in Athens' function as a key spatial fix for capital in Greece. In doing so, the article re-situates the process within broader cycles of uneven spatial development, underscores the analytical capacity of gentrification theory and provincialises urban theory beyond the dominant Anglo-centric discourse.

Keywords

Capital switching, debt-driven financialisation, Golden Visa programme, Metaxourgio, Rent Gap Theory

Introduction

In January 2024, residents of Metaxourgio, an inner-city area in Athens, organised a rather peculiar funeral: that of their neighbourhood. In this

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symbolic action, they dressed in black and carried a coffin in protest against the proliferation of short-term rentals (henceforth STRs), rent increases, commodification of space and, ultimately, gentrification. Nevertheless, as an analytical concept, gentrification remains quite contested in Southern Europe, with several scholars arguing that, being an endemic Anglophone theory, it cannot take root in Mediterranean cities. Athens specifically was considered ‘*ungentrifiable*’ due to its dense, low-quality housing, widespread micro-ownership and (vertical) social mixing within apartment buildings, all being shaped by a ‘*spontaneous*’ type of urbanism. The city also lacked industrial spaces that could be repurposed and a strong knowledge-economy professional class to drive gentrification (Maloutas, 2018). Therefore, despite a recent consensus that parts of Athens have indeed undergone gentrification, this is primarily viewed as a byproduct of touristification.

Against this backdrop, this article’s objective is to examine critically the various modalities of *actually existing* gentrification in Athens (Alexandri, 2018) and explore how they intersect with Greece’s shifting growth models (Gourzis and Gialis, 2025). Its theoretical framework draws from early accounts within critical geography that conceptualised gentrification as a spatial fix (Smith, 1982), reflecting a post-industrial restructuring of urban economies (Marcuse, 1986). Empirically, the study employs a multi-scalar mixed-methods approach, integrating (1) secondary analysis of macroeconomic trends at the national level, (2) qualitative research on Athenian gentrification since the mid-1990s through fieldwork conducted using a case study of Metaxourgio and (3) policy analysis.

The study’s findings show that while gentrification in Athens is currently closely intertwined with touristification, it actually long predates it. Specifically, the early forms of it were tied to the country’s construction-driven growth model, which historically centred on extracting value from the built environment. With recession forcing a shift of national productive priorities from construction to tourism and facilitating housing financialisation, the aforementioned imperative remained unchallenged. Therefore, gentrification has only adapted organically to further the debt-driven

restructuring of the property market and the proliferation of tourism-related uses.

The article seeks to make four crucial contributions to the literature. First, by examining the modalities of gentrification vis-à-vis broader processes of capital switching, our research re-emphasises gentrification’s structural causes instead of its socio-spatial outcomes (displacement, rent increments, etc.) that have long monopolised the focus of relevant studies (Slater, 2012). Doing so, it also elucidates the significance of the Rent Gap Theory (Smith, 1982), the hermeneutical capacity of which remains subject of intense debate up to this day (Wyly, 2023). Second, by employing a mixed-methods approach, our research bridges qualitative accounts of gentrification that lack scope with quantitative accounts that rely on oversimplified definitions and overlook the process’s nuanced nature. Third, by uncovering the shared mechanisms driving gentrification and touristification, we highlight their close dialectical interconnection (Cocola-Gant, 2023), contrasting accounts attempting to disentangle them. Fourth, by providing a thorough periodisation of gentrification in Athens, we substantiate its gradual evolution within the Greek context. Ultimately, our research provincialises urban theory and repositions gentrification research beyond the dominant Anglo-centric discourse (Robinson, 2016).

The article is structured as follows. First, it follows the literature on the links between the production of space, uneven development and gentrification, as well as the relationship between gentrification and touristification. After presenting its methodological approach, it analyses four distinct waves of gentrification in Athens vis-à-vis the country’s growth trajectories. Finally, its findings are discussed in light of how the different modalities of gentrification in Athens have not only adapted to broader growth models but also prepared urban space for subsequent growth. The article concludes with a brief summary.

Gentrification, uneven development and touristification: a theoretical framework

Gentrification theories emerged from both scholarly inquiry and the pressing need to critically examine

socio-spatial restructuring and the coercive inner-city transformations following the decline of Fordism (Marcuse, 1986). In gentrifying neighbourhoods, vulnerable and mostly working-class households faced displacement due to direct economic pressures, including, but not limited to, rising rents, exclusionary practices (e.g. landlord harassment) and the erosion of long-standing community networks (Slater, 2012). These areas were subsequently reinvented by state policies and real-estate developers, who, in pursuit of rapid capital turnover, triggered urban change by targeting middle-class households (Smith, 1982) and promoting '*better-off land uses*' that catered to this new urban clientele (Lees et al., 2008).

Quite distinctively, Smith (1982) linked gentrification to uneven development by framing the process as a derivative of the cyclical movement of capital. Specifically, when capital is invested in the built environment for purposes of social reproduction, it becomes temporarily immobilised, exposed to a gradual devalorisation due to physical deterioration and ground rent decline. Paradoxically, this process enables a subsequent revalorisation, especially when the disparity between actual and potential ground rent, termed as the rent gap, becomes sufficiently wide to render redevelopment and reinvestment financially lucrative. Smith conceptualised this movement of capital from the city centre to the suburbs and back again as a '*locational seesaw*' that follows the cycles of disinvestment and reinvestment in the built environment; this reflects capitalism's intrinsic logic of creative destruction, whereby landscapes are constructed only to be subsequently dismantled in circulating capital's pursuit of new avenues for capital accumulation. This view echoes Harvey's (1978) analysis of capital switching, namely, the rechanneling of capital flows from commodity production into the production of space – the primary and secondary circuits, respectively. This switching materialises capital in space as a spatial fix, not only as a response to uneven development creating opportunities for higher returns and lower risks but also as a strategic attempt to circumvent overaccumulation trends and declining profit rates in the primary circuit. Since capital bound locally for extended periods of time is

devalorised, this process is inherently crisis-prone (Smith, 2010).

Gentrification as a spatial fix renders the centrality of both its spatiality and temporality. For one, its geographies are contingent upon pre-existing institutional and socio-economic conditions, marking it as an essentially context-sensitive phenomenon (Lees et al., 2008), which reflects broader dynamics extending to the global scale (Slater, 2012). Moreover, gentrification's histories are commonly understood as unfolding in successive waves, each shaped by an evolving interplay of state, societal and market structures. As illustrated in Table 1, first-wave gentrification was a highly localised phenomenon in few global cities, being heavily subsidised by the state to counteract post-Fordist industrial decline. Gaining traction, second-wave gentrification expanded in new cities, and beyond the urban core, deepening urban tertiarisation through integrating commercial, cultural and artistic uses apart from residential ones. Interestingly, despite third-wave gentrification unfolding amid the rollout of neoliberalism, the state retained a focal role, absorbing investment risks and incentivising large-scale real-estate developments. With the fourth wave unfolding through explicit pro-gentrification policies and within a framework where real-estate markets became deeply intertwined with global financial circuits, it was clear that the process had ultimately evolved into a global urban strategy, firmly embedded within neoliberal urban governance structures (Hackworth and Smith, 2001; Lees et al., 2008). In this context, housing was no longer perceived as merely an exchange commodity but as an asset that facilitated the creation of liquidity from the spatial fixity of homes, stimulating a continuous extraction of novel exchange values (Gabor and Kohl, 2022). In the aftermath of the 2008/2009 global financial crisis, fifth-wave gentrification emerged from new forms of rent extraction, scalable investment and valuation practices predicated on anticipated rent gaps, all of which reinforced the speculative logic of financialisation (Holm et al., 2023). In addition, it was crucially facilitated by technological advances in the form of online peer-to-peer accommodation platforms (Aalbers, 2019). In this context, gentrification reflects a rentier capitalism, whereby housing

Table 1. Gentrification and touristification waves as documented in the literature.

