

RICS Conference on REO & NPL Management

Cyprus Real Estate Market & Expectations

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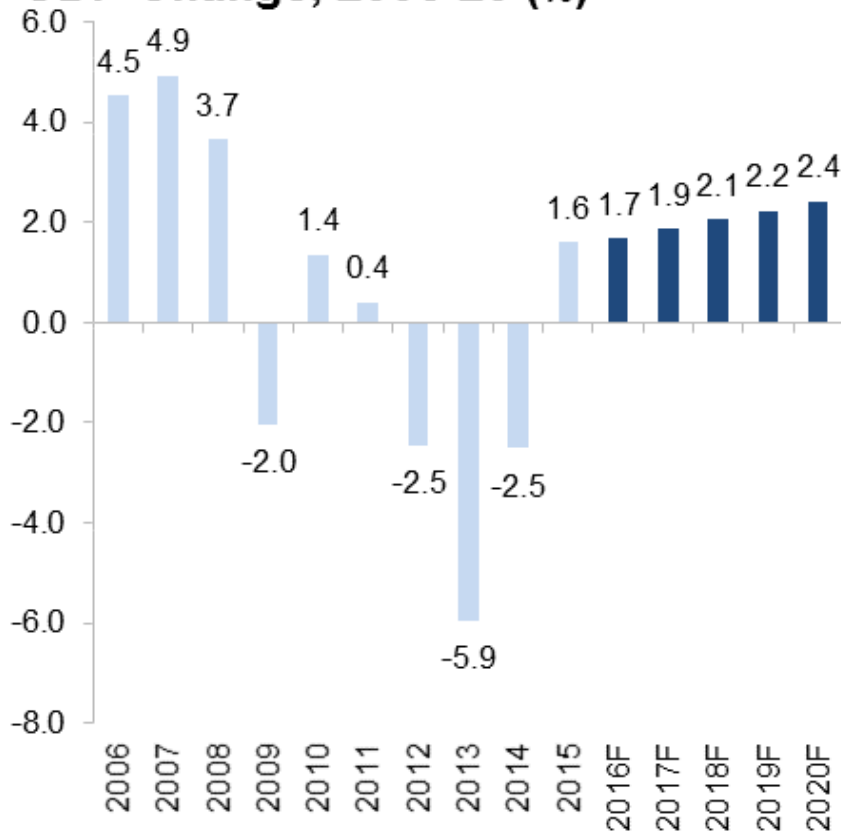
PART I

Macroeconomic Overview

GPD, TOURISM, INFLATION, UNEMPLOYMENT, PRIVATE
CONSUMPTION

GROSS DOMESTIC PRODUCT (GDP)

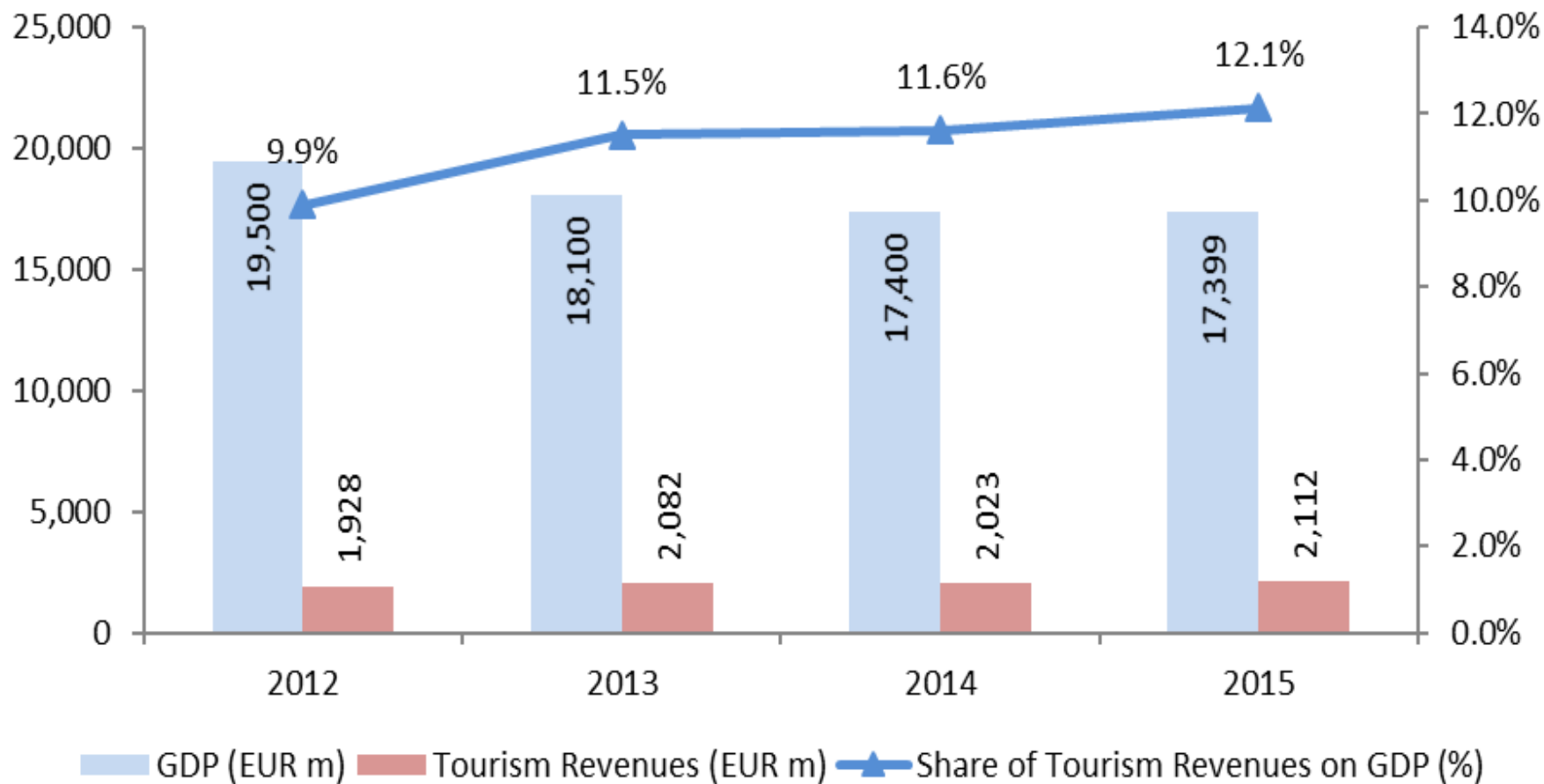
GDP Change, 2006-20 (%)



- The GDP of Cyprus reflected the situation of the local economy
- the strong increase of 2006-08 was followed by a 6-year unstable period where the national output contracted significantly with the peak negative years of 2013 (-5.9%) and 2014 (-2.5%).

