



CENTRAL BANK OF CYPRUS

EUROSYSTEM

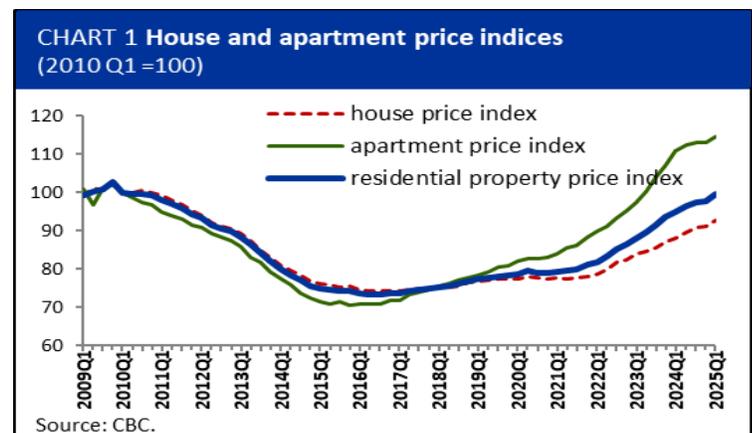
RESIDENTIAL PROPERTY PRICE INDEX (RPPI)

2025 Q1

The increase in residential property prices continued during 2025Q1, as recorded in the Residential Property Price Index (RPPI).

- In 2025Q1, the Residential Property Price Index of the Central Bank of Cyprus (CBC)¹ (houses and apartments) continued recording an increase in year-on-year terms (Table 1), with a decelerated increase in the Apartment Price Index and an accelerated increase in the House Price Index (Table 1). Also, for the first time since 2008, the Apartment Price Index recorded a smaller annual increase than the House Price Index.
- Regarding the demand for real estate properties, according to data from the Department of Lands and Surveys (DLS), the total number of sales contracts recorded an annual increase in 2025Q1 from both local and foreign buyers. The total number of sales contracts recorded an annual increase across all districts. The increase in the number of sales contracts sold to foreign buyers is in line with the acceleration in the quarterly increases recorded in both the House Price Index and the Apartment Price Index during 2025Q1.
- Regarding the supply of real estate properties, according to the authorised building permits data, which is a leading indicator of construction activity, a small increase was recorded during 2024 compared to 2023. This is confirmed by the Business and Consumer Surveys (BCS) of the European Commission (March 2025), with the index of construction activity in the previous 3 months remaining in positive level over the last six quarters.

Table 1 Overview	2024 Q1	2024 Q2	2024 Q3	2024 Q4	2025 Q1
Residential property price index (2010 Q1=100)	95,0	96,6	97,4	97,8	99,6
Quarterly change	1,6%	1,6%	0,9%	0,4%	1,9%
Annual Change	7,8%	8,0%	6,5%	4,5%	4,8%
(a) Property price index Houses (2010Q1=100)	87,9	89,7	90,8	91,2	92,8
Quarterly change	0,8%	2,0%	1,2%	0,5%	1,8%
Annual change	4,7%	6,2%	6,0%	4,6%	5,6%
(b) Property price index Apartments (2010Q1=100)	110,8	112,3	113,0	113,1	114,6
Quarterly change	3,4%	1,4%	0,6%	0,1%	1,4%
Annual change	13,9%	12,0%	8,8%	5,5%	3,5%



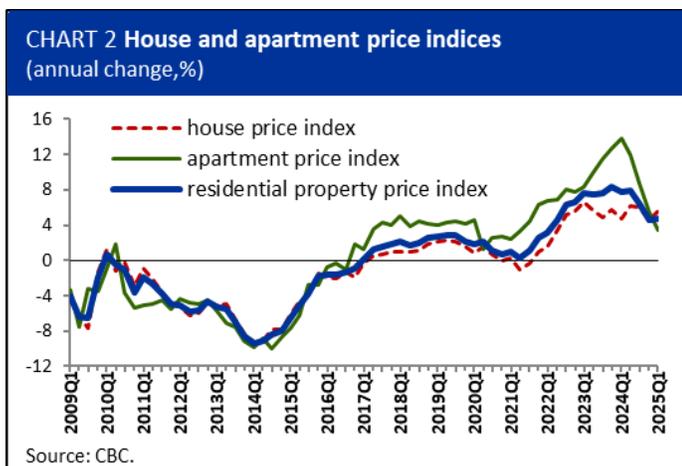
¹ The CBC RPPI is calculated by the Real Estate Unit of the Department of Economic Analysis and Research on the basis of market valuations of real estate prices and a statistical methodology widely used in the international literature. It takes partial account of developments in previous quarters through smoothed regression coefficients (see relevant methodology:

