Cyprus Property Market

Ten-Year Review (2015–2025) and Five-Year Outlook (2026–2031)

Prepared September 2026. Data current to July 2026 (DLS transaction data) and Q1 2026 (CBC price index). Companion documents: Report II (development appraisals) and Report III (2027 district estimates and allocation).

---

1. Executive summary

The Cyprus property market has completed a full cycle in the last decade. Between 2015 and 2025 the number of contracts of sale deposited at District Land Offices rose from 4,952 to 18,114 — a 3.7× increase, and the strongest year since 2007. Transaction value reached €6.5bn in 2025, against €1.9bn in 2015.

Prices took far longer to follow. The Central Bank of Cyprus Residential Property Price Index (RPPI) was still falling in 2015–2016 and only regained its 2010 nominal level around 2025. Aggregate price growth over the decade is therefore modest in real terms — but the aggregate conceals a sharp divergence: apartments are now roughly 27% above their 2010 base (Limassol apartments +53%), while houses have barely moved.

Momentum is still building. The first seven months of 2026 produced 12,047 contracts, up 14.1% year on year, with every month ahead of its 2025 counterpart. The CBC index rose 7.5% year on year in Q1 2026 — apartments +10.8%, houses +3.0%.

Central forecast: volumes plateau rather than reverse. Expect roughly 20,000–21,000 contracts in 2026, a slowing to low single-digit growth from 2027, and a plateau in the 21,000–23,000 range by 2028–2030. Price growth decelerates from ~7% in 2026 to ~2.5–3.5% by 2029–2030 as the current permit surge converts into completed apartment stock. Cumulative nominal residential price growth 2026–2030 in the base case: **+20% to +25%.**

---

2. Transaction volumes, 2015–2026

2.1 Contracts of sale deposited (Department of Lands & Surveys)

Year	Contracts	YoY
2015	4,952	—
2016	7,036	+43%
2017	≈8,720 *	+24%
2018	9,242	+6%
2019	10,366	+12%
2020	7,968	−23%
2021	10,347	+30%
2022	13,409	+30%
2023	15,567	+16%
2024	15,797	+1.5%
2025	18,114	+14.7%
2026 (7M)	**12,047**	**+14.1%**

* 2017 derived from the reported +6% increase into 2018; treat as approximate.

Five distinct phases:

1. **2015–2017 — recovery from the 2013 banking crisis.** Volumes tripled off a devastated base, driven by the Cyprus Investment Programme (citizenship-by-investment) and the first wave of NPL-related restructurings passing through the Land Registry.
2. **2018–2019 — consolidation at a higher level.** Growth normalised to 6–12%. Foreign buyers were already close to half of activity.
3. **2020 — pandemic contraction.** A 23% fall, concentrated in H1 (−41% year on year). Foreign buyers fell 33%, domestic 15%. The CIP was abolished in November 2020.
4. **2021–2023 — the relocation boom.** Two consecutive ~30% years, then +16%. Non-EU purchases surged 82% in 2022 alone as ICT, fintech and shipping

companies relocated staff, largely to Limassol. This is the structural break in the decade.

5. **2024–2026 — broad-based expansion.** 2024 was a pause (+1.5%, with foreign purchases actually down 9.7% while domestic held). 2025 and 2026 have resumed double-digit growth on both legs — domestic and foreign — which is a materially healthier composition than the 2021–2022 surge.

2.2 Completed transfers and declared value (PwC analysis of DLS data)

Year	Properties transacted	Value
2015	8,100	€1.9bn
2016	12,000	€3.4bn
2017	15,500	€4.5bn
2018	15,800	€4.2bn
2019	17,200	€4.4bn
2020	14,500	€3.0bn
2021	20,100	€4.1bn
2022	23,600	€5.5bn
2023	24,600	€5.7bn
2024	24,700	€6.0bn
2025	25,600	€6.5bn

Note the divergence in the last three years: **transfers have flattened (+4% in 2025) while contracts have accelerated (+14.7%).** The gap is the pipeline — off-plan and under-construction stock contracted but not yet transferable. That backlog is real forward revenue for agencies and a real forward workload for the Land Registry, and it is one reason transfer volumes should hold up even if new contract activity cools.

