

# RICS' Cyprus Property Index with KPMG in Cyprus

Quarterly publication of the property price and rental index, tracking property and rental prices across all Cyprus districts and main property types.

Q1 2022



50<sup>th</sup> publication

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## Overview of Real Estate Activity

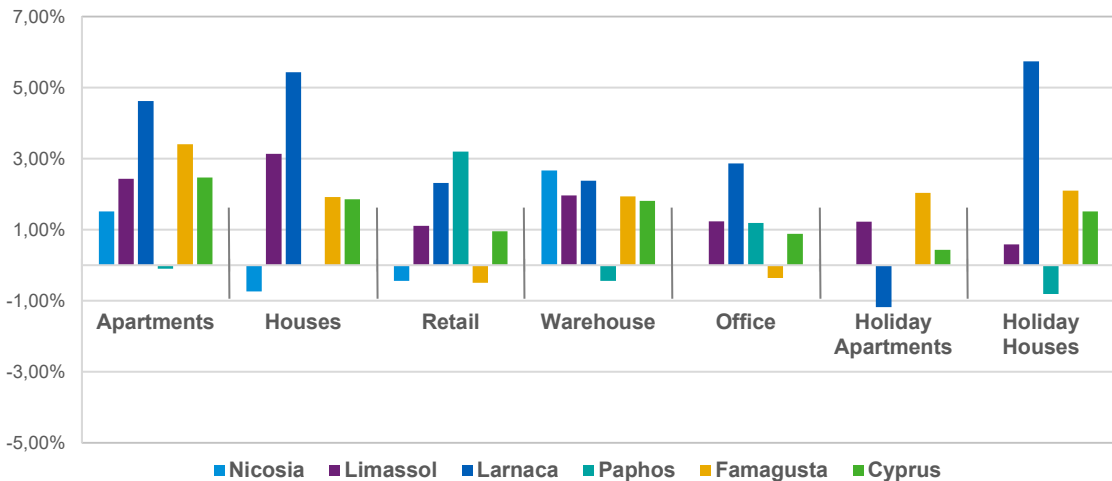
During the first quarter of 2022, Real Estate transactions continued to recover from the pandemic, showing significant YoY increases. The period under examination demonstrated a 31% YoY increase in Recorded Transactions, and a 52% YoY increase in Contracts of Sale. Conversely, the number of properties sold to foreigners (Non-EU) with registered contracts of sale showed a -14% YoY decrease, illustrating perhaps the withdrawal of the citizenship program.

The recent increase in inflation and rising construction costs are issues that are expected to impact prices and potentially volumes of transactions in the forthcoming quarters.

## Market Capital Values

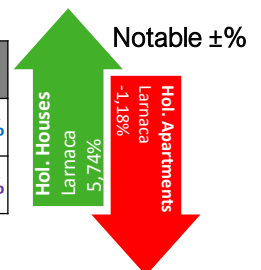
In Q1 2022, Larnaca is in the spotlight, recording the biggest increase of the market in Holiday Houses but also topping the categories of apartments, houses and offices. Minor decreases were also observed in various asset categories throughout Cyprus.

## Average Prices QoQ change (per District)



## Average Prices % YoY change (Cyprus)

Year	Apartments	Houses	Retail	Warehouse	Office	Holiday Apartments	Holiday Houses
	Q1 2022	+2,75%	+1,86%	+0,96%	+1,81%	+0,89%	+0,43%
Q1 2021	+0,66%	+0,81%	+0,04%	+1,99%	-0,04%	+4,84%	+1,06%