https://www.centralbank.cy/images/media/pdf/Methodology_EN_lat_est.pdf). Therefore, it is likely that there will be a short lag in fully capturing the pass-through of developments in the Index's turning points, with respect to both time and the magnitude of the change in market course.

1. Changes in the residential property price index (RPPI)

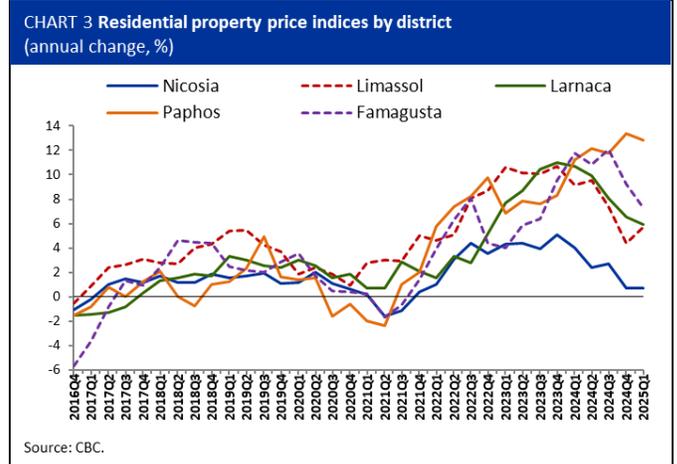
The RPPI (houses and apartments) recorded a quarterly increase of 1,9% in 2025Q1, compared with an increase of 0,4% in 2024Q4. This is driven by quarterly increases of the order of 1,8% in house prices and of 1,4% in apartment prices (**Chart 1, Table 1, p.1**).

On an annual basis, the RPPI recorded an increase of 4,8% in 2025Q1 compared with an increase of 4,5% in 2024Q4. In the quarter under review, apartment prices recorded a decelerated increase of 3,5%, while house prices recorded an accelerated increase of 5,6% (**Chart 2, Table 1, p.1**).



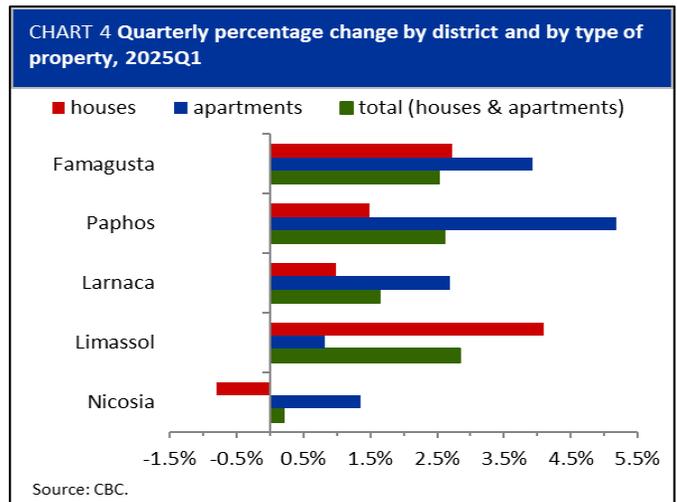
2. Price changes by district

Regarding price indices of individual districts, the RPPI recorded accelerated yearly increases only in Limassol (5,7%), while a decelerated increase was recorded in Larnaca, Paphos and Famagusta (5,9%, 12,9% and 7,3%, respectively), with a higher rate of deceleration in Famagusta compared to the other two districts. The annual growth rate in the house price index in Nicosia remained stable at 0,7% (**Chart 3, Table 5, p.6**).



