

The evolving modalities of gentrification in Athens vis-à-vis Greece's shifting growth models

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Abstract

Gentrification theory remains highly relevant, particularly in light of an escalating global housing affordability crisis. Yet, in Southern Europe, despite soaring rents and a deepening tourism dependence, its analytical rigour remains contested. Employing a multi-scalar, mixed-methods approach, we reassess the Theory's contributions, situating gentrification within broader cycles of uneven spatial development. Specifically, by combining secondary research, field research, and policy analysis, we periodise the waves of Athenian gentrification vis-à-vis Greece's developmental trajectories. Findings highlight that, amid construction-driven growth spearheaded by 2004 Athens Olympics' projects, and banking liberalisation, gentrification not only secured rent gaps' exploitation, but also "rationalised" inner-city landscapes to counter structural weaknesses in domestic industry and elude an impending crisis. Subsequently, with recession being handled through a debt-driven housing financialisation and an all-encompassing reorientation towards tourism, gentrification furthered property markets' restructuring towards tourism-related uses, including short-term rentals. Actually, the inflow of foreign capital deepening tourism dependence left the imperative of extracting value from the built environment unchallenged, reinforcing gentrification as a key form of capital's spatial fixes. Although Athenian gentrification is often associated with the proliferation of short-term rentals in public discourse, our analysis demonstrates that it significantly predates the rise of touristification. Beyond merely adapting to successive growth models, it actively structured urban space to accommodate future transformations. Ultimately, we conceptualise gentrification as a highly adaptive socio-spatial process, shaped by city-specific path dependencies that are intertwined within broader economic and policy dynamics frameworks. This approach contributes to ongoing scholarly debates on urban change, especially outside dominant geographical paradigms.

Keywords

Capital switching, spatial fix, housing financialisation, debt restructuring, Golden Visa program, touristification, Metaxourgio

Introduction

On January 28th, 2024, residents of Metaxourgio, a former working-class, inner-city area in Athens, organised a rather peculiar funeral: that of their neighbourhood. In this 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 since the early 2000s that, being an endemic Anglophone theory, it cannot take root in Mediterranean cities. In particular, Athens was considered as “*ungentrifiable*” due to its dense, low-quality housing, widespread micro-ownership, and socially mixed residences shaped by a “spontaneous” type of urbanism. The city also lacked repurposable industrial spaces and a strong knowledge-economy professional class to drive gentrification (Maloutas, 2012). Despite a current consensus regarding the existence of gentrification in Athens, the process is viewed as a key byproduct of the city's recent touristification (Gourzis et al., 2022).

Against this backdrop, this study's objective is to critically examine the ways in which gentrification in Athens has evolved in the past decades (Alexandri, 2018; 2022), incorporating financialisation (Lees et al., 2008) and touristification (Cocola-Gant, 2023), and explore how its distinct modalities intersect with Greece's broader shift from a predominantly construction-driven growth model to a tourism-dependent one (Gourzis and Gialis, 2019). To do so, it draws from early accounts within Critical Geography that conceptualised gentrification as a spatial fix (Smith, 1982) stemming from capital's switching from industrial production to the production of the built environment (Harvey, 1978), reflecting a restructuring of urban housing and labour markets (Marcuse, 1986). Operationalising this conceptual framework, this study employs a multi-scalar, temporally-granular mixed-methods approach, integrating (i) a secondary quantitative analysis of national economic trends (e.g., investment volumes in the built environment, tourism's share in GDP and employment, foreign direct investment [henceforth FDI] volumes in real estate, etc), (ii) policy analysis, and (iii) primary qualitative research on Athenian gentrification since the mid-1990s through fieldwork conducted in the representative case study of Metaxourgio. Findings highlight that while gentrification in Athens is currently attributable to Greece's dependence on tourism, it actually long predates the advent of touristification, as it is tied to the country's construction-driven growth model, which historically centred on extracting value from the built environment. With national productive priorities shifting from constructions to tourism and ongoing recession facilitating a debt-driven mode of housing financialisation, the above imperative remained unchallenged, allowing gentrification to adapt organically and reflect a debt-driven restructuring of the property market and proliferation of tourism-related uses.

The above delineates four crucial contributions to the literature. First, by examining the modalities of gentrification vis-à-vis broader processes of capital switching and economic restructuring, our research brings back an emphasis on gentrification's structural causes instead of outcomes—e.g., displacement, rent increments—which has been the primary focus of existing literature (Slater, 2012). Moreover, it elucidates the significance of rent gaps, which has been subject of intense debates up to this day (Wyly, 2023). Second, by employing a mixed-methods approach, this research bridges qualitative analyses that explore the nuances of gentrification's emergence but lack scope assessment, with quantitative methods that measure its extent but often rely on oversimplified definitions and assumptions. Third, by uncovering the shared mechanisms driving gentrification and touristification, this research contributes to ongoing debates about their relationship, aligning with perspectives that emphasise their close dialectical interconnection (Cocola-Gant, 2023). Fourth, providing a thorough periodisation of gentrification in Athens, it substantiates its gradual evolution within the Greek context. In doing so, it repositions gentrification research beyond the Anglo-centric discourse, advocating for a more pluralistic, context-sensitive thus provincialising urban theory (Robinson, 2016).

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3 The article is organised as follows. First, it presents the literature on the links between the production of
4 space, uneven development, and gentrification, as well as the relationship between gentrification and
5 touristification. After discussing its methodological approach, it analyses four distinct waves of Athenian
6 gentrification vis-à-vis the country's growth trajectories. Lastly, its findings are discussed in light of how
7 the different modalities of gentrification in Athens have not only adapted to broader growth models but
8 also prepared urban space for subsequent ones. The article concludes with a brief summary.
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12 **Gentrification, uneven development, and touristification: a theoretical framework**

14 Gentrification theories emerged from both scholarly inquiry and the pressing need to critically examine
15 socio-spatial restructuring and the coercive inner-city transformations following the decline of Fordism
16 (Marcuse, 1986). In gentrifying neighbourhoods, vulnerable and mostly working-class households faced
17 displacement due to direct economic pressures, including, but not limited to, rising rents, exclusionary
18 practices (e.g., landlord harassment), and the erosion of long-standing community networks (Slater,
19 2012). These areas were subsequently reinvented by state policies and real estate developers, who, in
20 pursuit of rapid capital turnover, triggered urban change by targeting middle-class households (Smith,
21 1982) and "*better-off land uses*" that catered to this new urban clientele (Lees et al., 2008).
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24 Quite distinctively, Smith (1982) attached gentrification to uneven development by framing the process
25 as a derivative of the cyclical movement of capital in the built environment. Specifically, when capital is
26 invested in the built environment for purposes of social reproduction, it becomes temporarily
27 immobilised, exposed to a gradual devalorisation due to physical deterioration and ground rent decline.
28 Paradoxically, this devalorisation implies a subsequent revalorisation, especially when the disparity
29 between actual and potential ground rent—termed as the rent gap—becomes sufficiently wide to render
30 redevelopment and reinvestment financially lucrative. Smith conceptualised this movement of capital
31 from the city centre to the suburbs and back again as a "*locational seesaw*" that follows the cycles of
32 development, disinvestment, and reinvestment in the built environment; this reflects capitalism's intrinsic
33 logic of creative destruction, whereby landscapes are constructed only to be subsequently dismantled in
34 circulating capital's pursuit of new avenues for capital accumulation. As such, Smith's view of
35 gentrification echoes Harvey's (1978) analysis of capital switching, that is the rechanneling of capital flows
36 from commodity production into the production of space (the primary and secondary circuits
37 respectively). This switching materialises capital in space as a spatial fix, not only as a response to uneven
38 development creating opportunities for higher returns and lower risks, but also as a strategic attempt to
39 circumvent overaccumulation trends and declining profit rates in the primary circuit. Alas, since capital
40 bound locally for extended periods of time is devalorised, this process is inherently crisis-prone (Smith,
41 2010).
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45 As a spatial fix, then, both gentrification's spatiality and temporality play a key role. For one, its
46 geographies are contingent upon pre-existing institutional and socio-economic conditions, marking it as
47 an essentially context-sensitive phenomenon (Lees et al., 2008), which nevertheless reflects broader
48 dynamics that extend to the global scale (Slater, 2012). Moreover, gentrification's histories are commonly
49 understood as unfolding in successive waves, each shaped by an evolving interplay of state, society, and
50 market structures. As illustrated in *Table 1*, first-wave gentrification was a highly localised phenomenon
51 in few global cities, being heavily subsidised by the state, which sought to counteract post-Fordist
52 industrial decline. Gaining traction, second-wave gentrification expanded in new cities and beyond the
53 urban core, deepening urban tertiarisation through integrating commercial, cultural, and artistic uses
54 apart from residential ones. Interestingly, despite the rollout of neoliberalism, for third-wave
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gentrification, the state took up a significant role in 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; rather as an asset that facilitated the creation of liquidity from the spatial fixity of homes, stimulating a continuous extraction of novel exchange values (Garbor and Kohl, 2022). In the aftermath of the 2008/2009 Global Crisis, fifth-wave gentrification emerged from new forms of rent extraction, scalable investment, and valuation practices—predicated on anticipated rent gaps—that reinforced the speculative logic of financialisation (Holm et al., 2023; Birch and Ward, 2024), as well as technological advances in the form of online peer-to-peer accommodation platforms (Aalbers, 2019). In this context, gentrification reflected a rentier-centred capitalism, where housing attracted the investment interest of financial actors under the premise of yielding profits beyond traditional financial markets (Cocola-Gant et al., *forthcoming*). Notably, the state evolved into an active enabler of financialised urbanism, incorporating financial logics into urban governance frameworks that prioritised investment potential over the housing needs of local residents (Aalbers, 2019). As such, capital was 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 delineate 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, p.151).

Insert Table 1 around here

Within a context of western economies’ tertiarisation, the last waves of gentrification increasingly intertwine with tourism. This link 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 European cities and tourism-dependent peripheral regions (Jover and Díaz-Parra, 2020). Following the shift of crisis-hit Southern EU countries toward real estate and financial capital, fiscally constrained local authorities (Chorianopoulos, 2025) facilitated the expansion of tourism-based sharing economies. However, scholars debate whether tourism-driven gentrification and touristification constitute distinct processes or not (Sequera and Nofre, 2018). 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 generated by an STR widens existing rent gaps, affecting remaining long-term rentals (Lee, 2016; Wachsmuth and Buglioni, 2024). Both directly and indirectly then,

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3 the STR market constrains the supply of affordable housing, contributes to rent hikes, and ultimately
4 reinforces displacement. Actually, while tenants are the most vulnerable in this situation, homeowners
5 also face chain displacement, since they struggle to maintain their position in increasingly competitive
6 housing markets (Cocola-Gant, 2023). What becomes apparent then is that much of touristification's
7 effect resonates with that of gentrification. Indicatively, Aalbers (2019) uses the term touristification to
8 discuss the role of STRs in the 5th wave of gentrification. In the Discussion Section, we situate our findings
9 on Athenian gentrification within debates on the process's intersection with financialisation and
10 touristification.
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15 **Methodological considerations**