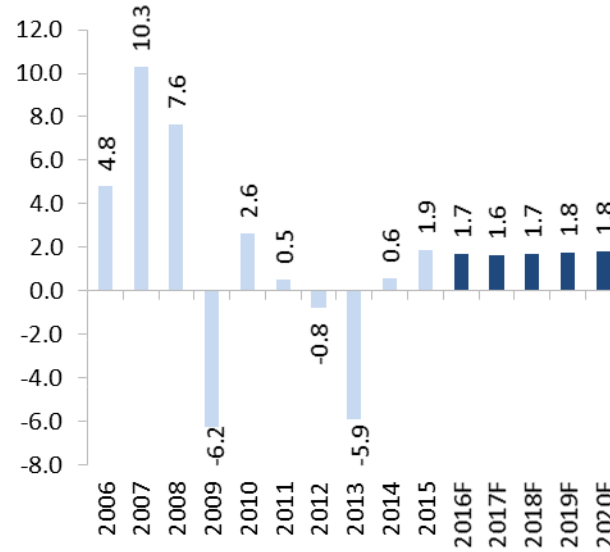
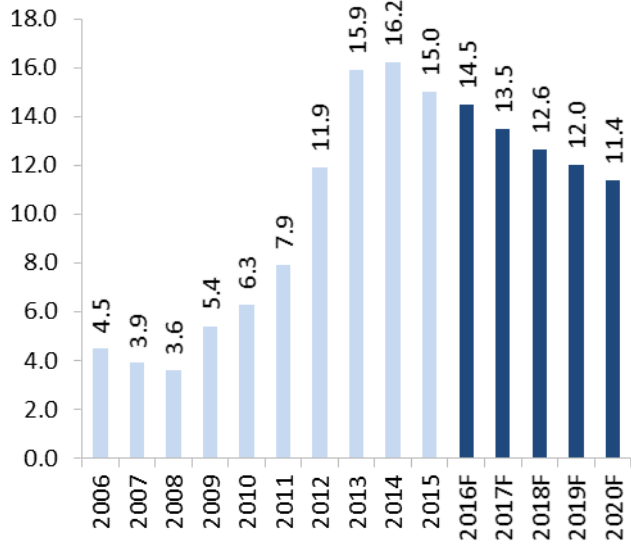
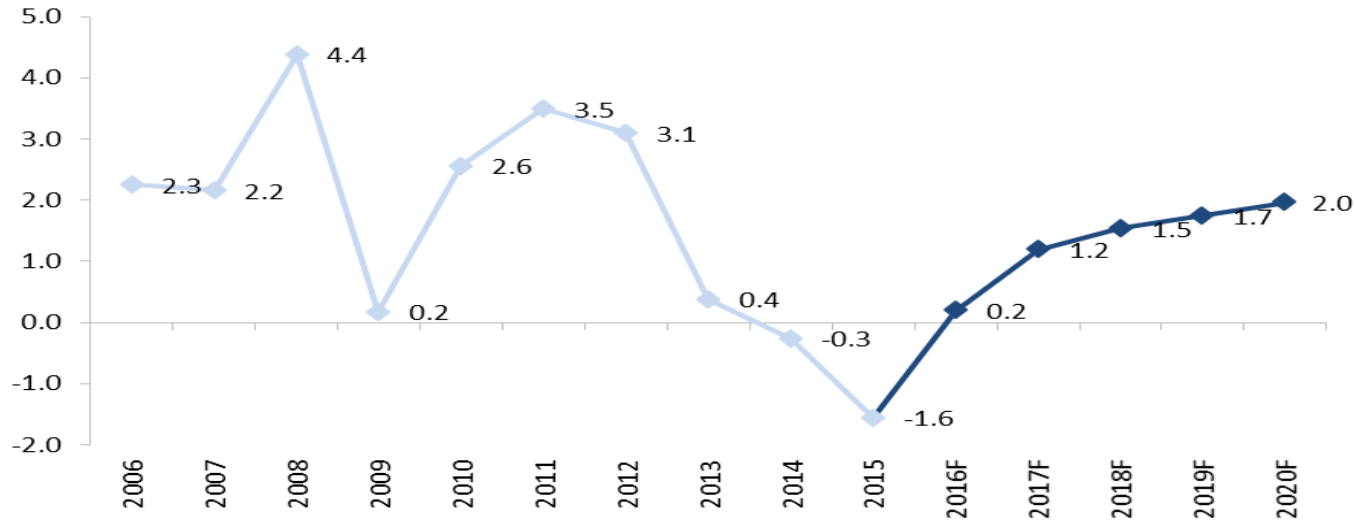
Source: Focus Economics