Also on an annual basis, apartment prices recorded a decelerated increase in Limassol, Larnaca and Famagusta (2,6%, 7,1% and 7,2%), while apartment prices recorded an annual increase in Nicosia and Paphos by 3,1% and 13,8% respectively.

Quarterly changes in the property price indices by district and by type of property during 2025Q1 are presented in **Chart 4 and Table 6, p. 6**.



3. Other market indicators

Various real estate indicators continue to reflect positive developments in demand also in 2025Q1.

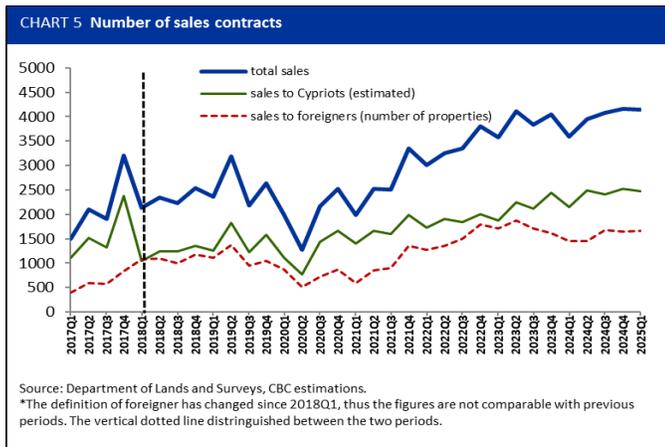
According to data published by the DLS, **sales contracts**, which concern all types of properties, recorded an annual increase of 15% in 2025Q1 (4.137 compared with 3.597 in 2024Q1) (**Chart 5, Table 2, p.3**). The increase

stems from both local and foreign buyers. Specifically, in the quarter under review, the number of properties sold

Table 2 Number of Sales contracts per district*, 2025Q1.				
	Locals	Foreigners		Total
		EU	Non-EU	
Nicosia	788 85%	66 7%	78 8%	932
Limassol	823 64%	125 10%	347 27%	1295
Larnaca	509 56%	100 11%	301 33%	910
Paphos	264 32%	195 24%	370 45%	829
Famagusta	82 48%	52 30%	37 22%	171
Total	2466	538	1133	4137

*The percentages (%) concern the share of local and foreign buyers per district.

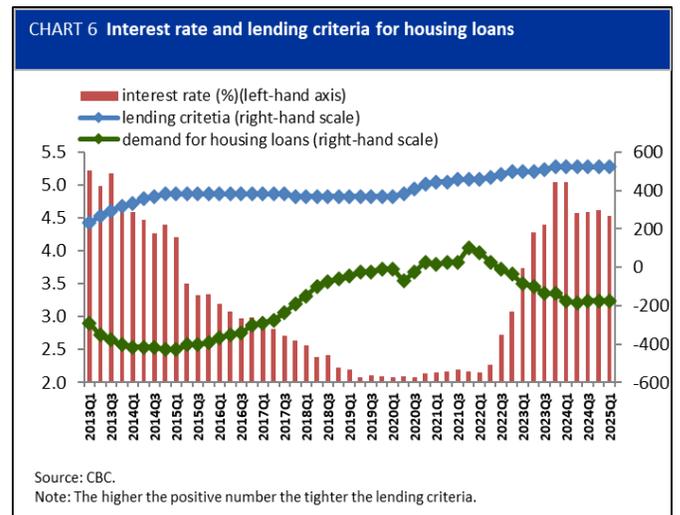
to local buyers registered an annual increase of 14,9% (2.466 compared with 2.146 in 2024Q1, **Chart 5**), while the number of properties sold to foreign buyers registered an annual increase of 15,2% (1.671 compared with 1.451 in 2024Q1, **Chart 5**). The increase in the number of sales contracts sold to foreign buyers is in line with the acceleration in the quarterly increases recorded in both the House Price Index and the Apartment Price Index during 2025Q1.