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17 In what follows, we analyse the evolution of gentrification in Athens by identifying four successive waves,
18 based on their distinct socio-spatial, political, and economic characteristics (overviewed in *Table 4*). For
19 each wave, we examine the broader economic conditions and delineate the specific forms of
20 gentrification that have emerged in Athens. To operationalise this approach, we employed mixed
21 methods, combining primary qualitative and secondary quantitative research across multiple
22 geographical scales. This was further complimented by a policy analysis examining the role of the state in
23 the different modalities of gentrification.
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25 Secondary quantitative research helps ground primary research and provide a broader context on
26 Greece's growth models. Conducted in 2024, it follows the two rounds of fieldwork described below.
27 Specifically, it examines data on components of the GDP, labour market, and FDI, as well as the STR and
28 housing markets. Its temporal scope covers a critical period in the country's recent history, namely, the
29 mid-1990s and the preparation for the 2004 Olympic Games, the adoption of the common Euro currency,
30 the 2008/2009 Global Crisis and the subsequent long-lasting recession, and the COVID-19 pandemic and
31 its effects, particularly on tourism. Secondary methods and data are presented in detail in *Table 2*.
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36 *Insert Table 2 around here*
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39 Primary research comprises two rounds of—predominantly qualitative—fieldwork conducted in
40 Metaxourgio, a representative case of Athenian gentrification (see below). Fieldwork informants comprise
41 both experts and individuals directly affected by or contributing to gentrification, being selected through
42 snowball sampling. To mitigate this method's limitations, efforts were made to ensure adequate diversity
43 in terms of gender, age, and income. Importantly, while fieldwork was conducted after 2009, the temporal
44 scope of questions in interviews and questionnaires extends beyond this timeframe, elucidating the study
45 area's transformations that occurred even in previous decades. A detailed overview of primary methods
46 is provided in *Table 3*.
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51 *Insert Table 3 around here*
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54 Metaxourgio was chosen as an indicative case, being a former working-class inner-city neighbourhood
55 that from the mid-1990s onwards transformed into a prime site of Athenian gentrification. The area is
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3 located at the immediate vicinity of the Acropolis Hill (*Figure 3*). In the 19th century, it witnessed the
4 construction of small industries, including a silk factory, as well as numerous neoclassical buildings for
5 housing affluent families. Gradually, industrial activity led these families to relocate, with worker families
6 moving in to combine proximity to labour and housing, transforming Metaxourgio into a working-class
7 area. Additionally, since the early 1980s, an inflowing Roma population occupied the older low-rise
8 buildings. In the 1990s, with urban regeneration becoming a key political agenda, Metaxourgio, with its
9 significant infrastructure, accessibility, architectural heritage, and distinct inner-city characteristics—
10 combined with low land values and vulnerable population—became a prime site for gentrification
11 (Alexandri, 2018).
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16 **Analysing gentrification waves in Athens within Greece's macroeconomic trajectories**

17 *1st wave: State-led urban regeneration plans and sporadic private initiatives*

19 From the 1980s to the mid-1990s, many middle- and upper-class residents were out-migrating from
20 Athens's inner city to suburban areas. Suburbanisation was facilitated by a surge in housing construction,
21 which, in conjunction with extensive EU-funded development projects, marked the culmination of
22 Greece's construction-driven growth. Up that point and throughout the entire post-war period, the key
23 mechanism for housing provision was antiparochi, which originates from a pre-WWII law.¹ Specifically,
24 antiparochi is a land development system in which landowners provide the plot and contractors construct
25 multi-storey buildings; the landowners receive a few units, while the contractors are compensated for
26 their investment with the remaining units, which they typically sell or rent out. Importantly, antiparochi
27 facilitated a unique vertical socio-spatial segregation in Athens and most other Greek cities, as higher-
28 floor units cost more due to their better living conditions. During this period, home purchases scarcely
29 involved credit financing, as they relied on the saving capacity of households, family support or land sales
30 in the place of origin. Apart from expanding homeownership without the state having to invest in public
31 housing, antiparochi cemented a construction sector driven by small firms as a pillar of Greece's economy
32 (Herod et al., 2025). Characteristically, investment in the built environment in Greece consistently
33 exceeded the EU average for many decades; in 1995, for instance, it accounted for nearly 30% of total
34 fixed investment—almost double the EU average (*Figure 1*).
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38 In Athens's now devalourised inner city, migrants from formerly socialist countries were added to the Greek
39 working-class population and development projects remained scarce. Nevertheless, by the late 1980s,
40 specific historic areas around Acropolis Hill like Plaka began to exhibit clear signs of gentrification. Changes
41 were primarily generated by planning policies like the Regulatory Plan of Athens,² which, under the guise
42 of historic preservation, restricted industrial uses, limited vehicle circulation, and led to the listing and
43 expropriation of neoclassical buildings by the Ministry of Culture. Moreover, these interventions attracted
44 cultural and tourist-friendly recreational activities, as well as better-off inhabitants (Alexandri, 2018). For
45 its part, Metaxourgio primarily housed lower-income households and small-scale industrial activities—
46 garages, car repair shops, etc. Due to these land uses—which kept ground rents and land values low—
47 Metaxourgio remained one of the few inner-city neighbourhoods where antiparochi did not thrive.
48 Moreover, after a long period of disinvestment, certain parts of it had turned into hubs for illicit activities,
49 namely illegal brothels and drug use spots. However, due to its housing stock consisting of low rise and
50 neoclassical buildings, the neighbourhood was included in state plans for urban regeneration, similar to
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55 ¹ L.3741/1929

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3 the initiatives implemented in Plaka. Actually, with these plans still in paper, affluent households with
4 cultural and educational capital began to invest in architecturally interesting buildings. Beyond simply
5 capitalising on the area's low land values, these households "*knew what (was) going to happen in*
6 *Metaxourgio*" through connections with local and central government officials (F1-I: artists, curators,
7 architect, academic gentrifiers), as well as having firsthand gentrification experience from living in cities
8 like London or New York. This rendered them as the area's first-wave gentrifiers, although the renovations
9 they made during that period were sporadic, with little effect on the area overall.

14 *2nd wave: State interventions and cultural initiatives*

16 In contrast to the previous period, where state interventions played a proactive role in stimulating
17 gentrification, the planning and investment schemes of the late 1990s and early 2000s were implemented
18 under a state of emergency in preparation for the 2004 Olympic Games and accelerated the
19 redevelopment of the city centre (Alexandri, 2018). Investment in infrastructure³ rose significantly, while
20 it was also coupled with a surge in housing construction (*Figure 1*). Athens in particular witnessed the
21 implementation of large-scale transportation projects, including the metro and tram systems, but also
22 pedestrianisation and urban redevelopment initiatives (*Table 4*).

25 Simultaneously, financial liberalisation, especially after Greece's accession to the eurozone in 2002,
26 combined with historically low interest rates (around 5% at that time, down from 25% in the 1990s), made
27 mortgages—and thus homeownership—accessible to broader segments of society (Alexandri, 2022). In
28 this context, financial institutions frequently circumvented legislative constraints, developing aggressive
29 lending strategies such as "*mortgages of 120% of the value of the property, which covered tax and notary*
30 *expenses, new furniture, as well as a new car purchase!*" (F2-I: bank director). This credit availability
31 redefined the construction sector profoundly, with contractors financing projects through the pre-sale of
32 unbuilt apartments, further tying key economic activities to construction and driving up housing prices
33 (Herod et al., 2025). In contrast, key sectors in the domestic industry, such as steel, shipbuilding, agri-
34 food, and textiles, which were characterised by low innovation and mostly comprised small businesses,
35 were exposed to intense international competition without the protective mechanisms of monetary
36 devaluation and domestic policies (Gourzis and Gialis, 2019).

39 Importantly, the simultaneous surge in construction and strain in manufacturing marked the first clear
40 instance of capital switching. Specifically, this occurred during 2002-2004, although surging investment in
41 housing was not coupled with corresponding investment in other types of construction (*Figure 1*). During
42 this period, Metropolitan Athens expanded eastwards and northwards, with credit-driven demand
43 pushing housing prices up. While construction activity concentrated in the suburbs, inner-city
44 gentrification expanded in new areas around Acropolis Hill, facilitated by the—further—displacement of
45 urban manufacturing. Pre-Olympics urban redevelopment specifically targeted former industrial
46 buildings, transforming them into cultural and recreational hubs. Therefore, gentrification in areas like
47 Psirri and Gazi was largely commercial-, cultural-, and entertainment-driven rather than residential (*Table*
48 *4*). Actually, already before 2000, gentrification in Psirri was deepening so rapidly that it quickly displaced
49 a significant number of recently established cultural spaces; their eventual relocation nearby caused
50 gentrification to spill over into adjacent neighbourhoods (F1-I: planner and F2-I: residents). Metaxourgio,
51 benefiting from a new metro station, street pedestrianisation, and successive rounds of redevelopment

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56 ³ Under "other constructions" in *Figure 1*.

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3 in its main square (including the Silk Factory's conversion into the Municipal Gallery), attracted many of
4 these uses. In turn, many landlords developed speculative behaviours, evicting Roma, migrant and lower-
5 income families residing in the low-rise buildings (F1-I). However, with the—widening—rent gaps
6 remaining largely underexploited and with most buildings in the area being under-maintained, rents
7 stayed affordable. This allowed a multitude of artists and other so-called marginal gentrifiers the
8 opportunity to reside in an “*authentic place that makes you feel like being in an urban village*” (F1-I: artist)
9 and be able to “*freely express (themselves)*” (F1-I: curator).
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14 *3rd wave: Gentrification proper and the effect of the Debt Crisis*

