



# CENTRAL BANK OF CYPRUS

EUROSYSTEM

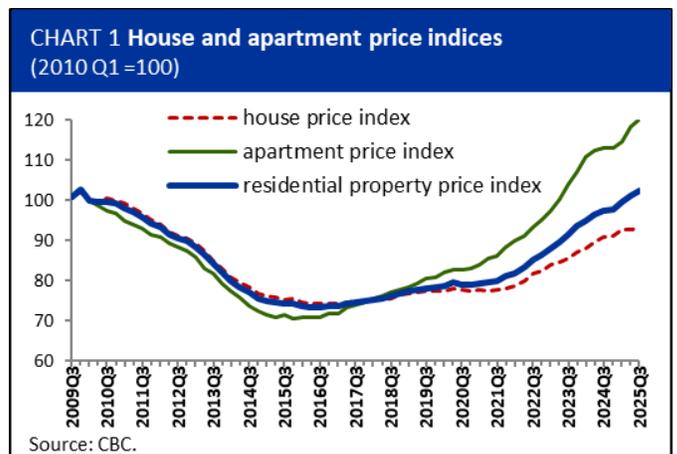
## RESIDENTIAL PROPERTY PRICE INDEX (RPPI)

### 2025 Q3

Residential property prices continued to rise during 2025Q3, as recorded in the Residential Property Price Index (RPPI).

- In 2025Q3, the Residential Property Price Index of the Central Bank of Cyprus (CBC)<sup>1</sup> (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). The Apartment Price Index recorded accelerated increases across all districts, except Nicosia, where the same annual growth rate was recorded as in 2025Q2. The House Price Index in Nicosia recorded an annual decrease for a fourth consecutive quarter. An annual decrease was recorded in Famagusta in 2025Q3.
- The abovementioned developments reflect the ongoing positive trend in demand, in the context of a shift in preferences toward smaller properties, given the elevated construction costs.
- In more detail, 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 2025Q3, both from local and foreign buyers.
- Regarding supply of real estate properties, the rising trend in authorised building permits continues. According to the latest available data of the authorised building permits, an increase was recorded over January – July 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 (September 2025), with the index of construction activity in the previous 3 months remaining in positive territory over the last eight quarters.

| Table 1 Overview  | 2024 Q3      | 2024 Q4      | 2025 Q1      | 2025 Q2      | 2025 Q3      |
|---|--------------|--------------|--------------|--------------|--------------|
| <b>Residential property price index (2010 Q1=100)</b>   | <b>97,4</b>  | <b>97,8</b>  | <b>99,6</b>  | <b>101,1</b> | <b>102,3</b> |
| Quarterly change  | 0,9%         | 0,4%         | 1,9%         | 1,5%         | 1,2%         |
| Annual Change   | 6,5%         | 4,5%         | 4,8%         | 4,7%         | 5,0%         |
| <b>(a) Property price index Houses (2010Q1=100)</b>     | <b>90,8</b>  | <b>91,2</b>  | <b>92,8</b>  | <b>92,7</b>  | <b>93,1</b>  |
| Quarterly change  | 1,2%         | 0,5%         | 1,8%         | -0,1%        | 0,4%         |
| Annual change   | 6,0%         | 4,6%         | 5,6%         | 3,4%         | 2,6%         |
| <b>(b) Property price index Apartments (2010Q1=100)</b> | <b>113,0</b> | <b>113,1</b> | <b>114,6</b> | <b>118,2</b> | <b>120,3</b> |
| Quarterly change  | 0,6%         | 0,1%         | 1,4%         | 3,1%         | 1,7%         |
| Annual change   | 8,8%         | 5,5%         | 3,5%         | 5,3%         | 6,4%         |



