

2024Q1

NEAPOLIS PROPERTY PRICE INDEX



Real Estate Dept





We are proud to present the 5th edition of the Neapolis Property Price Index (NPPI), a continuing initiative by the Department of Real Estate at Neapolis University Pafos. Since its inception, the NPPI has grown into a vital tool for the academic community, real estate professionals, investors, and policymakers. This latest edition reflects our ongoing commitment to providing a reliable, data-driven snapshot of the property market in Cyprus.

The NPPI remains an impartial, credible, and up-to-date source of information, rooted in actual property transaction data. This focus on real transactions allows the NPPI to capture true market dynamics, offering an accurate reflection of what buyers are willing to pay and sellers are willing to accept. Within each edition, our focus always remains to enhance the precision and transparency of our data, further reducing biases and reinforcing investor confidence.

In this 5th edition, we have further expanded our dataset making this index an even more robust resource for market analysis and decision-making. Our goal continues to be providing invaluable insights to assist both consumers and professionals in navigating the property market.

Academically, the NPPI remains an essential resource for research in areas like property valuation methodologies, market trends, and housing policies. It also offers our students an unparalleled opportunity to gain hands-on experience in data analytics, market research, and real estate valuation. We are proud of the growing industry collaborations that have enriched our research, and we continue to welcome partnerships with real estate agencies, property valuers, and governmental bodies.

Finally, I would like to extend a warm thank you to our academic and industry partners for their continued support and contributions to the NPPI. We are excited to see how this 5th edition further enhances market understanding and look forward to your feedback for future improvements.

On behalf of the Department of Real Estate, Neapolis University Pafos,



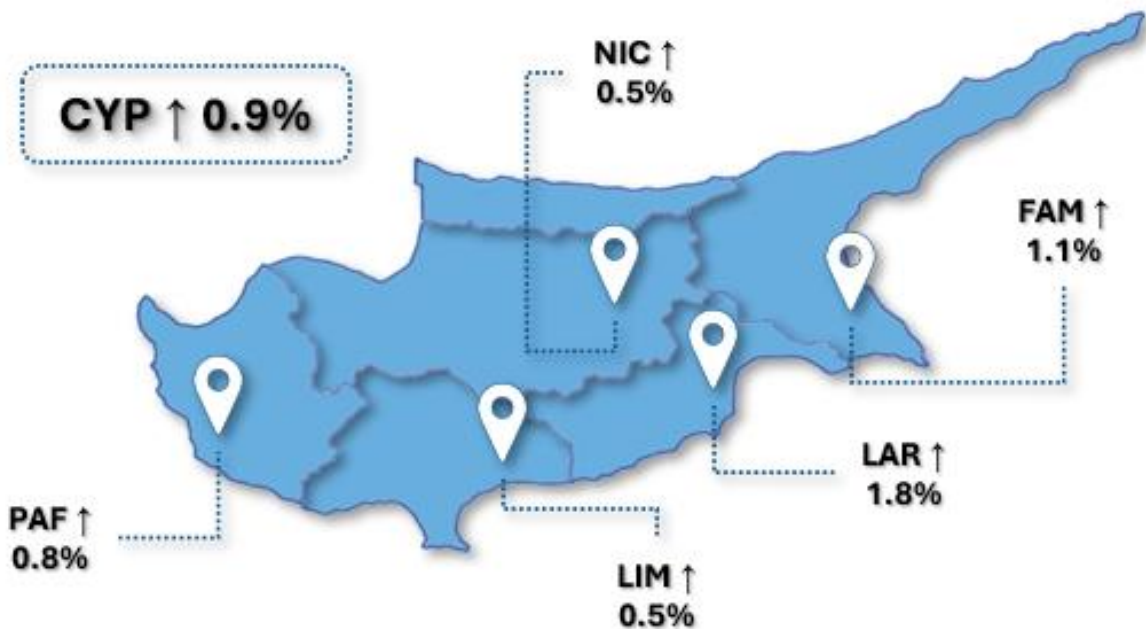
Dr. Thomas Dimopoulos
Assistant Professor, Head of RE Dept
Neapolis University Pafos