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16 The 2004 Olympic Games left the country with significant infrastructure, while Athens experienced partial
17 regeneration as well. Coupled with a prolonged disinvestment in the inner city, rent gaps in Athens
18 widened, attracting an increasing number of large investors who proceeded with extensive building and
19 renovation projects to an extent that it was reflected in national investment volumes (F2-I: realtor).
20 Specifically, between 2005 and 2007, a renewed surge in housing construction marked the second notable
21 instance of capital switching, despite the continuing stagnation of investment in other construction
22 (Figure 1).
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25 During this period, the Athenian neighbourhoods that had displayed early signs of gentrification before,
26 saw a rapid acceleration of the process (Table 4). Metaxourgio for instance serves as an indicative case.
27 There, the real estate company Oliaros acquired 64 architecturally significant buildings, fostering artistic
28 use through ateliers, exhibition spaces, and cultural events such as the “Remap Art Walk”, while GEK-
29 TERNA, a major Greek construction company, built a 5-level residential complex—one of the largest
30 housing projects in Athens. At the same time, residents' associations ran rebranding campaigns and
31 undertook initiatives to beautify open spaces; one such intervention was highlighting “Dimosio Sima”, an
32 ancient cemetery of prominent Athenian men (F1-I and F2-I: residents). Additionally, the opening of the
33 Kerameikos metro station in the adjacent Gazi neighbourhood enhanced accessibility and attracted a
34 notable number of gourmet restaurants, ascribing the area a considerable culinary scene. But despite the
35 area undergoing an evident gentrification, the process remained concentrated in specific “pockets”, which
36 were surrounded by urban decay and illicit activity (F2-Q). Moreover, Chinese entrepreneurs, who settled
37 in Metaxourgio with their families, established wholesale warehouses and large retail outlets offering low-
38 cost goods. Their presence stimulated demand for commercial spaces, driving rent increases that affected
39 residential uses and demarcating—what a resident described as—a “*low-key transition*” (F2-I).
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43 Drawing nearer to the end of the 2000s, large-scale development projects—which were already
44 progressing slowly due to bureaucratic hurdles and property fragmentation (F2-I: residents; realtor;
45 notary)—ground to a complete halt. Quite interestingly, these projects came under stress already in 2008,
46 namely nearly a year before the recession fully impacted the Greek economy. Indeed, while investment
47 in other construction remained relatively stable with slight growth until 2009, housing investment
48 declined sharply after 2007 (Figure 1). By 2009, Greece's construction-driven growth model collapsed,
49 with employment in the pertinent sector being halved within just a couple of years (Gourzis and Gialis,
50 2019). This trend was further intensified by the first Memorandum⁴ and other austerity policies, which
51 promoted the privatisation of public assets, labour market deregulation, and cuts to welfare provisions,
52 wages, and pensions. Simultaneously, substantial increases in direct and indirect taxation, including
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56 ⁴ Signed between Greece, the International Monetary Fund, the European Central Bank, and the European
57 Commission in May 2010, requiring economic adjustment measures in exchange for financial assistance.
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3 property taxes, caused financial hardship and pushed many households into severe economic distress. As
4 recession deepened, declining housing values resulted in the loss of both disposable income and
5 accumulated wealth. Indicatively, although mortgages had been Greek households' main option for
6 financing homeownership for only a few years, arrears in mortgages surged alongside arrears in utility
7 bills and rents. In this pressing environment, household insolvency became increasingly prevalent,
8 transforming the debt crisis into a housing crisis and homeownership from a pillar of economic security
9 to a financial liability (Alexandri, 2022). Regulatory measures offered temporary protection for the most
10 vulnerable against home auctions and repossessions⁵; however, such safeguards gradually eroded under
11 pressure from the Troika and financial investors, who requested their dismantling and the securitisation
12 of Non-Performing Loans (henceforth NPLs; Alexandri and Janoschka 2018).
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15 With these odious reforms having a harsh effect on construction activity itself, the debt crisis essentially
16 generated not only a housing crisis, but also a crisis of urbanisation. Amid this conjuncture, tourism
17 demonstrated a remarkable resilience, extending its pre-crisis expansion trends (Gourzis and Gialis, 2019).
18 As a response, an array of policies—including those in the first Greek Memorandum—was designed to
19 support it. For instance, hospitality firms were provided with cheap labour via apprenticeship schemes,
20 while cross-sector policies devaluing labour—such as the sub-minimum wage for workers under 25—were
21 widely utilised by businesses in accommodation and catering (Kelly et al., 2022). Indeed, tourism's direct
22 contribution to the country's GDP began rising immediately after 2009, with its main phase of expansion
23 occurring during 2012-2015 (increasing from 5% to 6.5%). Simultaneously, employment in
24 accommodation and catering increased from 7.5% to 9% (Figure 2a). To this direction, successive
25 governments pursued attracting FDI in real estate, marketing Greek tourism's dynamism and lower land
26 values in comparison to competing destinations such as Spain (Gourzis et al., 2022). Specifically, in 2013,
27 the country introduced a Golden Visa program, namely, a 5-year residence permit to non-EU citizens in
28 exchange for financial contributions or real-estate investments of 250,000 EUR⁶, making it one of the
29 cheapest programs in the EU. However, initially the program failed to attract substantial investment, due
30 to the heightened risk flagged by negative ratings from global agencies. Indicatively, only 9 Golden Visa
31 applications were approved in 2013, although the number reached almost 500 in 2014 (Figure 2b).
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35 With construction projects in Athens suspended indefinitely, the city reinvented its economy through
36 tourism, eventually transforming from a short-term transit hub for island-bound travelers into a globally
37 renowned destination (Gourzis et al., 2022). As such, the rise of online peer-to-peer accommodation
38 platforms in the early 2010s immediately led to the emergence of an STR market in Athens. In the
39 beginning, however, this market grew rather modestly, being mostly mobilised by households who—amid
40 a grey legislative framework—leveraged parts of their homes or other assets to generate additional
41 income and ease financial strain (F2-I: STR entrepreneurs). Areas with appealing aesthetics, such as the
42 gentrified neighbourhoods of Plaka and Thiseio near the Acropolis Hill, along with the neighbouring
43 Koukaki, quickly became the epicentres of this emerging market. Similarly, the gentrified parts of
44 Metaxourgio and Gazi saw a significant number of STRs early on (Figure 3a, Table 4).
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47 However, in parallel with the mass recreation of Gazi or Psirri, Metaxourgio followed an alternative path
48 of revitalisation. A key aspect of this was the rise of *neokafenía*. Unlike conventional Greek *kafenía*, which
49 mainly attracted older working-class men, *neokafenía* drew a younger, more diverse, and artistic clientele.
50 Crucially, these establishments offered affordable entertainment for marginal gentrifiers, who continued
51 settling in the area due to its diversity, atmosphere, and low rents (F1-I and F2-I: newcomer residents), as
52 well as the opportunity to “meet people with similar interests, bond, and develop new ideas and projects”
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55 ⁵ For instance L.3869/2010 froze such auctions only until 2013

56 ⁶ As promulgated in L.4146/2013. These thresholds have since been amended.
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3 (F1-I: newcomer resident). A common practice among these marginal gentrifiers and new entrepreneurs
4 was to renovate the buildings they purchased or rented, generating a “sweat equity” gentrification (F2-
5 Q). Importantly, these alternative recreational uses and renovations maintained rent gaps and sustained
6 gentrification during a period where austerity was profoundly impacting land values. Indicatively, at the
7 peak of the crisis in 2014, rental prices in Metaxourgio had decreased by only 20% compared to 2011. This
8 trend was similar to that in middle-class neighbourhoods like Ampelokipi, or even more prestigious areas
9 such as Kolonaki and the Acropolis. In contrast, this was significantly better than the overall average
10 decline in rental prices across Athens and the national 40% decline in selling prices between 2011 and
11 2015.
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14 15 16 *4th wave: Economic recovery, housing financialisation and tourism-driven gentrification*

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18 After 2015, the third Memorandum waived the prospect of Grexit and marked the first signs of
19 macroeconomic stabilisation. In the following expansion, tourism—including the STR market—played a
20 central role. Specifically, a legislative change in 2015 abolished the licensing requirement by the National
21 Tourism Organisation,⁷ resulting in the number of STRs surging from 30,000 in 2015 to nearly 90,000 in
22 2017. Then, two key developments took place that not only accelerated the market’s expansion but also
23 altered its composition. First, improved credit ratings restored the country’s access to international
24 lending and bolstered investor confidence; likewise, successive reports from financial consultancy firms
25 upgraded Athens’s credit standing (Alexandri, 2022; Chorianopoulos, 2024). Second, a legislative
26 amendment introduced the concept of legal entities in the STR market and removed the restriction of
27 individual ownership to only two listings.⁸
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30 With the country and its capital city regaining their credit status, relatively low property prices became a
31 major draw for international capital. Indicatively, the average selling price in Athens in 2017 was
32 €1,470/m², compared to €4,127/m² in Madrid and €3,117/m² in Lisbon. These favourable prices enabled
33 high yields (7%) and projected profit margins of 40% (Alexandri, 2022). Indeed, a surge in FDI occurred,
34 with that in real estate growing from €150 million in 2015 to nearly €1.5 billion in 2019. As this was
35 primarily leveraged via Golden Visas (Rousanoglou, 2024a), approved ones jumped from almost 500 to
36 4,000 (Figure 2b). At the same time, STRs went from 30,000 to 176,000 country-wide (Figure 2c). More
37 broadly, tourism’s direct contribution to the GDP further rose from 6% in 2016 to 7.5% in 2019, at a time
38 when the respective share in the EU as a whole was 4.5%. Similarly, employment in accommodation and
39 catering reached 10% in 2019 (Figure 2a).
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42 Importantly, the parallel expanding trends of FDI in real estate and STRs cannot be viewed independently
43 of one another. Specialist estimates indicate that, at the national level, up to 40% of the properties
44 acquired through the Golden Visa program, until recently, are being used as STRs (Kathimerini, 2024). In
45 Athens, this share is considered to be the “vast majority”, particularly for smaller apartments on lower
46 floors and in basements (Bakas, 2024), thus subverting the city’s vertical segregation pattern. The extent
47 of these conversions is further underscored by a recent regulation that ultimately prohibited them and
48 increased the minimum real estate investment threshold in Athens from €250,000 to €800,000.⁹
49 Therefore, after 2017 the STR market became dominated by hosts with multiple listings, including foreign
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54 ⁷ L.4336/2015

55 ⁸ L.4472/2017

56 ⁹ L.5100/2024 (article 64)
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investors and architecture firms—both Greek and foreign—transitioning into asset management companies (F2-I: realtor, notary public, STR entrepreneurs, residents).

Equally important, fieldwork indicated that both the deepening tourism dependence and the increasing involvement of foreign capital in Greece have been largely debt-driven. In fact, legislative amendments started targeting financial actors through e-auctions¹⁰ and debt management via servicers¹¹ already from 2015 onwards. As a result, property auctions surged from a decade-low of 5,000 in 2016 to 25,000 in 2019 (Gialis et al., 2025), with banks often facilitating direct transactions between distressed homeowners 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). Many of these properties were subsequently converted into STRs, including entire antiparochi buildings—known as “ghost hotels” (F2-I: residents).

The inflow of international capital into Greek real estate also subverted long-standing downward trends in land values. Specifically, while selling prices between 2011 and 2017 sank by 40% nationally and by over 55% in the municipality of Athens, between 2017 and 2019 increments reached 10% in the former and almost 50% in the latter. These trends fuelled a new round of gentrification in Athens, rendering already gentrified inner-city areas like Plaka overly touristified. Moreover, the compound effect of proliferating STRs and recreational uses, matched by increased foot traffic from more affluent Athenian urbanites and foreign visitors, reshaped previously (partially) unaffected neighbourhoods near Acropolis Hill, such as Koukaki (Table 4). For its part, Metaxourgio became Athens’s new cultural district, now abounding in theatres, workshop spaces, galleries, wine bars, gourmet restaurants, and cafés, alongside public pop-up dance performances (F2-I: residents). Moreover, the area saw numerous new hotels opening, including boutique ones, while the density of STRs increasing by 370% between 2015 and 2019. While this increase was not Athens’s steepest (Figure 3b), 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 far exceeded those of other neighbourhoods with lower STR density (Figure 3a), such as middle-class Ampelokipi (16%) and upper-middle-class Kolonaki (10%). As such, displacement pressures intensified, now 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).

The COVID-19 pandemic left this growth model unchallenged. In fact, tourism-related output and employment rebounded immediately after 2021 (Figure 2a). Similarly, despite the initial shock curbing FDI in real estate, it reached a record high of €2 billion in 2022 (Figure 2b). Contributing to this was a non-dom regime that was introduced right before the pandemic¹², 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, STR numbers increased slightly from 179,000 to 188,000, before rising to 212,000 within just a year (Figure 2c). Within this framework of financialisation, households’ deepening indebtedness continued serving as a primary source of housing supply. In fact, an amendment to the insolvency regime further reduced primary residence protection by loosening criteria, allowing financial investors to accelerate liquidations.¹³

¹⁰ L. 4512/2018

¹¹ L.4354/2015

¹² 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.

¹³ L.4738/2020

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3 The culmination of the above led to the last instance of capital switching shown in *Figure 1*, occurring from
4 2019 onwards. Notably, this one is being driven by a combined increase in both housing and other
5 construction. This can be attributed to financial investors taking a leading role not only in the country's
6 tourism industry but also in redeveloping public spaces in its capital city. Indicatively, Greece's largest real
7 estate investment company, PRODEA, donated over €1 million to redevelop Strefi Hill in Exarcheia, where
8 it holds a substantial real estate portfolio. More importantly, through the involvement of large private
9 investors, the *Ellinikon Project*—one of the EU's largest redevelopment projects currently in
10 construction—aspires to transform the Athenian Riviera into an exclusive hub for global elites
11 (Rousanoglou, 2024b).

