

## **Navigating the New Legal Landscape in Greece for Beach Concessions adjacent to Hotels and Oversight**

L. 5092/2024, concerning the utilization of public property in coastal areas, addresses significant matters pertaining to the concession of coastal areas, with a strong emphasis on transparency and efficiency in oversight, facilitated by the integration of modern technology.

A notable aspect of this legislation pertains to the concession of beachfront areas adjacent to hotels and health-related establishments, featuring several deviations from standard provisions. By delineating and streamlining the process for granting concessions of coastal areas to hotels, which is a pivotal issue directly impacting Greece's tourism sector, L. 5092/2024 diverges from previous legal frameworks in several respects.

### **Scope of application**

The more detailed provisions of Article 11 pertain to the concession procedures to a) main hotel accommodation, b) furnished rooms - apartments to rent, c) camping, d) health interest stores and e), nautical sports clubs with special sports recognition of par. 1 of Article 8 of L. 2725/1999 and registration in the electronic register of sports clubs of Article 142 of L. 4714/2020 that operate legally in an area adjacent to the department of the beach.

### **Procedure, pricing, and duration of the contract**

The primary departure from the general provisions of the law is the concession process being conducted without an auction, aimed at safeguarding the commercial interests of the company operating in the vicinity of the beach.



Regarding the duration of the contract, a minimum concession period of one to three years is now established, unlike the previous L. 2971/2001, which only specified a concession period is up to 3 years.

In addition, a new regulation has been introduced concerning the pricing of concessions. Since auctions are not utilized, an alternative method for determining the price had to be established, a provision absent in L. 2971/2001. Consequently, it is stipulated that the price shall be increased by 20% compared to the initial bid price in cases where concessions are granted through auctions.

### **The concession area**

The general prohibition outlined in L. 5092/2024, limiting coverage to no more than 500 square meters, and capping the concession to 50% of the beach area, also extends to cases where coastal areas are granted to hotels. However, there is an exception in which a larger area exceeding 500 sq.m. may be

allocated to primary hotel accommodations, camping facilities, or complex tourist accommodations under L. 4276/2014. Nevertheless, even in such instances, it is imperative to keep 50% of the beach area free.

If there are consecutive adjacent businesses on the beach, a free zone of at least 6 meters width must be left between their boundaries and the concession area can be reduced by half, to ensure at least 50% remains unoccupied. If adjacent businesses have projection on the same area of the seafront, then the above restrictions apply to the total area, which is further divided into distinct sections based on the frontage of each business.

### **Concession of small coastal areas**

The general provisions of L. 5092/2024 prohibit the concession of a beach when its length or width is less than 4 meters or when the total coastal area is less than 150 square meters. Although this



prohibition generally pertains to these concessions, it is nevertheless permissible to concede them to hotel or F&B business, provided that the other general and specific restrictions are adhered to.

Under the previous regime, a general prohibition of concessions applied where the length or width of the beach was less than 5 meters or where the total area was less than 150 square meters without the possibility of exceptions.

### **Property belonging to the HPPC or the State**

A common issue encountered in the concession of coastal areas to hotel establishments arises when there is a property owned either by the State or by the Hellenic Public Properties Co. (HPPC) situated between the business and the concession area. In the previous legal framework, acquiring a right in rem or a right in personam on this property, and subsequently expanding business activities onto

it, was necessary to achieve adjacent property status.

Under the new law, if the property is privately owned by the State, no conditions are imposed. Conversely, if the property belongs to the HPPC, the aforementioned condition is also waived, but a new procedure is established for extending the concession agreement to include the intermediate property as well.

### **Obligations of concessionaires**

Article 8 of L. 5092/2024 establishes minimum obligations for concessionaires aimed at ensuring unhindered public access to the beach and facilitating complaints. These obligations apply to all concessionaires and therefore also to adjacent hotel establishments.

The main obligations are the free public access, the installation of special platforms for disabled persons, the restriction of umbrella seats to a certain percentage of the surface area so that there is a free zone on the beach, the posting of a



sign to enable the public to access the electronic complaints system and, of course, the cleaning and maintenance of the beach morphology.

However, the concessionaire also bears certain hand-over obligations at the end of the concession. In particular, the concessionaire must remove from the beach any movable elements placed for the purposes of the concession.

If the concessionaire fails to comply with these statutory and contractual obligations, the contract may be terminated without compensation.

## **In conclusion**

The new law aims to streamline the process of granting beach concessions to adjacent hotel establishments by minimizing bureaucracy and offering specific exceptions to the general provisions, fostering smooth and profitable business operations.

Conversely, heightened scrutiny and stricter penalties are anticipated, making adherence to the law and its detailed provisions paramount for businesses.

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