Wave	Geography	Role of the state	Involved actors
1st wave (1970s): piecemeal gentrification in the aftermath of the Fordist Crisis	Gentrification emerges in the city centres of specific global cities across the Global North (e.g., New York, London, Vancouver)	Zoning and planning policies pave the way and “regulate” gentrification	Capital switching leads to sporadic investments in the inner-city built environment and draws marginal and homebuyer gentrifiers
2nd wave (1980s): the anchoring of gentrification	Gentrification expands in downtown areas of Global North cities of various sizes	Laissez-faire and passive support through subsidies facilitate gentrification	Real-estate agents and professional investors (incl. developers and institutional capital)
3rd wave (1990s): post-recession gentrification as a global urban strategy	Gentrification expands in cities outside the Global North and intensifies in its original locations in the Global North (super-gentrification)	Neoliberal urbanism pushes gentrification through housing privatisation, urban regeneration, social control and place-based surveillance	Professional real-estate developers become the prime actors
4th wave (2000s): financialised gentrification anchors worldwide	Mortgages become securitised and traded in global capital markets funnelling credit capital into local housing markets globally	Austerity policies push gentrification through dismantling housing provision and promoting asset-based welfare	Financial actors become actively engaged through acquisition of deprived assets in prime locations, same-day house resales, etc.
5th wave (2010s- today): financialised and platform-mediated gentrification intertwines with touristification	Financial actors and platform technologies are increasingly embedded in existing and emerging local housing submarkets, including student, elderly and tourist accommodation	Monetary easing and low interest rates drive capital into real estate, resulting in touristification and gentrification	Corporate developers (incl. Real Estate Investment Trusts), listed companies and servicers assemble asset portfolios managed through platforms

Source: Authors' own elaboration based on Hackworth and Smith (2001), Smith (2010), Lees et al. (2008), Aalbers (2019) and Alexandri (2022).

attracts the investment interest of financial actors under the premise of yielding profits beyond those of traditional financial markets (Cocola-Gant et al., 2025). Notably, the state has evolved into an active enabler of financialised urbanism, incorporating financial logics into urban governance frameworks that prioritise investment potential over the housing needs of local residents (Aalbers, 2019). As such, capital is being strategically channelled into selected urban areas – often those with cultural cachet or symbolic value – through corporate acquisitions and peer-to-peer accommodation platforms, further driving rent inflation and displacement. The above delineates gentrification as a key form of spatial fix, which may unfold at the urban scale, ‘the least

significant in terms of the overall restructuring’, but fully encapsulating ‘*the internal logic of uneven development*’ (Smith, 1982: 151).

Within a context of Western economies’ tertiarisation, the last waves of gentrification increasingly intertwine with tourism. This was initially documented in the early 2000s, with tourism gentrification referring to the transformation of middle-class neighbourhoods into exclusionary enclaves hosting corporate entertainment and tourism venues (Gotham, 2002). In recent years, the link between gentrification and touristification has become increasingly evident, particularly in cities of the Global North and tourism-dependent regions of the Northern Periphery (Jover and Díaz-Parra, 2020).

Following the shift of crisis-hit Southern EU countries towards real estate and financial capital, fiscally constrained local authorities (Chorianopoulos, 2024) facilitated the expansion of tourism-based sharing economies. However, scholars debate whether tourism-driven gentrification and touristification constitute distinct processes (Tulumello and Allegretti, 2021). This debate is complicated by the term ‘touristification’ originating in tourism studies, where it refers to both the urban and rural context (Ojeda and Kieffer, 2020). Moreover, even when used in the frame of urban studies, tourism-driven gentrification entails land-use changes and the gradual displacement of lower-income residents, while touristification is marked by the rapid expansion of the STR market over residential uses and the emergence of tourism-centred economies of scale. Nevertheless, the impact of STRs on displacement – a central issue in relevant debates – has been extensively documented and theorised. Directly, the conversion of long-term rentals into year-round STRs reduces housing availability, thus driving rent increases, particularly in high-demand gentrified – or gentrifying – areas, which attract international visitors due to their aesthetic appeal and perceived safety. Indirectly, the prospect of increased rent yields through converting into STRs widens existing rent gaps, affecting remaining long-term rentals (Lee, 2016; Wachsmuth and Buglioni, 2024). Both directly and indirectly then, the STR market reinforces displacement. While tenants are the most vulnerable in this situation, homeowners also face chain displacement, struggling to cover increasing housing costs (Cocola-Gant, 2023), while those that opted for converting parts of – or entire – dwellings into STRs are out-competed by professional hosts (Gourzis et al., 2022). What becomes apparent then is that much of touristification’s effect resonates with that of gentrification. Indicatively, Aalbers (2019) uses touristification to discuss the role of STRs in fifth-wave gentrification. In the discussion section, we situate our findings on gentrification in Athens within debates on the process’s intersection with financialisation and touristification.

Methodological considerations

In what follows, we analyse the evolution of gentrification in Athens by identifying four successive waves, based on their distinct socio-spatial, political and economic characteristics (Table 4). For each wave, we examine the broader economic conditions and identify specific forms of gentrification. To further nuance gentrification processes during each period, we use the neighbourhood of Metaxourgio as an illustrative case study. Overall, this approach is operationalised through a multi-scalar, mixed-methods approach. Namely, secondary quantitative research, which refers to the national level, is presented first for each wave, helping set the broader context on Greece’s growth models (through national-level data, see Table 2). The primary research that is presented afterwards refers to the urban and local levels, complemented by data on housing and STR markets (through neighbourhood level data, see Table 2). In addition, to examine the role of the state during each wave, the relevant policy framework for each period is scrutinised.

Specifically, secondary analysis was conducted in 2024. As such, it followed the two rounds of fieldwork (described below) chronologically. It scrutinises economic and employment measures. Its temporal scope refers to a critical period for the country, covering the preparation for the 2004 Olympic Games from the mid-1990s onwards, the adoption of the common Euro currency in the early 2000s, the 2008/2009 global financial crisis, the subsequent long-lasting recession and the COVID-19 pandemic. Dedicated data on the housing and STR markets, as well as foreign direct investment (henceforth FDI) in real estate are presented whenever applicable (namely, from the early 2010s onwards). Secondary methods and data are presented in detail in Table 2.

Primary research comprises two rounds of – mainly qualitative – fieldwork, conducted in Metaxourgio, Athens. Fieldwork informants include both experts and individuals directly affected by or contributing to gentrification, which were selected through snowball sampling. To mitigate this method’s

Table 2. Secondary analysis methods, data and sources.

Purpose and level of analysis	Data and methods	Temporal scope	Data sources
Assess instances of capital switching (national level)	Building Share Index ^a based on Gross Fixed Capital Formation (GFCF) data by asset type.	1995–2022	Authors' calculations based on Eurostat data on GDP components ^b
Assess the magnitude of the tourism industry (national level)	Tourism's direct contribution to GDP ^c	2008–2022	UN Tourism ^d
Assess the extent of FDI in real estate (national level)	Share of employees in accommodation and catering (NACE I) in total employment	2008–2022	Authors' calculations based on Eurostat Labour Force Surveys microdata
	Approved Golden Visa applications	2013–2023	Greek Ministry of Migration, as published by Kathimerini (2024), Rousanoglou (2024a)
Assess the STR market (national and neighbourhood level)	Volume of FDI in real estate	2015–2023	Reports by the Bank of Greece ^e
	Listings in online peer-to-peer accommodation platforms		Studies by the Institute of the Greek Tourism Confederation ^f
	Stays in listings uploaded to online peer-to-peer accommodation platforms		Eurostat experimental data on online collaborative economy platforms ^g
	Density of active ^h listings uploaded to the Airbnb platform per neighbourhood		Authors' calculations based on web scraped data from Airbnb, as provided by www.insideairbnb.com
Assess rent levels (neighbourhood level)	Yearly changes of average residential rents per neighbourhood	2011–2020	Authors' calculations based on data acquired from the real-estate platform www.spitogatos.gr

^aAn approximated comparison between the primary and second circuits. Calculated as follows based on Christophers (2011), Kutz (2016), and Gourzis and Gialis (2019):

$$\text{Building Share index} = \frac{\text{GFCF in built environment (housing + constructions)}}{(\text{total GFCF} - \text{GFCF in agriculture, forestry and fisheries}) + \text{labour expenditure}}$$

^bAvailable at: https://ec.europa.eu/eurostat/databrowser/view/nama_10_an6/default/table?lang=en&category=na10.nama10.nama_10_nfa

^cFollowing UN's definition, as described here: <https://w3.unece.org/SDG/en/Indicator?id=209>

^dAvailable at: <https://www.unwto.org/tourism-statistics/economic-contribution-SDG>

^eAvailable at: <https://www.bankofgreece.gr/en/statistics/external-sector/direct-investment/direct-investment—flows>

^fAvailable at: <https://insete.gr/studies/?lang=en>

^gAvailable at: <https://ec.europa.eu/eurostat/web/tourism/database>

^hThose with at least one rating in the last 12 months from the date of reference for each map.

limitations, adequate diversity was ensured across the sample in terms of gender, age, and income. A detailed account of primary methods is provided in Table 3.