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14 In this conjuncture, gentrification in Athens has expanded beyond its initial inner-city enclaves, marking a
15 significant departure from earlier spatial fixes that centred around Acropolis Hill. This shift is clearly
16 reflected in the city's STR market, which has spread outward into areas like Exarcheia, Vathis Square, and
17 Kypseli. Nevertheless, listing density remains highest in pre-pandemic hotspots like Koukaki and Plaka
18 (*Figure 3b*). Similarly, Metaxourgio experienced one of the sharpest increases in Airbnb listings in Athens,
19 rising from 520 listings per sq. km in July 2020 to over 700 in September 2023. This surge has led to a
20 critical shortage of long-term rentals, pushing average monthly rents to around €800 in 2024—nearly
21 matching the country's gross minimum wage of €830. As a result, Greek residents, including gentrifiers,
22 are being displaced by foreign digital nomads (F2-I and F2-Q), indicating that post-pandemic Athenian
23 gentrification, driven by transnational mobilities, is unfolding in and beyond the study area (*Table 4*).
24 Notably, to accommodate these influxes, many STRs have turned into medium-term rentals (F2-I:
25 residents), which is a pattern observed all over Southern Europe (Cocola-Gant, 2023).

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37 38 39 **Discussing the shifting modalities of gentrification in Athens**

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41 Building on our main findings, below we discuss how the different modalities of gentrification in Athens
42 are situated within Greece's broader economic shifts. In this frame, we elucidate the particularities of
43 housing financialisation in the Greek context, as well as the ways touristification has intersected with
44 Athenian gentrification.

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46 For several decades leading up to the 2008/2009 crisis, Greece's growth model was primarily
47 construction-driven. This model aimed to enhance productivity in the primary circuit by modernising
48 critical infrastructure, while simultaneously, Greek urbanisation provided a vital outlet for capital,
49 especially considering the long-standing weaknesses of the domestic industry (Gourzis et al., 2022).
50 Characteristically, during the 1980s and 1990s, amid a post-Fordist decline in industrial activity, the state
51 implemented various planning regulations including Athens's Regulatory Plan to relocate wholesale and
52 urban manufacturing from the urban core to specially designated peri-urban areas (Herod et al., 2025)
53 and enhance the inner city's historical character and symbolic capital (Alexandri, 2018). In this
54 conjuncture, suburbanisation and gentrification were not mutually exclusive; rather, they reinforced each
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3 other. Moreover, rapid and hardly-regulated suburbanisation reflected the country's construction-
4 centred approach, while gentrification was employed to address the deepening land value valleys in the
5 inner city (Smith, 1982).
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7 This trend culminated after 1997, when Athens won the bid for the 2004 Olympics. Investment then was
8 directed not only towards sports-related and critical infrastructure but also towards redevelopment
9 projects, particularly in inner-city areas, triggering the pre-2004 capital switching at the country level.
10 Therefore, beyond merely addressing requirements related to the Games, these new spatial fixes also
11 reflected a logical market response to the opportunities arising from the inner city's devalorisation. More
12 crucially, the resulting gentrification during that period prepared Athens for a post-industrial transition.
13 Indeed, commercial, cultural, and recreational landscapes were established, echoing the effect that the
14 Olympics had in cities like Barcelona and Beijing (Smith, 2010). In this context, investment did not simply
15 target areas with wider rent gaps; rather, it focused on locations where leveraging these gaps would
16 rationalise space in alignment with the country's desired growth model. This practically meant displacing
17 urban manufacturing uses deemed "obsolete", even if they were not in decline (Gourzis et al., 2022). For
18 instance, Metaxourgio, characterised by low land rents, improved accessibility, limited expansion of
19 antiparochi, and a landscape dominated by car repair shops and warehouses, witnessed then the first
20 signs of gentrification. In this regard, we must emphasise that rent gaps should not be viewed as an
21 economically deterministic concept but as concrete reflections of broader political-economic conditions
22 (Wyly, 2023). Indeed, considering that redevelopment in Athens at the time sought to enhance the city's
23 international image and transform it from a mere transit stop into a destination in its own right, pre-2004
24 gentrification provided a glimpse of Athens's later touristified version.
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28 Unfolding alongside gentrification trends, another decisive factor facilitating this transition was the
29 liberalisation of finance, which advanced significantly after Greece's accession to the Eurozone in 2001
30 (Alexandri, 2022). Specifically, mortgages became a primary pathway to homeownership. Moreover, as
31 this trend deepened exponentially throughout the 2000s, it fuelled both speculation and activity in
32 housing construction (Herod et al., 2025). In light of this, and considering the mounting problems faced
33 by domestic industries following the adoption of the common currency (Gourzis and Gialis, 2019), the
34 capital switching of 2005-2007 appears as a desperate effort to avert an impending crisis. Alas, such efforts
35 made Greece's construction-driven model inherently volatile; already before the 2008/2009 Global Crisis
36 taking root in Greece, amid fears of an imminent recession, investment volumes declined sharply
37 (resonating with Harvey, 1978).
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40 By the onset of recession in 2009, all projects had frozen, land values plummeted, and employment within
41 the building trades collapsed, marking the bursting of a twin bubble in both constructions and real estate.
42 Amid this collapse, the state quickly recognised tourism's resilience and promulgated various policies to
43 bolster it (Kelly et al., 2022). Although the Greek crisis caused a pivotal shift in the country's economic
44 strategy, it must be noted that the tourism industry post-2009 was built upon existing spatial fixes related
45 to accommodation and transport, such as hotels, peripheral airports, etc. In essence, this shift bore many
46 similarities with the previous dominance of construction, as both models primarily rely on extracting value
47 from the built environment. Moreover, the reorientation towards tourism was—akin to post-2000
48 constructions—largely debt-driven. Specifically, with austerity measures severely reducing household
49 disposable income, a supply of distressed assets was created, the low values of which rendered Athens—
50 and insular Greece—a high-yield investment destination. Not unrelatedly then, a central goal of austerity
51 policies was to repurpose housing real estate. Indicatively, debt restructuring relied on legislative
52 amendments that enabled asset auctions and the securitisation of NPL portfolios, facilitating financial
53 investors' activities in this distressed real estate market. Concurrently, efforts were made to attract FDI in
54 Greek real estate through a lucrative Golden Visa program. However, these measures proved insufficient
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3 at the time, as securing international investment required not just debt management but also effective
4 de-risking (Alexandri and Janoschka, 2024).
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6 Therefore, amid the adverse macroeconomic conditions of the 2009-2014 period, the perception of
7 housing as a financial asset was primarily reflected in the actions of small property owners rather than
8 financial capital and individual investors. Nonetheless, this contributed to already gentrified inner-city
9 areas seeing limited drops in land values, as land use changes and the influx of alternative urbanites
10 sustained the process there, albeit in a “sweat equity” form. Moreover, the emergence of online peer-to-
11 peer accommodation platforms like Airbnb in the early 2010s significantly widened existing rent gaps.
12 While these platforms created new income opportunities, they did not fundamentally alter the country’s
13 tourism-led growth, which was already on track. However, it is important to note that these platforms
14 bolstered it by effectively consolidating a new modality of platform-mediated gentrification. Specifically,
15 during this period, a debt-driven nexus of gentrification and touristification, precipitated by financially
16 constrained households, advanced the transformation of already affected locations (e.g., Metaxourgio)
17 and expanded into new ones (e.g., Koukaki). Within this modality, a multitude of short-term visitors
18 became the primary consumers of gentrified and touristified landscapes, exerting their preferences over
19 space similarly to the common Greek “bourgeois-boheme” gentrifiers they had replaced.
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22 With international rating agencies waiving the possibility of a Greek default in 2017 (Alexandri, 2022),
23 debt-driven housing financialisation became increasingly intertwined with debt-driven touristification.
24 Significant volumes of FDI flowed into Greek real estate, much of which targeted the STR market (Bakas,
25 2024). The state played a crucial role in this process: it not only provided incentives to attract FDI and
26 mitigate investment risks but also directly regulated the professionalisation of the STR market. Amid this
27 reinvigorated process of asset accumulation, gentrification became inextricably linked to the expanding
28 STR market, as both foreign and local investors engaged in extensive renovations of the building stock.
29 Moreover, while seeking to maximise rent extraction, they contributed to a severe crisis of housing
30 affordability (Alexandri, 2022); even marginal gentrifiers were displaced, particularly from areas like
31 Metaxourgio, along with the last remnants of urban manufacturing in downtown Athens (Gourzis et al.,
32 2022).
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35 In discussing urban transformations during this period, rather than viewing gentrification and
36 touristification as two distinct processes, we mentioned that they formed a tight nexus, deepened by
37 entangled financial and foreign capital. To bolster this argument, we highlighted two of this nexus’s crucial
38 results: the upgrading of the building stock and the displacement of the extant population. The literature
39 that distinguishes between these two processes often focuses on questions of agency. Without the user
40 group of gentrifiers, it is argued, the gentrification discourse is inapt (Sequera and Nofre, 2018). However,
41 questions of agency in touristification directly relate back to those surrounding gentrification; whether
42 the consumers of urban space are middle-class residents or the “ephemeral tourist”, the underlying logic
43 of real estate leveraging depends on the realisation of profit, with those unable to contribute to this
44 endeavour facing displacement or marginalisation. In fact, the boundaries between gentrification and
45 touristification have become increasingly blurred since the COVID-19 pandemic. Greece’s efforts to attract
46 affluent transnational mobilities, such as digital nomads, retirees, and non-domiciled individuals—as seen
47 in other Southern European countries (Cocola-Gant, 2023)—have opened new residential markets,
48 particularly in medium-term rentals. In Athens’s inner city, this has not only proliferated platform-
49 mediated listings but also expanded their presence into previously non-touristy neighbourhoods.
50 Meanwhile, in other parts of the metropolitan area, projects echoing super-gentrification (Lees et al.,
51 2008) are underway. Amid the central government cutting funds for local governments (Chorianopoulos,
52 2024), these trends clearly reflect Athens’s efforts to expand its tax base and establish itself as a residential
53 tourism destination—a model already prevalent in many rural areas of the country.
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3 With the above discussion, we sought to illustrate that each wave—or period—of Athenian gentrification
4 refers to a distinct modality. More importantly, each modality does not merely align with Greece's
5 prevailing growth model at the time; rather, it crucially prepares urban space for future transformations,
6 which typically revolve around further tertiarisation (Marcuse, 1986). As such, although gentrified
7 landscapes in Athens differ from those in the Anglophone context, the process, regardless of the
8 geographical context, serves as capitalism's "leading edge of spatial restructuring [...] for another phase
9 of sustained capital accumulation and expansion" (Smith, 1982, p.151).
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12 13 **Concluding remarks**