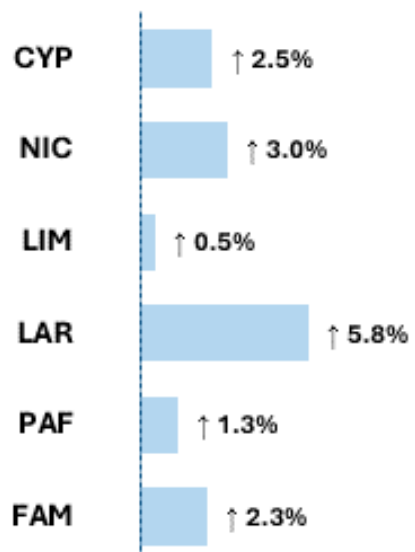
Dwelling Prices QoQ

The quarterly changes in prices between 2024Q1 to 2023Q4, considering the overall residential market (houses and apartments) are showing a gradual however moderate increase of +0.9%, suggesting a rather stabilization trend across Cyprus. Highest growth was noted in Larnaca at +1.8%, followed by Famagusta at +1.1% and Pafos at +0.8%. Marginal increases appear in Nicosia and Limassol both at +0.5%.



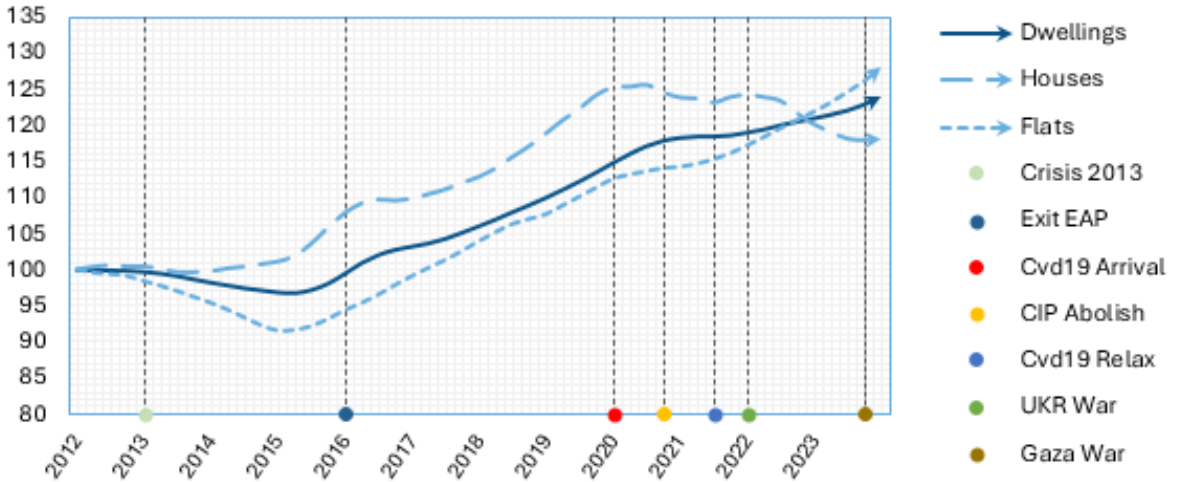
Dwelling Prices YoY

Year-over-year (2024Q1–2023Q1), the residential property market in Cyprus experienced a moderate yet positive upsurge, recording an overall increase of +2.5%. At district level, Larnaca saw a robust growth at a +5.8%, followed by significant increases in Nicosia and Famagusta, exhibiting a +3% and +2.3% respectively. Pafos registered a moderate rise of 1.3%, while Limassol showed marginal growth at 0.5%.





CYPRUS DWELLINGS PRICE INDEX (DPI)



House Prices

The market for houses shows signs of price correction. The NPPI estimates a fall in house prices, which could be attributed to a shrink in demand in the high-end market after the abolishment of the Cyprus Investment Program, especially in coastal locations with higher foreign activity. In fact, house prices in areas dominated by local demand may not have affected negatively. Also, a portion of house demand might have shifted to the more “affordable” apartment option.