As regards the number of sales contracts by district, the largest number of transactions was registered in Limassol (1.295), followed by Nicosia (932), Larnaca (910) and Paphos (829), while Famagusta (171) recorded the lowest number of transactions (**Table 2**). Regarding

the percentage of local buyers, this exceeded 50% in the districts of Nicosia, Limassol and Larnaca, while in Paphos and Famagusta the buyers were mainly foreigners (68% and 52% respectively).

According to the CBC’s latest *Monetary and Financial Statistics publication*², the volume of new housing loans recorded an annual increase of 19,4% (€284,1m in 2025Q1 compared with €237,9m in 2024Q1). In addition, according to the same source, the interest rate for mortgage loans³ decreased to 4,53% on average in 2025Q1, compared with 5,05% in 2024Q4, partially supporting both demand dynamics and the gradual increase of supply for residential properties. Furthermore, according to the *CBC’s Bank Lending Survey*⁴ March 2025, **lending criteria** remain at the same strict level compared with the previous quarter and demand for loans also remained stable at the same level in 2025Q1 (**Chart 6**).

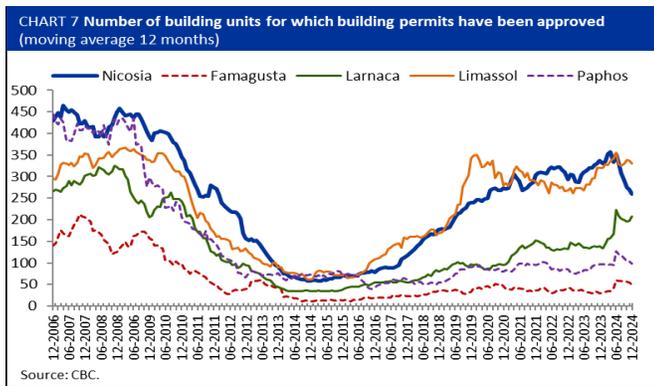


Regarding **the supply of residential properties**, according to the latest available data published by the Statistical Service of Cyprus (CYSTAT), **the number of residential units for which building permits have been authorised**, which is a leading indicator of construction activity, recorded a small annual increase of 2,6% in 2024 (from 11.041 units in 2023 to 11.329 units in 2024) (**Chart 7, p.4**).

² <https://www.centralbank.cy/el/publications/monetary-and-financial-statistics>

³ Floating rate and up to one year fixed.

⁴ <https://www.centralbank.cy/el/publications/surveys/bank-lending-survey>

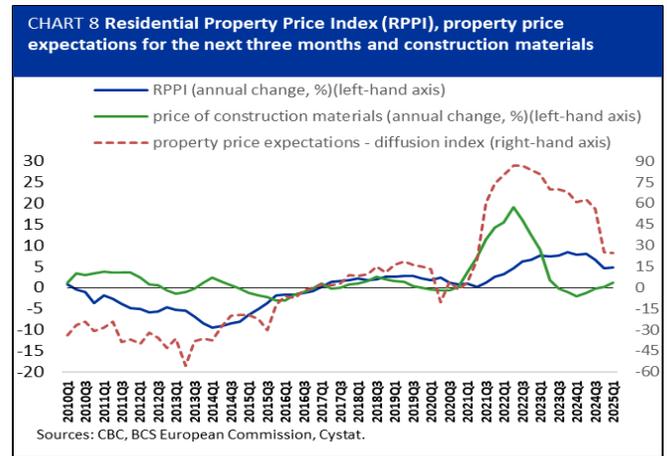


As a result, a gradual increase in the supply of residential property units is expected in the medium term. It is noted that the instability observed since the summer months of 2024 in the number of residential units for which building permits have been approved, has been affected by the transfer of the permits approval procedure to the District Local Government Organisations (DLGO) since the 1st July 2024, and it has smoothed out to a significant extent.

According to data from the *Business and Consumer Surveys* of the European Commission (March 2025) relating to the construction sector, the **index of construction activity** in the previous 3 months remained at a positive level for a sixth continuous quarter during 2025Q1 (5,2%). This is in line with the aforementioned gradual increase in supply.

