



# CENTRAL BANK OF CYPRUS

EUROSYSTEM

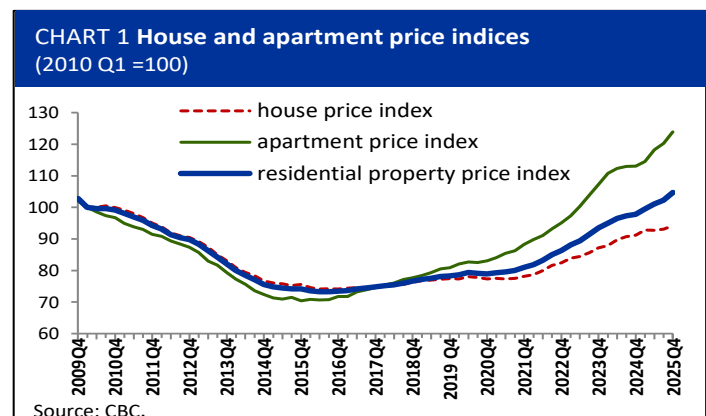
## RESIDENTIAL PROPERTY PRICE INDEX (RPPI)

### 2025 Q4

Residential property prices recorded an accelerated increase during 2025Q4. This resulted from the continued strong demand from both local and foreign buyers, the gradual rise in the supply of properties, as well as the elevated construction costs, which remain at historically high levels. The contribution of these factors to the trajectory of residential property prices is also reflected in relevant internal econometric analysis.

- In 2025Q4, the Residential Property Price Index of the Central Bank of Cyprus (CBC)<sup>1</sup> (houses and apartments) recorded an acceleration in year-on-year terms (Table 1), both as regards the Apartment Price Index as well as the House Price Index (Table 1). The Apartment Price Index recorded accelerated increases across all districts, except Famagusta, where a decrease was recorded. The House Price Index recorded annual increases across all districts except Nicosia, where an annual decrease was recorded for a fifth consecutive quarter.
- Regarding demand for real estate properties, according to data from the Department of Lands and Surveys (DLS), the total number of sales contracts recorded a significant annual increase in 2025Q4, both from local and from foreign buyers.
- Regarding the supply of real estate properties, the rising trend in approved building permits continues. According to the latest available data relating to the approved building permits, an increase was recorded over January – November 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 (December 2025), with the index of construction activity in the previous 3 months remaining in positive territory over the last nine quarters.

Table 1 Overview	2024 Q4	2025 Q1	2025 Q2	2025 Q3	2025 Q4
Residential property price index (2010 Q1=100)	97,8	99,6	101,1	102,3	104,7
Quarterly change	0,4%	1,9%	1,5%	1,2%	2,3%
Annual Change	4,5%	4,8%	4,7%	5,0%	7,1%
(a) Property price index Houses (2010Q1=100)	91,2	92,8	92,7	93,1	94,2
Quarterly change	0,5%	1,8%	-0,1%	0,4%	1,2%
Annual change	4,6%	5,6%	3,4%	2,6%	3,4%
(b) Property price index Apartments (2010Q1=100)	113,1	114,6	118,2	120,3	123,9
Quarterly change	0,1%	1,4%	3,1%	1,7%	3,0%
Annual change	5,5%	3,5%	5,3%	6,4%	9,6%



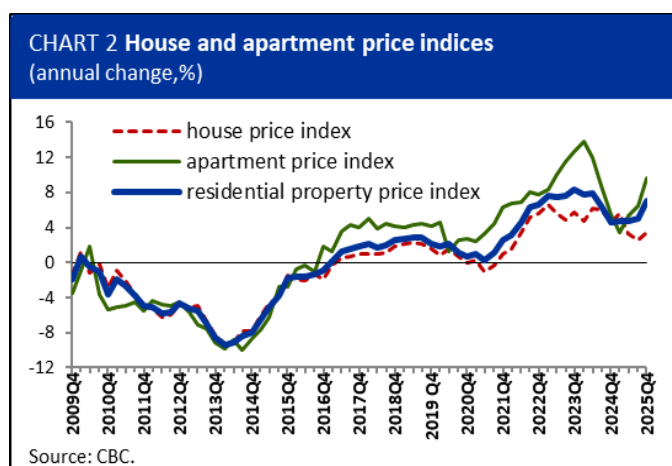
<sup>1</sup> The CBC RPPI is calculated by the Real Estate Unit of the Division Economic Analysis and Research on the basis of market valuations of real estate prices and a statistical methodology widely used in the international literature. It takes partial account of developments in previous quarters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