January–July 2026: **€2.70bn** of completed transfers across 12,857 properties in 11,522 transactions. Limassol alone accounted for €1.084bn — 40 cents of every euro spent on property in Cyprus.

2.3 A caveat on the headline figures

DLS “sales” include a number of non-arm’s-length agreements: loan restructurings, repossessions and debt-to-asset swaps between banks and defaulting borrowers. These are not published separately. The distortion was largest in 2016–2019 and has diminished, but mortgage loan restructurings rose 74% in 2025, so some contamination persists. PwC’s transaction dataset explicitly excludes DFAS transactions and share deals — which is why its volume series differs from the DLS contract series and should not be compared directly.

For valuation work, this argues for continuing to strip suspected non-market transactions out of comparable evidence rather than relying on aggregate DLS counts.

---

3. Price evolution, 2015–2026

3.1 CBC Residential Property Price Index — annual change

Year	RPPI
2015	−2%
2016	−1%
2017	+2%
2018	+3%
2019	+2%
2020	+1%
2021	+3%
2022	+7%
2023	+8%
2024	+5%
2025	≈+6% (Q1 +4.84% → Q4 +7.06%)
Q1 2026	**+7.5%**

Compounded, this is roughly **+39% nominal from end-2014 to end-2025**. Against 2010 = 100, however, the overall index only recovered its base level around 2025 — the

2011–2014 decline (−5%, −5%, −9%, −8%) was that deep. In inflation-adjusted terms the aggregate Cyprus residential market has *not* recovered its pre-crisis peak.

3.2 The apartment/house divergence

This is the single most important feature of the current market.

Segment	Q4 2025 YoY	Q1 2026 YoY	vs 2010 base
Apartments	+9.6%	**+10.8%**	+27% (Limassol +53%)
Houses	+3.4%	+3.0%	broadly flat
Overall	+7.1%	+7.5%	≈parity

Drivers: foreign and investor demand concentrated in compact urban and coastal stock; relocated professionals renting or buying apartments rather than houses; the €300,000 permanent residency threshold sitting squarely in the new-apartment price band; and construction economics that favour apartment blocks over detached housing.

Yields have not compressed. RICS/KPMG record apartment yields at 5.45% in Q4 2025 against 5.41% a year earlier; houses 2.96% vs 3.03%. Flat yields alongside 10% capital growth means rents have risen roughly in step — the price movement is income-supported rather than pure yield compression. That is a meaningfully healthier signal than the 2006–2008 run-up, and worth stating explicitly in valuation reports where a reviewer might otherwise read 10% growth as bubble behaviour.

3.3 District picture (CBC RPPI, annual change)

District	Q4 2025	Q1 2026	Direction
Limassol	+9.9%	+9.1%	Strong, decelerating
Larnaca	strong	**+8.9%**	Accelerating
Paphos	strong	+6.4%	Moderating
Nicosia	weak	+2.8%	Accelerating from a low base
Famagusta	flat	~flat	Stagnant, thin market

3.4 Average unit prices, 2025 (PwC/DLS)

District	Apartments	Houses
Limassol	€403k	€414k
Paphos	€230k	€466k
Larnaca	€178k	€269k
Nicosia	€177k	€244k
Famagusta	€150k	€352k

Nationally: apartments €248k (2024: €240k), houses €356k (2024: €346k). Land fields rose sharply to €150k average (from €115k), while land plots fell to €212k from €253k — a mix effect worth caution when using land comparables.

---

4. Foreign demand

Year	Properties acquired by foreigners (contracts filed)
2019	4,481
2020	2,985
2021	3,691
2022	5,928
2023	6,900
2024	6,228
2025	7,255
H1 2026	4,151 (+22.5%)
7M 2026	4,980

2025 composition: 66% non-EU (2024: 69%), 34% EU. Geographic concentration: Paphos 32%, Limassol 28%, Nicosia 25%, Famagusta 9%, Larnaca 6%. Non-EU share is highest in Larnaca (72%) and Limassol (71%).

