

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.

2022Q3



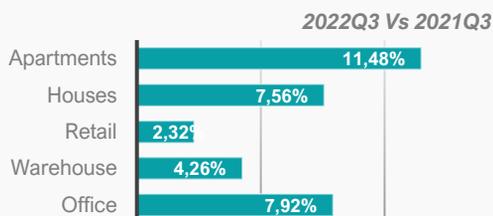
52nd publication

Real Estate Activity

2022Q3 saw an increase in the values of most property categories, albeit they all still remain below where they were in the base period for the series (2009Q4). Residential continues to be a strong performer with the trend in both Houses and Apartments solidly positive. For the commercial sector, all categories have shown increases, to a greater or lesser extent, over the past quarter, with Offices at the top end of the spectrum and Retail recording the most modest gains.

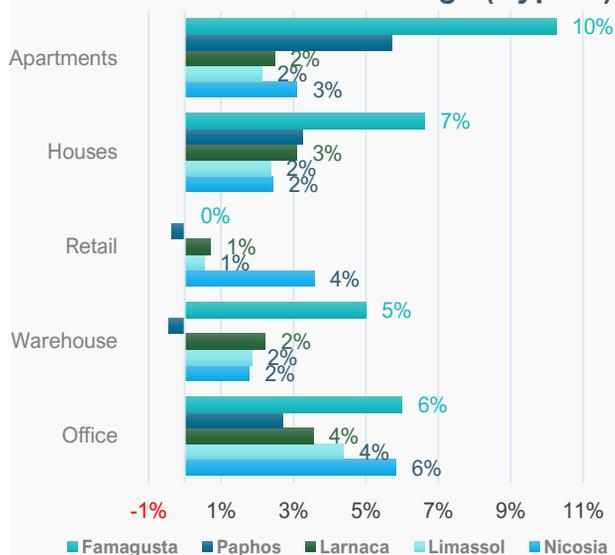


Market Values - YoY% change (Cyprus)



A YoY comparison of values saw an islandwide increase in all asset types, with the largest exhibited in Apartments, followed at a distance by Offices and Houses. The lowest increase is shown in Retail.

Market Values - QoQ% change (Cyprus)



2022Q3 saw an increase in pretty much all properties, indicating a good overall performance across asset types. Famagusta showed the largest increases (apart from Retail) whilst Larnaca the smallest.

The asset type with the best performance is once again Apartments followed by Offices and Houses. The biggest increases were identified in Famagusta, all three categories.

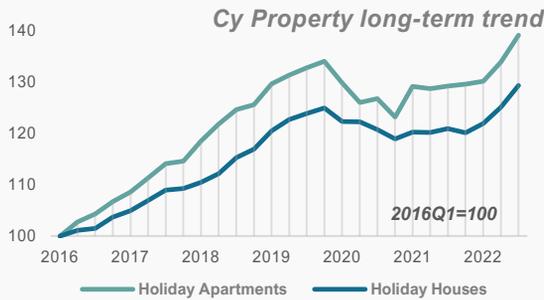
By way of contrast, Retail and Warehouses remain out of favour trending largely sideways; the largest drops were identified in Paphos for both Warehouses (-0,45%) and Retail (-0,35%).

2022Q3

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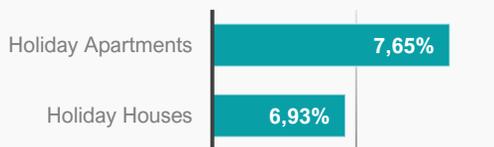


Holiday Assets



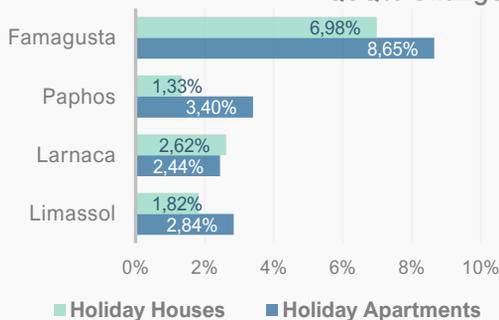
Holiday Assets (Apartments & Houses) are continuing to experience a firm upward trend in their values following the Covid related drop in 2020 and the early part of 2021.

2022Q3 Vs 2021Q3



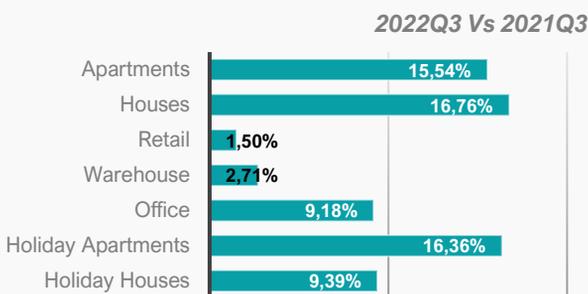
On a YoY comparison, both categories experienced firm growth with Holiday Apartments leading the way.

QoQ % Change



Comparing QoQ changes, increases were observed for both categories across the island, with the largest rises reported in the Famagusta area in both Holiday Apartments (8,65%) and Holiday Houses (6,98%). As with other asset types, all other Districts recorded increases, with the lowest being Paphos Houses (1,33%).

Rental Values - YoY% change (Cyprus)



Yields

Asset Types - Cyprus	2022Q3	2021Q3
Apartments	5,11%	4,93%
Houses	2,79%	2,57%
Retail	5,64%	5,69%
Warehouse	4,38%	4,44%
Office	5,22%	5,16%
Holiday Apartments	5,27%	4,87%
Holiday Houses	2,69%	2,63%

On a YoY comparison, rental values showed an increase across all types of assets, with the biggest increase being recorded in Houses, followed very closely by Holiday Apartments, whilst the lowest increase in Retail and Warehouses.

Meanwhile, yields recorded minor increases since last year, the largest in Holiday Apartments and the smallest in Holiday Houses. Retail and Warehousing recorded minor decreases.

2022Q3

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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

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

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 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 Limited, a global organisation of independent professional services firms providing Audit, Tax and Advisory services. KPMG operates in 144 countries and territories and has approximately 236,000 people working in member firms around the world. 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 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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