

COUNTRY ANALYSIS

Making Money in the Cyprus Property Market

How and why you should invest



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Executive summary



ProPropertyInvestor is dedicated to bringing UK investors the best opportunities in property investing from around the world; we only offer high return low risk property in selected emerging markets. We dedicate a huge amount of time completing market research and analysis before we offer property to our investors, we believe that conducting the right research and market analysis before going into an investment can help boost investment returns and also help to prevent any unlikely future loses. Part of this service is due diligence on investment destinations and this report is just that, a comprehensive research and due diligence report on Cyprus, updating our original material from 2005.

With current growth rates of 20% per year, the introduction of budget airlines flying to Cyprus and huge infrastructure changes being planned and implemented the Cypriot property market is charging along at super high growth rates. The continuing attraction of a safe, secure and regulated market is bringing in buyers by the truck load as they secure their piece of a young market offering superb value for money, excellent return on investment levels and a surprisingly advanced mortgage market.

We've been big fans of Cyprus for several years now and all those investors who have bought property in the last 2 years congratulations you've made lots of money and will continue to do so well into the future. For all those investors who are still wondering if the Cypriot property market is a good idea, or if you have missed the opportunity read the following quote from the UK's largest foreign property magazine 'A Place in The Sun' April 2007.

'Cyprus has been rated the best place to invest in property anywhere in the world' this quote while reporting on the Global hot property index report. The article went on to cite Cyprus's strong economy, planned euro entry in Jan 2008 and huge infrastructure developments (including new airports, PGA golf courses and marina complexes) as major reasons for the chart topping spot.

These huge growth attributes when added to the low risk and high safety factors (English Common law contracts, all property sold freehold, guaranteed title from Land registry, all property professionals speak English) means Cyprus is a real winner. Your money is safe in property and even safer in Cyprus.

This report gives all the risks and growth items with clear researched and referenced information so you can check out all our work and see the information for yourself. We also provide all the information and tools necessary to make a decision on why and how to invest in Cyprus with detailed sections on specific areas, property tax, finance, buying process and a handy Frequently Asked Questions (FAQ) section.

Finally we detail our hotspots in Cyprus; the areas which we believe will grow at levels beyond the rest of the island and achieve even higher growth figures. We also add in some interesting investment ideas and diversifications tips to help build your overall portfolio.

Smart investing



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Managing Director, ProPropertyInvestor.com

2. CYPRUS INTRODUCTION

Cyprus, the island of legends that basks year-round in the light of the warm Mediterranean sun. A storied past 10,000 years long has seen civilizations come and go and the likes of everyone from Alexander the Great to Cleopatra stake their claim here.

Today Cyprus is a modern country that effortlessly marries European culture with ancient enchantment, a carefree place where a sense of timelessness is magnified by the kindness of the people.

Cyprus is an island steeped in history and has a rich cultural heritage. Visitors and tourists that travel to Cyprus have an overwhelming choice of ancient monuments and archaeological sites to visit. This is particularly so in Paphos, which has been included in UNESCO's list of World Cultural Heritage sites.

Cyprus received independence in 1960 following years of being a British colony. Since 1974, Cyprus has been divided into the government-controlled southern part of the island and the northern part of the island, which is administered by Turkish Cypriots who invaded in 1974 and forced out the Greek Cypriots. This means that buying land or property in Northern Cyprus is fraught with difficulties, complex ownership and title issues and could lead to your land or property being forcibly taken from you. We suggest extreme caution with Northern Cyprus and suggest reading the following article for more information taken from the UK foreign office web site, www.fco.gov.uk. The non-recognition of the 'Turkish Republic of Northern Cyprus' and the possibility of a future political settlement in Cyprus could have significant practical or financial implications for those considering buying property in the north. There is also a risk that purchasers would face legal proceedings in the courts of the Republic of Cyprus. Separately, there are specific rules for foreigners purchasing property in the north and you should ensure you are fully aware of these."

In this report we are talking about the southern part of Cyprus which represents two thirds of the island, it is the only part recognised by the international community due to its entry into the EU in 2004.

2.1 Highlights Location

Cyprus tucked away in the top right hand corner of the Mediterranean is so close to Europe, Asia and Africa, it can legitimately claim to be a stepping stone to three continents.

Cyprus is the third largest island in the Mediterranean Sea with a 648 km coastline and, as an island, has no land boundaries. It is located approximately 75 kilometres south of Turkey, 380 kilometres north of Egypt and 380 kilometres west of Rhodes the nearest Greek Island.

Getting there

Cyprus has 2 main airports, Larnaca & Paphos, and



many airlines operate regular scheduled and non-scheduled flights between the UK and these airports. The flight duration between London and Cyprus is 4h – 4h 15min depending on the airports used. Following is a list of airlines that fly regularly to Cyprus with airports that they fly from in the UK:

- www.flyglobespan.com flying from Stansted, Glasgow, Edinburgh & Aberdeen
- www.flymonarch.com flying from Luton
- www.firstchoice.co.uk flying from Birmingham, Cardiff, Gatwick, Glasgow, Humberside, Manchester, Newcastle
- www.thomsonfly.com flying from Birmingham, Bristol, Cardiff, Sheffield, Gatwick, Luton, Stansted, Manchester & Newcastle
- www.gbairways.com flying from Gatwick & Manchester
- www.avro.co.uk flying from Gatwick, Manchester & Newcastle
- www.eurocypria.com flying from Cardiff, Exeter, Bournemouth, Gatwick, Birmingham, East Midlands, Humberside, Manchester, Newcastle, Edinburgh, Glasgow, Belfast, Dublin & Cork
- www.ba.com flying from Gatwick, Heathrow & Manchester
- www.cyprusairways.com flying from Birmingham, Gatwick, Heathrow, Manchester & Stansted
- www.xl.com flying from Bristol, Bristol, Manchester, Gatwick, Birmingham, East Midlands (Paphos only), Glasgow, Newcastle and London Stansted
- www.fly-jet.com flying from Gatwick and Manchester



Nicosia - The Capital

Nicosia is the capital of Cyprus, a status it has enjoyed for 1000 years since the 10th century, though its beginnings date back 5000 years to the Bronze Age. It is located on the Pedieos (Karlidere) river and situated roughly in the centre of the island. There are various suggestions as to the origin of the name Nicosia - or 'Lefkosia' In Greek - but the most likely one is linked to the popular tree, the tall 'Lefki ' which once adorned the city.

Nicosia is the seat of government as well as the main business centre. Nicosia is the center and capital of an administrative district (Nicosia District). It is also the cultural centre of Cyprus, the capital presents two distinct faces: the old, original part of the city, surrounded by sturdy Venetian walls over 400 years old, and a busy modern metropolis which has a population of nearly 300,000 together with the suburbs. The city is a trade center and manufactures textiles, leather, pottery, plastic, and other products. Copper mines are nearby. Nicosia is also the seat of the University of Cyprus

Population

Cyprus has a population of 788,457 (July 2007 est.), not counting the occupied north, the unrecognized "Turkish Republic of Northern Cyprus", and divided into 77% Greeks, 18% Turkish and 5% other origins.

Weather

Cyprus offers a typical Mediterranean climate of mild winters and long warm summers, beginning in April and lasting until October. At the end of October comes a cooling breeze before the light rainy season between November and March, but the sun still shines with clear blue skies. During the short winter the climate remains mild, with the temperature rarely dropping below 16 degrees Celsius and by March the sun is shining again.

Cyprus has 340 sunshine days (no rain) and these figures outshine most, if not all, of the other 'sun' investment alternatives in Europe.

The following chart shows the Cypriot weather compared to London, UK showing 8 months of the year (April – November) that Cyprus temperatures are equal

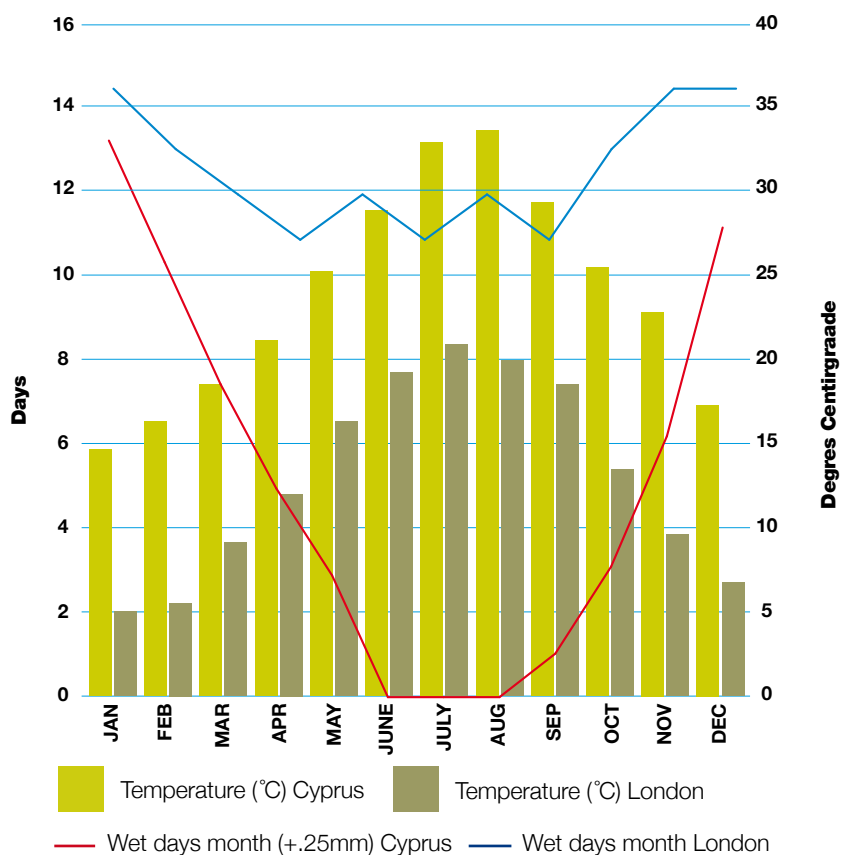
or above the highest month in London (22 C in August). Numbers of rain days per month are also compared with Cyprus have considerably less rain days in every month than London, especially in the summer months.

Figures taken from www.bbc.co.uk.

Politics

Politics of the Republic of Cyprus takes place in a framework of a presidential representative democratic republic, whereby the President of Cyprus is both head of state and head of government. Executive power is exercised by the government. The Judiciary is

Weather Comparison – Cyprus v UK



independent of the executive and the legislature. Cyprus is a divided island. Since 1974, the legal government (The Republic of Cyprus) has controlled the south two thirds, and the separatist Turkish Cypriot authorities the northern one-third. The Government of the Republic of Cyprus has continued as the sole internationally-recognized authority on the island.

Cyprus elects on national level a head of state - the president - and a legislature. The election of the President is direct, by universal suffrage and secret ballot. Every citizen over the age of 18 has the right to vote. The president is elected for a five year term by the people. The election of a new President takes place before the expiration of the five-year period of office of the outgoing President so as to enable the newly-elected President to be invested on the date that period expires. The current President of the Republic of Cyprus is Tassos Papadopoulos who leads the Democratic Party.

Society

The Cypriots are proud of their individuality and warmth of character. They will welcome strangers into their homes and lives much quicker than those from the countries which influenced Cyprus over the years. The heady mix of Mediterranean weather and cuisine, a low cost of living and the ease with which one can communicate makes Cyprus such a favorite among the West Europeans, particularly the British.