Metaxourgio, an inner-city area located at the immediate vicinity of the Acropolis Hill (Figure 3), serves as a suitable case study, having transitioned from a working-class neighbourhood into a prime site of Athenian gentrification from the mid-1990s onwards. Specifically, in the 19th century, the area witnessed the construction of small industries, including a silk factory, as well as numerous

neoclassical buildings for housing affluent families. Gradually, industrial activity led these families to relocate, with worker families moving in to combine proximity to work and housing, transforming Metaxourgio into a working-class area. In addition, since the early 1980s, an incoming Roma population occupied the older low-rise buildings. In the 1990s, with urban regeneration becoming a key political agenda, Metaxourgio, with its significant infrastructure, accessibility, architectural heritage and distinct inner-city characteristics – combined with low land

Table 3. Primary analysis methods and coded reference in text.

1 st fieldwork round (2009–2013)	
75 semi-structured, in-depth interviews of 60–90 minutes (13 life-long residents, 27 new residents, 10 entrepreneurs, 12 migrants, 2 Roma, 4 planners, 4 policy makers, 3 real-estate agents)	
2 nd fieldwork round (2018–2021)	
40 semi-structured, in-depth interviews of 45–60 minutes (4 residents, 2 STR entrepreneurs, 6 bank employees, 2 international investors, 1 REIT manager, 5 realtors, 1 real-estate journalist, 2 housing policymakers, 1 representative of the public body for attracting FDI, 2 notaries, 2 lawyers on household insolvency, 3 academics, 3 housing activists, 1 representative of the Homeowner Association of Greece, 5 representatives of Trade Unions).	
62 Structured, open- and close-ended questionnaires lasting 10–20 minutes (21 residents, 21 workers, and 20 business owners/managers)	
Reference in text	
F1-I or F2-I	Reference to first or second fieldwork round interviews (informant capacity is indicated)
F2-Q	Reference to second fieldwork round questionnaires

values and a vulnerable population – became a prime site for gentrification (Alexandri, 2018).

Analysing gentrification waves in Athens vis-à-vis Greece's macroeconomic trajectories

First wave (up to mid-1990s)

Since the end of the Civil War and throughout the post-war period, the principal mechanism of housing provision in Greece was *antiparochi*.¹ Specifically, this was a land development system whereby landowners provided the plot for contractors to develop multi-storey buildings; in return, landowners received a share of the units – often on the upper floors – while contractors retained the rest as compensation, typically to sell or rent. Through *antiparochi*, a distinctive form of vertical social segregation emerged in Athens and across Greek cities, as the higher economic value of upper-floor units reflected their comparatively better living conditions. During this period, home purchases rarely involved credit financing, as they relied on the savings capacity of households, family support or land sales in the place of origin. Alongside promoting homeownership with minimal state expenditure on public housing, *antiparochi* consolidated a construction industry consisting

of a myriad of small-sized firms (Gialis et al., 2025). Therefore, investment in the built environment in Greece consistently exceeded the EU average for many decades. In 1995, it accounted for nearly 30% of total fixed investment – almost double the EU average (Figure 1). Markedly, although this period was characterised by the country's effort to update its infrastructure and develop competitive industrial activity, investment in housing steadily exceeded that in EU-funded infrastructure projects (Gialis et al., 2025).

This construction-driven model drove suburbanisation trends, with the high density and deteriorating condition of the inner-city housing stock increasing the appeal of newly developed peripheral areas. Many middle- and upper-class residents began relocating to the suburbs, while Athens' devalourised inner city received migrants from former socialist countries, which joined the existing Greek working-class population. Importantly, although development projects remained expectedly limited in the inner city, by the late 1980s, specific historic areas around the Acropolis Hill like Plaka started exhibiting clear signs of gentrification. Central to this was the Regulatory Plan of Athens² and other relevant planning policies, which, under the guise of historic preservation, restricted industrial uses, limited vehicle circulation and led to the listing and expropriation of

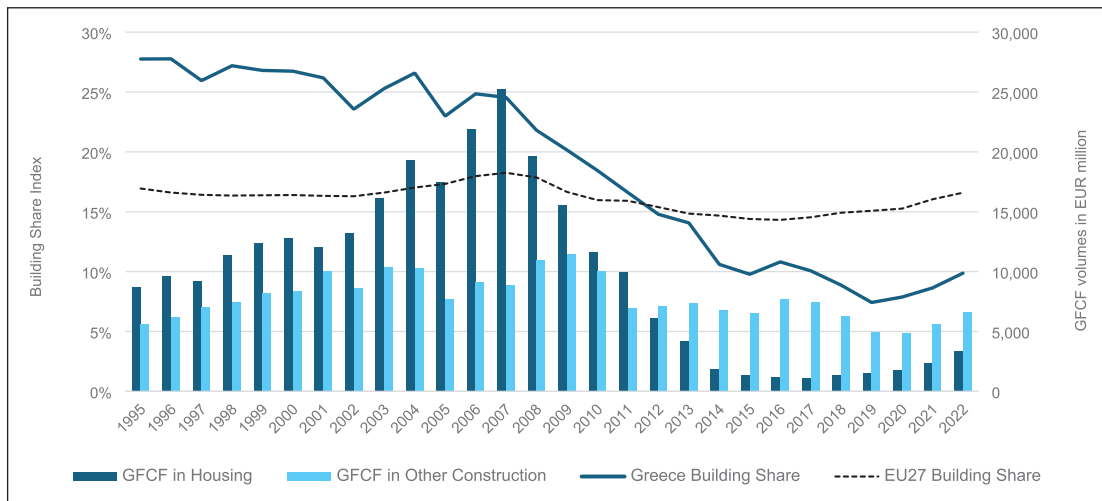


Figure 1. Building Share Index in Greece and the EU27 (left), GFCF volumes in Housing and Other Constructions in Greece in EUR million (right), 1995–2022.

Source: Authors' calculations based on Eurostat.

neoclassical buildings by the Ministry of Culture. These interventions soon attracted cultural and tourist-friendly recreational activities, as well as better-off inhabitants (Alexandri, 2018).

For its part, Metaxourgio housed lower-income households and small-scale industrial activity, garages and car repair shops. These land uses kept ground rents low, preventing the extensive practice of antiparochi. Moreover, after a long period of disinvestment, certain parts of the area turned into hubs for illicit activities, namely illegal brothels and drug use spots. Nevertheless, the neighbourhood's low height and interesting architecture secured it a key position in all state plans for urban regeneration, similar to those already implemented in Plaka. With these plans still only on paper, households with cultural and/or economic capital began investing in neoclassical buildings. Rather than capitalising on the area's low land values, these households '*knew what (was) going to happen*' through connections with local and central government officials (F1-I: artists, curators, architect, academic gentrifiers). Importantly, many had firsthand gentrification experience from living in cities like London or New York. Contrary to Anglophone conceptualisations of first-wave gentrification as driven by marginal gentrifiers, these early

incomers served rather as precursors, whose scattered renovation efforts exerted little transformative effect on the area.

Second wave (mid-1990s to mid-2000s)

Approaching Greece's accession to the Eurozone in 2002, financial liberalisation, together with historically low interest rates,³ rendered homeownership – through mortgage financing – accessible to a much broader segment of the population (Alexandri, 2022). Financial institutions often circumvented existing regulatory constraints, adopting aggressive lending practices such as offering '*mortgages of 120% of the property's value, covering tax and notary fees, new furniture, and even a car purchase*' (F2-I: bank director). This profoundly reshaped the construction sector, as developers started financing projects through pre-selling unbuilt apartments, thereby further binding key economic activities to construction and contributing to escalating housing prices (Gialis et al., 2025). In contrast, domestic industry (e.g. steel, shipbuilding) and small-scale manufacturing (e.g. agri-food, textiles), which was characterised by low productivity and scarce implementation of innovative practices, became increasingly exposed to

intense international competition. Once the protective mechanisms of monetary devaluation and national industrial policies were removed, manufacturing activity contracted (Gourzis and Gialis, 2019). Nevertheless, the Greek economy did not slow down, as this was covered by a further surge in construction. Still, Greece's growth model was primarily driven by investment in housing, although preparing for the 2004 Olympic Games boosted investment in infrastructure as well. This simultaneous surge in investment generated the first clear instance of capital switching (between 2002 and 2004; Figure 1).