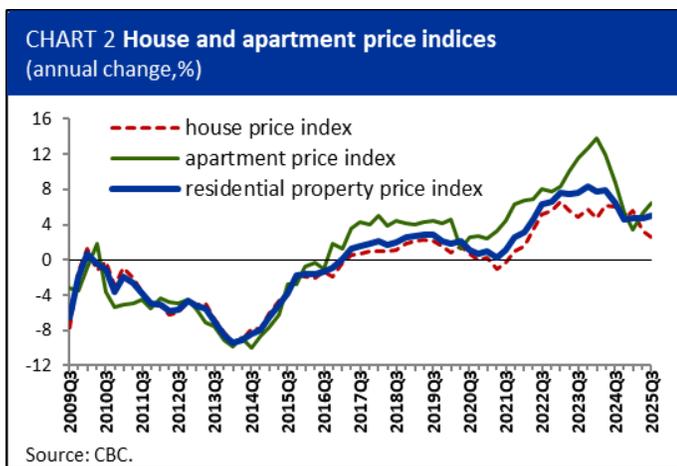
<sup>1</sup> The CBC RPPI is calculated by the Real Estate Unit of the Division Economic Analysis and Research on the basis of market valuations of real estate prices and a statistical methodology widely used in the international literature. It takes partial account of developments in previous quarters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

[https://www.centralbank.cy/images/media/pdf/Methodology\\_EN\\_est.pdf](https://www.centralbank.cy/images/media/pdf/Methodology_EN_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)

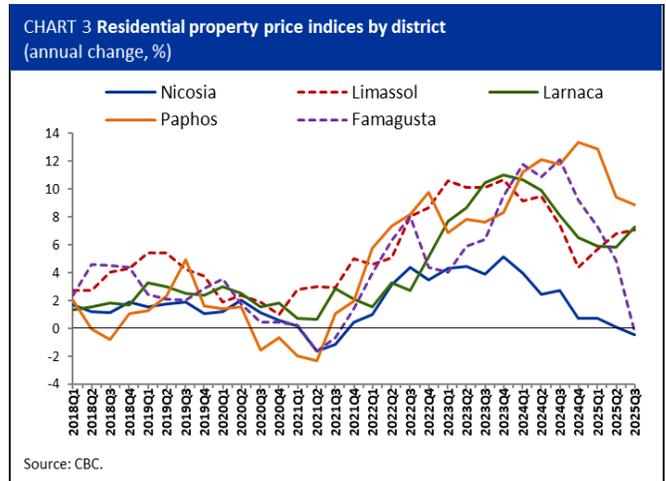
The RPPI (houses and apartments) recorded a quarterly increase of 1,2% in 2025Q3, compared with an increase of 1,5% in 2025Q2. This is driven by a decelerated quarterly increase of 1,7% in apartment prices, and a small increase of 0,4% in house prices (Chart 1, Table 1, p.1).

On an annual basis, the RPPI recorded an increase of 5% in 2025Q3 compared with an increase of 4,7% in 2025Q2. In the quarter under review, apartment prices recorded an acceleration of the order of 6,4%, while house prices recorded a deceleration to 2,6% (Chart 2, Table 1, p.1).



### 2. Price changes by district

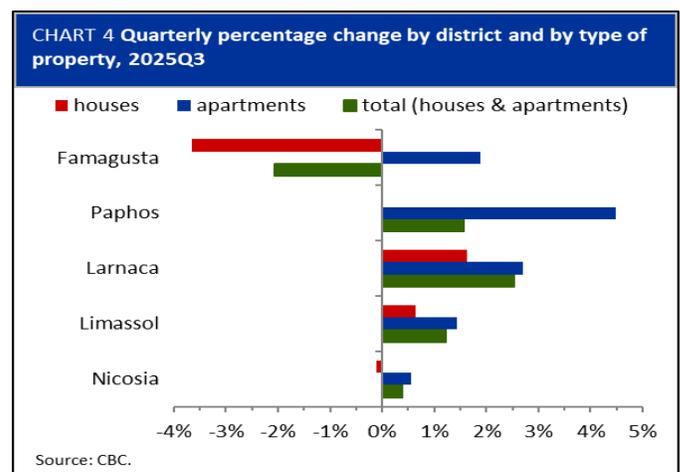
Regarding the annual changes in the price indices of individual districts, the RPPI recorded an acceleration in growth in Limassol (7,1%) and Larnaca (7,3%), while a small decrease in the RPPI was recorded in Nicosia and Famagusta (-0,5% and -0,3%, respectively). In Paphos, a deceleration to 8,9% was recorded. (Chart 3, Table 5, p.6).