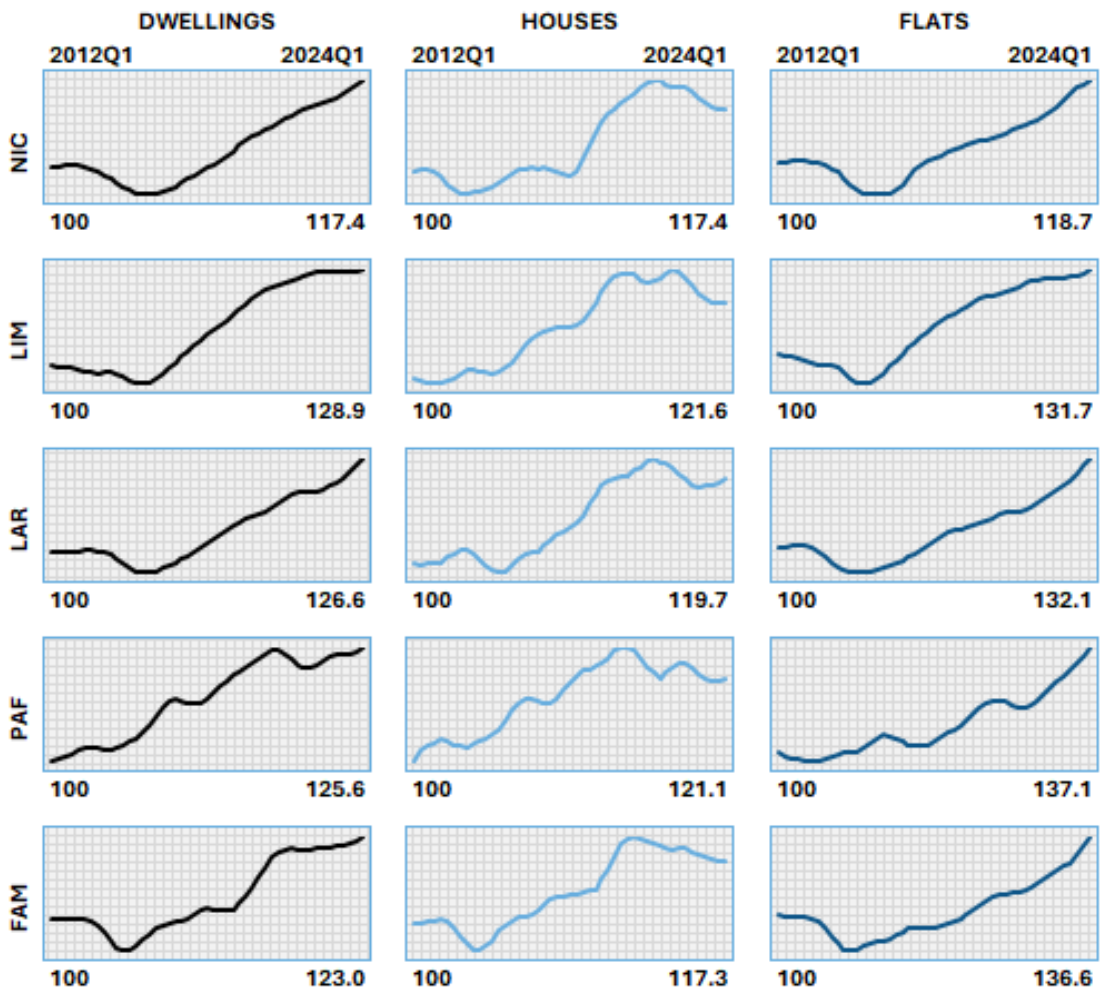
Apartment Prices

Unlike houses, apartment prices across cities display moderate increases, reflecting stable growth QoQ extending from 0.7% to 3.5%. On YoY basis, prices exhibit strong increases in Famagusta (11.3%), Pafos (8%) and Larnaca (7.9%), followed at a lower however significant growth by Nicosia (4%). Apartment prices in Limassol continue to ascend (2.5%) at lower pace in comparison with the other districts. On a Pancyprian level, apartment prices registered a substantial yearly growth of 5.1%.