14
15 This research's contribution to the literature relies on two crucial and intertwined arguments. First,
16 gentrification is deeply embedded within broader capitalist processes related to the circulation of capital;
17 as such, modes of urbanisation cannot be seen independently from modes of production and processes
18 of financialisation. Second, its specific form develops in tandem with geographical contingencies, including
19 local political economic path dependencies, investment incentives, and cultural factors. As such, while
20 Athenian gentrification initially derived from construction-driven models of urban development, it was
21 then shaped by policies of financialisation as exemplified via debt restructuring and later adapted to an
22 increasing dependence of the economy on tourism.
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25 Due to the geographical contingency of the process and, therefore, its conceptual ambiguity when used
26 outside the Anglophone context, several scholars have argued about its lack of academic rigour (Maloutas,
27 2012), while this loss of momentum has led others to suggest the need to allow the concept to disintegrate
28 under the weight of its own burden (Bondi, 1999). At the same time, a battle is raging over the
29 appropriation of the concept. On the one hand, social movements for the right to housing around the
30 globe emphasise the political and class connotations associated with it, while on the other, market and
31 institutional actors aim to deliberately dissociate gentrification from its class connotation by using it
32 interchangeably with urban recovery, revitalisation, and development.
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35 In this article, we have argued that the concept of gentrification remains highly relevant and timely due
36 to its strong structural dimension. Against this backdrop, will the academic discussion enter another grey
37 zone of concept production, or will it trace the roots of new rounds of gentrification in the insatiable
38 appetite of capital to expand upon novel housing sub-markets?
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For Peer Review

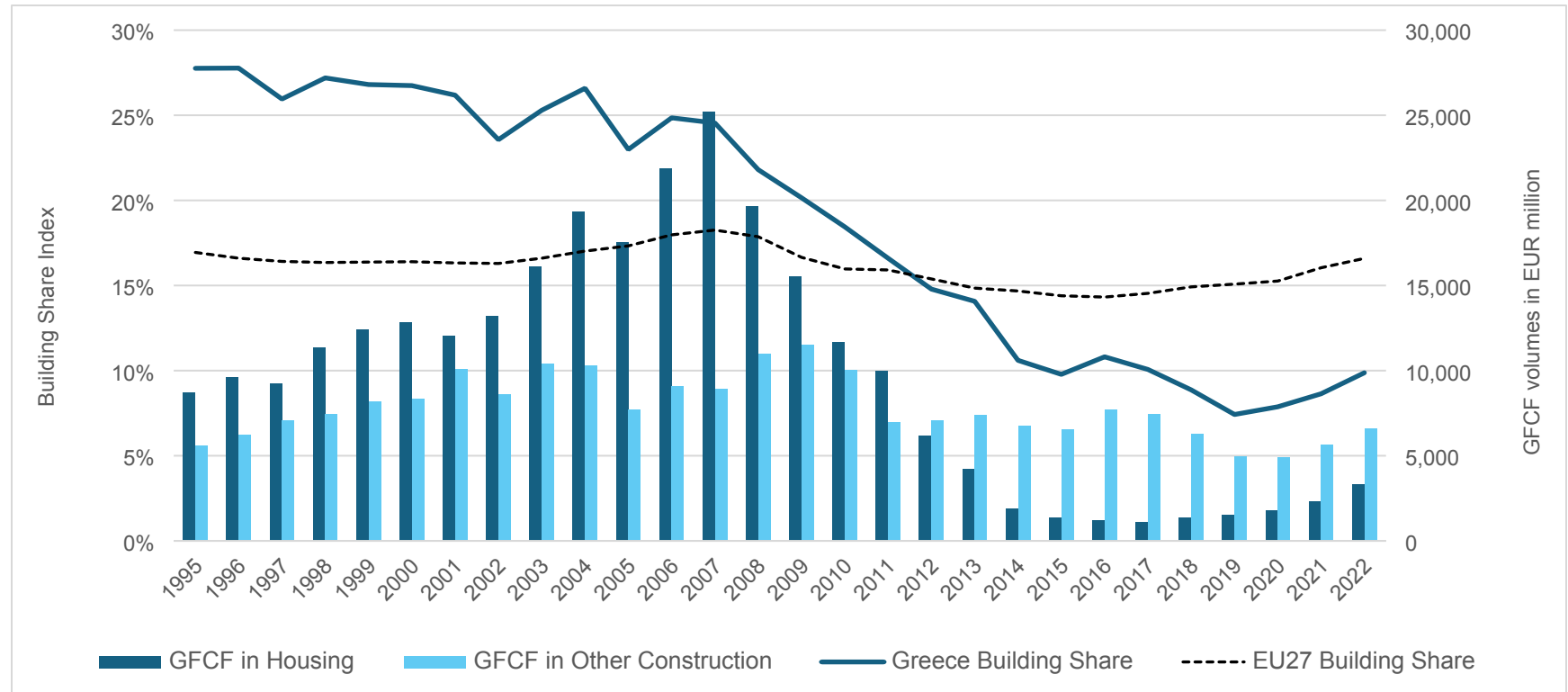


Figure 1: Building Share Index in Greece and the EU27 (left), GFCF volumes in Housing and Other Constructions in Greece in EUR million (right), 1995-2022.
 Source: Authors' calculations based on Eurostat

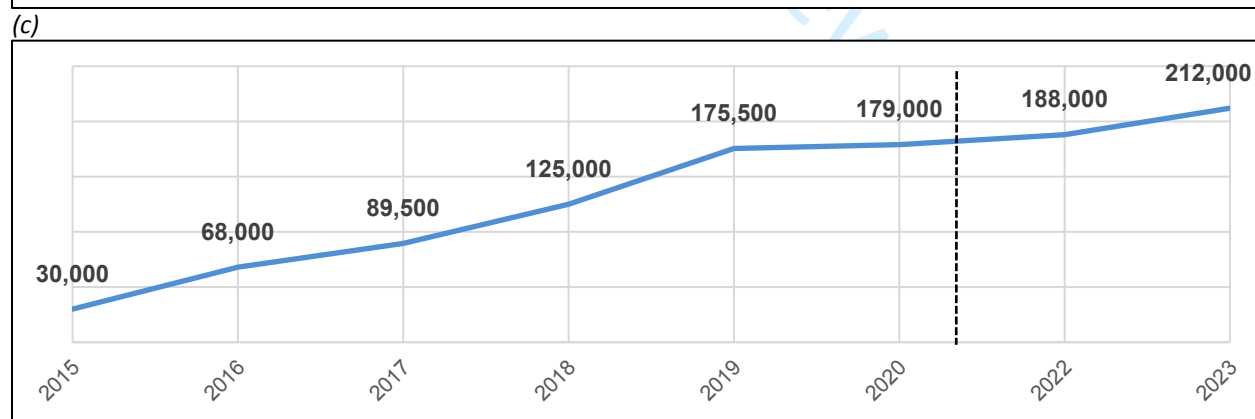
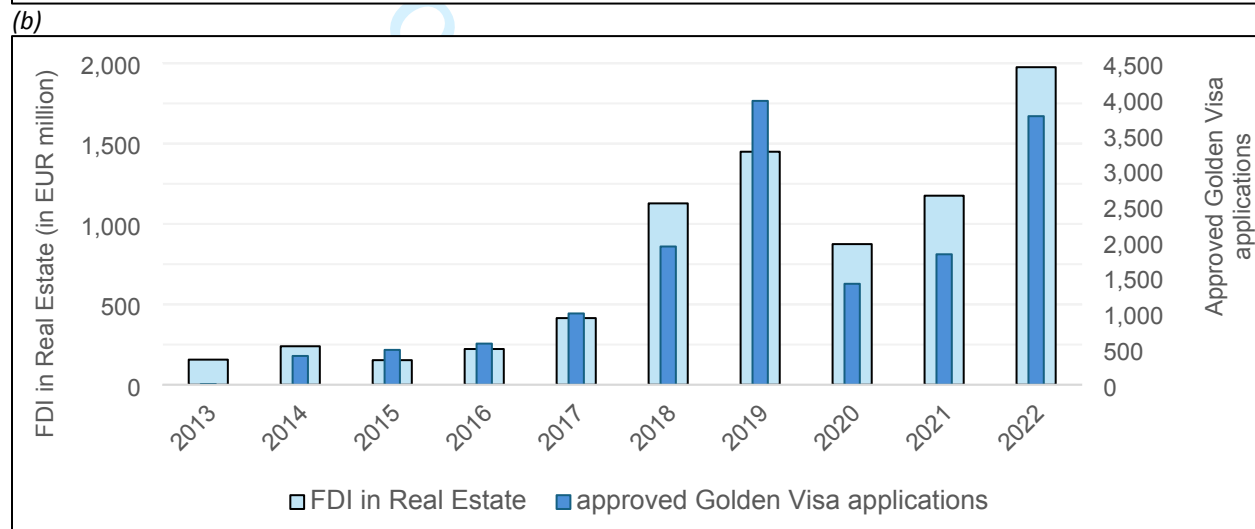
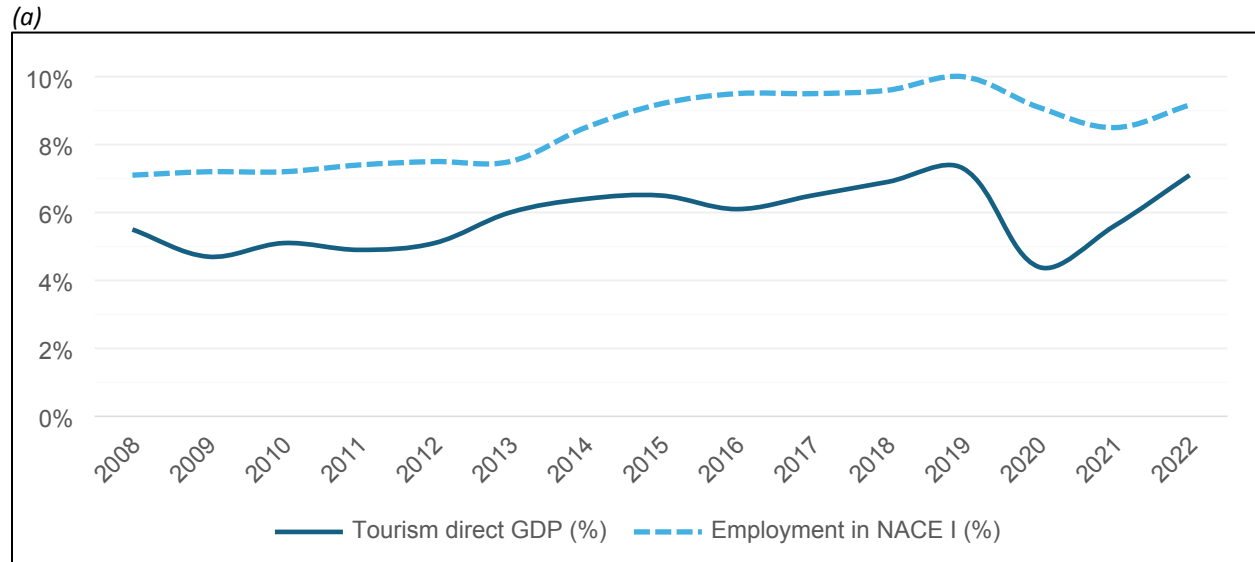
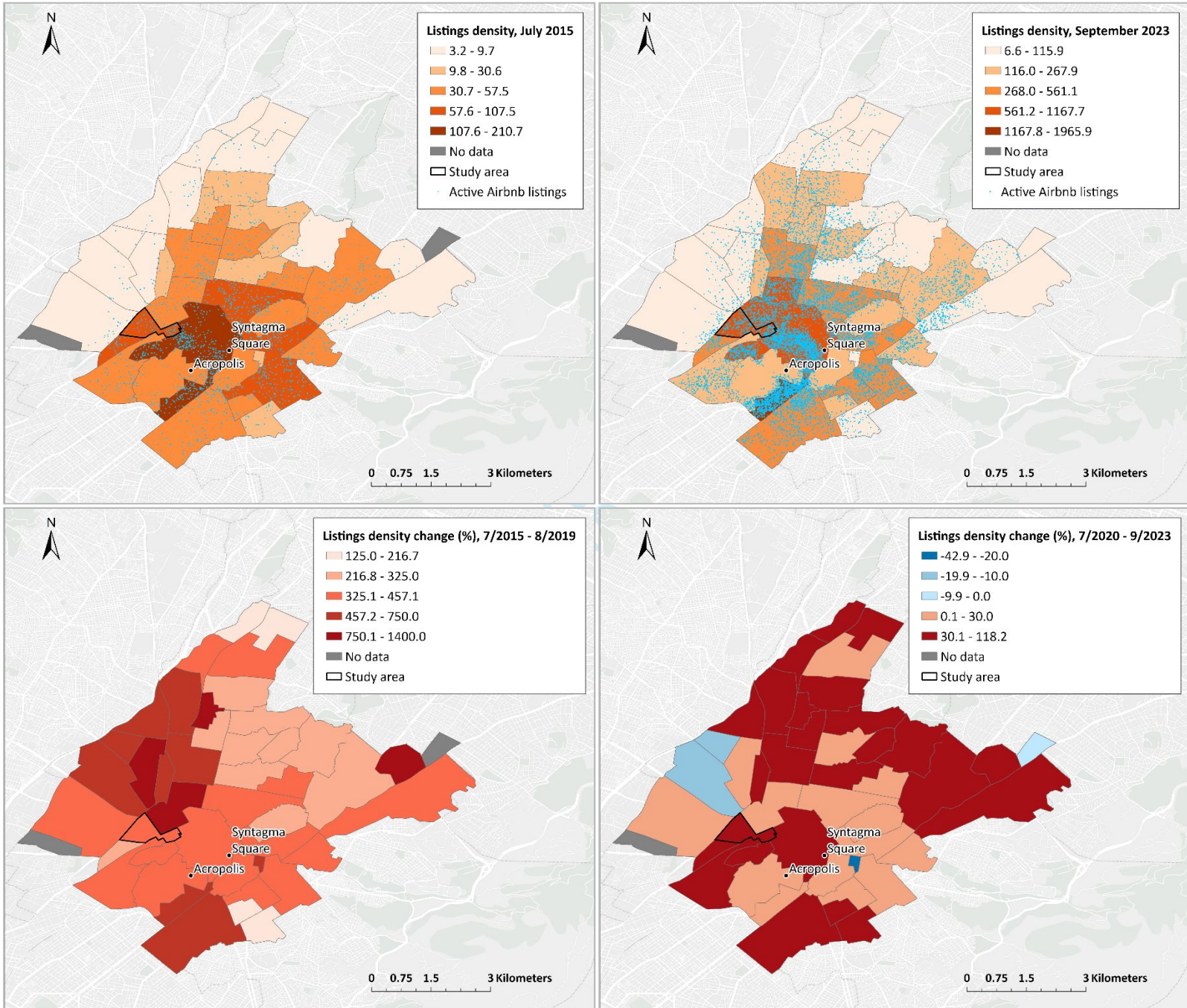