Regarding house prices on an annual basis, a deceleration to 5,5% and 7,4% was recorded in Limassol and Paphos, respectively. Larnaca continued to record the same annual growth rate (4,2%) as the previous quarter, while Famagusta recorded an annual decrease of -1,6%. House prices in Nicosia recorded an annual decrease of -2,7% for a fourth consecutive quarter in 2025Q3.

Apartment prices recorded an accelerated increase across all districts, except in Nicosia where the same annual growth as the previous quarter of 2025 (2,6%) was recorded. Specifically, apartment prices recorded an accelerated increase of 5% in Limassol, 9,6% in Larnaca, 10,5% in Paphos and 5,9% in Famagusta.

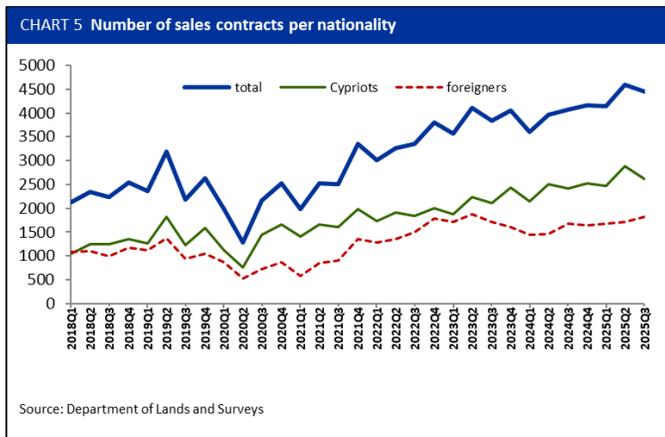
Quarterly changes in the property price indices by district and by type of property during 2025Q3 are presented in Chart 4.



### 3. Other market indicators

Various real estate market indicators continue to reflect the positive developments in demand also in 2025Q3.

According to data published by the DLS, **sales contracts**, which concern all types of properties, recorded an annual increase of 8,9% in 2025Q3 (4.444 compared with 4.081 in 2024Q3) (**Chart 5, Table 2**).



The increase stems from both local and foreign buyers. Specifically, in the quarter under review, the number of properties sold to local buyers registered an annual increase of 8,6% (2.617 compared with 2.409 in 2024Q3, **Chart 5**), while the number of properties sold to foreign buyers registered an annual increase of 9,3% (1.827 compared with 1.672 in 2024Q3, **Chart 5**).

|                  | Locals      | Foreigners |             | Total       |
|------------------|-------------|------------|-------------|-------------|
|                  |             | EU         | Non-EU      |             |
| <b>Nicosia</b>   | 826<br>85%  | 74<br>8%   | 81<br>8%    | <b>981</b>  |
| <b>Limassol</b>  | 876<br>61%  | 162<br>11% | 393<br>27%  | <b>1431</b> |
| <b>Larnaca</b>   | 514<br>56%  | 102<br>11% | 305<br>33%  | <b>921</b>  |
| <b>Paphos</b>    | 280<br>32%  | 240<br>27% | 358<br>41%  | <b>878</b>  |
| <b>Famagusta</b> | 121<br>52%  | 53<br>23%  | 59<br>25%   | <b>233</b>  |
| <b>Total</b>     | <b>2617</b> | <b>631</b> | <b>1196</b> | <b>4444</b> |