	QoQ	YoY		QoQ	YoY	
HOUSES	↑ 0.1%	↓ -1.7%	CYP	↑ 1.5%	↑ 5.1%	FLATS
	↑ 0.4%	↓ -2.5%	NIC	↑ 0.7%	↑ 4.0%	
	↓ -0.1%	↓ -2.6%	LIM	↑ 1.2%	↑ 2.5%	
	↑ 0.5%	↑ 1.7%	LAR	↑ 2.0%	↑ 7.9%	
	↑ 0.7%	↓ -0.9%	PAF	↑ 2.3%	↑ 8.0%	
	↓ -0.4%	↓ -1.8%	FAM	↑ 3.5%	↑ 11.3%	



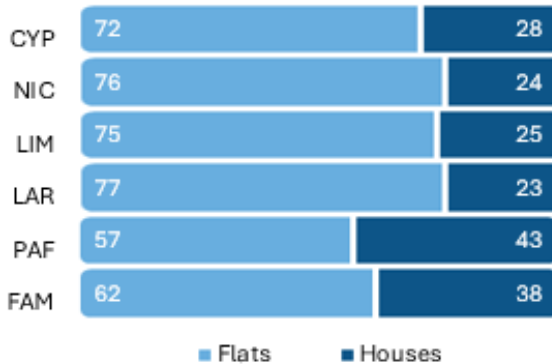
Apartment prices have exhibited a consistent upward trajectory across all districts, with positive trends persisting for successive periods. Specifically, apartment prices have experienced continuous growth for 36 uninterrupted quarters in Larnaca, 35 quarters in Limassol, 32 quarters in Nicosia, 26 quarters in Famagusta, and 10 quarters in Pafos. Conversely, house prices stopped falling in Nicosia and Pafos after a period of decline. However, house prices continue to fall for 8 consecutive quarters in Limassol and 7 quarters in Famagusta. Houses in Larnaca have a positive course of 3 quarters.



NPPI suggest increased demand for apartments and probably reduced purchasing power for larger dwellings among local buyers. Also, the gradual descending of house prices in coastal locations may indicate less demand for top-tier properties, eventually affecting the overall index, despite the strong interest from foreign buyers as implied by Land Registry statistics.