TOURISM SECTOR OVERVIEW



Source: CYPSTAT

INFLATION, UNEMPLOYMENT, PRIVATE CONSUMPTION



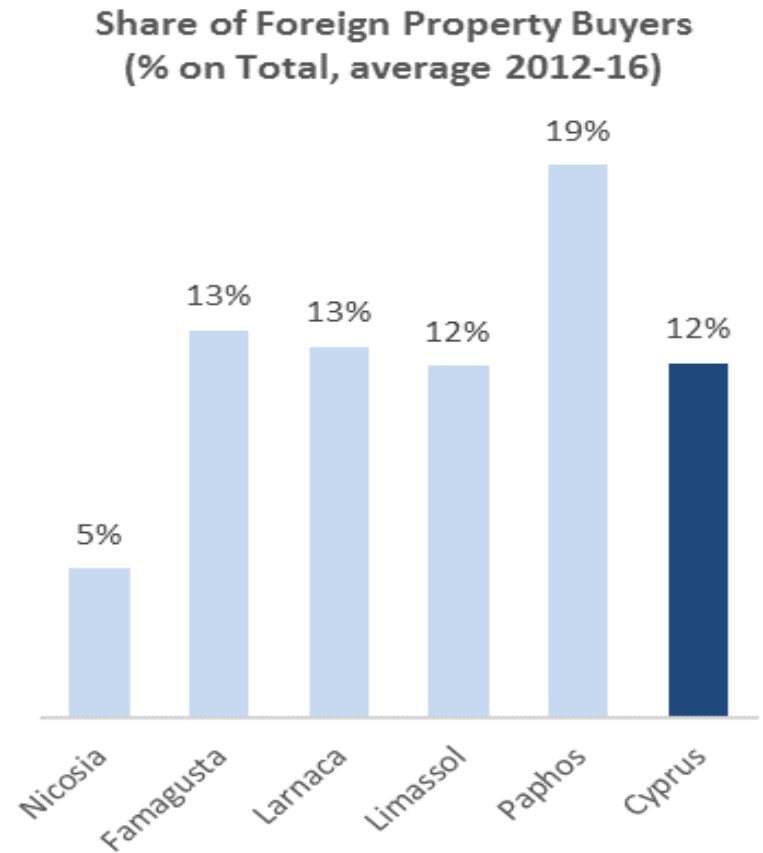
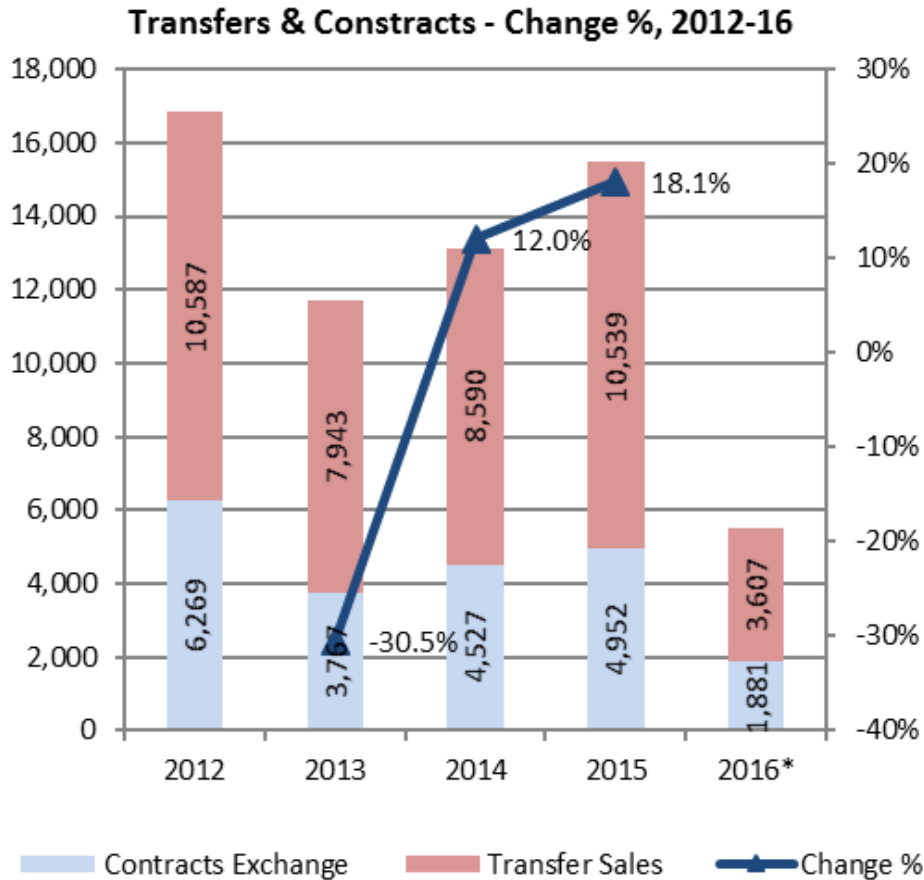