Cyprus' colourful history is reflected in the rich cultural life in Cyprus today. Almost every week there is some sort of celebration, a festival, a wedding or a saint's day (which are celebrated instead of birthdays).

Religious festivals are particularly significant in Cyprus and none more so than the Greek Orthodox Easter. This is the highlight of the religious year and is considered more important than Christmas. On Easter Saturday most Cypriots will be found in the church, attending midnight mass. There is a bonfire with an effigy of Judas outside the church and also fireworks. On Easter Sunday families sit down together to eat the traditional roast lamb lunch.

Springtime is also festival time with all the major towns hosting carnival parades. There are flower festivals with parades of flower-covered floats. The largest carnival is in Limassol, with its many floats, parades and other entertainment.

Kataklysmos is another important festival - the festival of the flood- and there are celebrations in every town, with open-air fetes, games and competitions.

Harvest time is time for the wine festivals, the largest being held in Limassol. Every year thousands of visitors go to the festival to enjoy the large range of food and wine on offer.

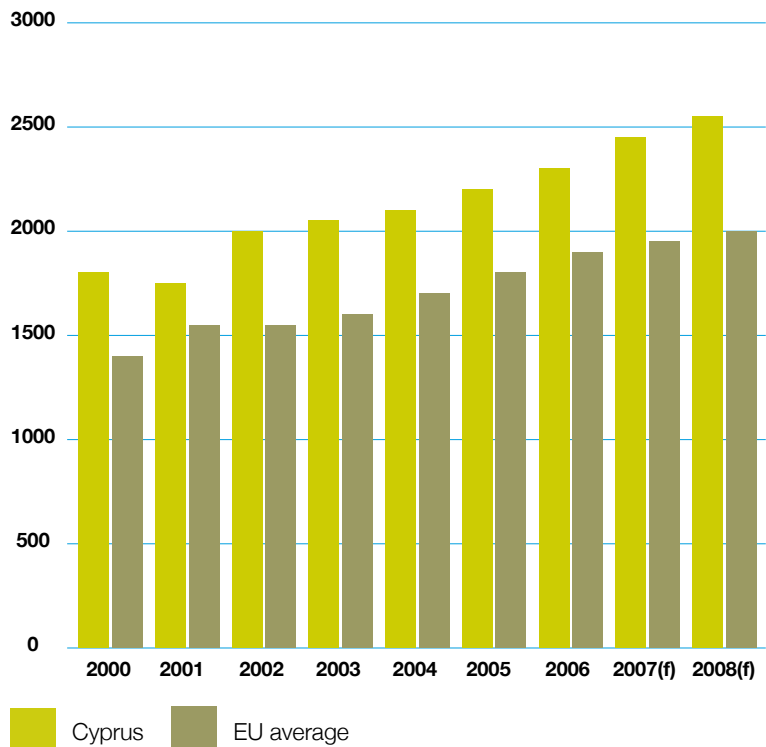
2.2 Economy

Note: The current currency is the Cyprus pound (CYP) which is made of 100 cents to the pound. Cyprus is entering the Euro on 1st January 2008 and the exchange rate for CYP to euro is set at 1 EUR = 0.58 CYP.



Cyprus has a transparent, healthy and open free market economy. As a full member of the European Union since May 1 2004, Cyprus is successfully meeting the challenge of being part of the enlarged European family. The island's economy is characterised by robustness and macroeconomic stability, which is evidenced by the favourable evaluations and comments of the European Commission, the International Monetary Fund and other international organisations.

GDP/ Capita (Euro)



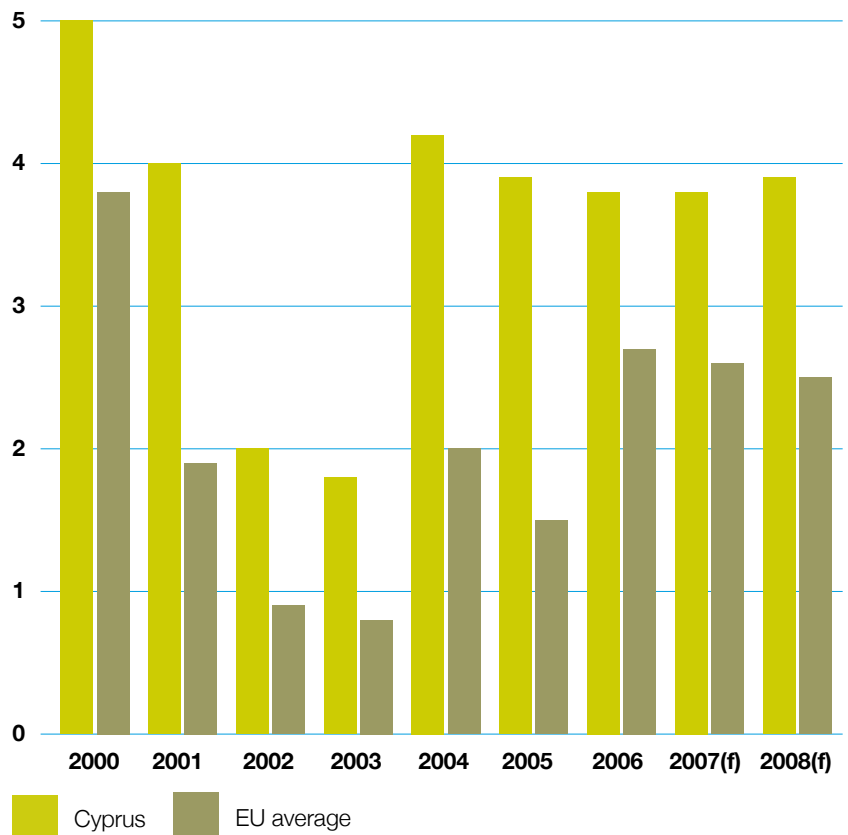
During the period 2000-2006, real GDP grew by an average of 3 – 5 % per annum, which compares very favourably with the EU average of 1.5 – 2.5% during the same period. This was accomplished in an environment of full employment conditions, low inflation and a stable and strong currency. GDP is forecast at 3.8% for 2007 which again outperforms the EU average at 2.6%. In addition, it should be pointed out that important structural reforms within the context of the Lisbon Strategy are in progress in order to further modernise and liberalise its market-oriented economy, with a view to enhancing its international competitiveness and EU compatibility. These structural reforms, together with macroeconomic stability, provide a strong foundation for the successful participation of the island in the eurozone on 1 January 2008.

The Cypriot macro economy is characterised by low inflation combined with low unemployment, current inflation rates are 2.0% and 2.2% respectively for 2005 and 2006, the unemployment rates are 5.2% and 4.7 % for 2005 and 2006 respectively compared to the EU average of 8.6% and 7.9% for the same years. The figures show a very strong, healthy economy with unemployment rates especially low compared to EU averages.

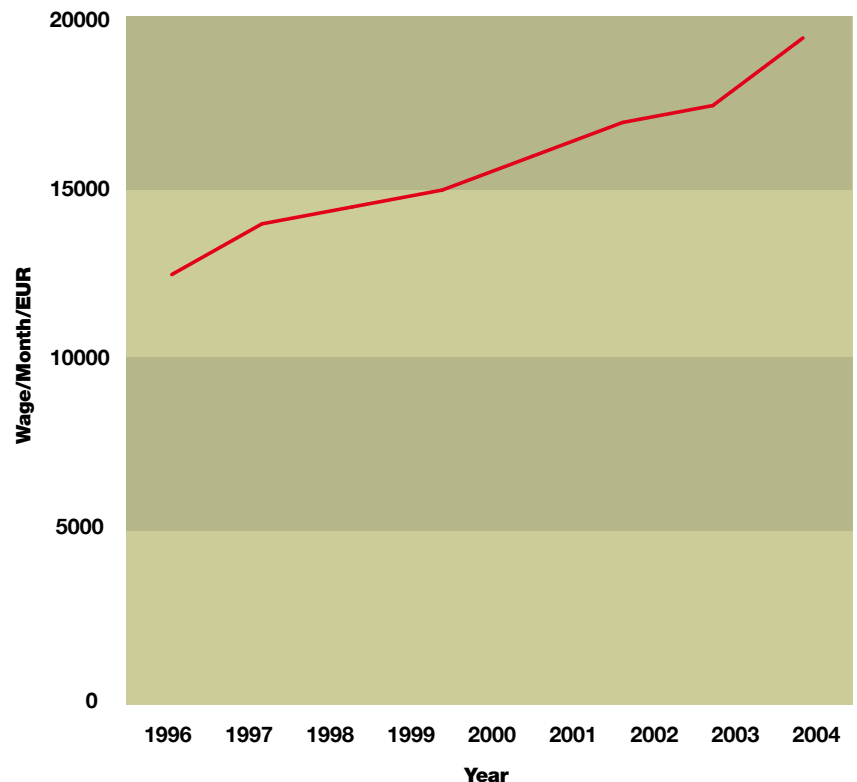
In the past 20 years, the economy has shifted from agriculture to light manufacturing and services. The service sector, including tourism, contributes 76.2% to the GDP and employs 72.0% of the labour force. Industry and construction contribute 19.3% and employ 22.7% of labour. Agriculture and mining is responsible for 4.4% of GDP and 5.3% of the labour force. Manufactured goods account for approximately 58.0% of domestic exports. Potatoes and citrus are the principal export crops.

Interest rates have dropped sharply since 2000 thus fuelling huge business and personal growth as borrowing becomes cheaper and more affordable. Rates of 7.75% have been gradually decreased to the current 4.00% base rate which is only slightly above the Euro zone rate. This steady and constant reduction is very pleasing to see as it shows strong management

Real GDP Growth %

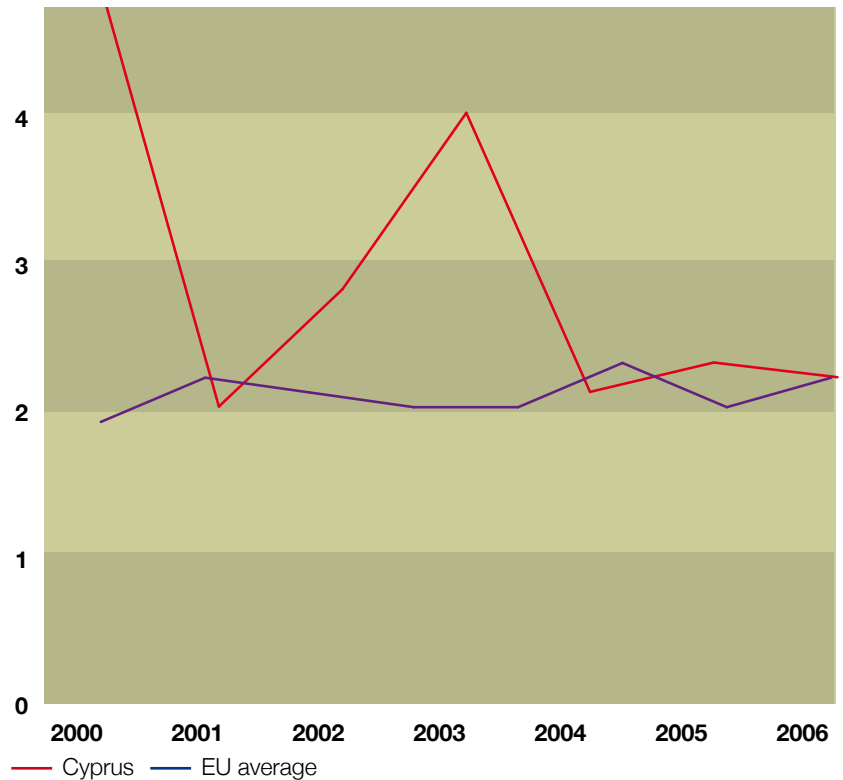


Cypriot Wages





Inflation rates %



and control of the economy and this fuels confidence among the business community which attracts investment into the country, a much sought after attribute in any economy.

