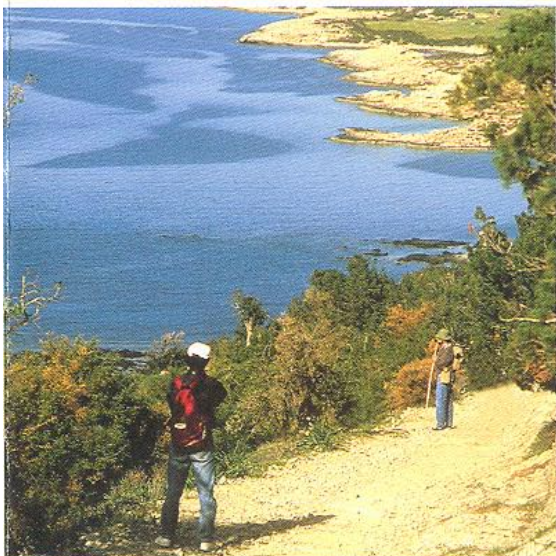


# Buying Property in CYPRUS



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## WHY CYPRUS?

The Republic of Cyprus is a member of the European Union as from May 1 2004. According to the provisions of Protocol 10 of the EU Accession Treaty the entire territory of the Republic of Cyprus, including the areas that have been under military occupation by Turkey since 1974, became part of the EU. The Turkish occupied area in the northern part of Cyprus is an integral part of the sovereign territory of the Republic of Cyprus. Nevertheless, the application of the EU rules and regulations [the *acquis communautaire*] is suspended in the occupied areas, as the Government of the Republic of Cyprus does not exercise effective control in those areas.



The island of Cyprus is a very attractive destination for the prospective international property investors. Prospective buyers, however, should exercise great caution before exploring property purchases in the occupied part of the Republic of Cyprus because of potentially serious legal complications related to the rightful ownership and title deeds of the land.

The prospective property investor should consider the many advantages offered by Cyprus, including:

- Cyprus is the largest island in the eastern Mediterranean and offers diverse scenery and vegetation. Its mild climate is one of the healthiest in the world with 340 days of bright sunshine a year.
- Cyprus is situated at the crossroads between Europe, Asia and Africa and is easily accessible by ship or plane. The two international airports of Larnaca and Paphos operate daily scheduled flights, as well as charter flights to destinations throughout Europe, the Middle East and the rest of the world.
- Cyprus is rich in history and culture. Remnants spread throughout the island bare witness to its tumultuous



history. The cultural scene is also vibrant with festivals, concerts, cinemas, theatre and opera performances, often held in ancient theatres.

- Cyprus enjoys political stability, a strong economy and currency; the country will be joining the Eurozone by the year 2008.
- Cyprus offers its residents a low-cost, high standard of living, low taxation rates, international investment opportunities, excellent educational and medical facilities and a very low crime rate (e.g. 6% of that of UK's).
- There is no language barrier in Cyprus as almost everybody speaks English and many Cypriots can communicate in several other languages as well.
- Getting around is easy as highways link all of the major towns and cities and road signs are also in English. The telecommunications network in Cyprus is excellent and prices are low.
- There is a very modern, legally sound, stable and credible banking system.





- Property transactions are regulated by law and a most efficient lands office. The property market is booming and prices are on the rise.

- There are excellent sports and recreational facilities. The completion in the near future of four new marinas will add to the diversity of water sports and the pending construction of 11 additional international golf-courses (total 14) will place Cyprus at the top of the list in terms of golf courses per person in the Mediterranean.

