



Across Cyprus, residential prices for both apartments and houses showed increases on a quarterly basis by 1.3% and 0.7% respectively. The biggest increase was spotted in Famagusta by 2.08% and in Paphos by 1.73% both for Apartments.

Values for holiday homes on a quarterly basis across Cyprus increased by 0.2% for Apartments and by 0.6% for Houses. The biggest increase was spotted in Larnaca by 2.2%, whilst the largest drop was in Limassol by -1.5%, both for Holiday Apartments.

Across Cyprus, on an annual basis, prices increased by 2.3% for Apartments, by 1.9% for Houses, by 0.5% for Retail, and 1.1% for Warehouses. A decrease was observed for Offices by -0.8%.

This is the 48<sup>th</sup> publication of RICS' Cyprus Property Index with KPMG in Cyprus, a quarterly price and rental index which is based on methodology produced by the University of Reading, UK. The Index tracks property and rental prices across all districts and main property types.

### **Introduction & Commentary**

During the third quarter of 2021, Real Estate transactions continued to recover from the pandemic and the COVID-19 restrictions. The quarter saw a modest increase of 2%, in comparison with a 11% when comparing to previous seasonal year. The total number of registered contracts of sale were decreased marginally by -1% since last quarter but increased by 15% since last year. The number of properties sold to foreigners (Non-EU) with registered contracts of sale increased by 45% compared to the previous guarter and 26% when compared to the previous seasonal year. The issue of NPLs and DFAS by most banks continues to be present in the market, although less challenging.

# **Market Capital Values**

The Property Price Index has recorded mostly increases on a quarterly basis. Larnaca records a decrease in Warehouses and Limassol in Holiday Apartments. Minor decreases were also observed in Paphos Retail and Warehouses, and Limassol Holiday Houses.

#### Quarterly change in average prices







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#### **Market Rental Values**

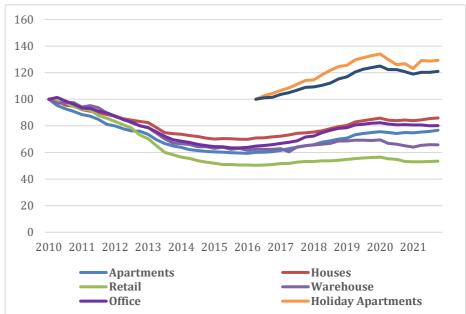
Across Cyprus, on a quarterly basis all rental values showed increases, with increases by 1.1% for apartments, and 0.4% for houses. Minor increases were spotted, 0.2% in Retail, 0.1% in Offices and 0.2% in Warehouses.

On an annual basis, rents increased by 5.1% for apartments, 4.1% for houses, and 1.4% for warehouses, but decreased -1.0% for retail and -0.6% for Office.

## Appraisal based initial yields

At Q3 of 2021 average gross yields stood at 4.9% for apartments, 2.6% for houses, 5.7% for retail, 4.4% for warehouses, and 5.2% for offices.

# Average price index (all types) 160











# Index parameters and methodology

### Methodology

The methodology underpinning the RICS Cyprus Property Index with KPMG in Cyprus was developed by the University of Reading, UK. The report is available upon request at ricscyprus@rics.org

# **Coverage and Variables Monitored**

The RICS Cyprus Property Price Index with KPMG in Cyprus monitors the urban centres of Nicosia, Limassol, Larnaca, Paphos and Paralimni-Famagusta. The Index only tracks prices in Republic of Cyprus' government controlled area and not in the occupied North.

In each of these centres, the index monitors the Market Value and Market Rent, as defined in the RICS Red Book, across the four main property sectors – office (CBD), retail (high street), industrial (warehouse) and residential (houses and apartments).

Recognising that there are sub-districts within these urban areas which operate and behave in a varying manner, a number of these is monitored in order to derive the composite index for each category per urban area.

The information provided in this publication is based on the average price and rent of the sub-districts monitored per urban centre per sector. The complete list of these sub-districts can be found in the University of Reading's report which is available upon request at ricscyprus@rics.org

#### **Nature of Notional Buildings**

The RICS Cyprus Property Price Index with KPMG in Cyprus monitors hypothetical or notional buildings, each having specific characteristics. Details of these hypothetical properties are provided in the University of Reading's report.

The provided price per sqm is based on the Gross External Area of the property (as defined in the RICS' Code of Measurement Practice 8th Edition), which includes the living area and covered verandas but excludes common areas.

#### Frequency

The index is produced on a quarterly basis.

#### **Monitoring Process**

The estimation of price levels is carried out by accredited RICS property professionals who are active in the relevant markets.











# **Contributing professional bodies**

#### **Profile of RICS**

RICS is a global professional body. We promote and enforce the highest professional qualification and standards in the development and management of land, real estate, construction and infrastructure. Our name promises the consistent delivery of standards – bringing confidence to the markets we serve. The work of our professionals creates a safer world: we are proud of our profession's reputation and we guard it fiercely. RICS in Europe is based in Brussels and represents 17 national associations, with over 8,150 members in Continental Europe. Visit www.rics.org for more information.

# **Profile of KPMG in Cyprus**

KPMG has been operating in Cyprus since 1948 and currently employs more than 850 professionals working from 6 offices across the island. It is a member of KPMG International Ltd, a global organisation of independent professional services firms providing Audit, Tax and Advisory services, operating in 146 countries / territories, having approximately 227.000 people. Clients look to KPMG for a consistent standard of service based on high-order professional capabilities, industry insight, local knowledge and expertise.

#### Profile of ΣΕΕΟΚΚ

The Cyprus Association of Quantity Surveyors and Construction Economists ( $\Sigma$ EEOKK) is the association that represents Chartered Quantity Surveyors and Quantity Surveyors whose main area of work is in Cyprus and they permanently live in Cyprus. Visit www.seeokk.org for more information.

# **Profile of Cyprus Association of Valuers and Property Consultants**

The Association was founded in 1972. At present there are about 100 members registered with the Association and concurrently with the Cyprus Scientific and Technical Chamber (CSTC), which is the official body that regulates the Valuation Profession in Cyprus. Our members are also members of RICS and are operating in accordance with the International Valuation Standards and the RICS Appraisal and Valuation Manual (Red Book).

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