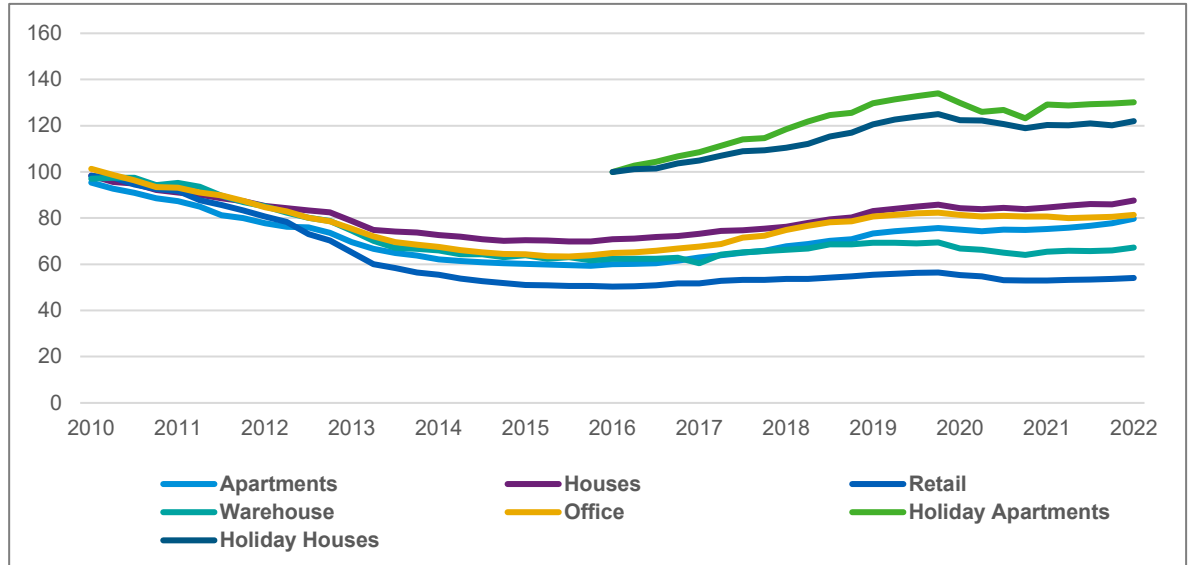
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## Average Price Index (all types)



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### Market Rental Values

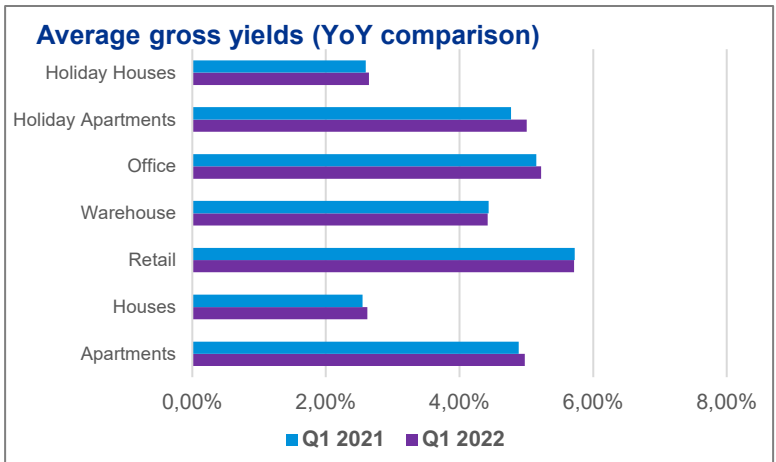
During the period of examination, across Cyprus all rental values showed QoQ increases, with the highest being in Apartments (3,65%) and the lowest in Warehouses (0,51%).

Rental Values – QoQ change						
Apartments	Houses	Retail	Warehouse	Office	Holiday Apartments	Holiday Houses
3,66%	2,91%	0,78%	0,51%	0,91%	3,65%	2,06%

### Appraisal based initial yields

Average gross yields for the period under examination showed YoY marginal increases, with the retail still giving the highest yield, and houses the lowest.

Yields	Q1 2022
Apartments	4,97%
Houses	2,62%
Retail	5,71%
Warehouse	4,42%
Office	5,22%
Holiday Apartments	5,01%
Holiday Houses	2,64%



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## 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](mailto: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](mailto: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.

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## 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](http://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 145 countries / territories, having approximately 236.000 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 (ΣΕΕΟΚΚ) 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](http://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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