



CENTRAL BANK OF CYPRUS

EUROSYSTEM

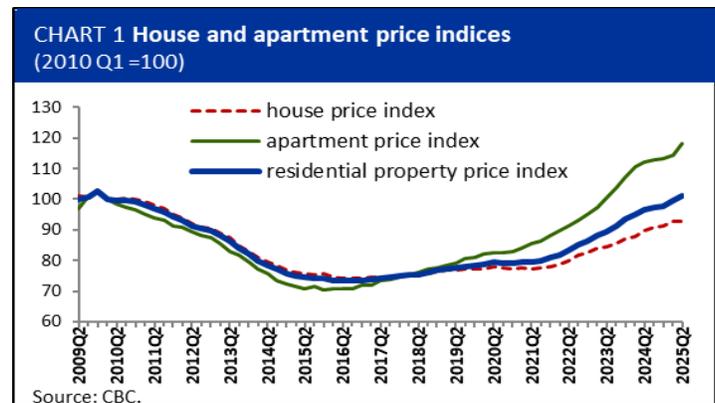
RESIDENTIAL PROPERTY PRICE INDEX (RPPI)

2025 Q2

Residential property prices continued to rise during 2025Q2, as recorded in the Residential Property Price Index (RPPI).

- In 2025Q2, 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 an accelerated increase in the Apartment Price Index and a decelerated increase in the House Price Index (Table 1).
- Regarding 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 2025Q2, both from local and foreign buyers. The total number of sales contracts recorded an annual increase across all districts.
- Regarding supply of real estate properties, according to the authorised building permits data, which is a leading indicator of construction activity, an increase was recorded over January – April 2025 compared with the corresponding period of 2024. A gradual increase in supply is also confirmed by the Business and Consumer Surveys (BCS) of the European Commission (June 2025), with the index of construction activity in the previous 3 months remaining in positive territory over the last seven quarters.

Table 1 Overview	2024 Q2	2024 Q3	2024 Q4	2025 Q1	2025 Q2
Residential property price index (2010 Q1=100)	96,6	97,4	97,8	99,6	101,1
Quarterly change	1,6%	0,9%	0,4%	1,9%	1,5%
Annual Change	8,0%	6,5%	4,5%	4,8%	4,7%
(a) Property price index Houses (2010Q1=100)					
	89,7	90,8	91,2	92,8	92,7
Quarterly change	2,0%	1,2%	0,5%	1,8%	-0,1%
Annual change	6,2%	6,0%	4,6%	5,6%	3,4%
(b) Property price index Apartments (2010Q1=100)					
	112,3	113,0	113,1	114,6	118,2
Quarterly change	1,4%	0,6%	0,1%	1,4%	3,1%
Annual change	12,0%	8,8%	5,5%	3,5%	5,3%



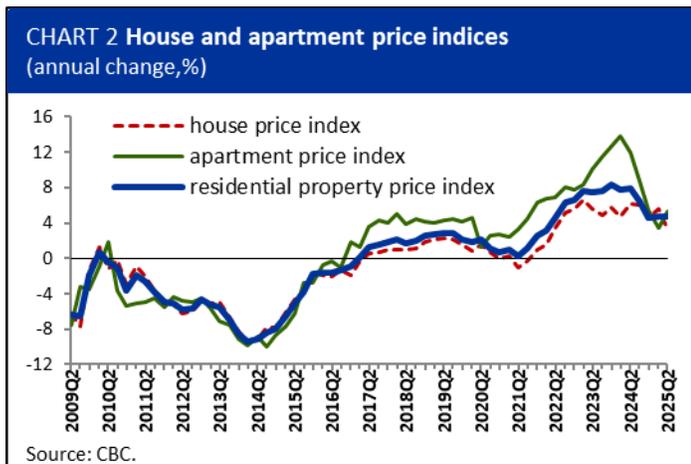
¹ The CBC RPPI is calculated by the Real Estate Unit of the Department of Economic Analysis and Research on the basis of market valuations of real estate prices and a statistical methodology widely used in the international literature. It takes partial account of developments in previous quarters through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