Wages have been rapidly and steadily increasing over the last decade or so. The following chart shows average gross annual earnings (wages) in Cyprus have risen from 12,980 Euros in 1996 to 19,290 Euros in 2004 (the last year for recorded figures on Eurostat) which is 48.6% growth in 8 years. This phenomenal growth comes in a period of falling inflation and interest rates meaning Cypriots have more money to spend on items that cost less to buy (relatively) and borrowing money is cheaper than ever so people can borrow more money (via loans and mortgages) to spend. The economy is therefore in a very healthy state with lots of growth occurring.

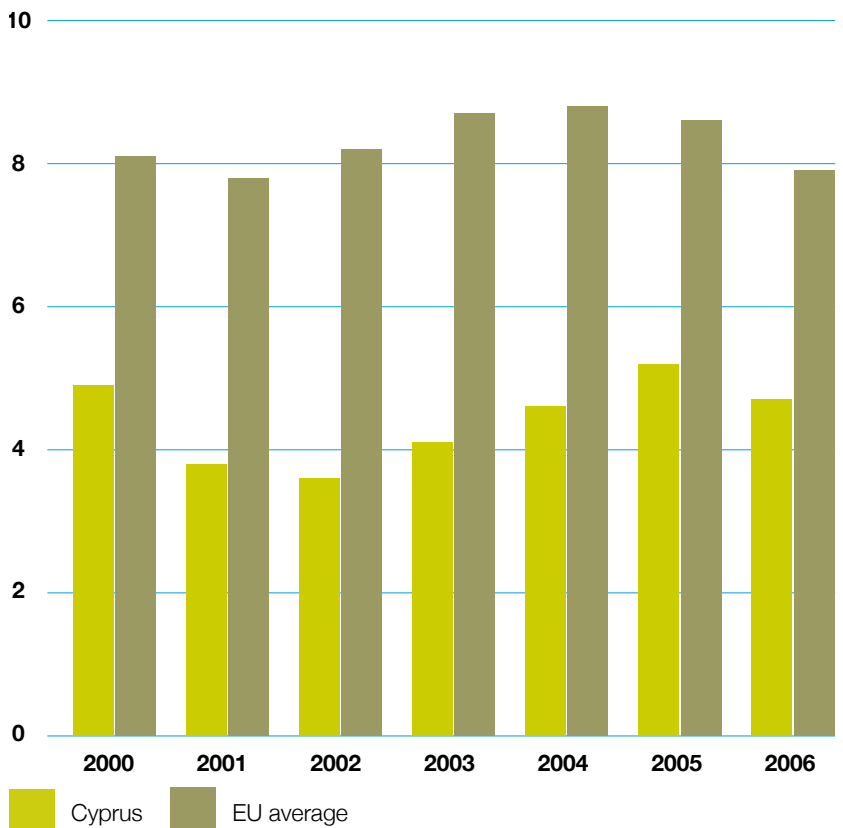
Cyprus has one of the lowest tax regimes in the EU. The current standard business tax rate is 10%, the lowest in the EU, which is a huge incentive for businesses to locate in Cyprus and this attracts even more Foreign Direct investment (FDI). The two biggest costs for a company are labour and taxes so if a company can re-locate to an EU destination with all the amenities and infrastructure but lower taxes, then it will do and it's a huge incentive for businesses.

See section 3.5 for table of standard business tax in all EU countries on page 12.

All figures used in this section have been taken from the following 3 sources

- The Central Bank of Cyprus www.centralbank.gov.cy
- The European Central bank www.ecb.int
- Eurostat www.epp.eurostat.ec.europa.eu

Unemployment rate





2.3 Property Market

In location terms Cyprus is a sun destination investment. This makes it unique and distinct from other investment countries and markets itself to a certain type of person that any informed investor should be aware of.

This will make Cyprus appealing to holiday makers, 2nd home owners and those deciding to live in Cyprus as a resident. Investors should have these people's needs firmly in their minds when buying as it will be these groups of people who will ultimately either buy or rent from the investor.

As a sun destination, sun is the most important ingredient to its appeal and Cyprus has plenty of this year round, making it a very good starting point for investing. The other points high on the list for a sun destination are,

- **Stability.** Both political and economically speaking, Cyprus is very stable with EU entry strengthening this.
- **Ease of completion.** As the UK has such a strong influence in Cyprus buying and UNDERSTANDING the entire property process is very easy. EU entry has also made life much easier to buy, own and rent property.
- **Price.** Cyprus is 50 – 70% cheaper than similar sun destination countries such as Spain or Portugal. See section 3.5 for more detail.
- **Accessibility.** Frequency and cost of travelling to a destination is vitally important if you're regularly

visiting, Cyprus has several schedule carriers and budget airlines now flying to its 2 airports, see section 3.16 for more detail.

- **Attractive destination.** Cyprus has stunning geography from its white beaches to its inland mountains that can be skied in the winter months, giving year round events, festivals and places of interest. The Cypriot people are also extremely warm and friendly with crime rates at 6% of UK standards.

In terms of duration Cyprus really comes into its own. For quick short term capital appreciation the climate is ripe for quick and dramatic growth for the numerous reasons highlighted in section 3. Mid to long term prospects are also very good with the North/South question still to be resolved giving big reasons to believe growth will continue at high rates for the next 10 years and beyond. With EU entry, boundaries reduced and free movement of trade; Cyprus has quite some distance before it catches up with its fellow EU countries in terms of financial costs (its cheap), which all mean there is significant growth to come in the Cypriot property market.

The rental market also gives good, steady returns from a market still very much in its infancy. Most property is currently bought as 2nd homes or for retiring purposes, as more investors buy and the tourist industry increases (see section 3.12) the need and supply of property will rise, as will the rents to accommodate demand.



3. WHY CYPRUS

With the UK property market slowing down, interest rates rising, affordability levels stretched and opportunities to make high returns looking increasingly limited many investors are looking to foreign markets.

Overseas markets offer far more attractive returns both in capital appreciation and rental yields, particularly in countries at the start of significant economic and political change, such as the EU accession countries of May 2004. Research shows that significant growth in GDP and general economy occurs after EU entry, with large inward investment from private companies and EU grants. Economic & political stability give confidence to businesses who can also take advantage of the decrease in boundaries and free trade with other EU states.

Cyprus is one of these countries but 9 others entered the EU at the same time, so why Cyprus?

Well, we have strong reason to believe that Cyprus is one of the best investment opportunities in terms of return, ease, security and numerous other reasons, all of which are explained in this chapter. We have split these reasons into 2 sections, the first is low risks and the second is high growth. We put low risks first as we believe quite strongly that all investors should look at the risks involved in any market first, our goal is to invest our money we don't want to gamble it. No matter how high the growth figures might be if the risks are too high then we shouldn't even be looking at the growth, the country should be crossed of the list of potential investment destinations as gambling isn't our goal.

Your money is very precious and it will make you more money if you look after it and invest it wisely, so always, always look at the risks first.

LOW RISK

3.1 EU member- Decreased regulations & Easy Process

When countries become members of the EU there are certain guidelines in terms of financial regulation, fiscal policy, monetary policies, and standards that have to be upheld to retain membership within the EU. When doing business in an overseas market you want to ensure you are making safe investments especially when buying property (as this type of investment tends to be large); the EU membership offers laws and protection to the overseas investor especially to those investors from countries within the EU.

Joining the EU means more security to buyers through increased legislation and regulations and at the same time easier and more clear process. It acts as a security blanket that protects your investment and decreases the chance of any problems, unknowns and corruption that may affect your returns.

As Cyprus has now joined the EU, restrictions on buying property have been lifted in accordance with EU Regulations and EU citizens can now purchase property with relative ease. In addition, EU citizens will not require a work permit to live and work in Cyprus. This development is and has dramatically increased the demand for real estate, which in turn will reflect greatly

on property prices. The old rule of only able to rent to family and friends is also now abolished meaning the rental market can and will flourish.

EU citizens can buy multiple properties in Cyprus without any problems or restrictions, the caveat being that if title deeds need to be registered then it will have to be completed through a Cypriot Company. This law is likely to change in the near future as it contradicts EU laws and serves little purpose to the Cypriot legal system. Cypriot residents who live on the island more than 180 days can also own multiple properties. This added to the fact that title deeds take quite some time to transpire (2 – 3 years is the norm) means its likely you will not need to form a company to register deeds. Even if you do it's a very simple process with minimal costs attached. Its likely this law will be abolished in 2008 along the last remaining changes Cyprus needs to complete to come in line with EU regulations and policy.

3.2 Euro entry

Cyprus is preparing for one of the most important changes in its history, on 1 January 2008 Cyprus will adopt the euro, the single European currency. More than 310 million people in the 13 EU member states that have adopted the Euro now share the benefits of the single currency.

The adoption of the Euro will bring considerable benefits for Cyprus where price transparency in the single market of the EU facilitates price comparability, fosters competition and leads to lower prices. The elimination of the exchange rate risk is conducive to trade transactions, thus leading to lower prices. Travelling and buying goods and services in the Euro area countries is easier, because citizens will not have the hassle of changing currencies every time they cross a border, and are better able to compare prices since they can use their own currency anywhere in the Euro area. Travelling and buying goods and services outside the euro area is also easier, since the euro is an international currency and therefore widely accepted in many places outside the euro area, particularly in tourist destinations. Furthermore, both savers and investors can take advantage of increased opportunities for savings and investment, which emerge in the single financial market of the EU.

Moreover, there exist important potential benefits for the economy as a whole, such as price stability, sound public finances, low interest rates and a shield for negative shocks in the external environment. These conditions are conducive to bolstering economic growth, investment and employment, to the benefit of all Cypriot citizens and its property market.

3.3 Low Corruption levels

Some cultures have historic difficulties with honesty, corruption and security in completing business transactions. Several of the emerging European



countries still have huge problems with corruption, bribery and general transparency in completing business deals.

Peter Eigen, Chairman of Transparency International, states that 'Corruption robs countries of their potential' and goes on to say that 'Corruption in large-scale public projects is a daunting obstacle to substantial development'. His company, Transparency International (TI), publishes a Corruption Perception Index for 163 countries that reflects the perception of business people and country analysts, both resident and non-resident. It uses data from 18 surveys and is totally independent and therefore unbiased in its findings.

In its latest index published in 2006 Cyprus was ranked 37 out of 163 countries with Finland first, the UK 11th and USA 20th. Out of all the new EU accession countries Cyprus is ranked the 2nd highest with only Estonia out scoring it and other common investment countries scoring as below,

Corruption levels

Hungary	41st
Czech Republic	46th
Bulgaria	57th
Poland	61st
Croatia	69th
Romania	84th

This information clearly demonstrates the security and comfort you will get from investing in Cyprus. 'Back-handers' and under-table dealings are not the common practice that you do get from other European countries.

A quick visit to Cyprus or conversation with a Cypriot will also give you the feel of security usually seen only in a traditional western society, the Police will enforce the law and won't expect little 'extras'.