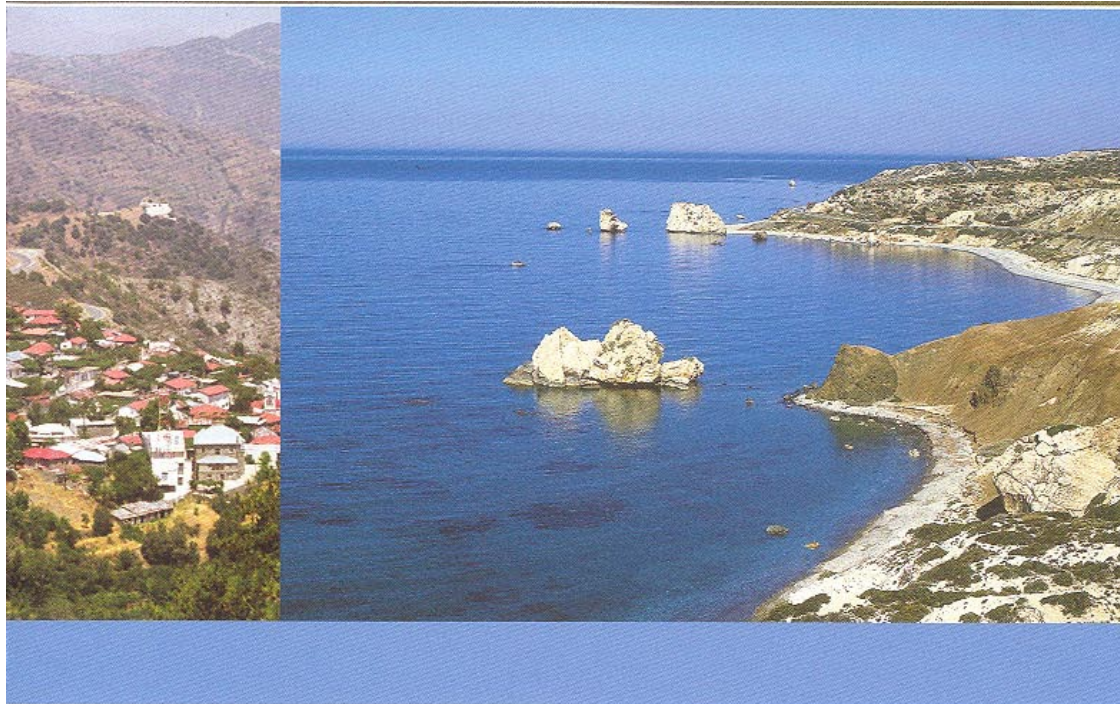


### What you need to know:

- The immovable property industry is regulated to the benefit of the buyer. For more information, contact the Ministry of Interior ([www.moi.gov.cy](http://www.moi.gov.cy)). The buyer can always seek independent legal advice.

- It is advisable that contracts for the purchase of property be deposited with the Government Lands and Surveys Department, especially if the property has no title deed and the ownership transfer is not immediate. The deposits must be made within 60 days from the signing of the contract. This acts as an encumbrance (charge) on the property for the benefit of the buyer.





- A professional registered valuer (refer to the Association of Professional Valuers of Cyprus) can provide a written report on the zoning, limitations, prospects and valuation. A valuation report can protect the buyer from purchasing overpriced properties, providing at the same time a useful report for the financiers.
- If buying through a real estate agent, be aware of the provisions of Law 273 (I)/2004, according to which Real Estate Agents have to be registered with the Estate Agents Registration Council, to take out a professional liability insurance for the minimum sum of CP£100.000 and be in possession of a valid annual license to practice. Before transacting with a Real Estate Agent, ask to see their registration number, annual license and insurance coverage. A Real Estate Agent's license is issued only to individuals.
- Property can be bought directly from a developer. Most developers are members of the Cyprus Land and Building Developers Association.
- Local Banks offer numerous financing schemes in all currencies.
- It is recommended that for older property, the services of a civil engineer are acquired to advise on the structural stability of the building.
- For technical information consult the Technical Chamber of Cyprus, umbrella organisation for architects, engineers, quality surveyors, property valuers and town planners at [www.etek.org.cy](http://www.etek.org.cy)