Figure 2: (a) Tourism direct contribution to GDP, NACE I contribution to total employment (%), Greece, 2009-2022. (b) FDI in Real Estate (right) and approved Golden Visa applications (left), Greece, 2013-2022. (c) Number of listings uploaded to online peer-to-peer accommodation platforms, Greece, 2015-2023.

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

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(a)

(b)

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](https://www.insideairbnb.com)

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 funneling 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

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

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

Purpose and level of analysis	Data and methods	Temporal scope	Data sources
Assess instances of capital switching (national level)	Building Share Index ¹ based on Gross Fixed Capital Formation (GFCF) data by asset type.	1995-2022	Authors' calculations based on Eurostat data on GDP components ²
Assess the magnitude of the tourism industry (national level)	Tourism's direct contribution to GDP ³	2008-2022	UN Tourism ⁴
	Share of employees in accommodation and catering (NACE I) in total employment	2008-2022	Authors' calculations based on Eurostat Labour Force Surveys microdata
Assess the extent of FDI in real estate (national level)	Approved Golden Visa applications	2013-2023	Greek Ministry of Migration, as published by Kathimerini (2024), Rousanoglou (2024a)
	Volume of FDI in real estate		Reports by the Bank of Greece ⁵
Assess the STR market (national and neighbourhood level)	Listings in online peer-to-peer accommodation platforms	2015-2023	Studies by the Institute of the Greek Tourism Confederation ⁶
	Stays in listings in online peer-to-peer accommodation platforms		Eurostat experimental data on online collaborative economy platforms ⁷
	Density of active ⁸ listings on 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 rents per neighbourhood	2011-2020	Authors' calculations based on data acquired from the real estate platform www.spitogatos.gr

Table 2: Secondary analysis methods, data, and sources

¹ Essentially a comparison between the primary and second circuits. Calculated as follows based on Christophers (2011), Kutz (2016), and Gourzis and Gialis (2019):

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

² Available at: https://ec.europa.eu/eurostat/databrowser/view/nama_10_an6/default/table?lang=en&category=na10.nama10.nama_10_nfa

³ Following UN's definition, as described here: <https://w3.unece.org/SDG/en/Indicator?id=209>

⁴ Available at: <https://www.unwto.org/tourism-statistics/economic-contribution-SDG>

⁵ Available at: <https://www.bankofgreece.gr/en/statistics/external-sector/direct-investment/direct-investment--flows>

⁶ Available at: <https://insete.gr/studies/?lang=en>

⁷ Available at: <https://ec.europa.eu/eurostat/web/tourism/database>

⁸ Those with at least one rating in the last 12 months from the date of reference for each map.

1st 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)	
2nd 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

Table 3: Primary analysis methods and coded reference in text

Wave	Prominent Areas	Role of the State	Involved actors
<p>1st wave (1980s to mid-1990s): early gentrification based on historic preservation</p>	<p>Early instances of gentrification in historic neighbourhoods by the Acropolis Hill (i.e., Plaka, Anafiotika)</p>	<p>Zoning and planning interventions pave the way and “regulate” gentrification</p>	<p>Marginal gentrifiers, cultural uses including few investor-gentrifiers buying properties for own use</p>
<p>2nd wave (mid-1990s to mid-2000s): inner-city gentrification in preparation for the 2004 Olympic Games megaprojects</p>	<p>Gentrification expands around the Acropolis (e.g., Psirri, Thiseio) and first signs appear in other inner-city areas (e.g., Petralona, Metaxourgio, Kerameikos)</p>	<p>Neoliberalisation of urban planning: fast-track projects managed by networked public-private partnerships, coupled with the liberalisation of credit markets and low interest rates</p>	<p>Private developers involved in urban redevelopment; households acquire properties via credit capital</p>
<p>3rd wave (mid-2000s to mid-2010s): construction and real estate bubbles and sweat equity gentrification during the Great Recession</p>	<p>Gentrification as an urban strategy coexists with inner-city crisis and decay in much of Athens’s downtown (mainly in Metaxourgio, Gazi, and Kerameikos)</p>	<p>Reactivation of 1980s masterplans spur new land uses (e.g., culture, entertainment) displacing industrial/manufacturing uses, public space surveillance, tax incentives for building modernisation in targeted areas. After 2009, austerity urbanism, labour market liberalisation.</p>	<p>Targeted investment in real estate by individual investors (mainly Greeks). After 2012-2013, households start converting rooms within their homes or other assets into STRs (prosumerism)</p>
<p>4th wave (mid-2010s to today): financialised and transnational gentrification intertwines with platform-mediated touristification</p>	<p>Touristification consolidates in already gentrified neighbourhoods (Plaka, Metaxourgio, Gazi, Psiri), and expands rapidly in new locations (e.g., Koukaki). Post-pandemic, outward expansion (e.g., Exarchia, Kypseli, Patissia) through digital nomadism</p>	<p>Pro-touristification policies attracting international capital in local real-estate align with the dismantling of housing policies, including legislation on household insolvency and primary residence protection</p>	<p>International investors, family offices, and real estate agencies transform houses into STRs. Gradually, corporate capital replaces households in the STR market.</p>

Table 4: Gentrification and touristification waves in Athens, Greece

Source: Authors’ own elaboration

Dear Editor,

We sincerely appreciate the constructive feedback and guidance from you and the two reviewers, which have helped us a lot in strengthening our manuscript. As you will see, as you suggested, we have proceeded with major revisions, carefully addressing most—if not all—the key points raised. Summarily, we have:

- Rewritten the Abstract and chosen the key words so that they better reflect our main arguments
- Restructured the Introductory Section so that it both our research's objectives and positioning in the literature are clearer
- Made minor revisions in the Theoretical Section so that it reflects how the literature has handled the relationship between gentrification, touristification, and financialisation in a clearer way. To this end, we have also added a Table (1) there, summarising the main waves of gentrification, as documented in key accounts.
- Made minor revisions in the Methodological Section so that the feedback between the different aspects of our research is reflected in a clearer way.
- Extensively restructured the Empirical Section, integrating the qualitative, quantitative, and policy parts, so that it now reads as a coherent and chronologically structured narrative. To this end, we have added a Table (4) there, summarising the main waves of gentrification, as documented in our research and key accounts on the Greek context.
- Revised the Discussion Section, which now better highlights and bolsters our main arguments.

To do the above, we increased the manuscript's word length by about 650 words. Also, to make space for the two additional tables, we have removed the images that were included in the original submission. The extent of changes and text restructuring in the manuscript would not be possible to be highlighted through track changes. For this, in the anonymised manuscript, we have marked in yellow the sections that have undergone major revisions.

Below, we outline in more detail how we have addressed your requested revisions:

1. *Integrate more effectively the different sections of your paper so that it 'hang together' more effectively*

We have followed this suggestion, addressing your and one reviewer's concerns that the different parts of the Empirical Section previously appeared as separate studies rather than as part of a unified argument.

Specifically, our revisions have ensured an integration of our qualitative and quantitative analyses. The Empirical Section now better links neighbourhood-level transformations with domestic growth trajectories and productive priorities, foreign investment, and international financialisation dynamics. By adopting this revised structure, the paper's Empirical Section now reads as a comprehensive multi-scalar research. In this framework, each part (wave of gentrification) in the Empirical Section also reflects in a clearer way which urban transitions appeared in which area of Athens, including gentrification's spillover effects, and gentrification-suburbanisation interrelated spatial dynamics.

Beyond better reflecting the geography of Athenian gentrification and the effect of different scales, the Empirical Section now also reflects in a clearer way how gentrification waves unfolded over time.

To this end, we have also added Table 4, which summarises the waves of Athenian gentrification, drawing from both qualitative and quantitative analysis, and covering the city as a whole rather than solely referring to the case study area. A similar Table (1) has also been added to the Theoretical Section, covering the international waves of gentrification as have been documented in the relevant literature. The two tables, read in conjunction with each other, allow the reader to familiarise more

easily with the Greek context and identify its differences in relation to the dominant Anglophone context.

2. *Provide a fuller set of conclusions which allow you to set out and reflect on the conceptual contributions of your paper*

We have restructured the Discussion Section, which now reflects more clearly the main findings presented in the Empirical Section and juxtaposes them with the key points highlighted in the Theoretical Section. Doing so, the Discussion Section now better presents how the different modalities of gentrification in Athens have adapted as well as driven broader economic shifts, how debt-driven housing financialisation affected gentrification and touristification, and how the latter two are related to and reinforced each other.

More importantly, the revised Discussion Section now contains paragraphs that position our findings within broader theoretical debates on urban transformation, financialised housing markets, and the consequences of regulatory absences, particularly in Southern Europe. The Conclusions Section has also been revised accordingly to reflect our theoretical contributions.