The notable 2026 shift is the EU leg. EU-national purchases rose 28.5% in H1 2026 against 19.6% for third-country buyers. After a decade in which Cyprus's foreign demand story was overwhelmingly non-EU (Russian, Israeli, Lebanese, more recently Chinese and Indian), EU buyers are growing faster. That diversification reduces the market's exposure to any single-country sanctions, capital-control or geopolitical event — a genuine improvement in the risk profile compared with 2014 or 2022.

Foreign buyers took 20.4% of completed transfers island-wide in H1 2026, but 41.2% in Paphos versus 9.1% in Nicosia. Paphos remains the district most exposed to any external shock; Nicosia the least.

High-end (≥€1.5m single residential) has plateaued: 203 transactions worth €550m in 2025, essentially flat on 2024 (202 / €560m), and well below the 2017–2018 CIP peak of 317–324 transactions and €800m+. Limassol's share of this segment fell from 76% to 61% in 2025, with Paphos rising from 18% to 28%.

---

5. Supply and cost

Indicator	Position
Building permits, 2024	6,827 permits, €2,907m
Permits, Jan–Oct 2025	6,490 (+9% volume, **+28% value**)
Residential units permitted, Jan–Feb 2026	**+79.2% YoY** (from 1,932 units)
Licensed residential surface, 10M 2025	+35% YoY; 84% of all licensed area
Construction material index, 2025	+1.3% (after –0.8% in 2024, +15.7% in 2022)
Hotel & leisure licensed area, 10M 2025	+170%

Permit surface is concentrated in Limassol and Nicosia (34% each) and Larnaca (19%).

This is the most important forward-looking variable in the whole report. A 79% jump in permitted residential units in early 2026, on top of a 35% increase in licensed residential surface through 2025, will deliver a substantial new apartment cohort into the market — with the usual Cyprus lag of roughly 24–36 months from permit to completion. **That means 2028–2029 is when supply meaningfully catches demand.** The government's fast-track licensing reform (40 working days for single and semi-detached houses, 80 days for blocks up to 20 units) shortens the front end of that lag further.

Two counterweights: labour shortages in construction, which the CBC continues to flag as an upward cost pressure, and a construction materials index that has turned upward again.

---

6. Financing and policy

Mortgage rates. New housing loan rates averaged 4.95% in 2024, 4.42% in 2025, and reached a trough of around 3.09–3.15% in March 2026. That easing fed through strongly: net new residential mortgage lending reached €353.6m in Q1 2026, up 24.5% year on year, with pure new mortgage facilities up 23% across 2025. Banks continue to apply strict underwriting criteria.

The cycle has since turned. The ECB raised its deposit rate to **2.25% in June 2026**, its first increase since 2023, as the Middle East conflict pushed eurozone inflation higher. Cyprus rates followed, reaching 3.23% by June and drifting upward. The trough is behind us, not ahead. Development finance on any 2027–29 programme should be stressed well above the rates used in mid-2026 appraisals, and end-purchaser affordability tightens from 2027 rather than 2028 — hitting the domestic and EU-buyer segments first, while the cash-dominated non-EU segment is largely insulated.

Macro. Real GDP +3.9% (2024), +3.8% (2025), EC forecast +2.6% for 2026. Inflation 0.8% in 2025, projected ~2.1% in 2026. Sovereign rating upgraded to A/A3/A– across all five agencies, most recently Scope to A in February 2026. Real estate and construction contributed 16% of GVA in 2025 and grew 6.9% — the fastest of any sector.

Tax and legal changes effective 1 January 2026:

- **Stamp duty on contracts of sale abolished entirely** (Law 239(I)/2025). Contracts signed on or before 31 December 2025 remain on the old 0.15%/0.20% rates.
- SDC on rental income abolished (previously an effective 2.25%); rental income remains subject to income tax and GHS at 2.65%.
- CGT lifetime exemptions raised: general €17,086 → €30,000; agricultural land €25,629 → €50,000; primary residence €85,430 → €150,000. CGT rate unchanged at 20%.
- CGT scope widened: disposal of shares now caught where **20% or more** (previously 50%) of value derives directly or indirectly from Cyprus immovable property. This closes the share-deal route and should push some previously invisible activity onto the DLS record.
- Personal income tax-free threshold €19,500 → €22,000; new deduction up to

€2,000 for interest or rent on a primary residence.

