

## **WHY CYPRUS?**

Cyprus – the name comes from the Greek word for copper, which Mycenaean settlers extracted from the pine clad Troodos Mountains in the late Bronze Age. Today, Cyprus is the third largest island in the Mediterranean and is nothing less than an open-air museum, whose “exhibits” stretch back 10,000 years into European civilisations.

It lies in the north-eastern Mediterranean, at the crossroads of three continents, Europe, Asia and Africa. The population is estimated at 700,000. The main language is Cypriot (very similar to Greek), but English is very widely spoken.

It is a land of contrasts, with a coastline made up of stunning rock formations, interspersed by long sections of sandy beach. You can enjoy cool mountain weather in the Troodos mountains, with Mount Olympus at its highest peak (1951 metres), but just an hour later you can be on one of the island’s many beautiful golden beaches

There are 380 rural villages. Each and every city, town and village is steeped in history, some of which is impossible to chronicle – from the Neolithic villages, ancient ruins or Greek and Roman towns, their marble columns and mosaic floors still intact, temples to Aphrodite, Crusader Castles, Byzantine Monastries and early Christian Basilicas.

Cyprus enjoys the best Mediterranean climate, with approximately 340 days of sunshine every year. Paphos, in the south-west of the island has the finest climate with cooler summers and shorter milder winters.

### **AVERAGE ANNUAL TEMPERATURES**

<b>Month</b>	<b>° Celcius</b>
Jan	17
Feb	18.2
Mar	20.4
Apr	23.2
May	27.7
Jun	30
Jul	32.4
Aug	32.8
Sep	31.1
Oct	28.3
Nov	23.5

## **PROPERTY PRICES**

There are several popular resorts scattered across the south of the island, from Ayia Napa and Protaras on the east coast, moving along to Larnaka and Limassol in the centre, out towards Paphos on the south western tip.

Paphos is the traditional playground of Aphrodite and a leading cultural centre of the Mediterranean.

It is split into two halves; the predominantly residential area of Ktima Paphos and the harbour area of Kato Paphos. The whole town is on the UNESCO World Heritage List. It boasts one of the islands two International airports, and although it is the smallest of the major towns in Cyprus, it is a rapidly growing area that is a fascinating mix of old and new, with something for everyone.

A new marina will be completed in the Coral Bay area in 2004 and will be the biggest in Cyprus and one of the biggest in the middle East, servicing more than 1000 yachts. This project will contribute a lot to the development of the area and will attract many visitors to Paphos.

For a 2 bedroom apartment on the outskirts of Paphos you could expect to pay in the region of CY£75,000, CY£150,000 for a 3 bedroom detached villa in the Kato Paphos (Harbour) area, and CY£285,000 for a detached 4 bedroom residence with private gardens and pool.

In Limassol, a one-bedroom apartment just outside the town with communal gardens and pool would cost from CY£84,000 whilst a 4-bedroom mansion on a hill just outside the town could cost in the region of CY£990,000.

In Protaras or Ayia Napa, a new 3-bedroom detached house with room for a pool would cost around CY£140,000.

## **BUYING A PROPERTY**

Compared to many other countries, the process of purchasing property in Cyprus is very simple and quick and contracts and supporting administration are in English.

Once you have found your property and decided to buy, then transfer of ownership will be undertaken through the Cyprus Land Registry. This requires two permits, and both are easily acquired:-

- ❖ One from the Council of Ministers
- ❖ One from the Central Bank of Cyprus.

Permission is almost always granted as long as applicants have no criminal record in their own country or in Cyprus.

If a mortgage is required, these are available for 60 – 80% of property price, in Cypriot pounds over a 15 - 20 year term.