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PART II

Property Market Overview

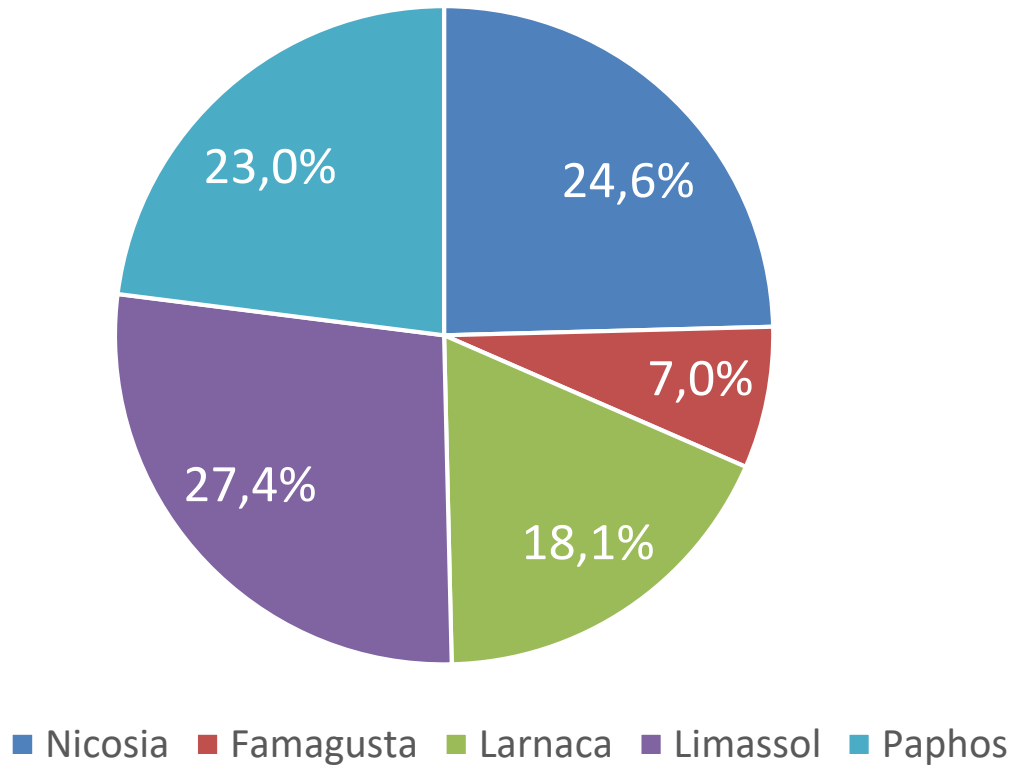
TRANSFER & CONTRACTS



Source: Department of Land and Surveys of Cyprus

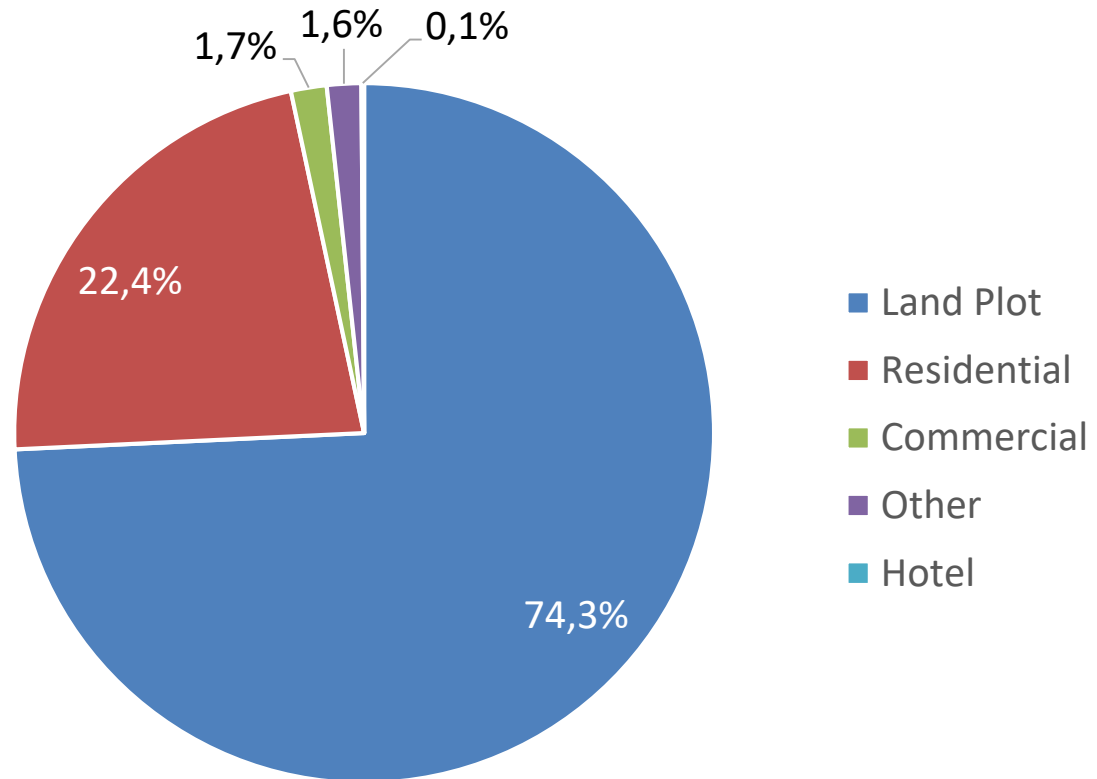
SHARE OF EACH DISTRICT ON TOTAL TRANSACTIONS 2012-2016

Share of each District on Total Transactions
(average 2012-16)



Source: Department of Land and Surveys of Cyprus

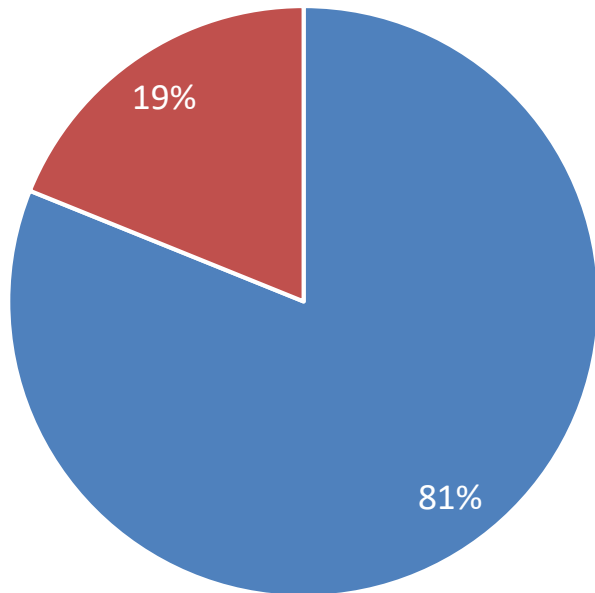
BREAKDOWN OF TRANSACTIONS PER PROPERTY TYPE 2011-2016 (% average)



Source: Department of Land and Surveys of Cyprus

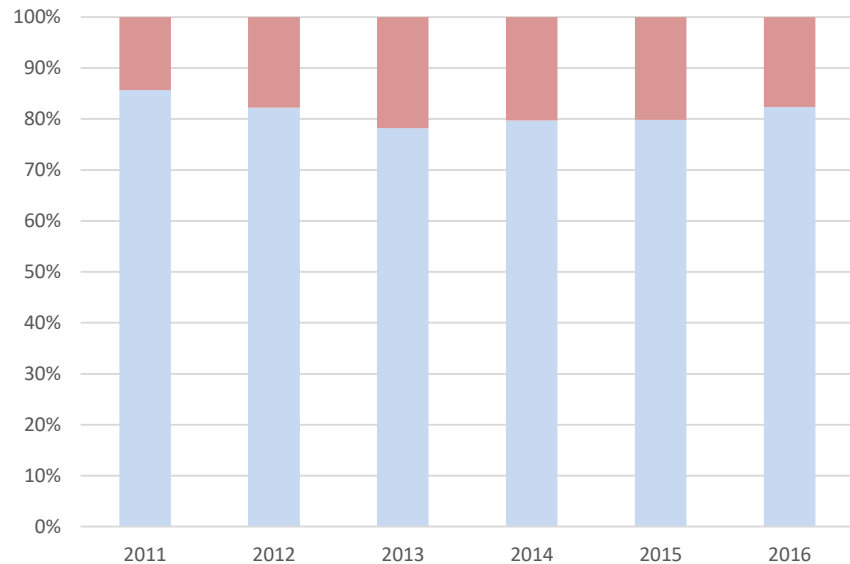
TRANSACTIONS BREAKDOWN FOR RESIDENTIAL UNITS 2011-2016

Transactions Breakdown between Apartments & Houses (% on Total Residential Transactions, average 2011-16)