Note for practice: the 18 May 2026 transitional deadline for contract deposit has passed; administrative fines now apply alongside the existing 10% transfer-fee penalty for missing the six-month specific performance window.

Housing policy. €35m budgeted for 2026 measures, plus the Student Residences & Rooms Scheme (€8.3m), re-launched rural and border-area schemes, and a new enforcement unit policing major developments. Affordability is now an explicit political issue, which matters for the forecast.

---

7. Five-year outlook, 2026–2031

7.1 Assumptions

1. The easing cycle ended in June 2026. Cyprus mortgage rates trough around 3.1% and drift into a 3.5–4.5% band across 2027–29. This brings the affordability constraint forward into 2027, and is the main reason the price forecasts below sit in the lower half of what the current momentum alone would imply.
2. Net immigration and corporate relocation continue at a slower but positive rate.
3. The permit surge converts to completions on a 24–36 month lag, with meaningful delivery from 2028.
4. No change to the €300,000 permanent residency threshold before 2028; some tightening thereafter is plausible.
5. The Middle East conflict that began in late February 2026 does not escalate into a regional disruption of travel or capital flows. This is the single largest downside risk in the model.

7.2 Transaction volumes — contracts of sale

Year	Base case	Range	Rationale
2026	**20,500**	19,800–21,200	7M actual 12,047; H2 comparables are tough (Oct/Dec 2025 both >1,630)
2027	21,500	19,500–23,000	Growth decelerates to ~5%; stamp duty abolition and CGT reform mildly supportive

2028	22,000	19,000–24,000	Plateau begins; new supply improves choice but caps urgency
2029	21,500	18,000–24,000	Mild consolidation; cycle maturity
2030	22,000	18,500–25,000	Stabilised at a structurally higher level
2031	22,500	18,500–26,000	

The market is unlikely to sustain 14% compound growth. At 18,000+ contracts per year against a population of roughly one million in the government-controlled areas, transaction intensity is already at or near the historical ceiling. The realistic path is deceleration to a plateau, not reversal — but a 10–15% single-year volume drop somewhere in the 2028–2031 window should be treated as likely rather than exceptional, given that 2020 delivered −23% and the market's foreign leg is inherently event-sensitive.

7.3 Residential prices — CBC RPPI, annual change

Year	Base	Bull	Bear
2026	**+7.0%**	+8.5%	+5.0%
2027	+5.0%	+7.0%	+1.5%
2028	+3.5%	+5.5%	−1.0%
2029	+3.0%	+5.0%	−2.0%
2030	+2.5%	+4.5%	0%
Cumulative 2026–30	**+23%**	**+35%**	**+3%**

Segment view within the base case:

- **Apartments** decelerate fastest, from ~10% in 2026 to ~2–3% by 2029–2030. The supply arriving is overwhelmingly apartments, and it is arriving into exactly the segment that has run hardest. Expect the apartment/house growth gap to close by 2028.
- **Houses** hold a steadier 2.5–4% throughout. Supply of detached and semi-detached

stock is not expanding proportionately, and the fast-track licensing reform is most generous to this category — which will help volumes more than it depresses prices.

- **Prime coastal land** stays supply-constrained and should outperform the index. Land plot averages are already volatile; treat the 2025 figures as mix-affected.
- **Retail** remains the weakest asset class in the RICS series and has been for several years. No case for revision.
- **Offices** face the clearest oversupply risk in Limassol given the pipeline; watch that segment's yields, not its capital values.