3. *Rethink the use of 'geographical political economy' framing of parts of the paper*

We acknowledge your concern that the term 'geographical political economy' may be somewhat rigid in our framing. In response, we have revised the relevant sections to retain the substantive insights from this body of work without explicitly relying on the term. Instead, we have woven these ideas into our broader discussion of capital mobility, rent gaps, spatial fixes, and financialisation, ensuring that our argument remains conceptually robust while improving readability and accessibility.

In what follows, we provide detailed responses to the comments raised by both reviewers.

Reviewer 1
Comment:
<p><i>I find the conceptual discussion lacking a few aspects. While the authors explain their rent-gap/uneven development inspired view of gentrification, they fall short of engaging thoroughly with the literature on the touristification-gentrification. This for example, becomes apparent in the relation between STRs and touristification: I do, of course, understand why STR are here framed as part of the wider touristification process, however a bit more reflection on the link between STRs and touristification are warranted. There is a growing literature directly engaging with STRs that is not very well discussed in the paper. For example, Javier Gil recently published a paper arguing that neither touristification nor gentrification are the apt terms under which to understand the function of STRs. While that view does not have to be shared, I would appreciate engagement with these discussions, since it is not self-explanatory. In other words: a clearer engagement with the question if STRs are a category of touristification or of real estate financialisation/assetisation or both and if so, how is necessary. In general, I expect more engagement with the discussion on gentrification/touristification since this is the conceptual and empirical debate the authors want to contribute to.</i></p>
Response
<p>Our primary aim in this paper is to develop a relational approach to capital mobility, rent gaps, capital switches, and spatial fixes. The theory of gentrification has been a frontrunner in addressing these dynamics as part of a broader process of urban transformation. Likewise, touristification</p>

represents a distinct yet interconnected urban transformation process. However, rather than treating these as isolated phenomena, we argue that their relationship must be explored through the critical lens of radical geography, which allows us to analyse their interdependencies.

To further advance this relational perspective, we have revised the Theoretical Section to engage more thoroughly with the concept of financialisation as a key analytical tool and have explored potential connections between gentrification and touristification more extensively. More specifically, we now recognise the increasing significance of assetisation in these processes and appreciate your suggestion to engage more deeply with this discussion. Among others, we have now incorporated an analysis of Ward and Birch's 2024 work, which provides a critical perspective on assetisation not only as facilitator of financialisation but also as a mechanism of financialised urban change. In addition, we clarify the effect of STRs in these broader transformations of urban space. To the end, we have also added a Table in the Theoretical Section (Table 1), which provides an overview of how gentrification has gradually intertwined with housing assetisation and financialisation, as well as touristification.

Moreover, the above are now also better reflected in the Discussion Section. Specifically, we have more thoroughly engaged with housing assetisation in relation to financialisation. Also, we explore the links and similarities between financialisation and touristification in the Greek context, highlighting that both are debt-driven, offering this way novel insight into both processes. Through this elaboration, we highlight the idiosyncrasies of Greece's financialisation trajectory in comparison to other cases in the literature. In addition, we clarify how STRs fit into these broader transformations of urban space, exploring whether they should be primarily understood as part of touristification, real estate financialisation, or both.

We believe these revisions strengthen our contribution to the conceptual and empirical debates surrounding gentrification and touristification.

Comment:

I find the different parts/scales of analysis not very well integrated. I really appreciate and value the mixed methods approach and the authors' aim of integrating different scales of analysis (from the neighborhood to the global political economy of gentrification, so to say), however, the different sections remain a bit disconnected. The three empirical sections have different angles that need to be better put into relation. At the moment they read like three different studies with some links. I would encourage to build up a clearer narrative of how growth-models, changes on the neighborhood level and Golden Visas and FDIs are connected. How do Golden Visa's or FDIs connect to Matxourigio for example? In my understanding, one thing is Airbnb, another thing are FDIs connected to Golden Visas. Are there Airbnb's acquired through Golden Visas in the neighborhood and what percentage is FDIs? Even if a substantial part of Golden Visa investments are turned into STRs these may not necessarily be connected to 'touristification' as such, depending on how one defines the term – the last sentence in paragraph 2 on p. 14 points at this issue but I am not sure the evidence is enough to state that Golden Visa turned STRs are generally used for tourist accommodation. Maybe they are but then that needs to be clear.

Response

To address these concerns, we have restructured the Empirical Section as a whole, developing one that integrates the qualitative and quantitative aspects, as well as the policy analysis. In this revised Empirical Section, we now provide a chronological timeline of the different waves of gentrification in Athens, taking into account the dominant growth model during each period, the flows of investment into the built environment, the promulgated policies, the ways gentrification has unfolded (in Athens as a whole), and the developments taking place in the study area. By adopting

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3 this timeline-based approach, we have ensured that the three empirical sections no longer read as
4 separate case studies but rather as interconnected moments within a broader process of urban
5 transformation. To this direction, we have also added Table 4, which summarises all the above.
6 These revisions, we believe, ensure a more integrated and cohesive narrative and address your well-
7 raised concerns.
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10 Moreover, where applicable, we have also considered flows of FDI into Greek real estate, including
11 Golden Visas. Using available data, we have also cautiously linked Golden Visas with Athens's STR
12 market. For instance, through the following excerpt:
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14 *"Specialist estimates indicate that, at the national level, up to 40% of the properties acquired through*
15 *the Golden Visa program, until recently, are being used as STRs (Kathimerini, 2024). In Athens, this*
16 *share is considered to be the "vast majority", particularly for smaller apartments on lower floors and*
17 *in basements (Bakas, 2024)"*
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19 However, it must be mentioned that such data are not available at the neighbourhood level, thus
20 assessing the effect of Golden Visas on Metaxourgio's STR market was not possible. Nevertheless,
21 we believe that our additions provide sufficient insight into the effect of FDI on the STR market of
22 Athens as a whole.
23

24 25 **Comment:**

26 *What is described for the neighborhood is also fairly common, not only in Southern Europe.*
27 *Depending on the characteristics of the neighborhood, location etc. a lot of neighborhoods across*
28 *Europe have had similar developments from working-class, to pioneers, art-led gentrification, higher*
29 *earners and finally financialised investments, incl. platformed STRs etc. In many cases the difference*
30 *is that STRs are hampered by regulations (e.g. Barcelona, Berlin, Copenhagen, Stockholm etc). So,*
31 *my question is what exactly is this a case of if not good old gentrification with lacking regulatory*
32 *interventions into the STR sector?*
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35 36 **Response**

37 We fully acknowledge that the trajectory of neighbourhood change we describe in Metaxourgio and
38 other Athenian neighbourhoods is not unique to Southern Europe and has been observed in various
39 cities across the world. However, our aim is not merely to present the way that a familiar gentrified
40 landscape appears in space; rather, to critically explore its underlying articulation mechanisms,
41 including the reciprocal links between gentrification and touristification.
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44 We believe that our revised Empirical Section now reflects the above. Moreover, as you will see,
45 Athenian gentrification has a series of particularities, stemming for instance from the idiosyncratic
46 Greek urbanisation patterns, the country's prolonged recession, its sectoral priorities before and
47 after the crisis, etc. In this context, we present for example how the Greek state responded to
48 recessive pressures and investment opportunities so as to push the expansion of the STR market,
49 how international financialisation dynamics unfolded in the Greek context in the absence of
50 effective regulatory interventions, how the STR market and housing financialisation have reinforced
51 each other, which was the role of households' indebtedness, etc. For instance, in the Empirical
52 Section, we now better highlight how the policies that have facilitated the expansion of the STR
53 market have affected gentrification trends.
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56 Then, in the Discussion Section, we now elaborate more thoroughly on how gentrification in Athens
57 has unfolded under different modalities, which not only reflect the dominant growth model at the
58 time but have reshaped urban space to accommodate future transformations. In this context, for
59 instance, we discuss how Greece's expanding regulatory framework around STRs reflects the
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country's growth strategy, and in turn, how this framework has shaped investors' behaviours. Additionally, we sought to further highlight the distinct role of different investment strategies—including Golden Visas, real estate speculation, and the integration of local housing markets into global financial circuits—as crucial factors that differentiate this case from "good old gentrification".

Thus, with our revisions in both the Empirical and Discussion Sections, we specifically sought to illustrate how all these processes mutually reinforce one another, contributing to a form of violent urban restructuring that disregards housing needs and intensifies socio-spatial inequalities. In sum, rather than simply presenting another case of gentrification, our study seeks to shed light on how gentrification, touristification, and housing financialisation interact in specific ways under conditions of deregulation and financialised urban governance, leading to intensified displacement pressures and exclusionary urban transformations.

Comment:

the abstract and the keywords and main concepts used do not align very well. While not every keyword needs to be in the abstract, I was a bit surprised to see capital switching and Golden Visa, for example, in the keywords, without it being mentioned in the abstract. This is a bit confusing.

Response

We have carefully revised both the abstract and the list of keywords to ensure better coherence with the main concepts discussed in the manuscript. Please note, however, that the keywords have been chosen on the basis of making the article traceable through search queries that do not include words mentioned in its title or abstract.

Comment:

While this seems more minor, I think it is quite important: I had a bit of a reaction to the use of the term 'decolonial' in the context of a study on Greece. One could argue that Greece is a country having a more peripheral structural (and geographic) position in Europe and that this contributes to the significance of the study. But I would be careful to position this as an act of 'decolonisation' – this is a stretching of the concept that I find quite problematic.

Response

The use of the term decolonialisation was intended as a political stance rather than a strict epistemological framework, recognising that knowledge production in urban studies remains largely shaped by academic institutions in Northern Centres rather than in Northern Peripheries. Within this structure, Greece, which can be regarded as part of a Northern Periphery, is often positioned as a deviation from dominant urban theory or treated as a localised case study, rather than as a site from which to theorise broader urban transformations.

Nevertheless, to avoid potential misunderstandings, we have replaced decolonial with the concept of urban theory's provincialisation, following Robinson (2013). This reframing allows for a critical engagement with how urban knowledge is produced, drawing attention to cities situated in the economically peripheral regions of the Global North as valuable sites for theorisation.

Reviewer 2

Comment:

I find the title a bit confusing and not really reflective of the article's core. I suggest the authors revise the title either reflecting on the main research question of the paper, or its main research finding. For example, the research does not aim to find out if what has happened in Metaxourgeio is touristification or gentrification, it does not use the term 'urban transition' systematically (and interestingly it equals urban transition to CBDs in p. 13, line 14, whereby this acronym appears only there without being explained) and the successive crises are only mentioned in the beginning of the paper.

Response

All points raised here regarding the title and the use of specific terms have been taken under consideration, both in the paper's title and body.

Specifically, we have revised the title so as to better reflect the core research findings, ensuring it more accurately aligns with the study's focus. As you will see, it has changed to "The evolving modalities of gentrification in Athens vis-à-vis Greece's shifting growth models", which is exactly what our paper examines.

Moreover, in the paper's body, we have reconsidered our use of the term "urban transitions". Wherever needed, we and now consistently refer to "urban transformations" for greater conceptual clarity.

Lastly, we have removed the isolated reference to "CBD" and ensured that discussions on successive crises are more consistently integrated throughout the text.