[https://www.centralbank.cy/images/media/pdf/Methodology\\_EN\\_latest.pdf](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 the market course.

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

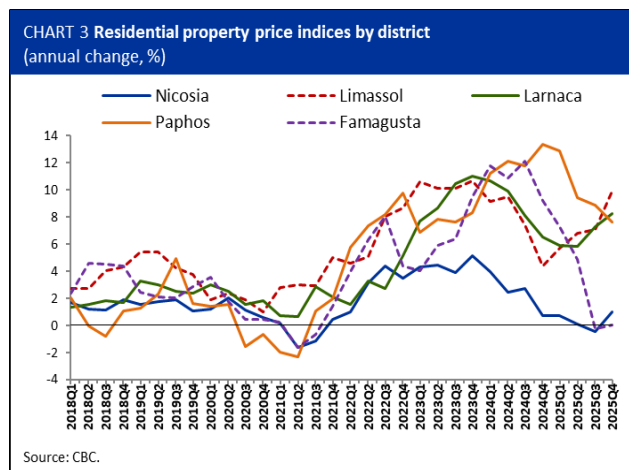
The RPPI (houses and apartments) recorded a quarterly increase of 2,3% in 2025Q4, compared with an increase of 1,2% in 2025Q3. This was driven by an accelerated quarterly increase of 3% in apartment prices, and of 1,2% in house prices (**Chart 1, Table 1, p.1**).

On an annual basis, the RPPI recorded an increase of 7,1% in 2025Q4 compared with an increase of 5% in 2025Q3. In the quarter under review, apartment prices recorded an acceleration of the order of 9,6%, and in house prices by 3,4% (**Chart 2, Table 1, p.1**).



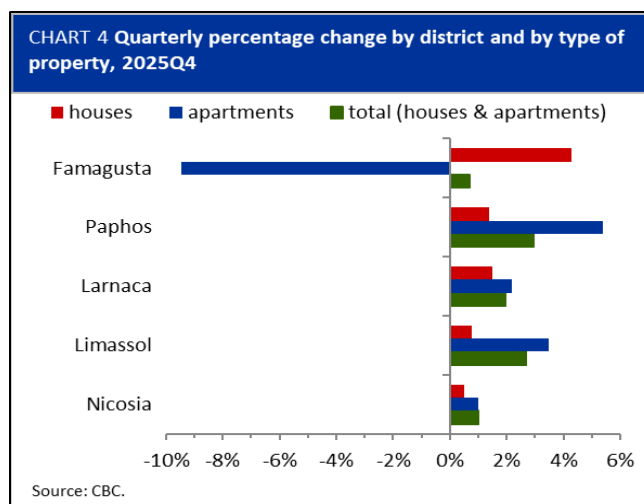
## 2. Price changes by district

Regarding annual changes in the price indices of individual districts, the RPPI recorded an increase in Nicosia, after a decrease in the previous quarter, an acceleration in Limassol and Larnaca, a deceleration in Paphos, while in Famagusta the index remained at the same level as in 2024Q4. Particularly, an increase of 1% was recorded in Nicosia and an acceleration of 9,9% and 8,3% in Limassol and Larnaca, respectively. In Paphos, a deceleration of 7,6% was recorded. (**Chart 3, Table 5, p.7**).