The full index can be viewed at www.transparency.org

3.4 UK influence

The island used to be ruled by us Brits so not surprisingly our influence has had a large and lasting effect on the whole island culture from language to which side of the road to drive on. The main points are,

- 80% of the Island's population speak English
- The legal system is based on English common law
- The banking system is based on UK system and quite sophisticated
- The land registry is based on UK system
- They drive on the left-hand side of the road
- The use of a UK based electrical system that uses the same plugs as our own, no need for those annoying adaptors!!!!

Can you really trust a developer, solicitor or contract if you can't understand or read its content? We feel this point can't be emphasised enough so to reiterate, contracts are written in English, based on an English common law legal system and people freely speak English. Which other investment country can offer this security and comfort level?

The horror stories of investors being ripped of and signing up to contracts that they don't know or understand are not an occurrence in Cyprus.

3.5 Low Prices compared to other common 'Sun' destinations

Prices for properties in Cyprus are approximately 50 – 70% cheaper than similar properties in other common 'Sun' investment countries like Spain, Portugal and France. Prices are over 100% cheaper than most coastal locations in the UK like Brighton. These are average figures as variations occur in different areas of different countries.

This is not only good for investors to buy into as it costs less and you can buy more, but also the re-sale market who will make the same comparisons, therefore viewing Cyprus as a cheaper yet comparable (in terms of ease, stability, returns etc) or better value purchase. Low prices also indicate plenty of scope for increase as boundaries within the EU reduce and the world becomes an increasingly smaller place. Buyers of all sorts will compare Cyprus to the other much higher priced destinations.

3.6 Low Cost of Living

For a simple comparison see the attached chart for prices of common items of food, drink and general items against UK prices.

Further compelling evidence is shown in a recent Cost of Living index for 2006 published by Mercer (a global consulting company), where Limassol (the 2nd largest city in Cyprus) ranked at 118th and is the least expensive city to live in throughout Europe, Bucharest in Romania was closest ranked 114th. This survey covers 144 cities across six continents and measures



the comparative cost of over 200 items in each location, including housing, transport, food, clothing, household goods and entertainment. Mercer claims its study is the world's most comprehensive cost of living index, compiling evidence to show how cheap living in Cyprus is compared to the rest of Europe. Other new EU countries such as Budapest, Warsaw, Prague and Bratislava have all increased their cost of living quite dramatically since joining the EU, mainly due to development in infrastructure, and amenities. The full survey and report can be viewed at www.mercerhr.co.uk or ask us for a copy at our head office.

3.7 Low crime rates

Crime rates are also extremely low when compared to the UK, Interpol crime rates show Cypriot crime to be approximately 6% of UK rates which is wholly borne out by the friendly and welcoming people of the island. You feel safe, secure and welcomed with the ability to not worry about leaving your back door open!!!

More compelling evidence is shown in the survey 'International comparisons of criminal justice statistics 2001' written for the home office in Oct 2003. It shows that Cyprus had 623 police officers for every 100,000 population the highest in the survey from 39 countries, England & Wales had 241 police officers. These high police officer numbers result in low crime levels with the same survey showing 4,358 recorded crimes by the police for the entire year of 2001 (England & Wales had

Average prices of common essential items

	Petrol £/litre	Meal for two incl drinks £	Basket supermarket food £	Landline call p/min	Bottle Beer £
UK	.85	50.00	30.00	18.22	2.75
Cyprus	.50	30.00	25.00	5p	1.50



HIGH GROWTH

3.9 Low Taxation

Cyprus has a very low tax system with standard business tax at 10%, Capital gains tax (CGT) at 20%, retirees pay 5% tax on pension income and no inheritance tax on properties. This is all backed up by a Double Taxation treaty with the UK, meaning you will not get taxed twice. Not only is this good news for investors but also very attractive to potential customers for example: retiree's, 2nd home owners or other investors. See section 6 for a more detailed review of tax relating to property.

Note that it is possible to reduce CGT via certain company strategies but specialist advice is needed to advice on individual circumstances.

A low tax system is also very attractive to businesses and Foreign Direct Investment (FDI) will certainly increase as Cyprus is viewed as a very tax 'efficient' country to invest in within the EU. The following table shows the standard business tax rate in several EU countries with Cyprus having the lowest tax rate in the EU; source Euro Stat (www.epp.eurostat.ec.europa.eu). With business increases in addition to FDI flowing into the country property and rental prices are certain to increase.

3.10 Superb Weather & Scenery

Cyprus offers a typical Mediterranean climate of mild winters and long warm summers, beginning in April and lasting until October. At the end of October comes a cooling breeze before the light rainy season between November and March, but the sun still shines with clear

5,525,316 reports) with only 9 homicides (England & Wales had 891 homicides).

The entire survey can be viewed at www.homeoffice.gov.uk/rds/index.htm

These elements of Cyprus's attraction are more for the re-sale market than investors but it's a highly important point that tourists, holiday home owners and retirees do not want to live in an area where they feel threatened or unsafe. Likewise they will want to be living in a place that is cheap and creates the ability to afford life's many luxuries, but it also helps greatly when you complete some inspection visits and have to enjoy the laid back life at minimal expense and plenty of sun.

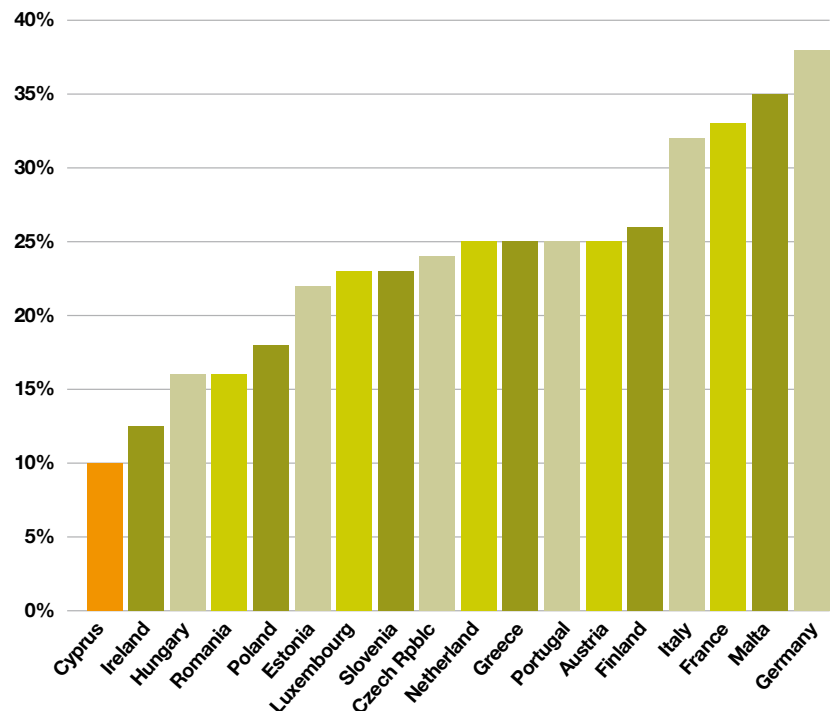
3.8 Licensed Estate Agents

This is a big safety factor for anyone purchasing property in Cyprus through a licensed and therefore legal estate agent. Licensed estate agents in Cyprus have to go through lots of training, have on-going education, keep to a strict code of conduct and keep CYP 500,000 of professional indemnity insurance. The insurance is a huge safety factor that gives clients the peace of mind that in the case of the agent being negligent in performing his duties you have a 3rd party insurance policy that will pay out if its proved the agent was negligent. This isn't dependent on the agent's financial status, cash flow or bank balance; it's purely dependent on the agent being negligent and proved. Licensed estate agent are also regulated and audited by a government body which has the ultimate power to take their license away if it is proven that they have acted in an inappropriate manner.

Licensed estate agent will also perform several checks on developers and project to safe guard client's interest, this includes checking the seller has the correct permissions to sell the property, the seller is the legal owner of the property/land and that the seller has the legal right and title to sell the land.

There are less than 1000 licensed estate agents in Cyprus but many unlicensed estate agents. These will eventually be closed down by the authorities but until this time we advise caution when using a Cypriot estate agent and always, always ask to see their license.

Standard corporate tax



blue skies. During the short winter the climate remains mild, with the temperature rarely dropping below 16 degrees Celsius and by March the sun is shining again.

Cyprus has 340 sunshine days (no rain) and these figures outshine most, if not all, of the other 'sun' investment alternatives in Europe. See section 2.1 for a graph of sunshine hours and rain days per month.

The breathtaking natural beauty of the island creates an atmosphere of tranquillity and inspiration. Discover picturesque sandy beaches, clear crystal waters and sleepy fishing villages. The scenery in Cyprus is beautiful and varied and offers something for people of all ages and tastes. You can even go skiing in the Troodos Mountains in the short winter!

Why wouldn't holiday home owners, retirees and tourists want to come to Cyprus?

And if they do investors should want to invest, as growth will inevitably occur.

3.11 Improved Finance

Historically investors were unable to get mortgages from Cypriot Banks for purchasing Cypriot property, this changed with Cyprus entry into the EU and now mortgages are available to foreign nationals, EU and non EU citizens with relative ease. The problem with mortgages has been the terms, which were not terribly good with 25 - 30% deposits, 15 year loan periods and high interest rates of between 8 - 9%.

Things have started to change.

For the first time in Cyprus mortgages are available with 20% deposits and 30 - 35 year loan terms. If this wasn't good enough the interest rate are also cheaper than previously available, circa 4%, depending on the type of product used.

There are now several banks lending on these new and improved terms and with much competition between banks vying for a slice of the profitable mortgage market we can only see the mortgage market continue to offer better and better products. Which is great news for investors as this helps us increase our returns on investment (ROI) massively.

Investors have traditionally bought off plan with an initial deposit of 30% and no more money to pay until the project is complete in 12 - 24 months time (small interest payments may be required in this period). At the completion point properties are sold with the benefit of 12 - 24 months capital growth on the entire property price but having only paid 30% of the initial price, thus increasing ROI significantly. Now with 20% deposits ROI is increased even further.

In the example below a 2 bedroom apartment bought for £100,000 with a 24 month construction period and annual 15% capital growth has been assumed using either a 30% deposit or a 20% deposit.

The ROI has increased by 53% with the only change being a reduction on the initial deposit money down to

20%, the growth is still the same but the reduction in deposit money makes your money work harder and therefore produces a higher return. This is an incredibly simple yet powerful concept and one that all property investors need to be fully aware of, as understanding it and putting it to use will make you a very successful and wealthy investor.

Mortgage type (LTV)	70%	80%
Purchase price	70,000	80,000
Mortgage value	30,000	20,000
Value of property in 2 years at 15%	132,250	132,250
Total Equity in Property at 2 years	62,250	52,250
Return on investment (ROI)	208%	261%

Note: The above example, for ease, excludes fees and costs of purchasing & selling but uses a conservative 15% annual growth figure. The figures are also gross before tax has been deducted.

This is a huge benefit to investors as it will continually and increasingly fuel the property market with cheaper lending, increased affordability and increased returns.

Just think how much the reduction in interest rates and competitive mortgage lending has dramatically affected the UK property market in the last 10 years, massively? Then think how this will affect Cyprus with all its UK investors and buyers?

The Cypriot property market is going to drastically change with prices set to grow at exceptional rates.