Comment:

The authors claim that this paper is one of a few mixed-method analyses of gentrification outside the Anglophone world. What is the common/traditional methodology used when gentrification is studied inside and outside the Anglophone world, and what knowledge gaps remain when gentrification is studied like this? How the mixed-method analysis fills knowledge gaps from previous methodological approaches and adds new knowledge on gentrification? On p. 3 there is a reference as to how this is done (a focus shift from outcomes to causes), but it is unclear how the mixed-method analysis sheds better light on causes. It is also not clear how this work exactly decolonises the relevant literature. Does it do by adopting a mixed method analysis that we don't see in studies focusing on areas outside the Anglophone world? Or does it do it by studying cities/neighborhoods outside the Anglophone world? This needs to be better explained and substantiated with reference to previous research. The gap that this paper aims to fill remains a bit blurry. A better and clearer explanation of the state of the art in the paper is necessary.

Response

We have revised the Introductory Section to address this comment. We now provide a clearer explanation of how our mixed-methods approach addresses existing knowledge gaps in gentrification research, mentioning four points.

Regarding our contribution to the literature through employing a mixed methods approach, please note that this does not have to do with a specific geographical context. Traditionally, gentrification studies—both within and outside the Anglophone world—have relied on either quantitative socio-economic analyses or qualitative ethnographic approaches. Quantitative gentrification studies may look into the change in the socio-economic composition of an area, the number of short-term rentals, or even employ advanced methodologies such as analysing images from Google Street View, etc. For their part, qualitative gentrification studies often use interviews, participatory observation, and questionnaires, to look into issues such as displacement, changes in a neighbourhood's character, etc. More often than not, studies do not mix qualitative and quantitative data, with the exception of those that look into short-term rentals' data along with employing qualitative methods. Moreover, most of these studies, qualitative or quantitative, focus on gentrification's outcomes—displacement, change in the socioeconomic composition, change in an area's businesses, etc.—rather than underlying causes. Studies that have sought to test the rent gap theory—as a way to look into gentrification's underlying causes—they often do it in an economically deterministic way, concluding that if an area with wider rent gaps does not gentrify as much as others with narrower rent gaps, then the theory is “debunked” (see Bourassa's famous postulations).

Against this backdrop, we follow Elvin Wyly's (2023) call to reconceptualise rent gaps and take into consideration their broader socio-economic and moral implications. As such, our innovation lies in integrating a macroeconomic and real estate analysis with qualitative fieldwork. This in turn serves in addressing a novel objective as well: to situate gentrification within broader flows of capital and domestic productive priorities. In doing this, we employ the Building Share Index, as used in the past by Brett Christophers or William Kutz, to identify instances of capital switching—a concept introduced by David Harvey. Moreover, we look into shifts in the country's growth models by looking into data on the tourism industry. Juxtaposing broader capital flows and domestic growth trajectories with the modalities of gentrification re-highlights gentrification's causes over its outcomes and is something that is rather novel. All the above are now explicitly stated as our first and second contributions to the literature in the Introductory Section.

Regarding the decolonisation part, please note that such references have been generally toned down. Nevertheless, as part of our fourth contribution to the literature in the Introductory Section, we clarify that rather than merely applying dominant theoretical frameworks to new geographic contexts, we use mixed-method analysis to provide a thorough periodisation of gentrification in Athens, uncovering the structural mechanisms that shape gentrification processes in shifting economic settings. This re-emphasises how gentrification is contingent on local capital flows and policy structures and sheds light into the Greek context, which is closely related to others in the South EU.

Besides revising the Introductory Section, all the above have been taken under consideration in the Conclusions Section as well, where we state our theoretical contributions.

Comment:

There is lack of a clear research aim/objectives and state of the art in the Introduction.

Response

We have carefully revised the Introductory Section as a whole, so as to explicitly state our research objectives, ensuring that they are well-defined.

Comment:

I also miss the specific research categories that were documented for the purpose of this research against which the analysis would be made in the Discussion. And I also find the Discussion fairly confusing with a lot of new information therein and lack of a systematic presentation of the analysis of the empirical research findings.

Response

We must acknowledge that your concerns regarding the discussion are very well raised. To address all your comments, we have thoroughly reworked the whole manuscript and especially the Discussion Section, to enhance clarity and coherence.

Specifically, drawing from a better structured Empirical Section (which has also been revised, with its qualitative and quantitative parts now being integrated, and a more coherent chronological timeline of gentrification waves in Athens being added), we now discuss our findings in relation to how the different modalities of gentrification in Athens are situated within Greece's broader economic shifts. As such, after critically examining the ways in which gentrification in Athens has evolved in the past decades in the Empirical Section, in the Discussion Section these modalities are discussed considering the role of investment flows in the built environment, financialisation and assetisation trends, and the intersection between gentrification and touristification. Crucially, all the above directly refer back to our Theoretical Section, which has undergone minor revisions as well to be clearer and more coherent.

Last but equally important, we have taken any new information from there, adding those deemed sufficiently significant to the Empirical Section.

Comment:

South EU as a whole is neither part of the introduction nor of empirical research. Hence, I believe it is problematic when it takes so much space in the discussion section, with so much new information and people cited therein, when what we expect in this section is a systematic and critical analysis of the Greek case study. The paper does not offer sufficient and detailed information for readers to be able to judge (and be convinced by) the analysis in the discussion, when referred to cases in other Southern European cities. The authors need to make a decision when revising their Discussion. Either to use more space in the paper (introduction or empirical part) to properly describe the complex landscape of the cities in the European South before comparing it in the discussion with the Greek case, or to revise the Discussion in light of the findings in Greece alone (see more comments below). The Discussion, overall, while interesting, needs to be better systematised and in fine tune with a clearer research aim/objectives, documented empirical categories, and empirical research findings.

Response

After carefully considering your comments, we have revised the Discussion Section to focus more clearly on the Greek case, ensuring that our analysis remains systematically aligned with the research objectives and empirical findings. In doing so, we have streamlined the Discussion Section to avoid the introduction of extensive new information on Southern European cities that was not previously contextualised in the manuscript. Instead, we now concentrate on a critical and structured analysis of the Greek case, directly linking it to the empirical categories and findings presented earlier. This revision enhances the coherence of the Discussion and strengthens its alignment with the study's core aims.

Comment:

On January 28 of which year?

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3	Response
4	2024
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6	Comment
7	<i>Consensus among researchers (please name a few)</i>
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9	Response
10	Given the extensive revisions required for resubmitting the manuscript, we saved space by refraining to add many new sources. Therefore, we could not cite the main advocates of the opposing sides. Nevertheless, this debate is mentioned in Gourzis et al. (2022), which is now cited there.
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16	Comment
17	<i>A thorough documentation is an overstatement because the paper only studies in depth one neighborhood in Athens</i>
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20	Response
21	We have taken out this statement.
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24	Comment
25	<i>Please do cite some of these scholars who are part of this intense debate.</i>
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27	
28	Response
29	In the last paragraph of the Theoretical Section, which has now been revised, we clearly outline this debate. Some of the scholars who have positioned in this debate, directly or indirectly, are: Jover and Díaz-Parra (2020), Sequera and Nofre (2018), Lee (2016), Wachsmuth and Buglioni (2024), Aalbers (2019).
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35	Comment
36	<i>It is important for the readers to know whether the two analyses (secondary and primary) were sequential or if they run parallel. This is important, if, for example, the shift on the growth model was identified as a result of the secondary analysis, how/to what extent this fed the primary analysis. In other words, it is useful for readers to know how the two analyses complement each other as well as which empirical categories are documented in both analyses and how these would confront each other (e.g. capital switching moments with the different stages of gentrification, the role of financialisation in fostering gentrification, how this correlation manifests itself within a construction and tourism-dependent growth model, the role of the state in nurturing these dynamics, etc.).</i>
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47	Response
48	This is an excellent point that has been taken under consideration. In the Methodology Section, we now explicitly state that the secondary analysis took place after the primary analysis, so as to provide a broader context. Specifically, we write:
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52	<i>“Secondary quantitative research helps ground primary research and provide a broader context on Greece’s growth models. Conducted in 2024, it follows the two rounds of fieldwork described below.”</i>
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56	In the Empirical Section, it is now clearer which findings derive from the primary and which ones from the secondary analysis, how the findings from our secondary analysis informed the primary research and vice versa, and how the two approaches interact to provide a more comprehensive understanding of the mechanisms driving gentrification within Athens' construction- and tourism-dependent growth model.
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Lastly, having revised both the Methodology and Empirical Sections, it is also now clearer in the Discussion Section which parts derive from our qualitative and which ones from our quantitative analysis. Moreover, in the Discussion Section it is also now clearer which parts are our paper's theoretical contributions to the literature; a characteristic case of that is the Section's last paragraph.

Comment

How/why the 2009 debt crisis in Greece triggered this shift from the construction driven model to the tourism driven one

Response

This is an excellent point, since it is a crucial aspect in our study. To that end, we have explicitly documented this shift in the Empirical Section, particularly in the 3rd wave of gentrification.

Comment

The role of the state in what?

Response

In the different modalities of gentrification. By this we do not just mean that the state facilitated them, but also how it tried to limit negative externalities, etc.

Comment

Is Kolonaki considered a middle-class neighborhood?

Response

No, we have now clarified that part.

Comment

It would be useful if earlier in the paper some explanation is given on this emphasis on construction over industrial production (and what kind of industries Greece has traditionally counted on).

Response

Both points have taken under consideration. Specifically, in various points throughout the Empirical Section we clarify how and why Greece's construction sector dominated over industrial production. For instance, explaining antiparochi during the 1st wave of gentrification in Athens, we write that:

"Apart from expanding homeownership without the state having to invest in public housing, antiparochi cemented a construction sector driven by small firms as a pillar of Greece's economy."

Further below, we write what were Greek industry's weaknesses, and which were the main sectors. Specifically, we write:

"This credit availability redefined the construction sector profoundly, with contractors financing projects through the pre-sale of unbuilt apartments, further tying key economic activities to construction and driving up housing prices (Herod et al., 2025). In contrast, key sectors in the domestic industry, such as steel, shipbuilding, agri-food, and textiles, which were characterised by

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3 *low innovation and mostly comprised small businesses, were exposed to intense international*
4 *competition without the protective mechanisms of monetary devaluation and domestic policies*
5 *(Gourzis and Gialis, 2019)."*
6

7 **Comment**

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9 *Which are these underutilized inner city areas? Please give some examples.*
10

11 **Response**

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14 This part has now been clarified. More importantly, to provide a better overview of Athens's
15 gentrification tendencies throughout the years, we have now added Table 4 to the Empirical Section,
16 which summarises the geography and main actors in each wave of gentrification in Athens.
17

18 **Comment**

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21 *Not sure Gotham (2005) wrote about post-Olympics.*
22

23 **Response**

24 That was a misunderstanding, as we did not mean that in the first place. We have now clarified this
25 part.
26

27 **Comment**

28
29
30 *This reads as part of the state of the art and I would suggest that it moves up to the introduction.*
31

32 **Response**

33 This whole part in the Discussion Section has been revised. Specifically, our postulations regarding
34 the similarities and reciprocal links between gentrification and touristification have been
35 integrated in other parts of the same Section, so that it reads better as a whole, and its last part
36 does not appear as a purely theoretical discussion.
37

38 **Comment**

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41 *This is the first time we read about medium term rentals. I believe they come out a bit of the blue*
42 *as they do not derive from the empirical research findings.*
43

44 **Response**

45 We have now added the dimension of medium-term rentals to the Empirical Section, specifically in
46 the 4th wave.
47

48 Overall, we believe that all the above-analysed changes have significantly improved the clarity and
49 coherence of our arguments.
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With respect,
The authors