■ Apartments ■ Houses

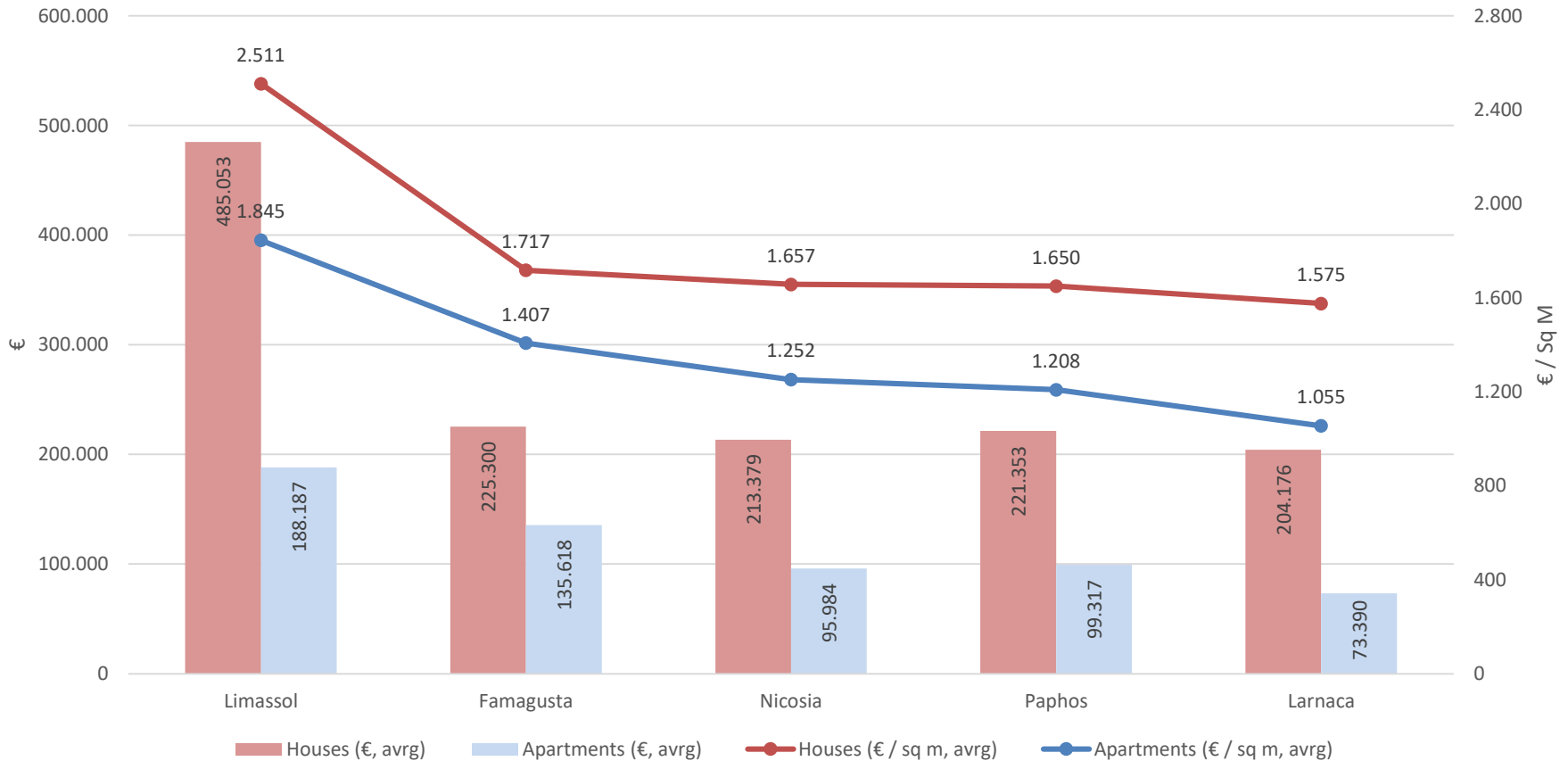
Transactions Breakdown between Apartments & Houses (% on Total Residential Transactions, average 2011-16)



■ Apartments ■ Houses

Source: Department of Land and Surveys of Cyprus

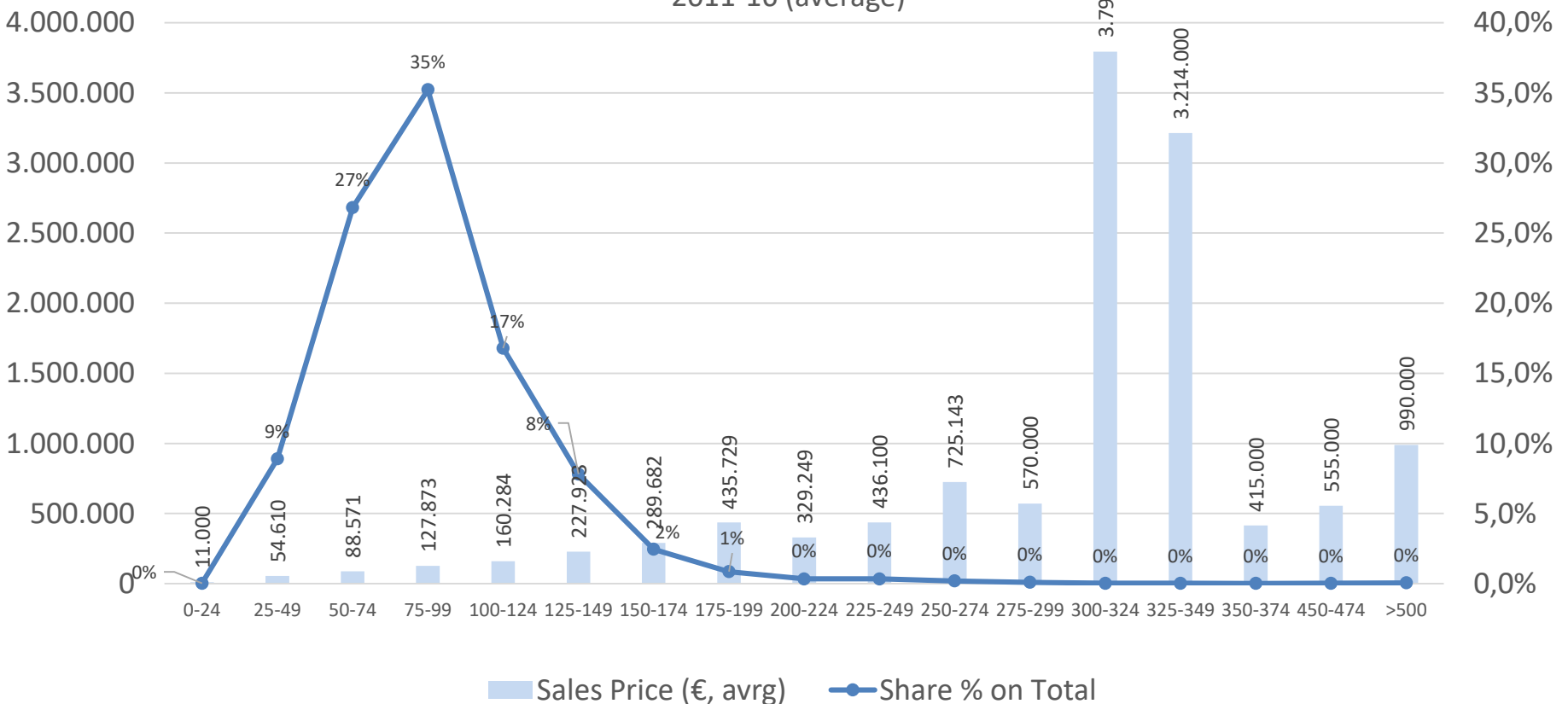
SALES PRICES OF APARTMENTS & HOUSES PER DISTRICT 2011-2016 (€, € / sq m, average)