During this period, Metropolitan Athens expanded eastwards and northwards. Although suburban zones absorbed most of the new construction, the state reasserted its role in the inner city as well. This was not done only through planning – as in previous years – but also through publicly-funded redevelopment, which was implemented under a 'state of emergency' due to the upcoming Olympics (Alexandri, 2018). Specifically, Athens and its downtown parts were profoundly redeveloped through large-scale transportation projects (i.e. metro and tram systems), extensive pedestrianisation schemes and other beautification projects. While Olympics-related redevelopment embodied a top-down, state-driven strategy, it was coupled with processes of private investment seeking to capture the rising values across the inner city. Moreover, the displacement of manufacturing activities allowed their reuse as cultural and entertainment spaces, fuelling a predominantly commercial/cultural gentrification in most neighbourhoods around the Acropolis Hill (e.g. Psirri, Gazi) that contrasted the residential forms of previous years (see Table 4). By the late 1990s, this process had deepened in Psirri to such an extent that many recently established cultural uses there were already facing displacement. In fact, their relocation to nearby areas contributed to the diffusion of gentrification into adjacent neighbourhoods, like Metaxourgio.

Specifically, Metaxourgio benefitted from improved accessibility (through a metro station), the pedestrianisation of local streets and successive redevelopment projects in its main square, most notably the conversion of the former Silk Factory into the Municipal Gallery, which attracted new

cultural and recreational uses. These changes prompted speculative behaviour among landlords, who started evicting Roma, migrant and low-income tenants from the area's low-rise buildings (F1-I). Nonetheless, the rent gap had only begun to widen, and much of the building stock remained under-maintained, with rents remaining low in comparison to nearby areas. This allowed artists and other so-called marginal gentrifiers to inhabit '*an authentic place that makes you feel like being in an urban village*' and '*freely express [themselves]*' (F1-I: curator).

Third wave (mid-2000s to mid-2010s)

The previous period left Greece with substantial infrastructure. In many areas, such as Athens' suburbs, that benefitted from improved accessibility and other urban amenities, investment in housing kept expanding. Equally important, in Athens' inner city, prolonged disinvestment, in conjunction with the recently established infrastructure, contributed to widening rent gaps, which attracted larger investors. These investors undertook extensive building and renovation projects (F2-I: realtor), accelerating gentrification in neighbourhoods that had shown early signs of it in previous periods (see Table 4). Such was the rate of this process that, despite a temporary lag in public investment, a second instance of capital switching occurred in the aftermath of the Olympic Games (during 2005–2007), marking the peak of housing construction. However, as the decade progressed, large-scale development projects, already advancing slowly due to bureaucratic obstacles and fragmented property ownership (F2-I: residents; realtor; notary), gradually came to a standstill. Amid fears of the global financial crisis arriving in the country, investment in housing dwindled in 2008, almost a year before recession fully hit the Greek economy (Figure 1).

By 2009, Greece's construction-driven growth model had already collapsed, and employment in the sector halved within just a couple of years. In contrast, tourism demonstrated a remarkable resilience, extending its pre-crisis expansion (Gourzis and Gialis, 2019). Responding to that, the state introduced an array of policies, including those in the first

Table 4. Gentrification and touristification waves in Athens, Greece.

Modality of gentrification and period	Macro-level: domestic growth model	Meso-level: gentrification tendencies across Athens			Micro-level: trends in Metaxourgio
		Prominent loci	Role of the State	Involved actors	
1st wave (1980s to mid-1990s): early gentrification related to historic preservation	Construction-driven, to upgrade crucial infrastructure and facilitate urbanism through <i>Antiparochi</i>	Historic neighbourhoods around the Acropolis Hill (i.e., Plaka, Anafiotika)	Zoning and planning interventions to facilitate and 'regulate' gentrification	Few investor-gentrifiers buying properties for own use	Pre-gentrification acquisitions by households with cultural and/or economic capital
2nd wave (mid-1990s to mid-2000s): inner-city gentrification related to the 2004 Olympic Games	Construction-driven to streamline Olympics-related megaprojects and mortgage-backed urbanism	Expansion around the Acropolis Hill (e.g., Psirri, Thiseio) and first signs beyond this (e.g., Petralona, Metaxourgio)	Neoliberalisation of urban planning to implement fast-track projects through public-private partnerships, liberalisation of credit markets	Private developers involved in urban redevelopment, marginal gentrifiers	Marginal gentrification in specific "pockets" of the neighbourhood
3rd wave (mid-2000s to mid-2010s): pre-crisis gentrification as an urban strategy/post-crisis sweat equity gentrification	Post-games culmination of housing construction/post-crisis shift to tourism-driven austerity urbanism and labour deregulation	Gentrification consolidates alongside urban decay across Athens' inner city	Reactivation of 1980s masterplans to displace manufacturing uses, public space surveillance, provision of tax incentives for building modernisation, facilitation of tourism businesses	Targeted investment in real estate by individual investors (mainly Greeks)/ post-2012 households that convert rooms of their dwellings or other assets into STRs (prosumerism)	Gentrification proper, combining new cultural uses and timid expansion of STRs
4th wave (mid-2010s to today): financialised and transnational gentrification related to platform-mediated touristification	Deepening tourism dependence even in previously non-touristy regions, FDI consolidates role in real estate	Touristification roots in already-gentrified (e.g., Psirri) as well as non-gentrified neighbourhoods (e.g., Koukaki)/ post-pandemic expansion outwards across the inner city (e.g., Exarchia, Kypseli) and beyond (Athenian Riviera)	Pro-touristification policies, programmes to attract FDI in real estate, dismantlement of housing policies	International investors, family offices and real-estate agencies gradually dominate the STR market replacing small-scale hosts	Financialised form of touristification and gentrification

Source: Authors' own elaboration.

Notes: FDI, foreign direct investment; STRs, short-term rentals.

Greek Memorandum,⁴ to support it. For instance, hospitality firms were provided with cheap labour via apprenticeship schemes, while cross-sector policies devaluing youth labour (i.e. the sub-minimum wage for workers under 25) widely benefitted businesses in accommodation and catering (Gourzis and Gialis, 2025). As a result, tourism's direct contribution to the country's GDP began rising immediately after 2009; especially during 2012–2015, it increased from 5% to 6.5%. Similar trends unfolded in employment in accommodation and catering, the share of which increased from 7.5% to 9% during the latter period (Figure 2(a)). To this direction, successive governments pursued attracting FDI in real estate, marketing Greek tourism's dynamism and lower land values in comparison to competing destinations such as Spain (Gourzis and Gialis, 2025). Specifically, in 2013, the country introduced a Golden Visa programme, namely, a 5-year residence permit to non-EU citizens in exchange for financial contributions or real-estate investments of 250,000 EUR,⁵ making it one of the cheapest programmes in the EU. Initially, the programme failed to attract substantial investment due to the heightened risk flagged by negative ratings from global agencies, with only 9 Golden Visa applications being approved in 2013. However, these numbers subsequently increased, reaching almost 500 in 2014 (Figure 2(b)).

In parallel, the first Greek Memorandum and the ensuing austerity policies advanced the privatisation of public assets and labour market flexibilization; promulgated significant reductions in welfare spending, wages and pensions and secured substantial increases in direct and indirect taxation, including property taxes. All of the above caused financial hardship and pushed many households into severe economic distress. As recession deepened, declining housing values resulted in the loss of both disposable income and accumulated wealth. Arrears in mortgages surged alongside those in utility bills and rents, with household insolvency becoming increasingly prevalent, transforming the debt crisis into a housing crisis, and homeownership from a pillar of economic security to a financial liability (Alexandri, 2022). Regulatory measures offered only temporary protection for the most vulnerable against home auctions and repossession⁶; indeed, such safeguards

gradually eroded under pressure from the Troika and financial investors, who requested their dismantling and the securitisation of non-performing loans (henceforth NPLs; Alexandri and Janoschka, 2018).