The **price index of construction materials**, published by CYSTAT, recorded a minor annual increase of 1,1% in

2025Q1, following the decreases that were recorded on an annual basis since 2023Q3 (**Chart 8**). The aforementioned index remains at historically high levels over the last years, as a result of geopolitical developments and supply chain disruptions.



According to the BCS of the European Commission (March 2025), **property price expectations** over the next three months are in line with the decelerating trend of residential property prices as they are on a lower level in 2025Q1 (24,6) compared with the respective quarter last year (60,6). This suggests that a smaller percentage of survey participants expect increases in property prices in Cyprus over the next three months (**Chart 8**).

TABLE 3 Residential property price indices by type and by district

Year*	Quarter	Residences by type		Residences by district					Residential property price index
		Apartments	Houses	N/sia	L/sol	L/ca	Paphos	F/sta	
2010	-	98,2	100,1	99,9	99,0	99,5	100,3	99,5	99,6
2011	-	93,3	97,2	98,6	94,4	94,9	95,4	94,4	96,3
2012	-	89,0	91,8	94,4	90,8	87,3	87,5	87,9	91,2
2013	-	82,5	86,1	87,8	86,5	79,5	83,3	80,0	85,2
2014	-	74,7	78,8	80,3	79,5	72,1	77,4	71,1	77,8
2015	-	71,0	75,6	76,0	76,4	68,7	75,3	70,1	74,4
2016	-	71,0	74,3	74,2	75,7	67,9	75,1	67,6	73,4
2017	-	73,4	74,6	74,9	77,4	67,4	75,3	67,2	74,3
2018	-	76,6	75,6	76,0	80,1	68,5	75,7	69,9	75,8
2019	-	78,8	77,1	77,2	83,8	70,4	77,6	71,5	77,8
2020	-	82,6	77,6	78,1	85,3	72,0	77,8	72,6	79,0
2021	-	85,9	77,6	77,7	88,2	73,1	77,5	72,5	80,0
2022	-	92,3	80,7	80,0	94,1	75,5	83,5	76,6	84,1
2023	-	102,2	85,3	83,6	103,9	82,6	89,9	81,5	90,6
2024	-	112,3	89,9	85,6	111,7	89,9	100,8	90,3	96,7
2025	Q1	114,6	92,8	85,9	116,0	93,0	108,6	94,5	99,6

Source: CBC.

*The annual index is calculated as the average of the four quarters of each year.

TABLE 4 Apartment and house price indices by district
(annual and quarterly, 2010Q1 = 100)

Year*	Quarter	Apartments					Houses				
		N/sia	L/sol	L/ca	Paphos	F/sta	N/sia	L/sol	L/ca	Paphos	F/sta
2010	-	99,3	97,8	97,1	97,0	97,1	100,1	99,4	100,4	101,4	100,1
2011	-	99,0	91,8	88,7	82,7	83,1	98,5	95,1	96,8	99,1	97,2
2012	-	95,2	88,3	82,2	76,9	76,8	94,1	91,5	88,7	90,7	89,7
2013	-	89,0	82,8	71,7	71,7	71,8	87,3	87,5	82,1	86,7	81,4
2014	-	81,5	74,9	63,8	67,2	64,1	79,8	81,1	74,7	80,7	72,3
2015	-	76,6	74,0	61,0	64,2	60,3	75,8	77,2	71,9	79,3	71,8
2016	-	75,0	74,6	61,3	66,0	57,8	73,9	76,1	70,8	78,9	69,4
2017	-	77,0	78,6	61,8	64,2	57,4	73,9	76,9	69,5	80,2	69,4
2018	-	78,9	84,6	63,5	67,6	59,5	74,6	78,4	70,1	79,8	72,4
2019	-	80,3	90,8	69,0	69,5	61,7	75,9	81,3	70,9	81,3	73,8
2020	-	82,2	96,3	71,9	70,0	62,0	76,4	81,5	72,0	80,9	75,7
2021	-	84,0	100,2	75,7	71,7	65,2	74,9	83,6	72,4	79,7	74,5
2022	-	87,6	108,2	80,3	79,0	71,0	76,6	87,7	73,9	85,3	77,8
2023	-	91,8	122,9	91,6	92,4	72,7	80,0	93,7	79,0	88,7	84,2
2024	-	95,2	136,7	104,9	107,3	84,7	81,3	99,3	84,1	98,3	91,9
2025	Q1	97,4	138,5	109,1	117,1	88,8	80,4	105,1	86,8	105,3	96,7

Source: CBC.