Source: Department of Land and Surveys of Cyprus

DEMAND FOR FLATS PER SIZE

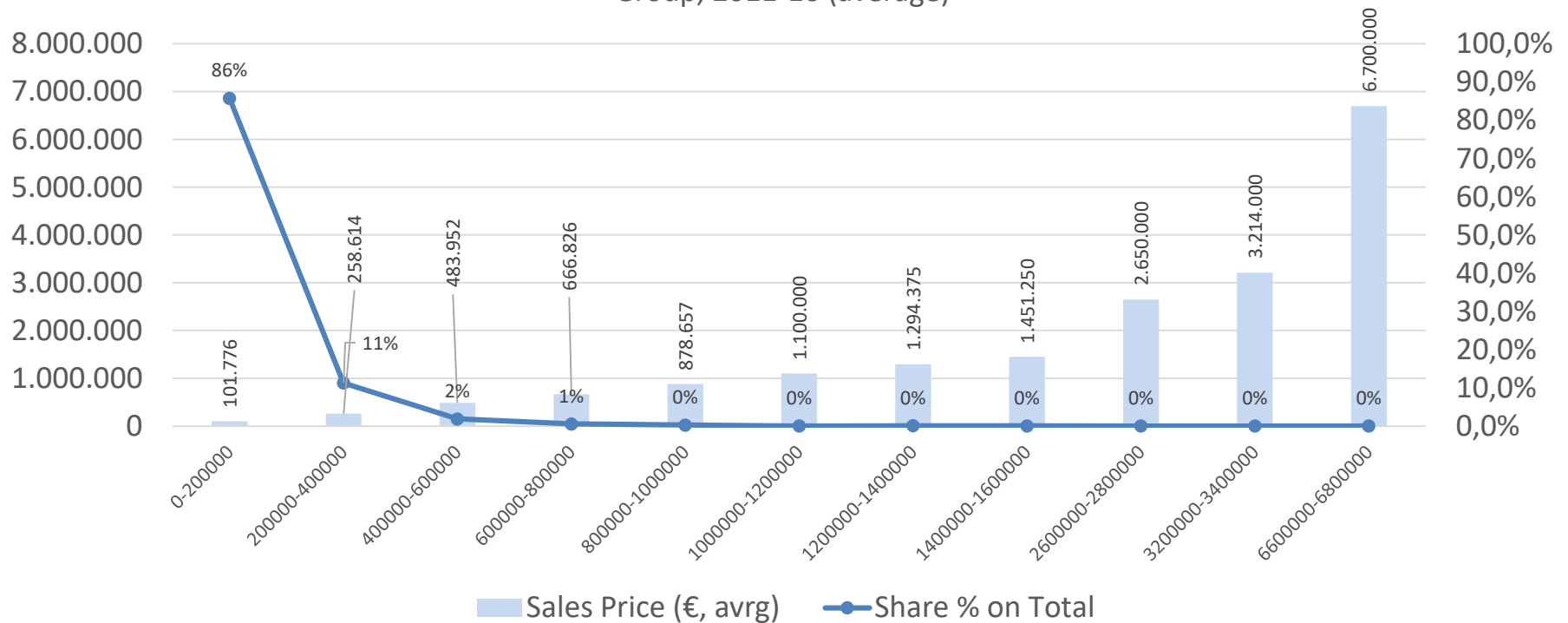
Sales Prices (€) and Share (%) on Total Transactions of Apartments in Cyprus per Unit Size Group, 2011-16 (average)