In this conjuncture, an STR market immediately took root in the early 2010s, mobilised by households that – amid a grey legislative framework – leveraged parts of their homes or other assets to ease financial strain (F2-I: STR entrepreneurs). Moreover, this was particularly pronounced in urban areas and especially Athens given that tourist areas in rural Greece already abounded in informal accommodation establishments (Gourzis and Gialis, 2025). Central Athenian neighbourhoods with appealing aesthetics, such as the gentrified neighbourhoods of Plaka and Thiseio, along with the neighbouring Koukaki, quickly became the epicentres of this emerging market. Similarly, the gentrified parts of Metaxourgio and Gazi saw a significant number of STRs early on (Figure 3(c), Table 4). The expansion of the STR market, albeit unfolding timidly in the beginning, crucially contributed to Athens upgrading from a transit hub for island-bound travellers into a global destination in itself (Gourzis et al., 2022).

Metaxourgio's transformations during this entire period are illustrative of the above. Pre-crisis, the opening of an additional metro station in the adjacent Gazi neighbourhood in 2007 attracted significant private investment, including a notable number of gourmet restaurants, which ascribed it a considerable culinary scene. More importantly, *Oliaros*, a real-estate company, acquired 64 architecturally notable buildings there to promote artistic uses through ateliers, exhibition spaces and cultural events such as the *Remap Art Walk*. At the same time, *GEK-TERNA*, a major Greek construction firm, developed a five-storey residential complex, one of the largest housing projects in Athens. Parallel to these private initiatives, residents' associations ran rebranding campaigns and undertook efforts to improve public spaces; one such intervention involved highlighting *Dimosio Sima*, an ancient cemetery of prominent Athenian citizens (F1-I and F2-I: residents). Despite the area undergoing an evident gentrification, the process remained concentrated in specific parts (F2-Q). Moreover, Chinese

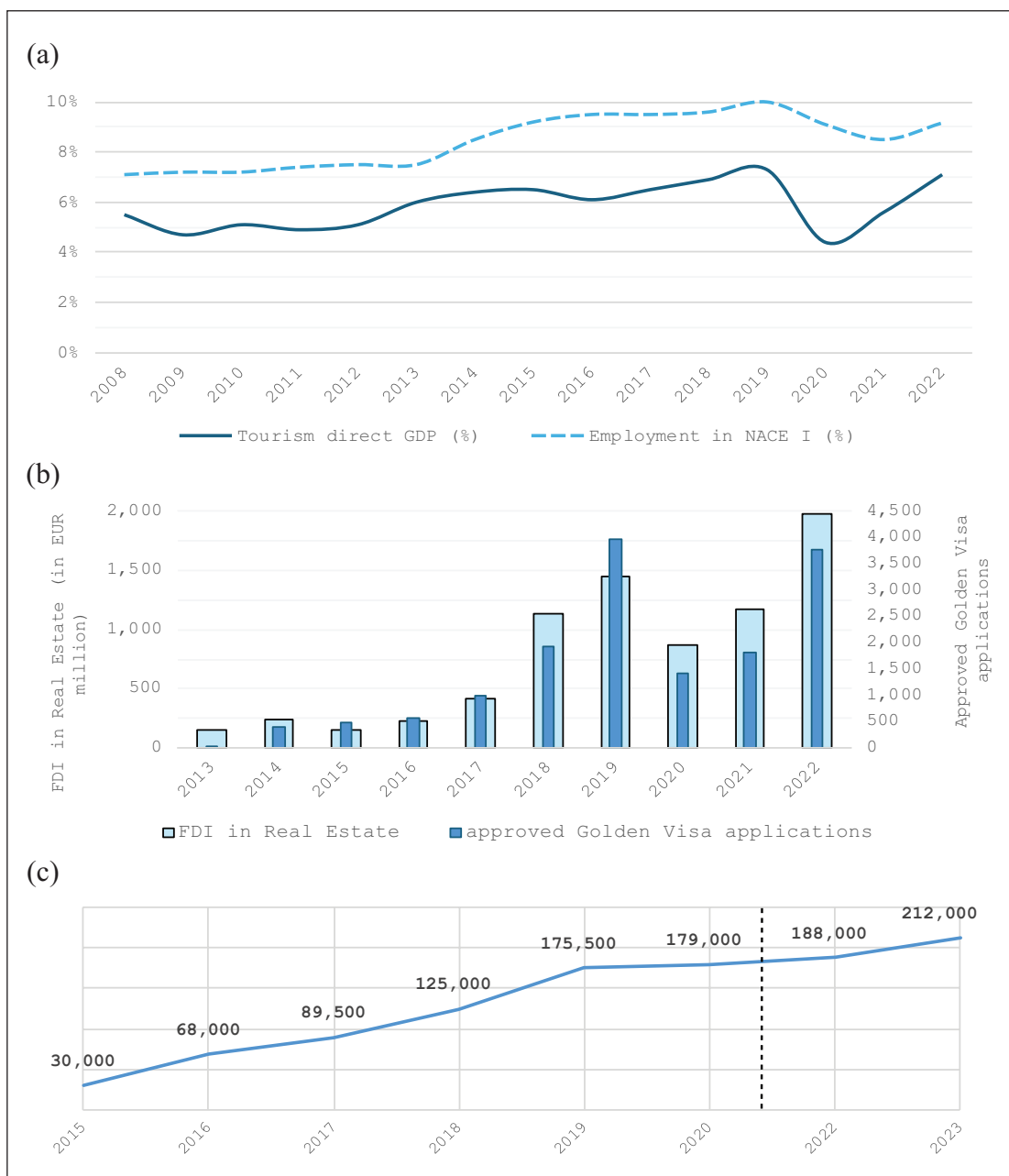


Figure 2. (a) Tourism direct contribution to GDP, NACE I contribution to total employment (%), Greece, 2009–2022. (b) FDI in real estate (right) and approved Golden Visa applications (left), Greece, 2013–2022. (c) Number of listings uploaded to online peer-to-peer accommodation platforms, Greece, 2015–2023.

Source: Authors' calculations based on UN-WTO, Bank of Greece (2023), Greek Ministry of Migration and the Institute of the Greek Tourism Confederation.

entrepreneurs settled in established wholesale and retail outlets selling low-cost goods, stimulating demand for commercial premises and modest rent increases, fuelling a ‘*low-key transition*’ (F2-I).

Amid the deep recession that followed, Metaxourgio followed an alternative path to gentrification via *neokafenía*, diverging from the mass-recreation paradigms of Gazi and Psirri. Unlike conventional Greek *kafenía*, which mainly attracted older working-class men, *neokafenía* drew a younger, more diverse and artistic clientele. As such, these establishments offered affordable entertainment for marginal gentrifiers, who continued settling in the area due to its diversity, atmosphere and low rents (F1-I and F2-I: newcomer residents), as well as to ‘*meet people with similar interests, bond, and develop new ideas and projects*’ (F1-I: newcomer resident). A common practice among these marginal gentrifiers and new entrepreneurs was to renovate the buildings they purchased or rented, generating a ‘sweat equity’ gentrification (F2-Q). Combined, alternative recreational uses and renovations maintained rent gaps and sustained gentrification during a period where development projects were indefinitely halted and austerity was profoundly impacting land values. Indicatively, at the peak of the recession in 2014, Metaxourgio’s rents had decreased by only 20% compared to 2011. This change is very comparable to those in middle-class areas (e.g. Ampelokipi) and even wealthier neighbourhoods (e.g. Kolonaki, Acropolis) and significantly smaller than the overall decline in Athens.

Fourth wave (mid-2010s onwards)

After 2015, the country deepened its dependence on tourism, with the industry’s direct contribution to the GDP reaching 7.5% in 2019 (the respective share in the EU was 4.5%). Similarly, employment in accommodation and catering reached 10% (Figure 2(a)). A significant part of these trends should be attributed to the consolidation of STR activity across the country, which was crucially facilitated by a series of legislative changes. In 2015, the requirement for STRs to be licenced by the National Tourism Organisation was abolished,⁷ resulting in them increasing from 30,000 to 90,000 in 2017. Then, another legislative

change introduced the concept of legal entities and removed the restriction of individual ownership to only two listings.⁸ As a result, hosts with multiple properties – among which were individual investors and architecture firms that had transitioned into asset-management companies – gradually dominated the market, and the number of STR listings hit 176,000 in 2019 (Figure 2(c)).