7.4 District outlook to 2031

District	View
Larnaca	Strong near-term case, weaker structural one. Lowest entry prices among coastal districts (€178k average apartment), airport proximity, and an accelerating price index (+8.9% in Q1 2026). The port and marina redevelopment does not support the case: the Kition Ocean Holdings concession was terminated in March 2024 over a dispute on financial guarantees and remains stalled as of January 2026. Larnaca's growth rests on affordability spillover from Limassol. Note also that Larnaca carries 23% of the national permit pipeline (3,778 authorised dwellings) on a 16% share of transaction value — a heavy pipeline for its size. Best returns are concentrated in 2027–28.
Limassol	Remains the value centre (41% of transaction value) but is the most mature. Transfer volumes and value both dipped in 2025 even as contracts surged. Expect continued price leadership in the near term, then the earliest and sharpest deceleration. Office oversupply is the specific risk.
Paphos	Fastest volume growth in H1 2026 (+20.5%) and rising share of the high-end segment (28%). Also the most foreign-dependent (41.2% of transfers) and therefore the most exposed to any external shock. High beta both ways.
Nicosia	Domestic and end-user driven, weakest price growth but the steadiest. Largest share of permit surface (34%) alongside Limassol. Lowest downside. Student and rental-yield stock is the interesting sub-segment.
Famagusta	Small, thin and volatile. Flat prices, high-end concentrated in Ayia Napa Marina. Percentage figures are unreliable on such a small base — treat district statistics with caution in valuation evidence.

7.5 Downside scenario

A regional escalation in the Middle East affecting flight connectivity and capital movement would hit the non-EU leg hardest — roughly a third of all contracts and two-thirds of foreign purchases. On a 2020-style shock, expect contracts to fall 20–25% within twelve months, apartment prices to stall rather than fall (Cyprus vendors historically withdraw stock rather than discount), and the correction to appear first in Paphos and the ≥€1.5m Limassol segment. The domestic leg — now roughly 60% of contracts and growing on its own merits — is the buffer that did not exist in 2013.

7.6 Upside scenario

Faster ECB easing, mortgage rates below 3%, continued corporate relocation, and the tax reform pulling previously share-deal-structured transactions onto the visible market. Under those conditions 2027 volumes could reach 23,000 and cumulative price growth to 2030 could reach +35%, with Larnaca and Paphos leading.

---

8. Implications for practice

1. **The contract-to-transfer backlog is the near-term revenue signal.** Contracts up 14.7% and 14.1% while transfers rose 4% means a large pipeline of contracted-but-untransferred stock. Agency and valuation workload from that backlog is largely already banked, regardless of what new sales do in 2027.
2. **Valuation evidence needs the apartment/house split applied explicitly.** A single district-level growth rate is now materially misleading — 10.8% versus 3.0% is not a rounding difference. Comparables should be segment-matched before any indexation.
3. **Flat yields alongside double-digit capital growth is the defensible narrative.** Where a bank or auditor challenges 2025–2026 apartment values, the RICS yield series (5.45% vs 5.41% a year earlier) is the evidence that rents moved with prices.
4. **Land comparables need care.** The 2025 shift — field averages up from €115k to €150k, plot averages down from €253k to €212k — is substantially a mix effect, not a market movement.
5. **Widened CGT scope on property-rich shares (20% threshold) will alter deal structuring** for commercial and development transactions from 2026 onward, and should increase the volume of transactions appearing on the DLS record.
6. **Plan for a plateau, not a peak.** The most probable path is decelerating growth into a high plateau, with one materially negative year somewhere in 2028–2031.

Positioning inventory and staffing for 21,000–22,000 contracts a year rather than for continued 14% growth is the prudent base case.

---

9. Sources

- Department of Lands & Surveys (DLS) — monthly and annual contracts of sale, transfers, foreign buyer statistics
- PwC Cyprus, *Cyprus Real Estate Market — Year in Review 2025* (April 2026)
- Central Bank of Cyprus — Residential Property Price Index, Q1 2026 release (23 June 2026); lending and mortgage rate data
- RICS Cyprus Property Index with KPMG in Cyprus — Q1–Q3 2025, Q4 2025
- CYSTAT — building permits, construction materials index, House Price Index
- European Commission — Autumn 2025 Economic Forecast; March 2026 provisional data
- Law 239(I)/2025 (stamp duty); Cyprus tax reform package effective 1 January 2026
- BuySell / Cyprus Mail analysis of DLS data, H1 and 7M 2026

Forecasts in Section 7 are scenario-based projections derived from the historical series and stated assumptions. They are analytical inputs, not predictions, and should be re-based against each quarterly CBC release and monthly DLS publication.