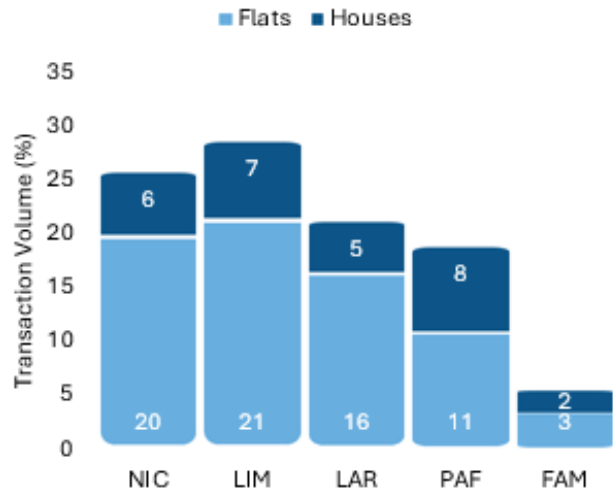
TRANSACTION VOLUME (% OF DISTRICT TOTAL) BY DISTRICT/PROPERTY TYPE 2024Q1



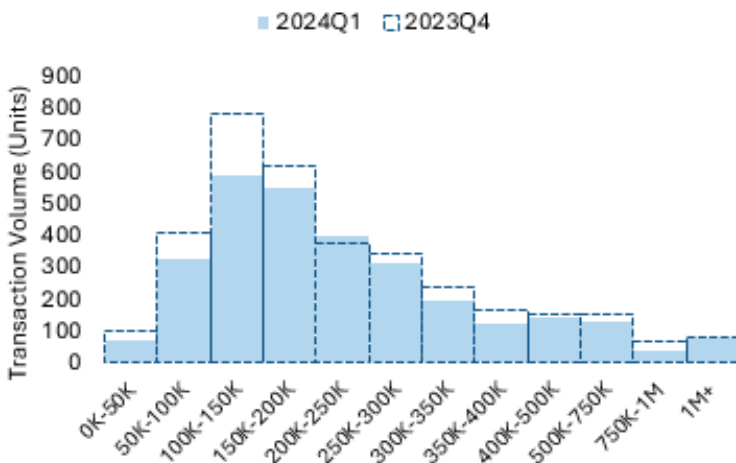
Sales across all districts, reflecting a clear trend for apartments over houses. In 2024Q1, Larnaca had the highest rate of apartment transactions at 77%, while Pafos led in house sales with 43%. Nationally, 72% of property transactions were for apartments, and 28% were for houses.

In 2024Q1, Limassol led with 28% of total transactions, favoring flats (21%) over houses (7%). Nicosia contributed with 26% and Larnaca at 21%, with both districts favoring flats. Pafos, also at 19% total, stood out for the highest percentage of house transactions (8%). Famagusta had the lowest activity, comprising only 5% of transactions, with 3% flats and 2% houses.

TRANSACTION VOLUME (% OF CYPRUS TOTAL) BY DISTRICT/PROPERTY TYPE 2024Q1



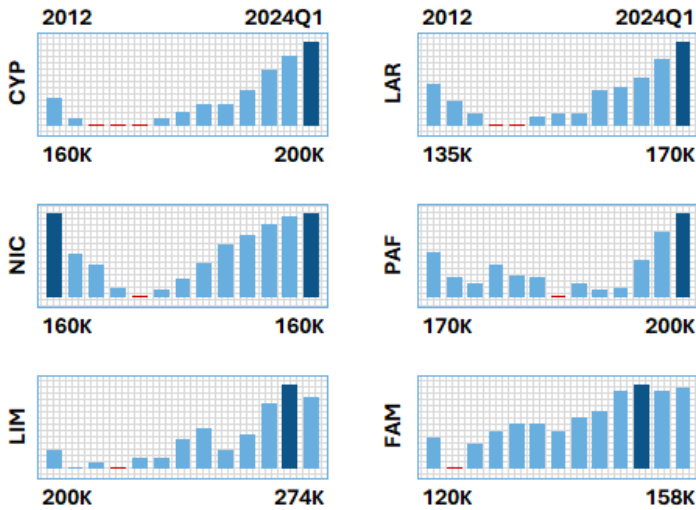
CYPRUS DWELLINGS PRICE DISTRIBUTION 2023Q4/2024Q1



In 2024Q1, the transaction volumes for dwellings in Cyprus were lower compared to the previous quarter (2023Q4). Nationally, approximately 83% of the transactions during this period were below €350K, concerning both houses and apartments.



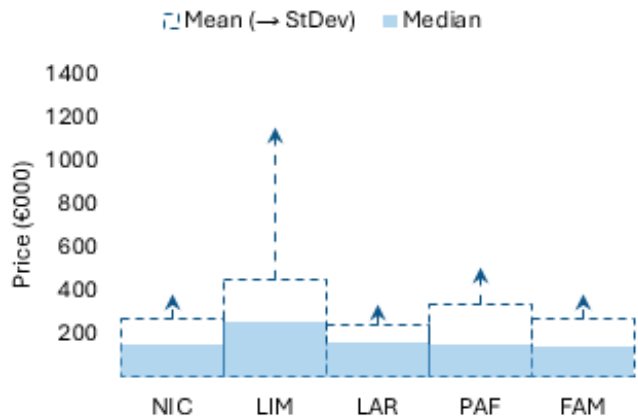
DWELLINGS MEDIAN PRICE BY YEAR/DISTRICT (€000)