Across property types and on an annual basis, an accelerated increase was recorded in House prices as well as in Apartment prices. Regarding the House Price Index, a deceleration to 4% was recorded in Paphos. At the same time, an accelerated increase was recorded in Limassol (6%) and Larnaca (4,5%), as well as an increase in Famagusta (1,9%) after a decrease in the previous quarter. Nicosia recorded an annual decrease for a fifth consecutive quarter (-1,3%). Apartment prices recorded an accelerated increase across all districts in 2025Q4, except in Famagusta where a decrease was recorded (-4,1%). Specifically, apartment prices recorded an accelerated increase of 3% in Nicosia, 9,3% in Limassol, 12,2% in Larnaca and 13,6% in Paphos.

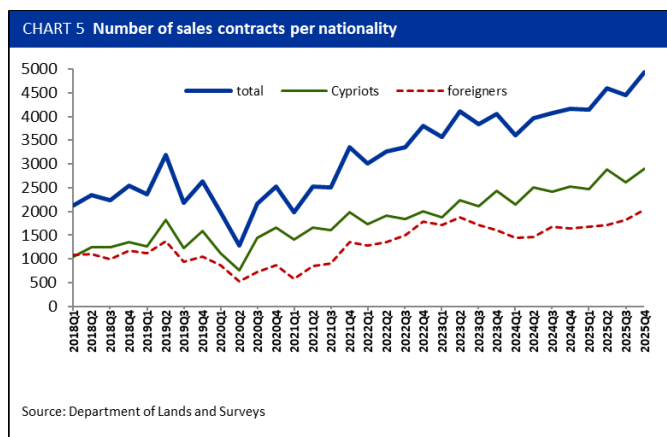
Quarterly changes in the property price indices by district and by type of property during 2025Q4 are presented in **Chart 4**.



### 3. Other market indicators

Various real estate market indicators continue to reflect the positive developments in demand also in 2025Q4.

According to data published by the DLS, **sales contracts**, which concern all types of properties, recorded an annual increase of 18,7% in 2025Q4 (4.941 compared with 4.163 in 2024Q4) (**Chart 5, Table 2**).



The increase in sales contracts 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 15,3% (2.901 compared with 2.516 in 2024Q4, **Chart 5**), while the number of properties sold to foreign buyers registered an annual increase of 23,9% (2.040 compared with 1.647 in 2024Q4, **Chart 5**).

Table 2 Number of Sales contracts per district*, 2025Q4.				
	Locals	Foreigners		Total
		EU	Non-EU	
<b>Nicosia</b>	940 84%	98 9%	86 8%	<b>1124</b>
<b>Limassol</b>	942 67%	123 9%	342 24%	<b>1407</b>
<b>Larnaca</b>	557 51%	182 16%	370 33%	<b>1109</b>
<b>Paphos</b>	327 32%	248 24%	461 44%	<b>1036</b>
<b>Famagusta</b>	135 51%	67 25%	63 24%	<b>265</b>
<b>Total</b>	<b>2901</b>	<b>718</b>	<b>1322</b>	<b>4941</b>

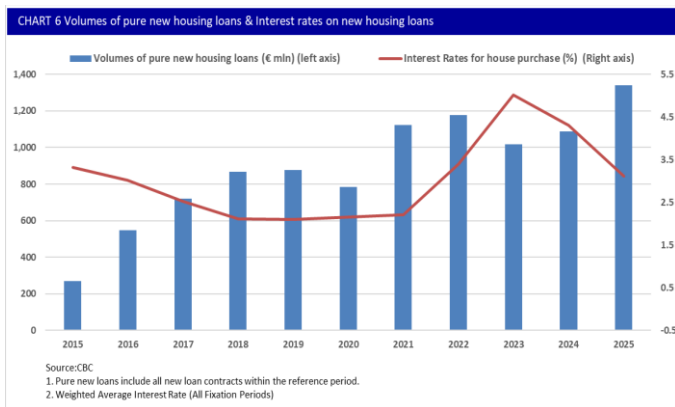
\*The percentages (%) concern the share of local and foreign buyers per district.