Expansion and professionalisation went hand-in-hand with a gradual financialisation (F2-I: realtor, notary public, STR entrepreneurs, residents). Specifically, the measures in the third Memorandum⁹ dispelled the prospect of *Grexít* after 2015 and signalled the first signs of macroeconomic stabilisation. From then on, improving credit ratings restored the country’s access to international lending, while financial consultancy firms likewise upgraded Athens’ credit standing in particular (Alexandri, 2022; Chorianopoulos, 2024). As Greece and its capital city gradually regained creditworthiness, relatively low property prices emerged as a major attraction for international investors. Indicatively, the average selling price in Athens in 2017 was €1,470/m², compared to €4,127/m² in Madrid and €3,117/m² in Lisbon. These favourable conditions generated high yields (around 7%) and projected profit margins of up to 40% (Alexandri, 2022). Consequently, FDI surged, with inflows to real estate rising from approximately €150 million in 2015 to nearly €1.5 billion in 2019, with much of it being channelled through the Golden Visa programme. The programme’s approvals increased from around 500 to 4,000 during the same period (Figure 2(b)). A key investment strategy at the time involved acquiring assets sold by indebted households seeking to alleviate their financial burdens and reintroducing them to the market as STRs. Specifically, recent estimates have suggested that up to 40% of the properties acquired through Greece’s Golden Visa programme have been converted into STRs (Kathimerini, 2024); in Athens, this has been the case for the ‘*vast majority*’, especially smaller apartments on lower floors and basements (Bakas, 2024). This practice not only ensured rapid capital circulation and high returns but also consolidated a new rentier mode of accumulation centred around a tourism economy. At the same time, it subverted

long-standing downward trends in land values: after years of housing prices collapsing (a 40% decrease nationwide and over 55% in the Municipality of Athens between 2011 and 2017), values increased notably within just 2 years (10% nationally and nearly 50% in Athens from 2017 to 2019).

Overall, the above reflects a debt-led development. Indeed, since 2015, a series of legislative reforms¹⁰ opened the housing market to intensified financial intervention, namely, through e-auctions¹¹ and the transfer of NPLs to servicers.¹² As a result, property auctions rose sharply (from about 5,000 in 2016 to nearly 25,000 in 2019; Gialis et al., 2025), while banks started mediating transactions between over-indebted households and foreign investors. Eventually, family offices, run by foreign capital, acquired assets and entire buildings from indebted owners, while financial investors began negotiating asset acquisitions through auctions and bank-held NPL portfolios (F2-I: notary public).

Notably, the COVID-19 pandemic left this growth model unchallenged. In fact, tourism-related output and employment rebounded immediately after 2021 (Figure 2(a)), while similarly, despite the initial shock curbing FDI in real estate, the latter reached a record high of €2 billion in 2022 (Figure 2(b)). Contributing to this was a non-dom regime that was introduced right before the pandemic,¹³ while provisional data on Golden Visas indicate that applications surpassed pre-pandemic numbers in 2023 (Rousanoglou, 2024a). In this context, both small-scale and professional STR hosts refrained from withdrawing their properties from platforms in favour of long-term leasing. On the contrary, during 2020–2022, STRs' numbers increased slightly from 179,000 to 188,000, before rising to 212,000 within just a year (Figure 2(c)). For these trends to unfold, households' deepening indebtedness continued to serve as a primary source of housing supply, as an amendment to the insolvency regime further loosened the criteria for primary-residence protection, allowing financial investors to accelerate liquidations.¹⁴

The compound effect of the above has triggered a return of capital back into the built environment (from 2019 onwards; Figure 1), after a decade of investment retraction. Markedly, this instance of

capital switching is driven by a combined increase in both housing and other construction, likely reflecting financial investors being involved not only in housing and hotel projects but also in major public-space redevelopment projects. Indicatively, Greece's largest real-estate investment company, PRODEA, has donated over €1 million to redevelop Strefi Hill in Exarcheia (Athens), where it holds a substantial real-estate portfolio. More importantly, through the involvement of large private investors, the *Ellinikon Project*, one of the EU's largest redevelopment projects currently in construction, aspires to transform the Athenian Riviera into an exclusive hub for global elites (Rousanoglou, 2024b).

The aforementioned developments have fuelled a new round of gentrification in the city, rendering already-gentrified inner-city areas like Plaka and Psirri – as well as partially touristified neighbourhoods like Koukaki – overly touristified (Table 4). In fact, touristification is so intense there that entire antiparochi buildings now comprise solely STR listings (known as '*ghost hotels*'; F2-I: residents), as reflected in Figure 3(b). At the same time, gentrification has expanded outward, signalling a significant shift from the earlier spatial fixes, which were centred on the Acropolis. This outward diffusion is clearly observable in the geography of the STR market, as it has extended not only into areas such as Exarcheia, Vathis Square and Kypseli, but across the city's southern waterfront. The extent of the above is underscored by a recent regulation that prohibits the operation of new STRs from operating in Athens' inner city and bans dwellings acquired through the Golden Visa programme to operate as STRs.¹⁵

For its part, over the course of the 2010s, Metaxourgio became Athens' new cultural district. In this context, theatres, workshop spaces, galleries, wine bars, gourmet restaurants and cafés coexist alongside public pop-up dance performances (F2-I: residents). Moreover, the area saw numerous new hotels – including boutique forms – opening, while the density of STRs increased by 370% between 2015 and 2019. While this increase was not Athens' steepest (Figure 3(b)), Metaxourgio became one of the priciest STR markets citywide (Gourzis et al., 2022). This contributed to significant rent hikes; the area's 30% increase in rents between 2011 and 2020