3.12 Tourism Increase

The Cypriot government is making a publicly conscious effort to increase tourism with its 'Strategic Plan For Tourism Development 2003 -2010' which can be viewed in full at, www.visitcyprus.org.cy. The highlights of this report are 'the maximisation of revenue from tourism' this being achieved through:

- Increase of tourist expenditure
- Improvement of seasonality
- Increase in arrivals
- Increase in duration of stay
- Increase in repeat tourism



The report states one of its major goals as 'to maximise the income from tourism in real terms to £1.8 billion by 2010'.

Two other significant highlights of the report are the development of additional golf courses (12 in total on the island) and marinas (one per district, totalling five) which will all be big attractions to tourists, 2nd home owners and retiree's alike. To substantiate this report last year in October 2006 the government approved the initial planning applications for 6 new golf courses across Cyprus and the tenders for 4 new marinas, have been completed with the Paphos marina the first due for construction. What do these infrastructure developments mean? Excellent news, especially the golf courses, which will bring with them a new type of tourist not seen on the island before, people going on golfing holidays in the summer AND winter because of the year round sun. Of course for the investor this is great news, as longer rental periods combined with increased demand for rental property mean much more attractive and profitable return.

The Cyprus Tourism Organisation (CTO) in its latest figures for tourism in Cyprus for the year 2006 shows total revenue generated from tourism was up to CYP 1037,000,000 from 2005 CYP 1014,000,000 level and 2004 CYP 998,000,000 level. These figures show that the government's plans are starting to work and tourism is growing in an ever increasingly competitive market full of new, trendy places to visit, and this is extremely good news for any budding property investor.

3.13 Infrastructure Developments

There are many important infrastructure developments in Cyprus which are all designed to attract tourists into Cyprus like the golf courses and marinas described in section 3.12 but on top of these project the government is also approving many more projects.

The best news of these is the enlargement and refurbishment of both the international airports in Cyprus, Paphos & Larnaca. In a major CYP200 million private/public refurbishment and enlargement by Hermes in a 25 year buy, operate and transfer deal with the Cyprus government. The works will be complete by 2008/9 and increase the airports handling capacity to 10 million passengers with a further increase to 15 million by 2015.

See the following link for more detailed information www.airport-technology.com/projects/larnaca.

This development is one of the largest infrastructure developments to ever take place in Cyprus and it's a huge vote of confidence in the tourist market by the government and the private business sector for pumping in so much money into this venture. Private business doesn't put their money into projects unless they have conducted much research into the scheme and how it will make money. Another very positive element of this scheme is the upgrades of the road network to access both airports.

Basically the Cypriot government will help your investment grow, grow and grow, rather nice of them!!

3.14 Huge array of Attractions

There are lots of things to do in Cyprus and a wide range of activities to keep everybody occupied. Among these include Ancient Greek history sites (several UNESCO listed), castles, wildlife parks, gorgeous white sandy beaches (many EU Blue Flag), local festivals, water parks and many leisure activities including stunning diving spots, Cyprus has it. This all adds up to a very attractive Island for tourists, 2nd home owners and retiree's, just what you want as an investor.

Think about it for a while, if you're going to visit a tourist destination for any period of time then you're going to want lots of things to do, for you, the family, visitors etc and in all seasons not just 4 months of the year. So Cyprus, with its varied terrain of golden beaches by the coast, inland mountains with snow for skiing in the winter, huge cultural & historical sites and more modern wild life parks, water parks, golf courses and lively bars really does have massive appeal to ALL generations and walks of life. This is where the canny investor would think like the re-sale market buyers, noting the increased variety of attractions per destination. The wider the re-sale market and thus potential profit would be, simply due to increased demand.

A more detailed list of attractions in each area can be found in Appendix A and includes 4 UNESCO World Heritage sites.

3.15 Young Market with Huge Growth Potential

Although the Cyprus property market has grown rapidly over the last couple of years it still has a long way to go in terms of price. Properties are still very affordable especially when you consider investors, and specifically UK ones, play such a large and important part in the market and are willing to pay considerably higher



amounts for similar properties in many of the other common 'sun' investment countries.

Also with such big changes occurring like the EU entry, Euro entry and decreasing finance costs we think its inevitable that prices will rise and rapidly over the next 5 - 10 years. Cyprus is still a young market offering large rewards in the immediate future and well into the next 10 years as it catches up with its EU counterparts in terms of price.

Just think of being able to invest in Spain 10 years ago when property prices were at similar levels to Cyprus prices now, how much money would you have made by now?, how ecstatic would you be if you had invested 5 years ago? Well Cyprus offers you the opportunity to reap this type of return and it does this by being a cheap and emerging market that is set to grow rapidly.

3.16 Increased Accessibility

Getting to Cyprus has never been easier with more and more airways opening up routes to Cyprus as it increases as a tourist, retirement and investment destination. The full details of airlines operating to Cyprus are detailed in section 2.1.

There are two major highlights of this topic

- The emergence of budget airlines flying to Cyprus: In 2007 we have had 2 major budget airlines start to operator routes to Cyprus, Monarch (Leisure airline of the year) and FlyGlobeSpan. These companies have really started to shake up the airline business in Cyprus and given customers their first true budget offering flying to Cyprus. This inevitably leads to increased competition, cheaper fares and an all round better service to customers.
- The CYP 200 M refurbishment and enlargement of both international airports: This huge airport refurbishment is testimony to the governments effort to increase tourists numbers flying to Cyprus, it's such a huge sum of money to spend that before its approval a massive amount of research, analysis and studies would have been conducted to justify the money. Even more compelling is the joint private/public venture where private money only gets invested when there is a good opportunity of it making a decent return.

This increase in accessibility will certainly make | the property market grow as more tourists and visitors will be able to visit Cyprus easily and with affordable prices which will push the rental prices up and eventually the whole property market. Also this ease of accessibility will encourage more investors and 2nd home buyers to consider Cyprus as one of the top property investing destinations.

3.17 VAT

Since joining the EU VAT has become payable in Cyprus, now you may think this is a bad thing as prices will and have increased but for property it's a good thing we'll explain why.



VAT has been payable on building costs for developments that gained planning permission since May 2004. At this time we saw a direct increase in property prices as the costs were passed onto the buyers by developers. No developers is going to take a 15% increase in their costs without increasing the prices it charges for the service and this is exactly what happened. Now the same is going to happen with Land which currently does not attract VAT. This will obviously mean a price increase as developers look to the purchaser to recoup their increased costs and this means increased prices. Increased prices = capital gains and increased returns for investors that can still find properties built on land that did not have VAT costs. Even if you can't the overall price increase will benefit you in some form so overall a positive for investors. The exact date of land sales attracting VAT has not yet been decided it was originally planned for 1st Jan 2008 but this date has been put back, we expect it will be in 2008 but aren't sure of the exact date.

KEY DRIVERS - WHAT'S REALLY GOING TO MAKE THE PROPERTY PRICES GROW?

These are the real, main key drivers that will fuel the property market at supercharged growth levels for not only the next few years but also well into the next 10 years as Cyprus continues to grow and rise up to the levels of traditional western European countries.

- Young Market with low prices – Cyprus is a very cheap alternative to Spain, Portugal, France and all the traditional sun destinations.
- Better lending – Cheaper money and less money needed to buy property
- Increased Accessibility – Budget airlines always attract more visitors to a country and Cyprus now has 2 flying to its airports.
- Infrastructure Developments – Massive developments to entice even more tourists and visitors into Cyprus.



4. PROPERTY AREAS IN DETAIL

Cyprus, just like any other country, is made up of several different property markets, each with its own unique drivers & complexities, all within the overall Cyprus property market. In assessing Cyprus's total property market we must first understand how each of its districts are made up, work and at what type of growth stage they are in. There are 5 areas (called districts) Nicosia, Famagusta (the Southern Cyprus part only), Larnaca, Paphos and Limassol.

4.1 Nicosia (Lefkosia)

Nicosia has developed a strong property market with both commercial and residential sectors presenting good investment opportunities. The market differs from the property markets of the other towns on the island in that it offers purely year-long rental contracts, instead of seasonal rental contracts due to prime tourist seasons. Other areas do offer year long contract but they also have much more short term renting to tourists also which is a big driver this doesn't exist in Nicosia.

The property industry is competitive, typical of an industry that is going through a boom period, where high profit margins attract more and more competition to the market. Consequently, property prices have been rising steadily and consistently.

Demand Drivers

The main reasons for the increase in demand for property are occupational, residential and educational.

Many international companies have shown a significant interest in registering an office in Cyprus following the Cypriot governments low standard business tax (corporate tax of 10%). EU entry has

greatly helped by providing an additional sense of security and stability for foreign companies. This will also be boosted with the countries Euro entry further strengthening its economy, stability and general ease to complete business. The Cypriot company registration authority has noticed a significant percentage rise in new companies applying for registration.

Nicosia therefore attracts a large and affluent workforce through the many international companies that are based there. The labour force has a large portion of foreign labour as people immigrate looking for better working conditions and a higher quality of life. In addition to this, Nicosia also attracts private workforce from other towns of the island since most Cypriot private companies and the majority of the government functions and buildings are based in Nicosia.

Nicosia is the education centre of Cyprus and aspires to expand in the surrounding Mediterranean and middle-east. Colleges and universities are expecting the high standard of Cypriot education and quality of life will attract a significant amount of foreign students to Cyprus. The University of Cyprus has a strategic target to grow its student population to 10,000 by 2010, with current student population at approximately 5,000.

Demand is greatly influenced by the growing needs of the local population for housing and the global trend of people remaining single until later in life and living on their own. This combined with the increase in standard of living and wages of young professionals mean more people can afford to own property.

Supply Drivers

Nicosia, with a population of 250,000, has more than a hundred listed development companies. Rising prices

and the relative ease of achieving profit margins has triggered an increase in the number of new companies entering the construction industry in the last three years. In fact construction has been growing at such a rate that finding labour has sometimes become a challenge for smaller development companies. Despite the increase in supply we still find that almost all new developments are sold off plan and most of them before they reach the frame stage.

Current Condition & Predictions

Increasing demand and good expectations for the future suggest that the Nicosia property market has not reached its peak, with prices in the area increasing rapidly and consistently. Investors are liquidating profits and reinvesting their money in real estate, mainly Cypriots but there are increasing numbers of foreign investors. Developers are selling their properties before they begin the construction process with profits sufficient for investors and developers, causing increased demand for new developments.

A new wave of foreign investors has made a strong move in acquiring property in Nicosia during the last year. Many of them seem to prefer the lower risk year-long rental contracts combined with capital appreciation of Nicosia rather than the higher risk season rental contracts of other towns.

Investors and analysts are predicting increases in rental returns in the near future as property prices have increased disproportionately to rental increases. The increase in demand for property that leads to increased prices will mean some local people's income will not be sufficient to purchase property. This will increase demand for rentals and thus stimulate a rise in rents, further fuelled by increased students and transient foreign workers.

4.2 Famagusta (Ammochostos)

To clarify, the Famagusta property market we are talking about is the part in Southern Cyprus which primarily refers to Paralimni, Protaras, Ayia Napa and the surrounding areas, these places are the main attraction of the whole area.

Paralimni is the area's local capital with a large Cypriot population; it has all the modern facilities of any western city or town. Protaras and Ayia Napa are well known tourist resorts with Ayia Napa catering for the younger generation tourist with its well known night life and lively bars and Protaras with its more relaxing, family feel catering for holidaying families, retirees and holiday home buyers.