Source: Department of Land and Surveys of Cyprus

DEMAND FOR FLATS PER PRICE

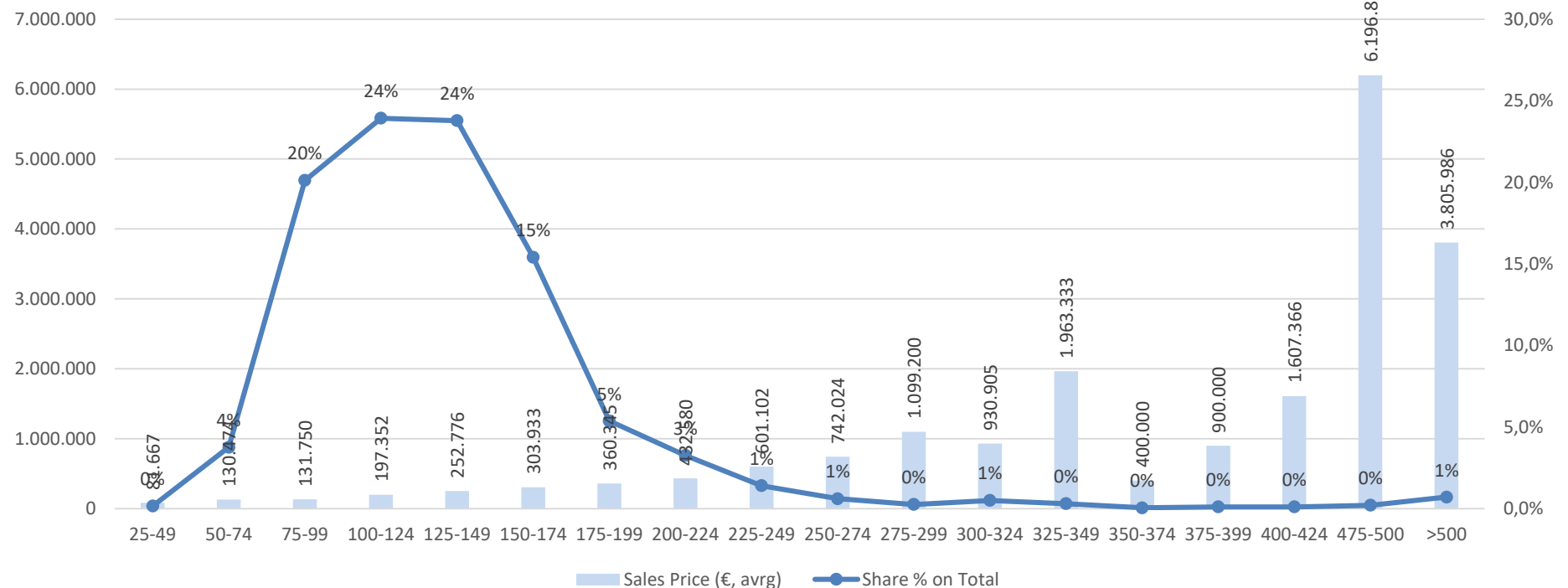
Sales Prices (€) and Share (%) on Total Transactions of Apartments in Cyprus per Sales Price Group, 2011-16 (average)



Source: Department of Land and Surveys of Cyprus

DEMAND FOR HOUSES PER SIZE

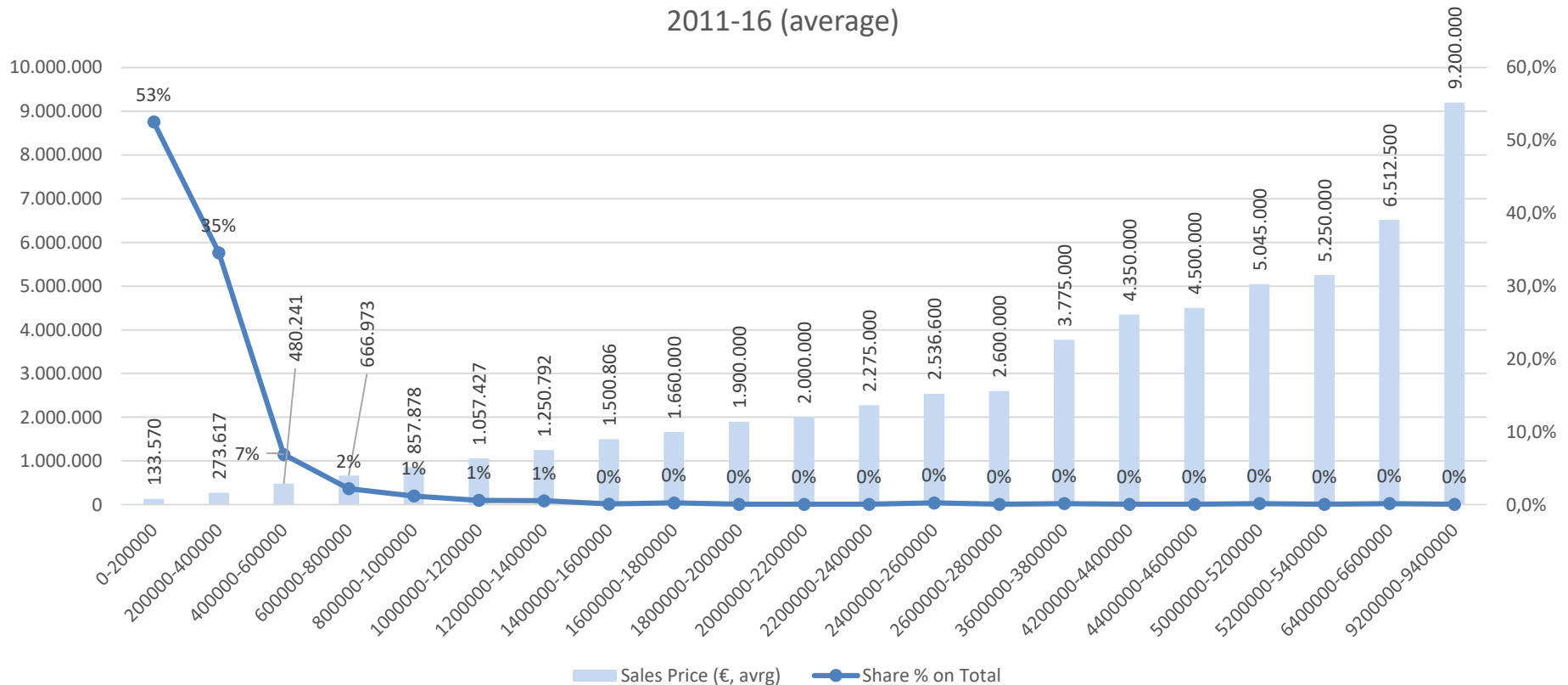
Sales Prices (€) and Share (%) on Total Transactions of Houses in Cyprus per Unit Size Group, 2011-16 (average)