*The annual index is calculated as the average of the four quarters of each year.

Table 5 Residential property price indices by type and by district
(year on year change, %)

Year*	Quarter	Residences by type		Residences by district					Residential property price index
		Apartments	Houses	N/sia	L/sol	L/ca	Paphos	F/sta	
2010	-	-2,0	-0,8	-0,6	2,1	-1,8	-2,6	-4,7	-1,1
2011	-	-5,0	-2,9	-1,3	-4,6	-4,6	-4,9	-5,1	-3,3
2012	-	-4,6	-5,6	-4,3	-3,8	-8,1	-8,2	-6,9	-5,3
2013	-	-7,3	-6,2	-7,0	-4,8	-8,9	-4,8	-8,9	-6,5
2014	-	-9,4	-8,5	-8,5	-8,0	-9,3	-7,0	-11,2	-8,8
2015	-	-4,9	-4,0	-5,3	-4,0	-4,6	-2,7	-1,4	-4,3
2016	-	-0,1	-1,8	-2,4	-0,9	-1,2	-0,4	-3,6	-1,4
2017	-	3,3	0,5	0,9	2,2	-0,8	0,3	-0,6	1,2
2018	-	4,4	1,2	1,5	3,5	1,6	0,6	4,0	2,1
2019	-	4,2	2,0	1,6	4,7	2,8	2,5	2,3	2,6
2020	-	3,5	0,7	1,2	1,8	2,2	0,2	1,5	1,5
2021	-	4,1	0,0	-0,5	3,4	1,6	-0,4	-0,2	1,2
2022	-	7,4	3,9	3,0	6,6	3,2	7,8	5,7	5,2
2023	-	10,6	5,7	4,4	10,4	9,5	7,7	6,5	7,7
2024	-	10,0	5,4	2,5	7,6	8,8	12,1	10,7	6,7
2025	Q1	3,5	5,6	0,7	5,7	5,9	12,9	7,3	4,8

Source: CBC

*The annual figures are calculated as the annual change of the average of the four quarters of each year.

Table 6 Apartment and house price indices by district
(quarter on quarter change, %)

Year	Quarter	Apartments					Houses				
		N/sia	L/sol	L/ca	Paphos	F/sta	N/sia	L/sol	L/ca	Paphos	F/sta
2021	Q1	0,5	1,1	1,9	2,2	3,0	-0,4	1,6	0,3	-1,5	-0,6
2021	Q2	0,5	1,2	0,6	0,9	1,1	-1,3	1,0	-0,1	-0,2	-2,7
2021	Q3	0,7	0,8	0,7	1,7	-0,2	-0,3	-0,3	2,1	1,5	0,7
2021	Q4	0,8	3,4	0,3	4,5	3,4	1,4	0,7	-0,5	-0,6	2,3
2022	Q1	1,3	1,4	0,8	2,7	3,9	0,1	0,6	-0,2	3,3	2,1
2022	Q2	1,6	0,8	3,5	1,0	2,5	1,2	2,3	1,1	1,9	-0,4
2022	Q3	1,1	3,2	2,6	3,3	2,6	1,3	2,8	0,6	2,6	2,3
2022	Q4	0,2	3,6	2,3	1,4	-3,7	0,3	1,2	1,7	2,2	0,1
2023	Q1	1,4	2,4	3,5	4,3	1,2	1,3	2,8	2,2	-1,1	2,9
2023	Q2	1,4	4,0	4,1	6,5	2,5	1,8	-0,4	1,7	0,9	1,9
2023	Q3	1,5	4,0	2,9	5,2	-1,7	0,3	1,4	2,5	1,1	4,3
2023	Q4	1,3	3,9	5,7	4,6	4,4	1,5	2,5	1,2	1,7	1,4
2024	Q1	0,8	3,7	4,3	3,5	10,7	0,0	0,3	1,1	3,3	2,6
2024	Q2	0,6	1,1	3,0	3,4	2,6	-0,5	3,3	2,1	3,7	0,8
2024	Q3	0,6	1,3	1,4	2,1	0,6	1,1	1,1	1,6	2,2	3,5
2024	Q4	0,6	-0,6	-0,2	2,5	0,0	-0,9	0,3	1,2	4,7	0,7
2025	Q1	1,4	0,8	2,7	5,2	3,9	-0,8	4,1	1,0	1,5	2,7

