



Property sales rise 17% in January-February

Annual real estate sales rose in the first two months of the year, boosted by the relocation of high-tech firms and their employees.

According to the latest Land Registry data, sales documents filed in January-February were 2,222 units from 1,907 in the two months of 2022, recording an annual increase of 17%.

Compared to pre-COVID 2019, real estate sales are still rising at 39%.

In comments to the news site Stockwatch, economist Tassos Yiasemides said the number of sales documents filed with the Land Registry Department demonstrates the sector’s dynamic.

He pointed out that the value of the sales documents should also be considered, as the sector adapted to

demand from the domestic market, people choosing Cyprus to relocate with their families, but also from markets such as Israel.

“Increased mobility in the market is fueled by the relocation of corporate headquarters to Cyprus, leading to a strengthening of prices and rents.

“Properties in Limassol primarily, followed by Paphos and Larnaca in recent months, are in particular demand,” said Yiasemides.

The economist agreed that higher building costs forced developers to put some projects on hold, noting that this has pushed up sales of older properties.

According to the data, the largest annual sales increase of 67.9% was recorded in the Famagusta region, with

documents amounting to 131 in the first two months, up from 78 in the same period in 2022.

Larnaca followed it, where sales increased by 32.9%, reaching 428 from 322. Property sales in Limassol also recorded a 13.9% increase.

But in Nicosia, sales dropped by 13.5%.

For February, sales documents filed amounted to 1131 units compared to 1052 in 2022, registering an annual rise of 8%.

According to Yiasemides, a serious pending issue is “amending the law on reduced VAT rate done in such a way as to achieve the objectives (EU directive) on the one hand but not affect the market”.

The European Commission had given legislators until 15 February to approve legislation aligned with the EU directives

on housing incentives, but the government has asked for an extension, allowing for the Presidential elections to occur.

The EU directive dictates that member states introduce legislation of 5% VAT on homes up to 140 square metres.

In Cyprus, the reduced rate of 5% VAT applies for homes up to 200 sqm of buildable area.

The European Union directive to reduce the size of homes entitled to a lower 5% VAT had MPS and real estate stakeholders in an uproar, as they claimed it would endanger the construction sector’s recovery.