Source: Department of Land and Surveys of Cyprus

DEMAND FOR HOUSES PER PRICE

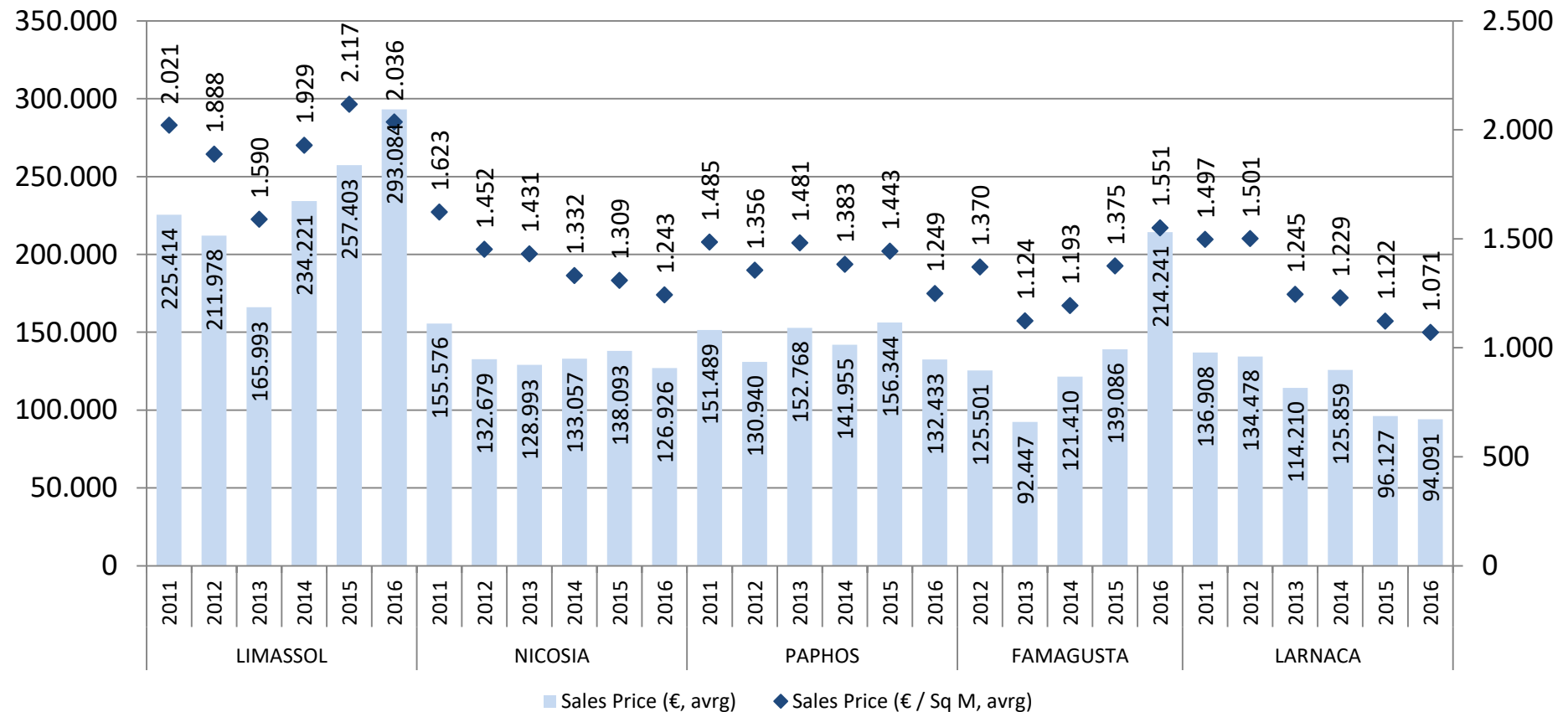
Sales Prices (€) and Share (%) on Total Transactions of Houses in Cyprus per Sales Price Group, 2011-16 (average)



Source: Department of Land and Surveys of Cyprus

SALES PRICES FOR RESIDENTIAL UNITS

Sales Prices of Residential Units per District, 2011-16 (€, € / Sq M)



Source: Department of Land and Surveys of Cyprus



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PART III EXPECTATIONS

GOLDEN VISAS, PERMANENT RESIDENSHIPS, BRANDING,
TRANSPARENCY, POLICY STATEMENT 9.4

PERMANENT RESIDENCE

non-EU citizens who invest in the country to obtain permanent residence in Cyprus.

permanent residence is granted not only to the applicant, but also to his/her spouse and children under the age of 18.

To obtain permanent residence, the applicants must meet all of the below-mentioned financial and qualitative criteria. The rules of the program do not require applicants to conduct business activities or have employment in Cyprus.

Financial criteria:

1.The applicant must deposit a minimum capital of EUR 30.000 in a Cypriot financial institution (e.g., a bank) for a period of at least 3 years. The capital should originate from abroad.

2.The applicant should provide the Cypriot immigration authorities with a proof that his/her annual income derived from abroad is at least EUR 30.000. If the applicant has dependent persons (e.g., children or a spouse), the threshold of the annual income is increased by EUR 5.000 for every dependent and EUR 8.000 for a dependent parent or parent in law.

3.The applicant alone or/and applicant's spouse should own residential property having a total market value of at least EUR 300.000, excluding VAT. The payment of EUR 200.000 for the residential property has to be done before applying for a permanent residence. Moreover, the applicant has to present a proof that the funds for such a payment originate from abroad. The official purchase contract should be registered at Cyprus Department of Lands and Surveys. The purchase of a residential property can also be made through an European Economic Area (EEA) entity, provided that the applicant and/or the spouse are the owners of the entity. The rules of the program stipulate that the applicant may purchase two properties which cumulatively meet the threshold of EUR 300.000 if such properties constitute:

1. Two new residential properties bought from the same developer;
2. One residential property and a shop having a surface of up to 100 sq. meters;
3. One residential property and an office having a surface of up to 250 sq. meters.

CITIZENSHIP BY INVESTMENT (GOLDEN VISA)

1. Investment in real estate, developments and infrastructure projects

The applicant should make an investment of at least EUR 2 million for the purchase or construction of real estate.

2. Purchase, establishment, or participation in Cypriot businesses and companies

The applicant must make an investment of at least EUR 2 million in the purchase, creation or participation in businesses or companies that are based and operating in the Republic. These businesses or companies should have a demonstrable and tangible presence in Cyprus and employ at least five Cypriot citizens.

3. Investment in Alternative Investment Funds or financial assets of Cypriot enterprises or Cypriot organizations licensed by the Securities and Exchange Commission

The applicant should purchase units amounting to at least EUR 2 million from Alternative Investment Funds (AIF). This criterion also covers the purchase of financial assets of Cypriot businesses or organizations for at least EUR 2 million, in the form of bonds, securities and debt securities.

4. Combination of the above investments

The applicant may invest in a combination of the above, provided that the total investment amounts to at least EUR 2 million.

The applicant's investment combination may include the purchase of special government bonds of the Republic of Cyprus of up to EUR 500,000.

OTHER ISSUES FOR CONSIDERATION

- BRANDING AND REALES
- TRANSPARENCY AND COMPARATIVE EVIDENCE
- PRICES ON AGRICULTURAL LAND AFTER NEW POLICY STATEMENT 9.4