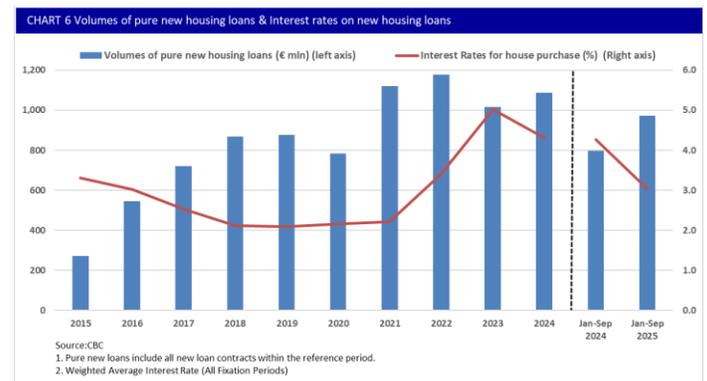
\*The percentages (%) concern the share of local and foreign buyers per district.

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

<sup>3</sup> Weighted average interest rate (All fixation periods).

As regards the number of sales contracts by district, the largest number of transactions was registered in Limassol (1.431), followed by Nicosia (981), Larnaca (921) and Paphos (878), while Famagusta (233) 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 (68%).

The ongoing expansion of mortgage lending, combined with the gradual easing of interest rates for new mortgage loans, is supporting the real estate market. According to the CBC's latest *Monetary and Financial Statistics publication*<sup>2</sup>, the volume of new housing loans recorded a significant annual increase of 22% (€972m in January – September 2025 compared with €796,8m in the respective period of 2024). It is noted that in 2025Q3, the annual increase in new lending for housing loans reached 24% compared with 2024Q3. In addition, according to the same source, the weighted average interest rate for mortgage loans<sup>3</sup> decreased to 3,03% in September 2025, compared with 4,27% in September 2024 (**Chart 6**), partially supporting both demand dynamics and the gradual increase of supply for residential properties.

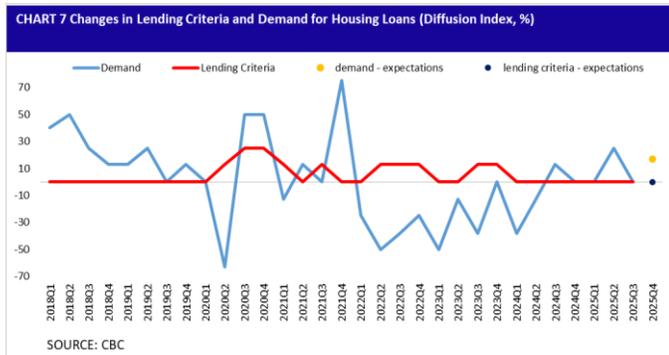


The positive trend in housing loans is also confirmed by the CBC's *Bank Lending Survey*<sup>4</sup> of October 2025. In particular, in 2025Q3 the net demand for housing loans remained at the same level as in the previous quarter. Also, lending criteria for housing loans<sup>5</sup> remained at the same strict level compared with the previous quarter

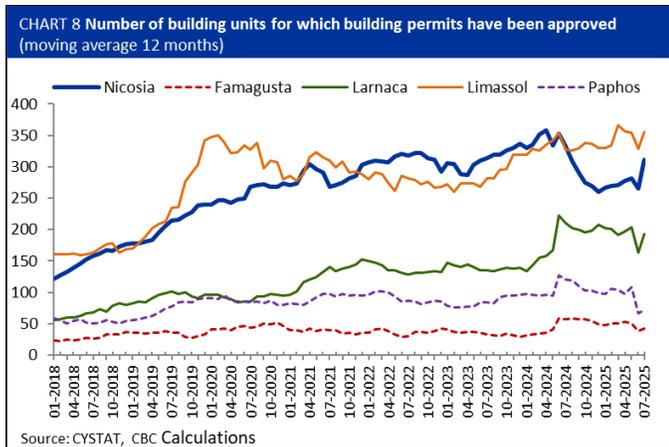
<sup>4</sup> <https://www.centralbank.cy/el/publications/surveys/bank-lending-survey>

<sup>5</sup> Concerning the direction of changes in the credit standards, a positive value indicates a tightening of credit standards, while a negative value indicates an easing of credit standards.