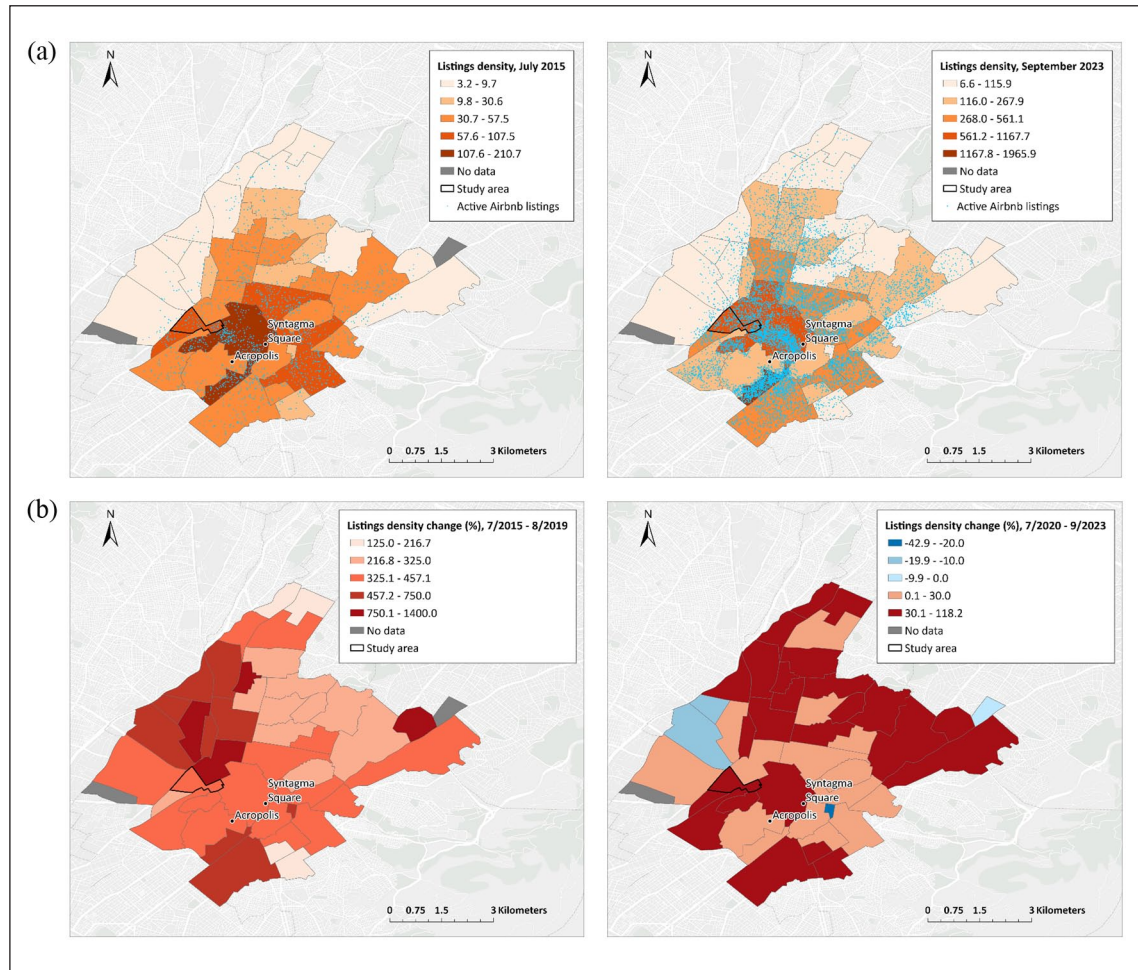


Figure 3. (a) Active Airbnb listings per square km at the neighbourhood level, City of Athens, 2015 and 2023. (b) Change in active Airbnb listing density at the neighbourhood level, City of Athens, 2015–2019 and 2020–2023. Source: Authors' calculations based on data from InsideAirbnb.com.

far exceeded those of other neighbourhoods with lower STR density (Figure 3(a)), such as middle-class Ampelokipi (16%) and upper-middle-class Kolonaki (10%). As such, displacement pressures intensified, impacting not only long-time residents but also marginal gentrifiers; as one of them aptly observed, the inflowing urbanites were ‘*like (them), but with more money*’ (F2-I).

These trends have only intensified post-pandemic, with the area experiencing one of the sharpest increases in Airbnb listings in Athens. Specifically, listings' density rose from 520 listings per km² in

July 2020 to over 700 in September 2023. This surge has led to a critical shortage of residential rentals, pushing average monthly rents to around €800 in 2024 – nearly matching the country's gross minimum wage of €830. As a result, Greek residents – including gentrifiers – are being displaced by foreign digital nomads (F2-I and F2-Q), indicating that post-pandemic Athenian gentrification is driven by transnational mobilities and becomes widespread (Table 4). Notably, to accommodate these influxes, many STRs have turned into medium-term rentals (F2-I: residents), which is a pattern observed all over Southern

Europe (Cocola-Gant, 2023) and North America (Wachsmuth and Buglioni, 2024).

The shifting modalities of gentrification in Athens

Our research identified four distinct waves of gentrification in Athens, each corresponding to specific political-economic conjunctures. Specifically, early phases of construction-led development in Greece, culminating in the post-2004 construction fever, cast the first two waves of gentrification in the form of urban regeneration and redevelopment. By contrast, the crisis-induced transition to a tourism-driven and finance-led economy restructured the logic of urban change, with the two following waves increasingly manifesting in the commodification and financialisation of housing. As our analysis showed, the complex nexus of gentrification, touristification, and housing financialisation in Athens, is neither incidental nor homogeneous. Below, we argue that each wave of gentrification constitutes a modality, one which is historically situated within broader economic transformations and is fundamentally shaped by the prevailing growth context.

Construction-driven urbanism and marginal gentrification

In the decades leading up to the 2008/2009 crisis, Greece's growth model was predominantly construction-driven, with the built environment functioning as a key outlet for capital accumulation amid the persistent structural weaknesses of domestic industry (Gourzis et al., 2022). This model relied heavily on public and private investment in infrastructure and real estate, aiming to enhance productivity in the primary circuit of capital through urban expansion and modernisation. During the 1980s and 1990s, in response to the post-Fordist decline of industrial activity, the Greek state undertook a series of spatial planning interventions, most notably through the Athens Regulatory Plan, which sought to relocate wholesale and manufacturing activities from the urban core to designated peri-urban zones (Gialis et al., 2025). These measures served a dual purpose: on the one hand, facilitating

suburbanisation through deregulated construction, and on the other, revalorising inner-city land by promoting heritage-led regeneration to bolster symbolic capital (Alexandri, 2018).

In this period, the state played an active role as both a regulator and an enabler of capital switching from industrial to urban and real-estate investment. In this context, rather than being contradictory processes, suburbanisation and gentrification constituted complementary expressions of this shift. Specifically, rapid and loosely regulated suburban development mirrored the speculative orientation of Greece's construction-centric growth strategy, while selective gentrification in central areas functioned as a targeted response to inner-city land devaluation – what Smith (1982) had called 'valleys' in land-value curves. Together, these dynamics illustrate how capital switching shaped Athens' urban fabric, with the state orchestrating spatial restructuring to sustain accumulation amid industrial decline.

Project-led entrepreneurial urbanism and the emergence of multiple gentrification loci

This second wave of gentrification commenced after Athens secured the 2004 Olympic Games in 1997, marking a period of significant capital switching at the national level. The prevailing growth model remained construction-driven, but now state-led investment was channelled not only into large-scale infrastructure and sports facilities but also into inner-city redevelopment. These spatial fixes were not merely about meeting the technical demands of hosting the Olympic Games; they also constituted a strategic effort to revalorise devalued urban land and reposition Athens within the global urban hierarchy. In this context, gentrification emerged as a key mechanism for reconfiguring the city's urban core to align with post-industrial, service-oriented development goals.

Athens' Olympic-era redevelopment thus served a dual purpose: it addressed the immediate imperatives of hosting a mega-event while simultaneously preparing the city for a post-industrial future. New commercial, cultural and recreational landscapes emerged, mirroring the post-Olympic urban

strategies seen in cities like Barcelona and Beijing (Smith, 2010). This transformation aimed to elevate Athens' international profile and rebrand it as a cultural destination in its own right, foreshadowing in this sense its later touristification.

Rather than simply targeting areas with the widest rent gaps, capital was therefore selectively invested in locations where spatial restructuring could support the broader economic agenda. This entailed displacing 'obsolete' land uses, particularly low-end manufacturing and repair services, even when these activities remained viable (Gourzis et al., 2022). A clear example is Metaxourgio, where relatively low land values, increased accessibility, and limited antiparochi expansion, made it a prime candidate for a situated modality of gentrification. The area's transformation illustrates how rent gaps, rather than being purely urban economy indicators, are better understood as embedded within political-economic strategies (Wyly, 2023).

In parallel, a major financial shift occurred. Following Greece's accession to the Eurozone in 2001, the liberalisation of finance, particularly in the form of mortgages, accelerated dramatically (Alexandri, 2022). Easy access to credit made homeownership more attainable and stimulated speculative investment in real estate, further fuelling construction activity throughout the 2000s (Gialis et al., 2025). Against the backdrop of a declining industrial base, this surge in real-estate investment functioned as a compensatory mechanism aimed at sustaining growth. As such, despite temporary lags in infrastructure development occurring in 2001 and after the Games' completion in 2005, capital returned to the secondary circuit, marking two instances of disrupted capital switching (see Gourzis and Gialis, 2019). However, this turn made Greece's development model increasingly fragile. As the 2008/2009 global financial crisis approached Greece, large development projects stalled, and the previously-widespread practice of pre-selling residences trapped a significant part of the construction sector in debt. Consequently, echoing Harvey's (1978) arguments about the inherent volatility of spatial fixes, investment in construction receded rapidly amid early signs of a recession.

Austerity urbanism and gentrification proper

With the onset of recession in 2009, Greece's growth model was abruptly dismantled. Projects halted indefinitely, land values plummeted and employment in the building sector evaporated, marking the bursting of a twin bubble in both construction and real estate. In the wake of the collapse, the Greek state quickly pivoted towards tourism – one of the few resilient and structurally key economic sectors (Gourzis and Gialis, 2025). Importantly, this shift did not mark a departure from previous development logics. Rather, it built upon the same spatial fixes that underpinned earlier rounds of capital accumulation. Infrastructure such as hotels, transport hubs and peripheral airports, developed during the pre-crisis boom, now served as foundations for tourism-led accumulation. In this sense, tourism repurposed the existing urban fabric, shifting its orientation from construction and development to hospitality and consumption, continuing to extract value from space nevertheless. This continuity underscores how this new growth model remained rooted in the built environment, evolving the latter's modes of exploitation.

