

# Cyprus Property Price Index Q2 2020 Prices as at 30/06/20

This is the forty-third 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 decreased on a quarterly basis by -0.46% and -0.93% respectively, with the biggest decreases being in Nicosia, -1.51% for flats and in Larnaca -3.89% for houses.

Values for holiday homes on a quarterly basis across Cyprus decreased by -2.97% for flats and -0.06% for houses. Limassol showed the largest quarterly decrease for holiday houses by -4.29% and Larnaca showed the largest quarterly decrease for holiday apartments with a decrease of -1.33%.

Across Cyprus, on an annual basis, prices increased by 0.67% for flats, by 1.01% for houses and by 0.13% for offices. Prices decreased by -0.38% for retail and -0.15% for warehouses.

## Introduction & Commentary

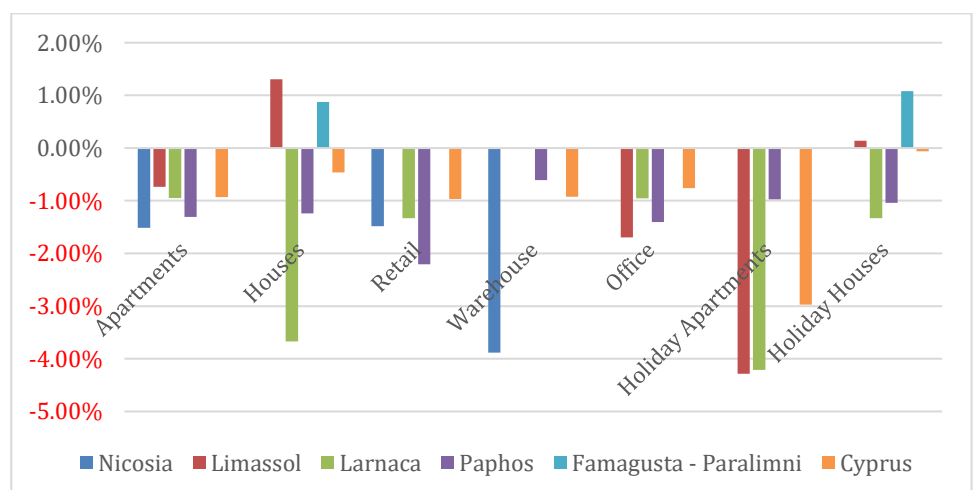
During the second quarter of 2020, the Cyprus economy continued to decline, with a seasonally adjusted quarterly GDP change of -11.6% and an annual seasonally adjusted GDP change of -11.9%. This is likely due to the effects of the COVID-19 pandemic becoming more apparent in Cyprus during the second quarter of 2020, after a nationwide quarantine lockdown that was set into motion in March 2020.

The number of registered contracts of sale decreased by -36% from the previous quarter and -22% compared to previous seasonal year. The number of properties sold to foreigners (Non-EU) with registered contracts of sale decreased by -36% compared to the previous quarter, and compared to the previous seasonal year the number of contracts of sale decreased by -31.3%. The issue of NPLs and DFAS by most banks continues to be present in the market.

## Market Capital Values

The Property Price Index has recorded both increases and decreases on an annual basis. Paphos records decreases in all asset classes, whereas other cities vary, with residential assets remaining the most stable and office, retail and warehouse assets mostly showing an annual decrease.

### Quarterly change in average prices



Cyprus  
Property  
Price Index  
Q2 2020  
Prices as at  
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### Market Rental Values

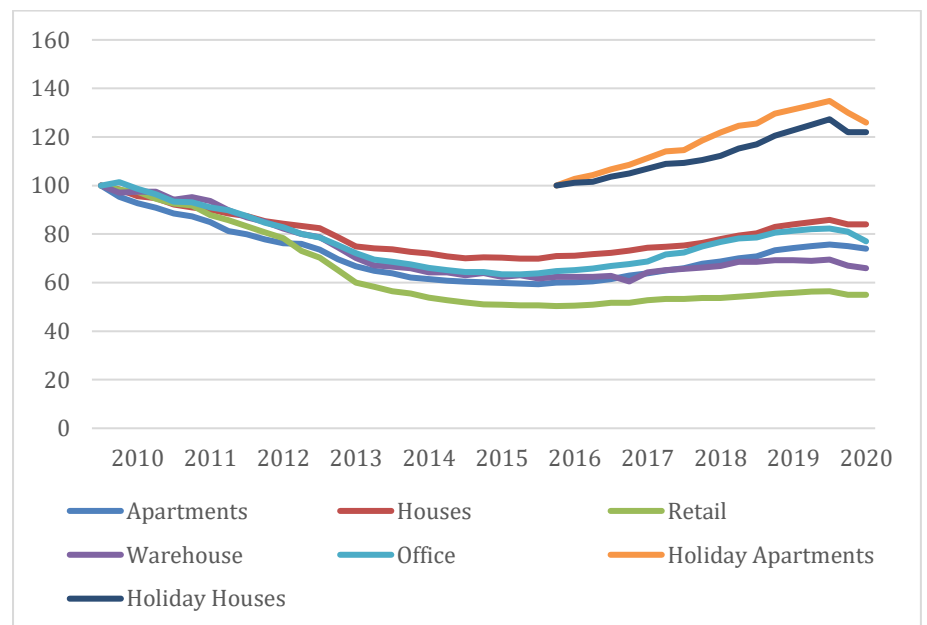
Across Cyprus, on a quarterly basis rental values increase by -0.67% for apartments, 1.01% for houses, 0.13% for office, and decreased -0.38% for retail and -0.15% for warehouses.

On an annual basis, rents increased by 0.5% for flats, 0.8% for houses and 0.8% for office, and decreased -1.2% for retail and -0.8% for warehouses.

### Appraisal based initial yields

At Q2 of 2020 average gross yields stood at 4.8% for apartments, 2.5% for houses, 5.7% for retail, 4.3% for warehouses, and 5.1% for offices.

### Average price index (all types)



## 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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