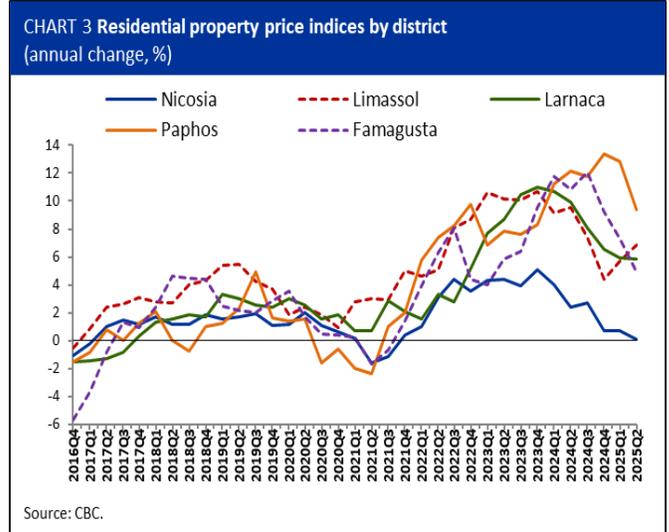
The RPPI (houses and apartments) recorded a quarterly increase of 1,5% in 2025Q2, compared with an increase of 1,9% in 2025Q1. This is driven by an accelerated quarterly increase of the order of 3,1% in apartment prices, which was moderated by a quarterly decrease of -0,1% in house prices (Chart 1, Table 1, p.1).

Following the developments in the first quarter of the year and on an annual basis, the RPPI recorded an increase of 4,7% in 2025Q2 compared with an increase of 4,8% in 2025Q1. In the quarter under review, apartment prices recorded an acceleration of the order of 5,3%, while house prices recorded a deceleration to 3,4% (Chart 2, Table 1, p.1).



2. Price changes by district

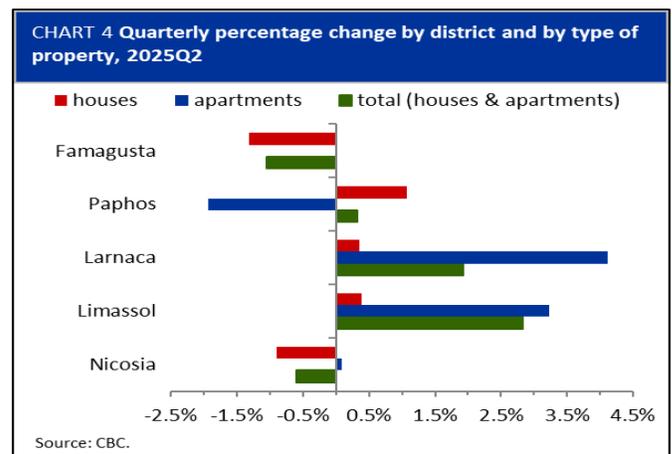
Regarding the price indices of individual districts, the RPPI recorded an acceleration in growth only in Limassol (6,8%), while a deceleration in the relevant growth rate was recorded in Nicosia, Larnaca, Paphos and Famagusta (0,1%, 5,8%, 9,4% and 4,9%, respectively). (Chart 3, Table 5, p.6).



Also on an annual basis, house prices recorded a deceleration in all districts except Nicosia where a decrease was recorded. House prices in Nicosia recorded an annual decrease (-1,6%) for a third consecutive quarter. In Limassol, Larnaca, Paphos and Famagusta a decelerated increase of 6%, 4,2%, 9,8% and 5,7%, respectively, was recorded.

Also on an annual basis, apartment prices recorded a decelerated increase in Nicosia, Paphos and Famagusta (2,6%, 8% and 4,5%, respectively), while in Limassol and Larnaca apartment prices recorded an acceleration by 4,8% and 8,2%, respectively.

Quarterly changes in the property price indices by district and by type of property during 2025Q2 are presented in Chart 4.



3. Other market indicators

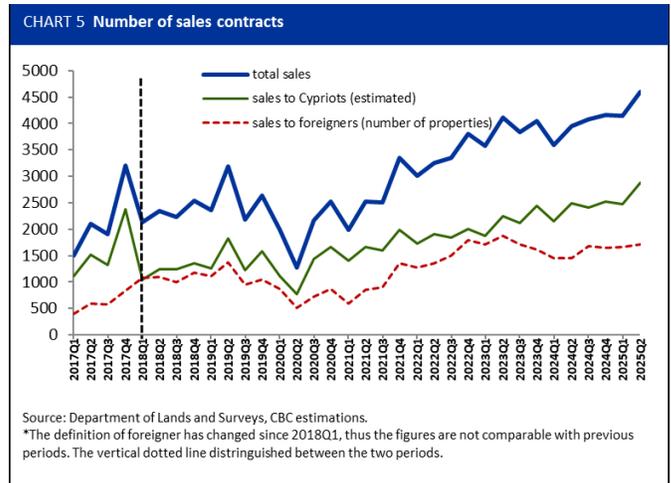
Various real estate market indicators continue to reflect positive developments in demand also in 2025Q2.