Crucially the post-crisis reorientation towards a tourism-based growth model was fundamentally debt-driven. Austerity measures imposed under the bailout agreements drastically reduced household incomes and created a growing supply of distressed housing assets. This depreciation turned Athens and parts of inland Greece into attractive high-yield investment destinations. Within this context, the state's role evolved once more: it became a facilitator of capital switching from failed construction markets into real-estate-led tourism and finance. Austerity-era policies aimed explicitly at repurposing housing for capital accumulation. Legislative reforms enabled mass e-auctions and the securitisation of NPL portfolios, creating favourable conditions for financial investors to penetrate the distressed property market. Simultaneously, programmes like the Golden Visa were launched to attract FDI into real estate. However, these early efforts faced structural limitations – most notably the lack of de-risking mechanisms, which initially deterred larger

(international) capital flows (Alexandri and Janoschka, 2024) that would be notable in the secondary circuit at the national level.

With institutional investors refraining from leading housing financialisation, this role was undertaken by small-scale property owners. Responding to household-level economic pressure, these actors increasingly treated housing as a financial asset, often engaging in low-cost renovations to extract rental income or resale value. Sweat equity in already-gentrifying areas sustained land-use change and the influx of alternative urbanites, stopping land values from decreasing significantly. At the same time, the emergence of online peer-to-peer accommodation platforms like Airbnb in the early 2010s catalysed a new form of rent gap exploitation. While these platforms did not fundamentally shift the trajectory of Greece's tourism-led development, they consolidated it by enabling a new modality of platform-mediated gentrification. The platform economy allowed financially strained households to monetise residential space, further deepening the nexus between gentrification and touristification. This process accelerated transformations in already-gentrified areas like Metaxourgio and expanded them into new ones such as Koukaki, where short-term visitors became the primary consumers of gentrified and touristified landscapes. In doing so, these transient users functionally replaced the earlier 'bourgeois-bohème' gentrifiers, exerting similar spatial preferences and consumption patterns, albeit under a distinctly financialised and platform-mediated mode.

Tourism-driven urbanism and the sprawl of financialised gentrification

Following Greece's re-entry into international capital markets and the easing of sovereign debt concerns in 2017 (Alexandri, 2022), a new wave of debt-driven accumulation took shape. Specifically, the Greek real estate became a key site for FDI, much of it targeting high-yield inner-city properties to convert them into STRs (Bakas, 2024). In this, the state adopted a dual role: on the one hand, it provided regulatory incentives and risk-mitigation mechanisms to attract investment; on the other, it

actively shaped the institutional framework governing the STR sector, promoting its professionalisation and integration into broader financial circuits.

This phase was distinguished by a renewed focus on asset accumulation through the revalorisation of the built environment. Gentrification became increasingly bound to the expansion of the STR market, with both domestic and international investors engaging in systematic renovations of existing housing stock. The logic of profit maximisation, whether through STRs or mid-term leases, restructured housing affairs around the extraction of speculative values, marginalising residents unable to contribute to this revenue stream (Alexandri, 2022), including marginal gentrifiers, while also completing the displacement of inner-city manufacturing (Gourzis et al., 2022).

In discussing urban transformations during this period, gentrification and touristification should be seen as a tightly coupled nexus. Specifically, we argue, two of this nexus's crucial effects – the upgrading of the building stock and the displacement of the extant population – occurred not as products of parallel dynamics but as a salient outcome of the same speculative logic. This opposes accounts that view them as two distinct processes, arguing that, without the presence of a stable user group – typically middle-class gentrifiers – gentrification literature is inept at capturing the process of touristification (see Tulumello and Allegretti, 2021). Nevertheless, questions of agency in touristification are closely intertwined with those in gentrification. Whether the consumers of urban space are middle-class residents or 'ephemeral' tourists, their agency is shaped less by individual intentions and more by the financial and institutional structures that govern access to housing and urban space. Moreover, since the COVID-19 pandemic, the boundaries between gentrification and touristification have become even more blurred. Greece's strategic efforts to attract affluent transnational mobilities, such as digital nomads, retirees, and non-domiciled investors, echo similar trends across Southern Europe (Cocola-Gant, 2023). These groups have opened new residential markets – particularly medium-term rentals – reinforcing the logic of platform-mediated financialisation. In Athens, this shift has not only expanded

listings into previously non-touristic neighbourhoods but also introduced a more permanent dimension to earlier patterns of transient urban consumption. Elsewhere in the metropolitan area, luxury developments now resemble patterns of super-gentrification (Lees et al., 2008), pointing to growing spatial inequality. These transformations have occurred in parallel with central government strategies to reduce fiscal transfers to local authorities (Chorianopoulos, 2024), pushing cities like Athens to seek alternative revenue streams. In response, the city has increasingly turned to residential tourism as a means of capital accumulation, mobilising its built environment as a spatial fix, a strategy already well-established in many rural and island regions of the country.

Through the above, we have sought to show that each wave of gentrification in Athens reflects a distinct modality, rooted in specific growth regimes and stemming from varying patterns of capital switching. Yet, more importantly, each modality actively prepares the urban terrain for subsequent transformations, typically revolving around deeper tertiarisation (Marcuse, 1986). While the spatial expressions of gentrification in Athens may diverge from Anglophone archetypes, the process serves as capitalism's '*leading edge of spatial restructuring [. . .] for another phase of sustained capital accumulation and expansion*' (Smith, 1982: 151).

Concluding remarks

The contribution of this research to the literature relies on two crucial and intertwined arguments. First, gentrification is deeply embedded within broader capitalist processes related to the circulation of capital; as such, modes of urbanisation cannot be seen independently from modes of production and financialisation. Second, its specific forms develop in tandem with geographical contingencies, including local political-economic path dependencies, investment incentives and cultural practices. As such, Athenian gentrification constitutes an idiosyncratic form of Southern European gentrification, rooted initially in Greece's construction-driven model of urban development, and subsequently, shaped by policies of financialisation – as exemplified via debt

restructuring. In recent years, it has further evolved in response to the growing reliance of the economy on tourism. The aforementioned observations required a novel empirical approach; namely, secondary analysis drawing inspiration from quantitative accounts of the urbanisation of capital (Gourzis and Gialis, 2019) was combined with fieldwork (in two rounds more than 10 years apart) focusing on gentrification's structural factors rather than its outcomes, as well as thorough policy analysis.

This research comes at a timely moment. Gentrification's geographical contingency and conceptual ambiguity have led some scholars to argue for its lack of academic rigour (Maloutas, 2018) or to suggest that the concept should disintegrate under its own weight (Bondi, 1999). At the same time, a battle rages over the appropriation of the concept, with social movements emphasising its political and class implications, while market and institutional actors use it interchangeably with urban recovery. Here, we argued that gentrification remains a powerful and necessary concept not in spite of, but precisely because of, its structural clarity in explaining how urban space is continually reorganised to serve capital accumulation. As financialised real-estate hunts for ever more lucrative submarkets and metropolitan governments pursue a tax base of mobile, high-income residents, will academic debate once again retreat into concept typologies, or will it address the enduring issue at the heart of gentrification – the insatiable appetite of capital to constantly reinvent urban space as a frontier for profit?

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Notes

1. Originating from pre–Second World War legislation law (L.3741/1929).
2. L.1515/1985.
3. Around 5%, down from roughly 25% in the 1990s.
4. Signed between Greece, the International Monetary Fund, the European Central Bank and the European Commission in May 2010, requiring economic adjustment measures in exchange for financial assistance.
5. L.4146/2013. These thresholds have since been amended.
6. For instance, L.3869/2010 froze such auctions only until 2013.
7. L.4336/2015.
8. L.4472/2017.
9. Signed in 2015 between Greece and the same actors as the previous two (the EC, the IMF and the ECB), the third bailout package sought to ensure stability through providing the country with funds from the European Stability Mechanism.
10. L.4354/2015.
11. L. 4512/2018.
12. Namely, a company or organisation that manages, administers or services debt on behalf of a lender or creditor.
13. Requiring applicants to invest at least €500,000 in shares, securities or real estate, in exchange for a flat

annual tax of €100,000, regardless of income levels. L.4646/2019.

14. L.4738/2020.

15. L.5100/2024 (article 64).

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