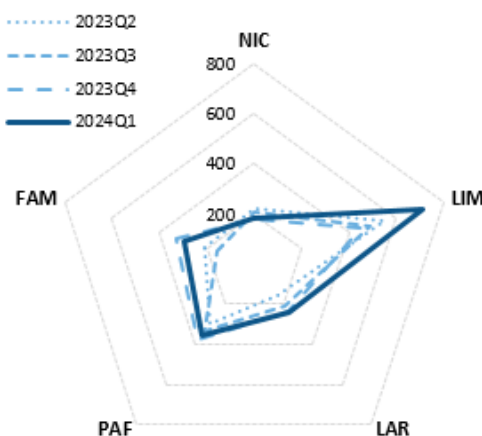
Cyprus median dwelling prices are currently at their highest point since 2012 at €200K. Limassol distinguishes at €274K, followed by Pafos at €200K. Meanwhile, Nicosia recovered from 2012 at €160K, Larnaca is peaking at €170K, while Famagusta has the lowest median price at €158K.

Apartment prices (2024Q1) by district highlight notable disparities. The highest average prices found in Limassol, accompanied by the widest volatility. All other cities, are showing significantly less price fluctuation compared to Limassol. Larnaca, Nicosia and Famagusta display the lowest variation in prices.

FLATS MEAN (STDEV) & MEDIAN PRICE (€000) BY DISTRICT 2024Q1



HOUSES STDEV OF PRICE (€000) BY DISTRICT 2023Q2/2023Q3/2023Q4/2024Q1



Price trends of houses during 2023Q2 to 2024Q1 reflect differing market dynamics across Cyprus, with varying levels of demand and diversity in property types driving price shifts. Limassol stands out as the district with the most significant volatility spike, while Nicosia displays a consistent reduction in variability over the observed period. Larnaca and Pafos saw rising volatility, while Famagusta remains unpredictable, with sharp fluctuations throughout.



The Neapolis Property Price Index (NPPI) published by the Neapolis University of Pafos (NUP) currently monitors the prices of both new and used dwellings, including houses and apartments, throughout all districts and areas of Cyprus from 2012 onwards. The aim is to extend the analysis to include additional property types in the future, thereby offering comprehensive information about the local real estate market. The indices are calculated using transaction-based data obtained from the Department of Land and Surveys of Cyprus (DLS). Approximately the entire dataset is utilized, which undergoes a thorough process of enrichment and cleaning to enhance the accuracy and reliability of the index. Furthermore, diligent attention is paid to the structuring of the database to extract optimal results. The index is intentionally published with a time lag of 1-2 quarters due to recording delays in DLS data. The methodology employed in constructing the NPPI relies on hedonic regression which was found to be the most suitable approach for this instance, considering various property attributes, such as location, size, condition, age, and more. The development process of the NPPI is based on the research article titled "*A Proposal for a Residential Housing Price Index in Cyprus Through Analysis of Transaction-Based Data and Comparison With Existing Indices.*" (2023) authored by Stelios Apostolidis, Dr. Thomas Dimopoulos, and Dr. Martha Katafygiotou, all of whom are affiliated with the Department of Real Estate at NUP.

The enrichment of the database with additional information is credited to the team of Real Geo-Solutions Ltd.



Index Coordinator | Contact



Stelios Apostolidis
Lab Assistant RE Dept
Neapolis University Pafos
E: s.apostolidis.1@nup.ac.cy



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Offered Programs in Real Estate

BSc In Real Estate Valuation & Development

The Bachelor in Real Estate Valuation and Development is the first and only undergraduate program offered in the field of real estate in Cyprus and Greece. The curriculum covers all major aspects of real estate, and the program is recognized by the Cyprus Technical and Scientific Camber (ETEK). Graduates of the program are able to register as licensed valuers with ETEK and fulfil one of the requirements for applying for a real estate agent license.

MSc in Real Estate

The MSc in Real Estate is among the few Real Estate Master program that have been accredited by RICS in the Eastern Mediterranean region. The program is tailored to the individual needs of working professionals and provides a flexible route to an advanced degree in Real Estate. It adopts a multidisciplinary approach that covers comprehensively all the important dimensions of real estate from a theoretical, analytical and practical perspective.

General Enquiries

T: +357 26843300

E: info@nup.ac.cy



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