### ***Stamp Duty –***

After the sale agreement is signed, the stamp duty must be paid. The purchaser is liable for the payment of this duty, which must be paid within 30 days of signing. The rate of stamp duty is CY£1.50 per thousand, up to the value of CY£100,000, and thereafter the rate of CY£2 per thousand,

i.e. if purchase price is		CY£160,00
First CY£100,000	1.5%	CY£150
Next CY£60,000	2%	<u>CY£120</u>
Duty Payable		<u><u>CY£270</u></u>

### ***Transfer Fees –***

The purchaser has to pay the following transfer fees to the Department of Land and Surveys for the property acquired on the day the transfer will take place and the property will be registered in the new owners name. Fees are charged on the property's market value at the date of purchase.

Value of Property (CY£)	Transfer Fee Rate (%)
Up to 50,000	3
50,000 – 100,000	5
Over 100,000	8

### ***Immovable Property Tax –***

The immovable property tax is an annual tax based upon the value of the property.

<b>Value of Property (CY£)</b>	<b>Annual Property Tax (%)</b>
Up to 100,000	exempt
100,001 – 250,000	2.5
250,001 – 500,000	3.5
Over 500,000	4.0

### ***Capital Gains Tax –***

On disposal of the property, capital gains tax will be payable at the rate of 20% on the gain with the first CY£10,000 being exempt for each person. There is also an indexation allowance. On top of this allowance, the seller is entitled to a further allowance regarding the transfer fees paid, inflation rate per year and the cost of any additions made to the house. If the owner resides in a property for at least 5 years prior to disposal, gains are exempt up to CY£50,000.

### ***VAT –***

From 2004 VAT will be introduced on real estate and will be in the region of 10 – 15% of the value of the property price.

### ***Local Taxes and Rates –***

This tax covers refuse collection, street lighting, sewerage etc and is roughly CY£50 – 150 per year, depending on the size of the property.

## **USEFUL INFORMATION FOR MAKING YOUR MOVE**

**Residential permit** – A residential permit is easily obtained for people who have purchased a house in Cyprus. There are two types:-

- ❖ Temporary Permit. Can be from 1 – 4 years. Evidence of bank account necessary and sales agreement of property purchased.
- ❖ In addition to the above, applicants must establish evidence of a secured income of no less than CY£5,000 per person, per year.

**Tax Advantages** – If you are a pensioner Cyprus has a wide network of Double Tax Treaties. The UK is one of the countries with which Cyprus has this Treaty and if you become a resident of Cyprus then you can get your pension gross (no deduction of tax) and pay tax in Cyprus at only 5% after the first £5,000. Furthermore, Cyprus taxes the assets of expatriates only on a remittance basis. Many expats can therefore, keep assets growing free of tax in an offshore bank, investments or trust, and simply bring into Cyprus what they need.

**Banking** – The banking system follows the British system and is well developed and organised. Non-Cypriot citizens can open foreign currency and local deposit accounts very easily.

**Medical Services** – Cyprus has a very high standard of medical service. Doctors and dentists, both specialists and GP's are available everywhere and their fees are very reasonable. Low cost local and international private medical insurance is available for non-Cypriots living in Cyprus.

**Education** – In Cyprus you can find several English speaking schools, from Junior through to college level. The American Academy in Larnaca is renowned for its high standards of education.

**Cuisine** – As in any Mediterranean country, olive oil, fish and fruit dominate the menus. However, in Cyprus you will find a very large Greek influence, so expect lots of the following: Taramasalata, Houmous, Halloumi and of course the devilishly tasty Baklava.

## **GETTING TO YOUR HOLIDAY HOME**

There is a wide choice of flights into Larnaca and Paphos from London Stansted, Heathrow and Gatwick airports on most days of the week.

## **USEFUL WEB SITES**

[www.ukca.com](http://www.ukca.com) – United Kingdom Citizens Association Cyprus

[www.cyprus.gb.com](http://www.cyprus.gb.com) – from politics to car hire, a wealth of information for the resident and tourist.

### **NB LEGAL ADVICE**

**Overseas Opportunities recommends to all their clients who are considering purchasing property overseas that they seek independent legal advice for their purchase. However, if required, we can provide a list of solicitors experienced in this field, from which they can choose.**

**All information in this document was correct at the time of print.**