

# Cyprus Property Price Index Q3 2017 Prices as at 30/09/17

This is the thirty-second publication of RICS' Cyprus Property Price Index, 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.

Across Cyprus, residential prices for both houses and flats increased on a quarterly basis by 1.7% and 0.5% respectively, with the biggest increase being in Limassol with quarterly increase of 4.1% for flats and 5.5% houses.

Values for holiday homes on a quarterly basis across Cyprus increased by 2.50% for flats and 1.80% for houses. Limassol showed the highest quarterly increases for holiday apartments with an increase of 4% and Paralimni for holiday homes with an increase of 2.9%.

Across Cyprus, on an annual basis (compared to Q3 2016), flats increased by 7.4%, houses by 4.2%, offices by 8.8%, warehouses by 4.4% and retail by 4.5%.

Across Cyprus, on an annual basis for flats and houses the highest increase was in Limassol with 13.2% and 14.3% respectively, for offices the highest increase was in Nicosia with 19.5%, for warehouses and retail the highest increase was in Nicosia with 7% respectively.

## Introduction & Commentary

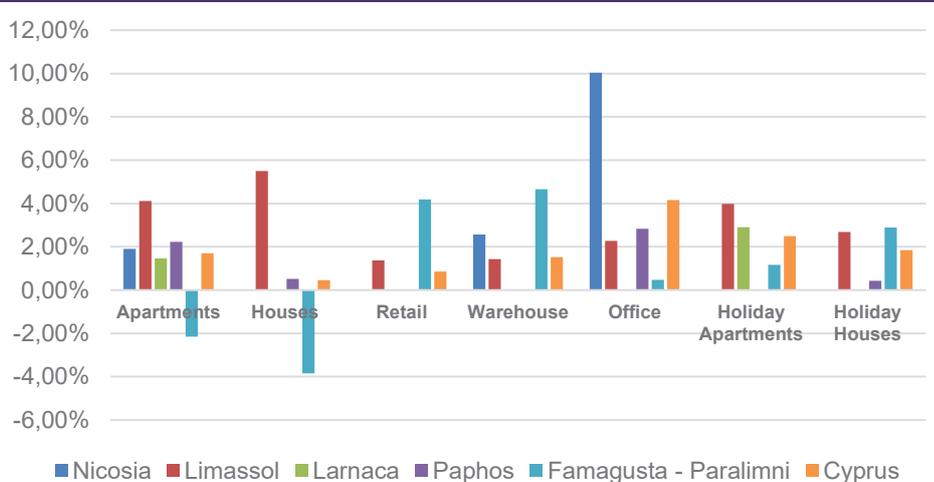
During the third quarter of 2017 the Cyprus economy showed further signs of stability, with a seasonally adjusted quarterly GDP growth of 0.9% and an annual seasonally adjusted GDP growth of 3.9%. Unemployment remained at relatively high levels, on a continued downwards trend to ca 10.2% (from the high levels of 17%).

Given prevailing economic conditions and the marginally improved confidence in the Cyprus' banking system, there are relatively higher transactions during the quarter and improved market sentiment. Financial institutions, despite of their NPLs, have been more willing to provide access to finance and an estimated €2.1 billion have been granted in loans by local banks (excluding rescheduling) for the first nine months of 2017.

## Market Capital Values

The Property Price Index has recorded increases on an annual basis in all cities and asset classes, with significant increases being recorded in all Districts, with Paralimni and Paphos showing slightly smaller annual increases.

Quarterly change in average prices



Cyprus  
Property  
Price Index  
Q3 2017  
Prices as at  
30/09/17

### Market Rental Values

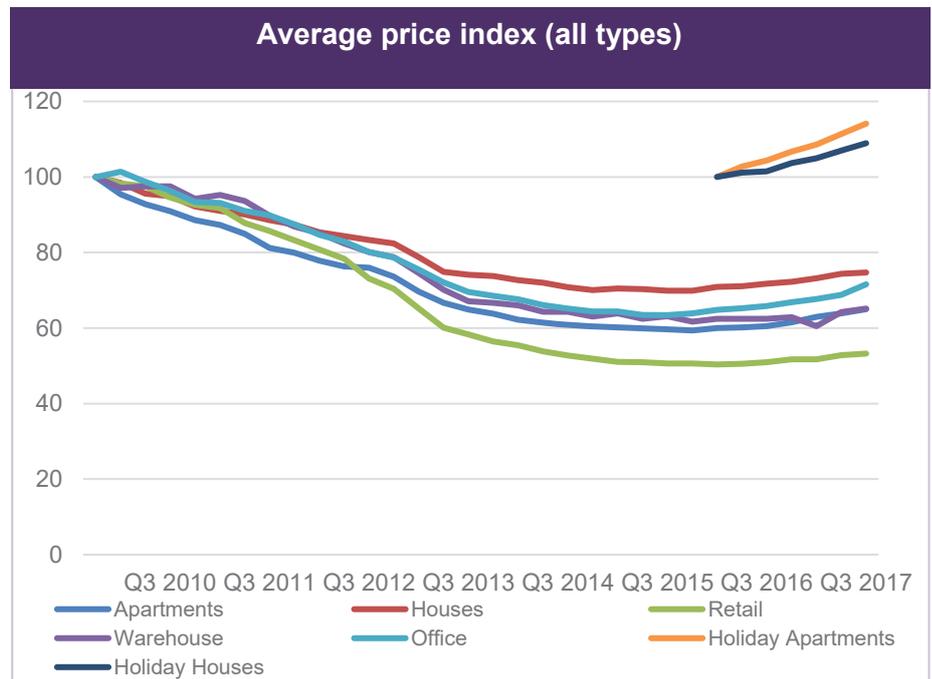
Across Cyprus, on a quarterly basis rental values increased by 4.6% for apartments, 2.5% for houses, 1.5% for retail, 5.7% for offices and 0.9% for warehouses.

Compared to Q3 2016, rents increased annually by 12.5% for flats, 9.2% for houses, 6.1% for retail, 22.4% for offices and for warehouses 1.6%.

All asset classes have shown a consecutive quarterly growth.

### Appraisal based initial yields

At the Q3 of 2017 average gross yields stood at 4.2% for apartments, 2.1% for houses, 5.4% for retail, 4.3% for warehouses, and 5.0% for offices. The investment yields are relatively stable with slight improvement is the Office sector noted after a long time of yields of 4.4%-4.5%, in line with the increased values and parallel increase in rents. For offices across Cyprus an annual increase in Market Value was noted of 8.8%, while Rental Values showed an annual increase of 22.4%.



## Index parameters and methodology

### Methodology

The methodology underpinning the RICS Cyprus Property Price Index 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 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 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](http://www.rics.org) for more information.

### **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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