(Chart 7). According to banks’ expectations for 2025Q4, an increase in the net demand for housing loans is expected, while credit standards for housing loans are expected to remain unchanged in line with the trend observed since 2024Q1.



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 4,6% in the period January - July 2025 (from 7.772 units in the period January – July 2024 to 8.128 units in the corresponding period of 2025) (Chart 8).

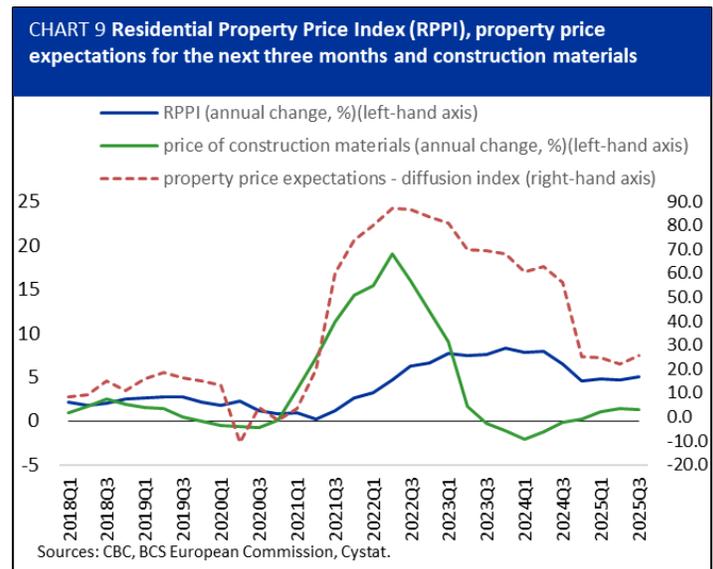


As a result, a gradual increase in the supply of residential property units is expected in the medium term.

According to data from the *Business and Consumer Surveys* (BCS) of the European Commission (September

2025), the index of construction activity in the previous 3 months remained at a positive level for an eighth consecutive quarter during 2025Q3 (12,5%). 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 1,3% in 2025Q3 (Chart 9), remaining at historically high levels in recent years, as a result of geopolitical developments and supply chain disruptions. During the period January – September 2025, the annual increase in the relevant index was also 1,3%.



According to the BCS of the European Commission (September 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 2025Q3 (25,5) compared with the corresponding quarter last year (56,2). This suggests that a smaller percentage of survey participants expect increases in property prices in Cyprus over the next three months (Chart 9). At the same time, it is noted that in the most recent months a stabilisation of the price expectations index was recorded, which is consistent with the steady annual increase in the RPPI observed during the first three quarters of 2025.

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                             |
| 2025  | Q2      | 118,2              | 92,7   | 85,4                   | 119,3 | 94,8 | 108,9  | 93,5  | 101,1                            |
| 2025  | Q3      | 120,3              | 93,1   | 85,7                   | 120,7 | 97,2 | 110,7  | 91,5  | 102,3                            |

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  |
| 2025  | Q2      | 97,4       | 143,0 | 113,6 | 114,9  | 88,8  | 79,7   | 105,5 | 87,1  | 106,5  | 95,4  |
| 2025  | Q3      | 98,0       | 145,0 | 116,7 | 120,0  | 90,5  | 79,6   | 106,2 | 88,5  | 106,5  | 91,9  |

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                              |
| 2025  | Q2      | 5,3                | 3,4    | 0,1                    | 6,8   | 5,8  | 9,4    | 4,9   | 4,7                              |
| 2025  | Q3      | 6,4                | 2,6    | -0,5                   | 7,1   | 7,3  | 8,9    | -0,3  | 5,0                              |

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 | Apartments |       |      |        |       | Houses |       |      |        |       |
|------|---------|------------|-------|------|--------|-------|--------|-------|------|--------|-------|
|      |         | 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   |
| 2025 | Q3      | 2,6        | 5,0   | 9,6  | 10,5   | 5,9   | -2,7   | 5,5   | 4,2  | 7,4    | -1,6  |

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](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](mailto:RealEstate@centralbank.cy).