According to data published by the DLS, **sales contracts**, which concern all types of properties, recorded an annual increase of 16,1% in 2025Q2 (4.592 compared with 3.956 in 2024Q2) (**Chart 5, Table 2**). The increase stems from both local and foreign buyers. Specifically, in the quarter under review, the number of properties sold

	Locals	Foreigners		Total
		EU	Non-EU	
Nicosia	923 86%	80 7%	75 7%	1078
Limassol	889 62%	172 12%	369 26%	1430
Larnaca	605 59%	120 12%	313 30%	1038
Paphos	333 40%	149 18%	342 42%	824
Famagusta	125 57%	38 17%	59 27%	222
Total	2875	559	1158	4592

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

to local buyers registered an annual increase of 15,1% (2.875 compared with 2.498 in 2024Q2, **Chart 5**), while the number of properties sold to foreign buyers registered an annual increase of 17,8% (1.717 compared with 1.458 in 2024Q2, **Chart 5**).



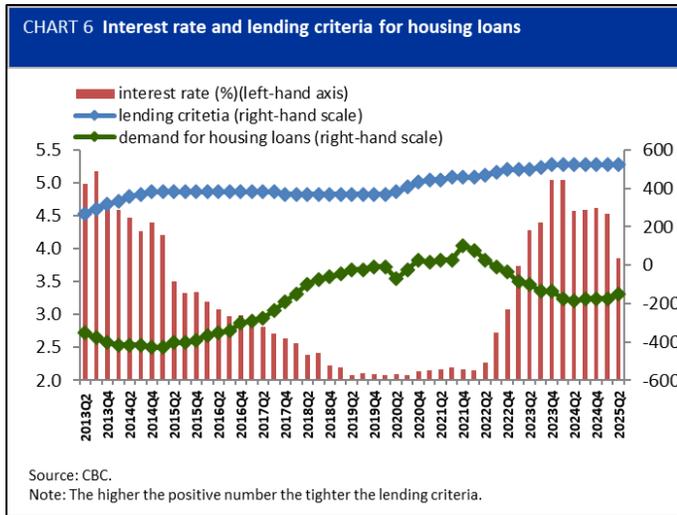
As regards the number of sales contracts by district, the largest number of transactions was registered in Limassol (1.430), followed by Nicosia (1.078), Larnaca (1.038) and Paphos (824), while Famagusta (222) recorded the lowest number of transactions (**Table 2**). Regarding the percentage of local buyers, this exceeded 50% in the districts of Nicosia, Limassol, Larnaca and Famagusta, while in Paphos the buyers were mainly foreigners (60%).

According to the CBC's latest *Monetary and Financial Statistics publication*², the volume of new housing loans recorded an important annual increase of 22,2% (€353,5m in 2025Q2 compared with €289,3m in 2024Q2). In addition, according to the same source, the interest rate for mortgage loans³ decreased to 3,85% on average in 2025Q2, compared with 4,58% in 2024Q2, partially supporting both demand dynamics and the gradual increase of supply for residential properties. This is also confirmed by the *CBC's Bank Lending Survey*⁴, which according to the July 2025 edition pointed to demand for loans increasing during 2025Q2, while lending criteria remained at the same strict level compared with the previous quarter (**Chart 6, p.4**).

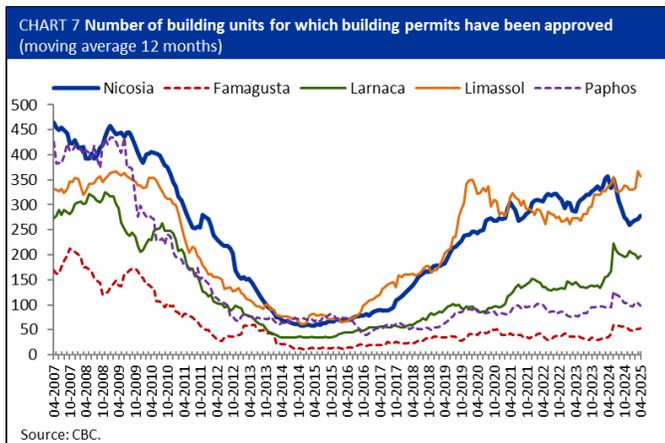
² <https://www.centralbank.cy/el/publications/monetary-and-financial-statistics>

³ Floating rate and up to one year fixed.

