

# Cyprus Property Price Index Q4 2016 Prices as at 31/12/16

This is the twenty-ninth 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 0.7% respectively, with the biggest increase being in Larnaca, 3.3% for flats and Limassol 1.8% for houses. Values for holiday homes on a quarterly basis increased by 2.3% for flats and 2.2% for houses. The holiday home Index is published for the third time.

Across Cyprus, compared to Q4 2016, flats increased by 3.7% , houses by 3.4%, offices by 4.7%, warehouses by 1.9% and retail by 2.1%.

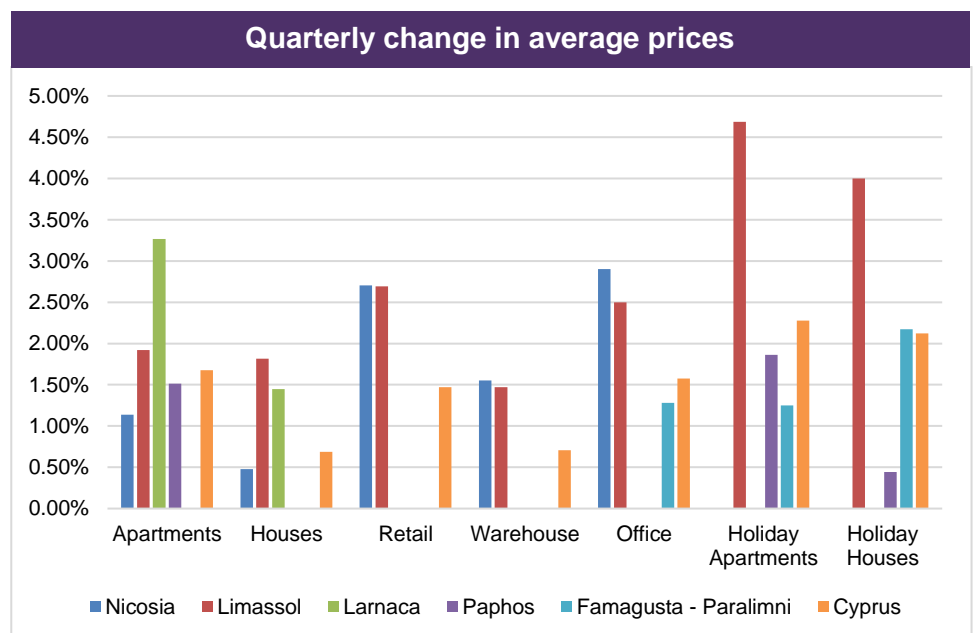
## Introduction & Commentary

During the fourth quarter of 2016 the Cyprus economy showed further signs of stability, with a seasonally adjusted quarterly GDP growth of 0.7% and an annual seasonally adjusted GDP growth of 2.9%. Unemployment remained at relatively high levels, on a downtrend to ca 13% (from the high levels of 17%).

Given prevailing economic conditions and the marginally improved confidence in the Cyprus' banking system, there ere relatively higher transactions during the quarter. Financial institutions, despite of their NPLs, have been more willing to provide access to finance and there is a sluggish interest from locals.

## Market Capital Values

The Property Price Index has recorded increases in almost all cities and asset classes, with significant increases being recorded in Larnaca, Limassol and Nicosia, whilst other cities are progressively bottoming out.



Cyprus  
Property  
Price Index  
Q4 2016  
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### Market Rental Values

Across Cyprus, on a quarterly basis rental values increased by 1.8% for apartments, 2.9% for houses, 0.8% for retail, 4.3% for offices while for warehouses they remained stable.

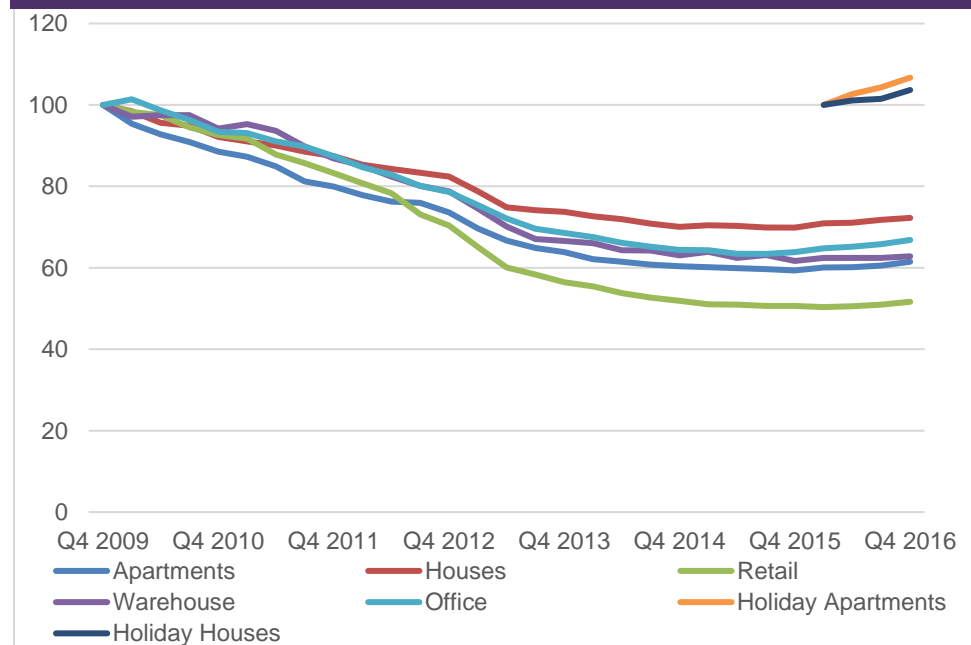
Compared to Q4 2015, rents increased by 6.6% for flats, 8.7% for houses, 4.9% for retail, 7.9% for offices and for warehouses 3.5%.

All asset classes have shown a consecutive quarterly growth.

### Appraisal based initial yields

At the Q4 of 2016 average gross yields stood at 4% for apartments, 2.1% for houses, 5.3% for retail, 4.4% for warehouses, and 4.6% for offices. The parallel reduction and/or stabilisation in capital values and rents is keeping investment yields relatively stable and at low levels (compared to yields overseas). This suggests that there is still room for some re-pricing of capital values to take place, especially for properties in secondary locations.

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).

For additional information please contact  
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