The area's residential property market has flourished in the last three years mainly due to huge increase in demand for privately owned holiday homes. Local agent's state prices have been increasing 20% every year for the last 3 years. We believe Famagusta represents the best potential for increases in capital appreciations in the next 2-3 years and well into the future.



Demand Drivers

The demand for property in Famagusta is approximately 90% from other countries in the tourist resorts, with UK buyers accounting for nearly 80% of this. The demand drivers can be divided into three categories: holiday home owners, retirees and investors. In Paralimni the demand is reversed with about 90% coming from Cypriots.

In tourist areas holiday home owners are the biggest category and initially were the main demand for property in the area. With time retiree demand has increased, mainly due to Paphos, the other main UK retiree area, being priced approximately 20 - 30% higher and initially having better infrastructure & facilities. As infrastructure & facilities in Famagusta have increased, on par with those seen in other areas, the area has become more attractive to permanent retiree's and this has meant increased market demand. With the increased activity from holiday home owners and retirees, investors began to play a significant part in the market. With the fast moving market profits were high and virtually guaranteed. This added to prices being significantly less than other major areas on the island (see the table at the end of this section) give room, and optimism, that prices would continue to increase. As they have continually for the last 3 years.

Supply Drivers

It is a challenge for supply to keep up with the increasing pace of sales for quality developments. The scarcity of good quality land in the area (which has 90% build coverage and suitable services), has been a big increase to demand and pushing prices even higher.

More developers and contractors are turning their efforts from other areas of the island to Famagusta as profit is higher and easier to achieve. This means supply is keeping up with demand but only by a small margin.



Current Condition & Predictions

The property market is most definitely moving up in Famagusta. Increasing demand and great expectations for the future imply that prices have not reached their peak and will continue to rise for the next few years.

Prices in Famagusta are significantly lower than other similar properties in Paphos, Limassol and all areas of the island. This combined with newly developed infrastructure & facilities that are on a par with all other areas, means buyers can and have paid significantly higher prices for property elsewhere on the island. The general perception from buyers being that Famagusta represents the best value for money on the island, with the greatest potential for high return. The area also has the island's best, golden sandy beaches, which are used by the locals for holidays. Developers are selling their properties before they begin the construction process with profits sufficient for investors and developers, causing increased demand for new developments.

4.3 Larnaca (Larnaka)

Larnaca is a coastal town that has been traditionally driven by a tourist economy. There are two sides to Larnaca's property market, one is the development of the main town of Larnaca and the other is the growth in some of its coastal areas on the outskirts of Larnaca. These newly developed small communities consist mainly of holiday properties.

With a population of approximately 100,000, Larnaca is lively throughout the year having all the amenities and facilities that permanent residents require, including its own airport, seaport and marina. Rentals in the town of Larnaca are yearlong contracts but holiday homes represent a seasonal market driven by tourists.

Larnaca town has not captured the interest of investors yet since rental returns and capital gains do not seem to qualify to investor levels. Holiday properties

on the other hand, despite their rental seasonality, do offer significant capital gains which encourage investor activity.

Demand Drivers

The demand for holiday villas comes from approximately 80% UK buyers but also Cypriot expatriates that return to Cyprus. Larnaca's attraction stems from the combination of tourist destination and facilities of a modern city. It offers English schools, shopping malls and some commercial premises that appeal to the holiday home & retiree market.

The demand for Larnaca's main town property market is mostly from the local population combined with some repatriate Cypriot demand.

Historically investors have not bought in Larnaca but with the development of the outskirts and surrounding areas a flourishing holiday home & retirement market has emerged, that investors have realised can reach a different market from the buyers in Famagusta. It's interesting to note that this demand has not been from tour operators who mainly concentrate on the resorts of Paphos, Protaras and Ayia Napa. This is a huge factor for investors looking to rent property to the short term, tourist market which has not taken to Larnaca. This could be due to a number of reasons including poor beaches with brown sand, airplanes flying directly around the Larnaca bay & beach and the oil refinery on the outskirts of the town causing a large eye sore.

Supply Drivers

Supply of property is increasing to meet the increasing demand. The upward movement of property prices in Larnaca's outskirts has positively influenced the prices in the main Larnaca area as well.

Developers are concentrating their attentions on the outskirt areas where demand is highest, but despite this activity buyers are still purchasing off plan and waiting on average 15-20 months for delivery of their property. Big developers are expanding into these new areas for development.

Current Conditions & Predictions

With increasing demand and high expectations that future prices have not reached their peak and will continue to rise for the next few years.

Prices in Larnaca are lower than other similar properties in Paphos and Limassol but slightly higher than Famagusta. See the table on page 20 for a detailed comparison. This again shows that the market can and will sustain higher prices, with buyers willing to pay more for property with similar facilities & infrastructure in different areas.

Developers are selling properties before they begin the construction process with high profit being achieved by developers and investors. Holiday home owners and retiree's are also keeping demand high as Larnaca is seen as a cheaper alternative to Paphos, yet giving

facilities and amenities at the same high standard. It is also only a 5 minutes drive to Larnaca's International airport.

Land may prove a very good investment in this area as the rental market is not strong enough to sustain the lucrative short term market but prices are going up and at a quick pace. So land which doesn't rely on renting could prove a very useful alternative investment.

4.4 Paphos (Pafos)

The Paphos property market experienced its greatest growth during the years 1996-2002, when approximately four out of five houses purchased in Paphos was by a foreigner. Paphos's attraction was its natural beauty (mainly landscape not beaches), and particularly its huge history and cultural heritage which outperformed all other towns on the island. This combined with its high standard of infrastructure and facilities at a time when other areas of the island did not possess such amenities, gave rise to growth at a much earlier stage than other areas of the island.

On top of the traditional area of Paphos a new resort of Polis/Latchi has started to grow over the last few years. This area has been earmarked by the government as the area in Cyprus to become the luxury, exclusive area offering a new and previously unseen type of holiday. The idea is to attract tourists who will spend more money and generate additional revenue than current tourists do. To underpin this idea the government has granted planning permission to several large infrastructure developments including a new highway, golf course and marina.

Demand Drivers

Currently Paphos properties are approximately 20 - 30% higher than similar properties in Famagusta and Larnaca. The demand for Paphos properties is still growing but not as quickly as prices in other areas and buyer's interest is now transferring to other areas in Cyprus with lower prices, both holiday home owners and investors. Historically holiday home owners and retirees were the main buyers in Paphos with investors following on behind as they realised high profits with ease and virtual guarantee could be obtained. Now as other areas offer the same level and proximity to amenities (including airport) all types of buyers have started to look in areas of lower pricing that offer greater potential for profit.

Paphos still offers good attractions to holiday home owners and retirees as it always has, with its long established UK residents & culture it will continue to appeal to UK buyers and investors alike but other areas are certainly worth a longer look.

The Polis/Latchi area is at a very different stage in its life cycle. It is a new area with no maturity so demand is in its infancy, but the area has quickly become known for its natural beauty, nature walks, cycle routes, good quality swimming waters and stunning scenery. This



has led to demand taking of as the area offers something not available elsewhere on the island.

Supply Drivers

Supply of property is stabilising in order to meet the reduced demand and developers continue to build new developments but on a reduced scale. Speculative development is on the decrease as developers reduce their risk and match supply to known demand as opposed to future unknown demand. Properties typically take slightly longer to sell but still the majority of properties are sold off plan before completion occurs showing a healthy and strong market. With a more mature market land in quality location is hard to acquire and we are now seeing many developments in locations a long way from the sea, amenities and prime areas. This presents many potential problems to users and investors as the renting/selling and usability of such areas is lower than prime areas.

The supply in Polis/Latchi is governed by strict planning regulations where land has been classified as low density (15 - 20% build coverage) or in the Akamas forest area building is not allowed completely. This restricts supply and specifically the type of property is limited to mainly larger detached villa properties.

Current Condition & Predictions

The property industry seems to lack the high activity that it has enjoyed in previous years, this is mainly due to its higher prices when compared to other alternatives in Cyprus that now offer all the infrastructure, facilities and attractions but at a lower price. Demand is currently levelling off to a more stable amount but Paphos still has much to offer home owners and investors alike and we see it as a good, solid purchase for the mid to long term. Short term growth will be less than other areas of the island but price growth is likely to occur in Paphos but at a slower, steadier rate than other areas of the

island, specifically Famagusta.

In Polis/Latchi the new infrastructure developments, government push to change the area and the restricted building supply/density will keep the market very strong with keen interest from holiday home users, retirees and investors. Investors are especially interested in the short term rental market which proves very lucrative in this area as it stays open all year and can give very high occupancy levels.

4.5 Limassol (Lemesos)

Limassol can best be described as the most diverse property market in Cyprus. Being the second largest city in Cyprus with a population of 170,000, it has developed its own local residential and commercial property market, but by being a coastal city it has developed a holiday property market that is driven largely by foreign buyers. It must be noted that this holiday market has reduced in size over the last few years with the tour operators not offering many holiday in this area preferring Paphos or Famagusta.

Demand Drivers

The main driver for the Limassol property market has been the Russian Multinational off-shore companies that emerged in the 1990's. Limassol has been the centre for hundreds of off-shore companies and this has been reason for the large numbers of Russians that have immigrated to the Island during this period. The Russian community mainly consists of wealthy people that play a big part in the commercial and residential property market. The Demand for Limassol's holiday villas is also shaped mostly from Russians, but with significant contribution from the English and Arab markets.

Commercial and residential property prices are about 10% lower than in Nicosia and prices for holiday properties are about 5%-10% lower than Paphos but 10%-15% higher than Famagusta and Larnaca. See the chart at the end of this section for detailed comparisons.

Limassol offers year long rental contracts for commercial and residential properties in the city and weekly contracts for holiday property during the prime summer season although this isn't extremely strong.

Investor activity is not strong from the UK, since formerly Paphos and now Famagusta and Nicosia have offered better prospects in both the commercial and residential markets.

Supply Drivers

Supply of property homes is stabilising in order to meet reduced demand. Developers continue to build new developments but on a reduced scale as demand is not increasing. Speculative development is on the decrease as developers reduce their risk and match supply to demand. Properties typically take slightly longer to sell but still the majority of properties are sold off plan before completion occurs showing a healthy and strong market.



Current Condition & Predictions

Holiday home owners and retiree's seem to prefer Famagusta and some areas of Larnaca as these areas are better suited for holiday destinations due to beaches, facilities and attractions being more holiday orientated. Additionally prices for properties in Famagusta and Larnaca are lower than Limassol by 10 – 15%.

Investors view other areas of the island as better investments with higher potential for growth and returns.

The market in Limassol will increase but not at such pace as Famagusta, Nicosia or Larnaca. It has its own unique drivers, Russians, that will continue to push the market upwards but with prices considerably higher than other areas and offering less attractive returns or potential growth it isn't going to be the hotspot within the island.

The following table has been compiled by Photis Ioannou MSc (Hons) a licensed estate agent and valuer in Cyprus. He has gathered information from the land registry, local agents and fellow valuer's around the island to put together as comprehensive document as possible.

Note: That we had difficulty in finding reliable information for Limassol in the following table due to lack of quality agents willing to help compose the information.