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



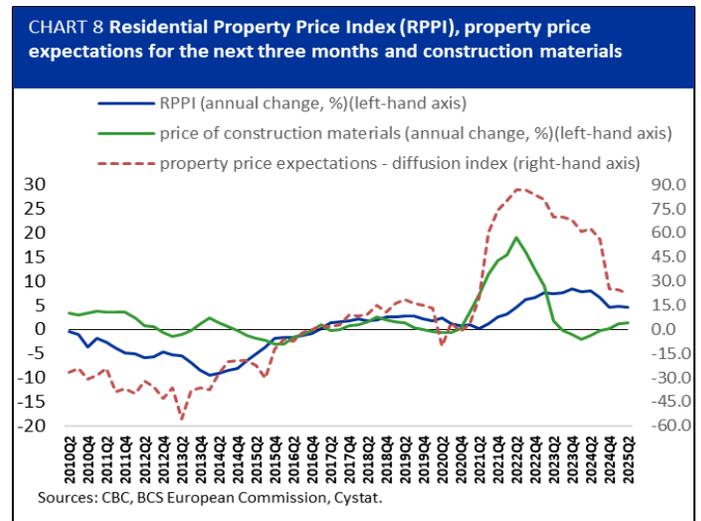
Regarding the supply of residential properties, according to the latest available data published by the Statistical Service of Cyprus (CYSTAT), the number of residential units for which building permits have been authorised, which is a leading indicator of construction activity, recorded an annual increase of 12,1% in the period January - April 2025 (from 3.854 units in the period January – April 2024 to 4.321 units in the corresponding period of 2025) (Chart 7).



As a result, a gradual increase in the supply of residential property units is expected in the medium term.

According to data from the *Business and Consumer Surveys* of the European Commission (June 2025) relating to the construction sector, the **index of construction activity** in the previous 3 months remained at a positive level for a seventh consecutive quarter during 2025Q2 (4%). 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 1,4% in 2025Q2 (Chart 8), remaining 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 (June 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 2025Q2 (22,2) compared with the corresponding quarter last year (62,8). 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	<u>Residences by type</u>		<u>Residences by district</u>					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
2025	Q2	118,2	92,7	85,4	119,3	94,8	108,9	93,5	101,1

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	<u>Apartments</u>					<u>Houses</u>				
		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
2025	Q2	97,4	143,0	113,6	114,9	88,8	79,7	105,5	87,1	106,5	95,4

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	<u>Residences by type</u>		<u>Residences by district</u>					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
2025	Q2	5,3	3,4	0,1	6,8	5,8	9,4	4,9	4,7

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
(annual change, %)

Year	Quarter	<u>Apartments</u>					<u>Houses</u>				
		N/sia	L/sol	L/ca	Paphos	F/sta	N/sia	L/sol	L/ca	Paphos	F/sta
2021	Q1	2,2	3,4	6,0	-3,0	3,2	-0,9	2,7	-0,8	-1,6	-0,1
2021	Q2	1,9	2,5	6,1	-0,4	4,9	-3,4	2,7	-0,9	-3,3	-3,3
2021	Q3	2,4	3,9	5,5	3,6	4,9	-3,0	2,0	2,1	-0,2	-2,6
2021	Q4	2,6	6,6	3,5	9,6	7,4	-0,7	3,1	1,7	-0,8	-0,3
2022	Q1	3,4	6,9	2,4	10,2	8,3	-0,2	2,1	1,3	4,0	2,4
2022	Q2	4,5	6,5	5,3	10,3	9,8	2,4	3,4	2,5	6,2	4,8
2022	Q3	4,9	9,0	7,2	11,9	12,9	4,1	6,7	1,1	7,4	6,5
2022	Q4	4,3	9,3	9,4	8,6	5,1	2,9	7,1	3,3	10,4	4,2
2023	Q1	4,4	10,4	12,3	10,3	2,4	4,2	9,4	5,8	5,7	5,0
2023	Q2	4,6	13,9	13,1	16,3	2,5	4,8	6,5	6,3	4,7	7,4
2023	Q3	4,6	14,9	13,4	18,5	-1,8	3,8	5,1	8,3	3,1	9,5
2023	Q4	5,7	15,2	17,2	22,2	6,5	5,0	6,5	7,7	2,6	10,9
2024	Q1	5,1	16,5	18,1	21,4	16,5	3,6	3,9	6,6	7,1	10,6
2024	Q2	4,3	13,3	16,8	17,7	16,5	1,3	7,7	7,0	10,1	9,4
2024	Q3	3,3	10,2	15,1	14,4	19,2	2,1	7,4	6,1	11,4	8,5
2024	Q4	2,6	5,5	8,7	12,1	14,2	-0,4	5,1	6,1	14,7	7,8
2025	Q1	3,1	2,6	7,1	13,8	7,2	-1,2	9,1	6,0	12,7	8,0
2025	Q2	2,6	4,8	8,2	8,0	4,5	-1,6	6,0	4,2	9,8	5,7

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 altered 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.