As regards the number of sales contracts by district, the largest number of transactions was registered in Limassol (1.407), followed by Nicosia (1.124), Larnaca (1.109) and Paphos (1.036), while Famagusta (265) recorded the lowest number of transactions (**Table 2**). Regarding the percentage of local buyers, in the district of Nicosia it amounted to 84%, and in the district of Limassol to 67%. In the districts of Larnaca and Famagusta, the proportion of local and foreign buyers was generally balanced, while in Paphos buyers are mainly foreign (68%).

Loans to households for house purchase continued to grow at a steady trend in 2025, maintaining a strong upward dynamic. This trend was supported by the gradual easing of interest rates, which contributed to strengthening demand in 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 an annual increase of 23,1% (€1.338,2m in 2025 compared with €1.087,2m in 2024), reaching historically high levels. In 2025Q4, the annual increase in new lending for housing loans reached 26,1% compared with 2024Q4. The weighted average interest rate for mortgage loans<sup>3</sup> decreased to 3,12% in December 2025, compared with 4,30% in December 2024 (**Chart 6, p.4**), reflecting the gradual easing of the ECB's monetary policy stance since mid-2024. Interest rates converged towards the Eurozone median and, since May 2025, remained consistently below it, further supporting credit expansion in housing loans. At the same time, increased demand for owner-occupied housing, investment-related purchases, and properties intended for short-term rental, as well as the positive performance of tourism and tertiary education, contributed to maintaining strong activity in the relevant sector.

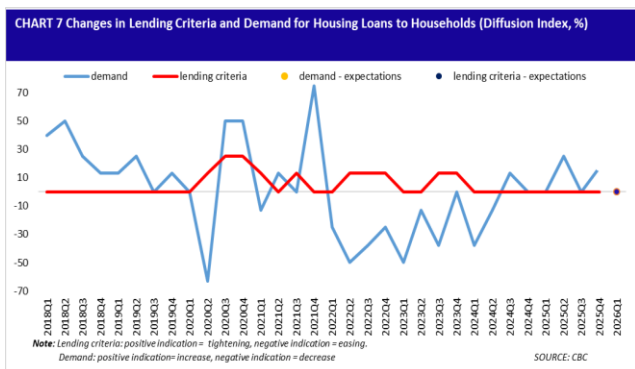
<sup>2</sup> <https://www.centralbank.cy/el/publications/monetary-and-financial-statistics>

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



Overall, these developments supported both demand and the gradual increase in the supply of residential properties.

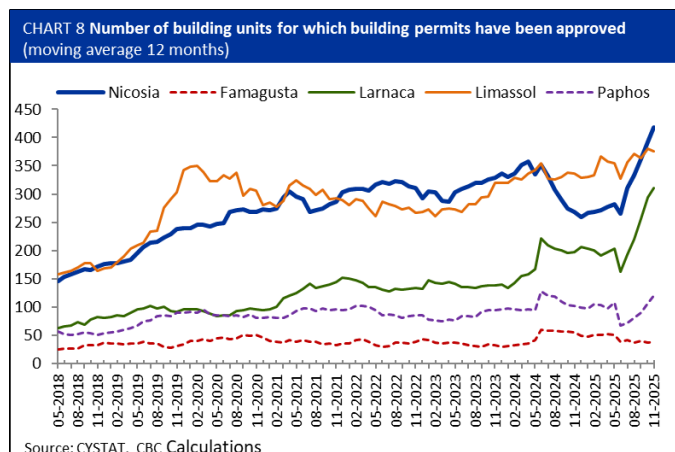
The positive trend in housing loans is also reflected in the *CBC's Bank Lending Survey*<sup>4</sup> of January 2026. In particular, net demand for housing loans in 2025Q4 increased compared with the previous quarter, while lending criteria for housing loans<sup>5</sup> remained at the same strict level compared with the previous quarter (**Chart 7**). According to banks' expectations for 2026Q1, net demand for housing loans is expected to remain at the same level as in 2025Q4. Also, credit standards for housing loans are expected to remain at the same strict level during 2026Q1.



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 36,1% in the period January - November 2025 (from 10.584 units in the period January – November 2024

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

to 14.401 units in the corresponding period of 2025) (**Chart 8**).