Type of Property	No. of Beds	Covered area m ²	Nicosia	Larnaca	Paphos	Famagusta
Studio	Na	35	65,000	47,000	55,000	45,000
Apartment no com pool	1	45	79,000	68,000	75,000	55,000
Apartment no com pool	2	70	119,000	90,000	100,000	85,000
Apartment with com pool	1	50	n/a	75,000	78,000	68,000
Apartment with com pool	2	70	n/a	110,000	120,000	97,000
Semi-detached house	2	80	130,000	130,000	135,000	125,000
Detached house/villa	2	85	150,000	160,000	200,000	165,000
Detached house/villa	3	125/135	250,000	215,000	250,000	225,000
Luxury villa with area for pool	3/4	155/165	400,000	240,000	300,000	265,000
Luxury villa in prime seafront location	3/4	155/165	n/a	650,000	800,000	700,000



5. THE CYPRUS HOTSPOT

In reviewing the information contained in this report so far, we can now assess which area offers the best potential for growth and returns. In conclusion it is clear that the Famagusta area and more recently the Polis/Latchi area offer the best, current and future opportunities to investors for the following reasons,

Famagusta

- Prices are significantly lower in the Famagusta area than all other areas of Cyprus, thus prices have 20 – 30% growth just to come in line with other areas of the island. The market is the least mature of all the areas and ripe to grow at significant rates above all other areas.
- Infrastructure and facilities have been developed to a similar or higher level than other areas of the island, with Larnaca airport 30 minutes drive away.
- There is significant discussion and speculation that Famagusta, the town, (which currently sits in Northern Cyprus, the Turkish side of the island) will be handed back to Southern Cyprus as an act of good will to encourage & facilitate Turkey's entry into the EU. This resort used to be the Island's best and most expensive before the Turks invaded and its likely exponential growth to pre-invasion day's status,

once the North & South politics get resolved, will have a huge effect on all of the Famagusta areas property prices.

- The Famagusta area has the island's most attractive, golden beaches with crystal clear water and stunning scenery. The area has many EU blue flag beaches which reach the high standard required for quality & cleanliness. It's also the area that many Cypriots chose to holiday in.

Polis/Latchi

- Large infrastructure developments (new road, golf course and marina) will improve the access and amenities in the area making it much more attractive to tourists.
- The resort is open all year to give a much longer season and opportunity to use property all the time, whether it is for personal use, holiday or renting. With the advent of budget airlines and more and more western Europeans trying to escape the cold winter months this is a big appeal and a growing tourist market.
- The market is at a young stage and is only just starting to flourish as a 'known' resort; this leaves plenty of room for growth and for buyers to obtain prime located property in the best locations. And these prime locations

are always the most sought after for buying or renting: even in a bad market they will always have desirability.

- The strict planning regulations will limit property supply in the area and keep the areas luxury appeal by restricting the type of properties being built to detached luxury villas in the main.

In conclusion we believe Cyprus as a whole has tremendous opportunity for investors to make sizeable returns on their capital, it has the right economy going in the right direction and a political climate that is extremely conducive to help investor get what they want, MORE CAPITAL.

We also think that within Cyprus the Famagusta and now the Polis/Latchi areas offer the potential to make higher returns over and above any other area, and what's more important is this growth is set to come quickly, 15 – 20% for the next 3 years is a conservative forecast but one based on compiling research and evidence.

One last note for hotspots; as a different type of investment that suits a different type of investor or someone who has a current portfolio that needs slight diversification we would also recommend looking at the following areas/investments

Nicosia

The Nicosia property market offers very good, solid returns way above current UK levels but slightly below the tourist areas within Cyprus. This isn't all bad though as this growth does come with considerably less risk attached to it as the market is purely based on the local population which isn't subject to tourist fluctuations or sentiment. There will always be a local Cypriot market to rent and sell too and it's a growing market as the general population grows and becomes more affluent. Wages are increasing and unemployment is very low so local Cypriot have more and more money to spend on property which they are doing in large numbers.

If an investor wants an investment with slightly lower risk or something that he/she won't have to be involved with as much and can let lettings agent deal with then Nicosia is a great option. It would also fit into an investor's overall portfolio if they already had several higher risk investments and wanted to even out the risk with something less risky. Overall Nicosia is a very solid, high performing investment and one well worth looking at.

Land

Prices of land have been shooting up in Cyprus, even to the extent that they are increasing faster than property, which is fast. The problem with land has been that historically it can't be bought with a mortgage so it's a cash purchase or at least a very high cash/ deposit purchase. This has now changed and banks will lend money to buyers purchasing land at high levels, not quite to the levels of property but still very



good, 60% LTV. This is great news for investors as the extra leverage that a mortgage offers now makes land purchasers very attractive with return levels similar to those seen with property. There is the issue of | no renting revenue to cover mortgage repayments so any client looking to buy land need to be aware of these payments and make the necessary budget allowances.

Land is a different asset class and performs extremely well over the long term with fewer fluctuations to its price than those that can be seen with property. It's higher up the 'food chain' of property development so tends to be in demand more and with Cyprus being an island there is only so much land to use and specifically only so much land in good locations.

Overall land makes an excellent investment in a fast moving market like Cyprus and sits very well in a portfolio of property where it has less risk, less price fluctuation but lots of growth.

6. PROPERTY TAX

The following information is a brief overview of the Cypriot tax system as it applies to property and income. For a more detailed review please see www.pwc.cy or www.deloitte.com/cy or contact a tax specialist on the island, known & trusted sources can be provided on request.

6.1 Real Estate Transfer Tax Fees (Transfer Tax)

Real Estate Transfer Tax Fees are necessary in order to transfer FREEHOLD ownership to the name of the purchaser. This can be done as soon as the relevant Government Authority has issued the title deed and the purchase has been completed. The Purchaser is responsible for the tax payment. The rates are on a graduated scale:-

Should the purchase be made in joint names (provided the price is more than CYP 50,000) the effective calculation is halved and each person purchasing can use their 3% up to CYP 50,000.

6.2 Immovable Property Tax

The annual Immovable Property Ownership Tax is calculated on the market value of the property as at 1st January 1980. Certain immovable properties are exempt.

Note: Immovable property tax is calculated on house values in 1980, so most houses will have a minimum value and the tax is very low.

6.3 Capital Gains Tax

On disposal of the property, capital gains tax will be payable at the rate of 20% on the gain. The first CYP 10,000 for each person is exempt. There is also a further indexation allowance, with regard to transfer fees paid, additions made to the house and the inflation rate per year. If the owner resides in the dwelling for five continuous years prior to the disposal, they are exempt for up to CYP 50,000.

Note that by using legitimate tax methods CGT can be reduced to a much lower figure, your tax consultant will be able to give you more accurate information for your specific circumstances.



Real Estate Transfer Tax Fees

Value of property in CYP	Transfer tax percentage
Up to 50,000	3%
From 50,000 - 100,000	5%
Over 100,000	8%

6.4 Stamp Duty

The purchaser is liable for the payment of stamp duty at the rate of CYP 1.50 per thousand up to the value of CYP 100,000, and £2.00 per thousand CY on any amount over this. This is payable within 30 days of signing the contract.

6.5 Estate Duty

This no longer applies as it was abolished on 1st January, 2001.

6.6 Local Authority Taxes

This amounts to approximately 50- 150 CYP pounds per year, depending on the size of the property. It covers refuse collection, street lighting, sewerage, etc and is similar to UK council tax. Basic utilities such as electricity, water and telephone are calculated according to consumption.

6.7 Value Added Tax (VAT)

As of 1st May 2004 VAT is added to all building works that had planning permission granted after this date but VAT is excluded from most food items, medicine and other essentials.

VAT will be added to all land sales but the original date of January 1 2008 has been pushed back and a new date has not yet been established.

6.8 Pension Tax

Retirees drawing on a pension are exempt from all tax at source, and may be taxed at the nominal rate of 5% or less depending on income after a generous tax allowance of CYP £6,000 per person at present.

6.9 Duty Free Privileges

There is no import duty on cars and for retired couples there is an additional concession of two duty free cars. Personal effects, household goods and furniture can be imported free of any taxes by immigrant retirees provided they are for personal use and/or are not brand new.

Example of transfer tax for CYP 60,000 property

Value of property in Cyprus	Transfer tax CYP
Up to 50,000 @ 3%	1500
next 10,00 @ 5%	500
TOTAL TAX	2000

6.10 Double Taxation Agreements

Cyprus has double taxation agreements with numerous countries thus safe-guarding residents from paying tax in both countries. This means citizens are able to take advantage of the low tax rates in Cyprus. Cyprus has double taxation agreements with the following countries:-

Austria, Bulgaria, Canada, the people's republic of China, the Czech Republic, Denmark, Egypt, France, Germany, Greece, Hungary, India, Ireland, Italy, Kuwait, Malta, Norway, Poland, Romania, Russia (Armenia, Belarus, Moldova, Tajikistan, Turkmenistan, Ukraine), Slovakia, South Africa, Sweden, Syria, The United Kingdom, The United States, Yugoslavia (Serbia and Montenegro).

Value of property in CYP	Transfer tax percentage
Up to 100,000	Exempt
101,000-250,000	2%
250,000-500,000	3%
Over 500,000	3.5%



7. FINANCE

Cyprus banks offer finance to non residents with relative ease, EU and non EU citizens, although non EU citizens need to complete some additional straight forward checks & processes which their solicitor completes for them. Terms and conditions vary from bank to bank and at different times but generally the following types of mortgages can be obtained

- Loans duration of up to 35 years or until customers 70th birthday
- Loan to value (LTV) of up to 80% (occasionally 90%)
- Grace period of up to 5 years on capital part of loan (interest only payments)
- Interest rates from 5.5% for mortgages in local Cyprus pound currency
- Interest rates from 4% for mortgages in foreign currencies (Swiss Franc, Euros)
- 1.5 – 2% bank fees for arrangement, admin, valuation etc
- Automatic monthly payments via standing orders

To obtain mortgages customers must provide supporting documents to the bank so they can ascertain if the customer has the appropriate financial standing to justify the bank lending them money. Cypriot banks grant mortgages based on customers personal income not the rent ability of the property i.e. Buy to let mortgages, so potential buyers should be able to prove and substantiate their income with the following information

- Proof of income (3 – 6 months pay slips)
- 3 – 6 months bank statements
- Proof of address
- Copy of Passport
- Details of any current mortgages/loans + latest statements
- Credit report (Equifax or similar)
- Current bankers reference
- Life insurance to cover loan value



Again this information varies from bank to bank but the list shown is the most comprehensive and detailed we have seen, many banks ask for less but it's always good to check.

Clients who are self-employed or paid via a company can still obtain mortgages but they will need to provide at least the last years certified accounts, preferably 2 years and a signed letter from a chartered accountant to verify the income and forecast income for the coming year.

In the last couple of years the Cypriot mortgage market has really taken off and competition between banks that are all trying to get a slice of the growing mortgage market are offering better and better mortgage products. This is a rapidly changing area in Cyprus and it is always best to get the latest information by checking with agents and developers who may have special deals and negotiated products for certain projects.

It's also very encouraging to see the remortgage market start to flourish as more and more client request this facility the banks are reacting by providing the product. It's not with all banks or all developers but it's started and as we have seen with the loan to value figures we are confident the remortgaging market will grow and grow with time and demand.

It's certainly good to know the banks in Cyprus are working to provide better mortgage products that will massively help property investors. It's also comforting to see banks take on larger LTV loans and offer better rates as they have obviously completed much research into the property market and view it as low risk, thus offering better products. Banks just don't like to take risks, so this gives added security for investors who know the banks have researched and judged the risks for them, it's a great indicator of the level of risk in a property project.