Source: CBC.

Notes:

The residential property price index and other residential property price indices and sub-indices presented in the current report are produced by the Real Estate Unit at the Central Bank of Cyprus (CBC).

Data from 2006 to 2009 were collected retrospectively from a number of credit institutions. From 2010 onwards, the data have been collected by the CBC from the member banks of the Association of Cyprus Banks (Bank of Cyprus, Hellenic Bank, Alpha Bank, National Bank of Greece, Astro Bank, Cyprus Development Bank, Société Générale, Ancoria Bank and Eurobank) and the Cyprus Asset Management Company in standardised form, through an online data submission platform.

The partnered credit institutions receive the relevant information from property surveyors in relation to mortgage lending, loan restructures and property revaluations. The valuations come from more than 100 property survey offices all over Cyprus, contributing in the impartiality of the indices. The data received are representative of the Cyprus residential property market, covering the whole of the government-controlled territory of the Republic of Cyprus (Nicosia, Limassol, Larnaca, Paphos and Famagusta districts) and they refer to all types of residential property (houses and apartments).

All the estimated indices have been rebased so that the first quarter of 2010 equals 100. The aggregate Residential Property Price Index (RPPI) is calculated as the weighted sum of the two indices by type (house and apartment price indices).

Change in the weighting method to calculate the aggregate indices: In 2015Q1, the weighting method changed and the aggregate houses and flats indices are now calculated by using as weights the summation of the value of the properties in the sample of the last four quarters. In this way a more representative allocation between houses and apartments in the Cypriot housing market is provided. In previous reports, the indices used to be aggregated using the number of observations (valuations) of the last four quarters. Similarly, the aggregate RPPI is calculated using as weights for the residential property price indices by district the summation of the value of the observations of the last four quarters in each respective district. This change in the weighting method was suggested by the IMF as part of an evaluation exercise of the RPPI, in the context of the implementation of the Memorandum of Understanding. The evaluation was carried out in the context of the possible use of the indices for updating the property values of the General Valuation (1 January 2013) undertaken by the Department of Lands and Surveys.

As a result of the change in the weighting method, the RPPI for both the historical (2006-2009) and the new series (2010 onwards) has been revised. In the new series the aggregated flats and houses indices, and the residential property price indices by district have also been revised. It is worth noting that the change in the weighting method has not affected significantly either the level of the indices or their growth rates.

Furthermore, in 2019Q1 the indices have been revised from 2017Q1 onwards, due to the removal of certain observations from the sample. These observations have been examined and assessed to not reflect the open market value. In this way the consistency in the construction of the indices is ensured, according to the international standards. The aforementioned changes did not alter significantly the indices or particularly their growth rates.

The hedonic methodology is used for the construction of the indices. In case the number of observations per quarter in a particular district is not enough to implement the hedonic method, the simple average method is used. Further details about the methodology and other relevant information are available on the CBC's website, at https://www.centralbank.cy/images/media/pdf/Methodology_EN_latest.pdf

The current report is available at <https://www.centralbank.cy/en/publications/residential-property-price-indices>

For further information or/and clarifications please contact the Real Estate Unit of CBC at RealEstate@centralbank.cy.