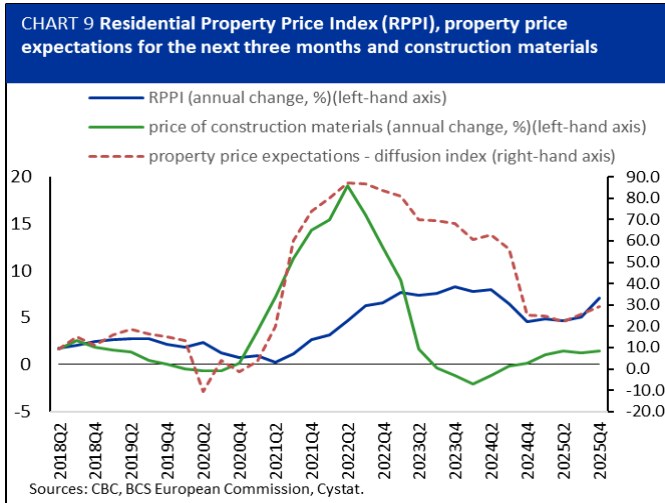


As a result, a gradual increase in the supply of residential property units is expected in the medium term.

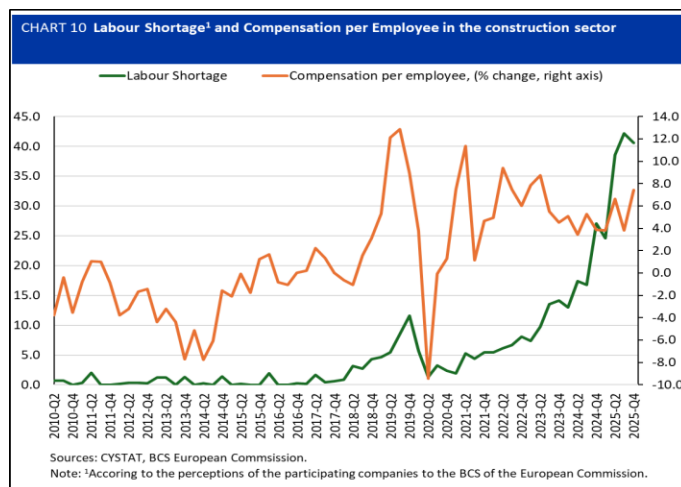
According to data from the *Business and Consumer Surveys* (BCS) of the European Commission (December 2025), the **index of construction activity** in the previous 3 months remained at a positive level for a ninth consecutive quarter during 2025Q4 (14,4%). This is in line with the aforementioned gradual increase in supply.

The **price index of construction materials**, published by CYSTAT, recorded a minor annual increase of 1,4% in 2025Q4 (**Chart 9, p. 5**), remaining at historically high levels in recent years, as a result of geopolitical developments and supply chain disruptions. In 2025, the annual increase in the relevant index reached 1,3%.

<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.



According to the BCS of the European Commission (December 2025), **property price expectations** over the next three months are in line with the trend recorded in the residential property prices as they are on a higher level in 2025Q4 (29,1) compared with the corresponding quarter last year (25,5). This suggests that a larger percentage of survey participants expect increases in property prices in Cyprus over the next three months (**Chart 9**).



In addition, and according to the same source (the BCS of the European Commission), labour shortages observed in recent years in the construction sector, based on the perceptions of the companies participating in the survey, are exerting upward pressure on real estate prices (**Chart 10**). These reported labour shortages are also consistent with the wage increases in the sector, which throughout 2025 remain higher than the historical pre-pandemic averages.

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
2025	Q4	123,9	94,2	86,6	123,9	99,1	113,9	92,2	104,7

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
2025	Q4	99,0	150,1	119,2	126,5	81,9	80,1	107,0	89,9	108,0	95,9

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

Source: CBC.

**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	
2025	Q4	9,6	3,4	1,0	9,9	8,3	7,6	0,0	7,1	

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

Source: CBC.

**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
2025	Q4	3,0	9,3	12,2	13,6	-4,1	-1,3	6,0	4,5	4,0	1,9

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>

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