8. BUYING PROCESS

8.1 Reservation

To reserve a property, take it off the market and hold its price the following items need to be completed.

- Reservation agreement/form
- Financial position & Mortgage forms
- Copy of passport
- Pay Reservation fee (usually around 1% and non-refundable) that is deducted from the deposit money due; it is not an extra cost.

All four items need to be completed to reserve a property and ensure the property is not subject to any price changes. The reservation fee is non-refundable and all clients should make themselves fully aware of all the issues involving their particular property before paying this fee.

8.2 Mortgage Pre Approval

Pre approval for a mortgage will be granted within 3 - 5 days of a complete reservation. This step is not a standard process but we think it is essential to complete before moving onto the contract of sale and paying deposit money, you need to be fully aware that you can obtain a mortgage before moving on. So insist that the bank and developer you are using gives you a formal mortgage pre-approval. If you can't obtain this and you still want to proceed with the purchase ask for a written clause to go in the reservation agreement stating that you are entitled to a full refund of all money should you not be able to get a mortgage.

8.3 Contract of Sale

After pre approval clients should instruct a solicitor to prepare contracts of sale for them. Before this the solicitor will complete the following searches before Exchange of Contracts,

Planning Department Search

This ascertains whether a building permit exists and whether the developer can legally build and sell to other entities.

Company search

A detailed company search demonstrates that the developer has the legal capacity to enter into contracts of sale, and that it is not been served a liquidation order.

Once these checks are completed and the contracts checked the contracts are sent by the solicitor to clients. Contracts must usually be signed and returned to the solicitor within 30 days, this step is equivalent to the UK process called 'Exchange of Contracts'. In choosing your solicitor remember that the solicitor works for you as the client, so make sure you are 100% happy he/she is competent, looking after your interest and independent from the developer.



8.4 Pay Deposit

The deposit money will be due after the contracts of sale have been signed and returned to the clients solicitor. This money should only be transferred to client's solicitor or a licensed estate agent both of who have rules, regulations and Professional indemnity insurance to handle and deal with client money, usually via a specific account called 'Clients Account'. **DO NOT PAY DEPOSIT MONEY DIRECT TO THE DEVELOPER**, the protection and safety of your money could be greatly reduced by such action and we strongly advise against it.

8.5 Final Mortgage Approval

The supporting information needed by a bank for final mortgage approval is detailed in the Finance section of this report, section 7. Each bank will have a slightly different list of information but these documents must be supplied to the bank within 60 days from the date of mortgage pre-approval. This time frame can vary so clients need to check with the bank to see how long the mortgage pre-approval is valid for.

Once all the supporting documents have been provided the final mortgage approval varies but normal takes 10 – 20 working days. Note that final mortgage approval will not occur if the contract of sale has not been returned and signed and the full deposit money paid. The banks will check and request documentary evidence from client's solicitors to verify these facts.

8.6 Mortgage Offer

When the mortgage application is completed and finally approved the bank will send an offer letter to the client directly, the client will have a 30 day period to:

- 1) Sign the offer letter and return it to the bank
- 2) Pay bank fees if applicable, these will be specified in the Bank's Offer Letter.

8.7 Mortgage Contract

The signing of the mortgage contract can be completed in 3 ways

- By visiting Cyprus and signing in person
- By Completing a Power of Attorney (POA) granting power to a named person (usually a solicitor) to sign documents on behalf of clients. This needs to be signed and authorised at a Cyprus Embassy
- By Completing a Power of Attorney (POA) as above but signing the document at a public Notary and then sending the POA to the Apostle for authorisation and completion before sending back to Cyprus.

Propropertyinvestor.com usually recommends the second option to investors as the cheapest and quickest for UK buyers who don't want to visit Cyprus. There are numerous Cyprus embassies in the UK but the main one is in London at 93 Park Street, W1K 7ET Tel 020 7499 8272. For information on other locations in the UK please contact Propropertyinvestor.com

8.8 Mortgage Drawdown

Monies are drawn from the mortgage in favour of the Developer as detailed in the Contract of Sale during the construction phase. For the developer to drawdown these monies he must provide the Bank with a certificate of progress from an authorised engineer or architect and even then the Bank will carry out a site visit to ensure the relevant work is completed before releasing any monies to the Developer. In this way the client is assured that the value of the asset he holds under his possession at any stage of the sales process is equal or more than the monies that have been paid. Interest is usually charged on monies drawdown; clients need to check with the bank issuing them a mortgage to ascertain if this money will be charged and at what rate.

8.9 Delivery of Property

Possession of the property will be obtained when the architect issues the completion certificate verifying that all work has been completed satisfactory. Once this has been obtained the final payment will be paid to the developer from your mortgage and bank.

Possession of the property will then be completed when the property is actually delivered to the purchaser. At this stage the purchaser pays for all the utilities to be connected and he establishes all the rights in this country (residence/tax/driving/duty free and domicile).

8.10 Issue of Title Deeds

Legal Transfer and the issue of Title Deeds usually take place 3-5 years after completion of a newly constructed property and at this point the relevant transfer fees have to be paid at the Land Registry. This prolonged period is a result of the cumbersome administration of the Cypriot system that requires all relevant authorities to inspect the property and certify that everything has been built in accordance with the relevant Planning and

THE BUYING PROCESS



Building Permissions. Transfer tax becomes due on issue of title deeds and not before, if clients sell a property prior to this date the new owner will be liable to pay transfer taxes, not the seller.

Up to the issue of the Title Deeds the client is 100% secured of the possession of the property via the lodging of the contract of sale at the Land Registry via the solicitor.

Note that all properties in Cyprus are sold freehold.

9. FAQs

Can I purchase property with a local issued mortgage and are these easy to obtain?

The Cypriot banking and mortgage system is quite advanced when compared to other new EU countries. It is also easy for EU citizens to obtain local mortgages with good credit history similar to UK practices. Mortgages can be obtained in several currencies thus enabling buyers to reduce exposure to currency fluctuations with CYP, Sterling, Euro and Swiss franc being the most common. Mortgages are available up to 80% of the purchase price (LTV), and over periods of up to 35 years with interest only introduction periods.

What are the documents required to buy a property in Cyprus?

Fairly similar documents to those needed for buying property in the UK i.e. copy of passport, proof of address, details of property and method of payment. If property is being purchased with a mortgage additional documents are required to substantiate the application like proof of income, bank statements, credit checks etc. See section 7 for a full detail of information needed for a mortgage application.

Do I need permission to purchase property in Cyprus?

Yes but it is a formality for all bona fide EU citizens. Permission must be obtained from the Council of Ministers by written application if you are a non-Cypriot purchaser. Before this permission is granted purchasers are still allowed to buy and use their property. In line with EU legislation this old law is expected to be abolished soon and generally seen as a temporary item.

Are title deeds secure?

All properties purchased in Southern Cyprus come with guaranteed title deeds from the Land Registry. The land registry is based on the English system and is quite sophisticated. The only properties bought in Cyprus with title deed problems are those purchased in Northern Cyprus and we advise extreme caution if purchasers are looking to buy there.

Is it cheaper to buy property in Northern Cyprus?

Property that comes with guaranteed title deeds in Northern Cyprus is no cheaper than that on the southern side. The only cheaper property is where title deeds are not guaranteed and there is some possibility that your land or property will be taken from you by Greek Cypriots, who had it taken from them in 1974 when Turkey invaded Cyprus. If this happens you will have no legal route to stop the process and it has already happened to UK buyers!

How will I find reputable lawyers, accountants and professional people?

ProPropertyInvestor.com has strong links with some of

the best local professionals and we will help you choose and use all necessary people to ensure your purchase goes as smoothly as possible.

What if I want to sell or rent my property?

ProPropertyInvestor.com has local partners to help with these matters. Our local partner has a chain of estate agents throughout the island and we can help secure very competitive rates for either selling or renting your property. We offer all services in connection with property through either ourselves or our partners.

What sort of investors purchase property in Cyprus?

Considering the huge UK influence in Cyprus there are many UK people buying property in Cyprus, investors, retiree's (the ex-pat community is over 60,000) and holiday home owners. But there are also buyers from the Middle East, Scandinavia, and Russia who all see the huge potential Cyprus offers with low risk and high returns.

There are also 2 strategies used to buy property, the first being a short term trading position of buying and selling property quickly to take advantage of the fast capital appreciation of around 15 - 20% per annum. The second strategy is a longer position of buying and holding to take affect of the long term capital appreciation and the flourishing rental market that has recently emerged.

Can I buy in English Pounds?

No, all property in Cyprus is sold in the local currency which is the Cyprus Pound (soon to be Euro). Exact sterling figures will be calculated on the day of purchase and the currency exchange level of that day.

How can I make payments to Cyprus in local currency?

When clients have to make payments in a foreign currency it is best to use a specialist foreign exchange company who can obtain better rates than high street banks. They also avoid clients paying surprising large transfer fees at both ends of the transaction which high street banks tend to charge. This is a specialist field and we have partners that we use and have vetted ourselves, please contact the office for more information.

How long will the buying process take?

This does depend on the individual circumstances but it ranges generally from 6 – 12 weeks. Off plan property is usually sold from 18 – 12 months away from completion.

Can I buy multiple properties?

Yes there are no restrictions on owning property or land in Cyprus for foreign individuals

10. USEFUL CONTACTS IN CYPRUS

Central Bank of Cyprus: www.centralbank.gov.cy

Government Web Portal: www.cyprus.gov.cy

Cyprus Tourism: www.visitcyprus.com

Transparency international for corruption index figures www.ti.org

Royal Institute of Chartered Surveyors www.rics.org

Budget Flights to Cyprus www.flymonarch.com

Budget Flights to Cyprus www.flyglobespan.com

Flight comparison site www.skyscanner.net

World Bank Group www.worldbank.org

Mercer, a large HR company that publishes a cost of living index www.mercerhr.com

Tax advisor www.pwc.cy

Tax advisor www.deloitte.com.cy



11. ABOUT PROPROPERTYINVESTOR.COM

ProPropertyInvestor.com are leading property experts and we specialise in sourcing low risk, high return investment property supported by high levels of research and market analysis.

ProPropertyInvestor.com Managing Director, Nick Hodgson (BSc Hons, MRICS), is a Chartered Quantity Surveyor and property expert with over 15 years experience in the UK construction industry whose expertise is sought after by many investors throughout the country.

ProPropertyInvestor.com clients don't just buy a property; they buy an all inclusive 5 star property service that aims to meet all an investors needs. We pride ourselves in our customer service and will provide clients with all the support they need throughout their investment's life cycle. These include,

- Provide a professional and structured approach to property investing
- Conduct business in a transparent, open and honest manner
- Give advice on which investments best suit your current financial situation.
- Complete high levels of research and market analysis
- Negotiate genuine discounts on high quality investment opportunities
- Ensure a smooth and hassle free purchase process
- Arrange innovative and unique ways to finance projects
- Help clients obtain suitable financing based their current financial situation.
- Complete aftercare service including advice on furniture, letting and maintenance
- We also give clients advice and help on renting and selling your property in the future

Although we are a young company we have received tremendous success in our short history having sourced nearly £50 million worth of property for our clients. Our expertise and knowledge has cumulated in huge national media exposure on our signature project ESPRIT, which has the involvement of Linda Barker TV's interior design guru from Changing Rooms and I'm a Celebrity get me out of here. The company is going from strength to strength and we build our company on the core values of helping all our clients benefit from property investing and realise their property goals.

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