# WARNING:

## RISKS OF BUYING PROPERTY IN THE OCCUPIED PART OF THE REPUBLIC OF CYPRUS



- Four fifths of the *privately owned land* in the territory now under military occupation by Turkey is owned by displaced Greek Cypriots. The government of the Republic of Cyprus itself owns one quarter of the total area under occupation.
- The European Court of Human Rights (ECHR) has upheld the rights of the displaced Greek Cypriot owners to their properties, and on a number of individual applications the Court ordered Turkey to restore those rights and to pay compensation for the period of deprivation (*Loizidou v Turkey*, *Xenides-Arestis v Turkey*). Several thousand applications by Greek Cypriot displaced owners are currently pending before the European Court of Human Rights.
- Moreover, the ECHR in its judgment in the Case of *Cyprus v Turkey* found continuing breaches, by Turkey, of the Convention rights to property and home by virtue of the fact that Greek Cypriot owners of properties in the occupied part of Cyprus were and are being denied access to and control, use and enjoyment of their properties, and that Greek Cypriot displaced persons were and are not allowed to return to their homes in northern Cyprus.
- In its Judgment in the case of *Myra Xenides-Arestis v Turkey* (application no. 46347/99, 22/12/2005, §27), the European Court of Human Rights held that, "the (Turkish) Government continued to exercise overall military control over northern Cyprus and that the fact that the Greek Cypriots had rejected the Annan Plan did not have the legal consequence of bringing to an end the continuing violation of the displaced persons' rights." Additionally, the Court recalled all its previous judgments relating to property claims by Greek Cypriots and reaffirmed Turkey's responsibilities for human rights violations in the occupied part of the Republic of Cyprus.
- Pursuant to Security Council Resolutions 541 (1983) and 550 (1984), the illegal secessionist entity in the occupied areas is not recognized by any country, other than Turkey. Hence, the illegal regime in the occupied area cannot issue valid title deeds. "Certificates" so issued, are not recognized by the Republic of Cyprus nor by any other state, other than Turkey.

● The Lands and Surveys Department of the Ministry of Interior of the Republic of Cyprus, is the only competent authority to ascertain ownership status of immovable property throughout the island. Before deciding to invest in property, always verify with the Land Registry Office Records in order to ensure that the rights of the displaced owners are not violated and that the seller is the true owner and can provide a valid title deed.

● Under the national law of Cyprus, the exploitation of property without valid authorization by the legal owner or executor is illegal under Article 281 of the Penal Code, for which an arrest warrant can be issued. Such an exploitation also violates other laws and regulations of the Republic of Cyprus.

● Greek Cypriot owners may also bring civil action against usurpers of their property before the competent civil Courts of the Republic. In its judgment of 15 November 2004 in the case of *Meletios Apostolides v David and Linda Orams*, the Nicosia District Court found the Defendants liable for trespass in the property of the Plaintiff, ordering them to demolish the villa and other buildings erected on the property, surrender vacant possession to the Plaintiff and pay damages. Pursuant to EC Regulation 44/2001, the judgments of the civil courts of the Republic of Cyprus can be enforced in any of the Member States of the European Union against the assets of the Defendants in that state. On 6.9.2006 a Judge of the Queen's Bench Division of the High Court of Justice in the UK issued his judgment on the Orams' appeal against registration and enforcement in Britain of the Cyprus judgment in favour of Mr. Apostolides.

● Although on technical points the British Court avoided getting involved in enforcing the Cyprus judgment and allowed Orams's appeal, it needs to be stressed that on the substance of the case the British Court pointed out that, according to the relevant judgments of the European Court of Human Rights, the property rights of Mr. Apostolides in relation to the property in question remain in force and Mr. Apostolides remains the lawful owner of his property in Lapithos. Therefore, it accepts the finding of the Cyprus Court that the Orams are trespassers on the property of Mr. Apostolides and should be treated as trespassers. Leave to appeal against this judgment of the High Court has already been granted to Mr. Apostolides, which means that judicial proceedings in the case are still continuing, ultimately leading to the European Court of Justice in Luxembourg, which has the final say in matters of interpretation of EU law.

● Several governments, including that of those U.K., U.S.A., Russia, France and Germany have issued warnings on the purchase of property in the occupied areas of Cyprus.

● Therefore, buying property in the occupied area of Cyprus could infringe upon the property rights of others, involve a violation of criminal and civil law and could entangle the buyer in legal proceedings, financial damage, personal liability and the risk of losing money invested, as well as assets at home. Why then undertake such unnecessary risks?

**FOR MORE INFORMATION CONSULT WITH THE MINISTRY OF FOREIGN AFFAIRS OF THE REPUBLIC OF CYPRUS OR VISIT**

[www.mfa.gov.cy/occupiedarea-properties](http://www.mfa.gov.cy/occupiedarea-properties)

**STOP  
THEM**

WARNING



WARNING BUYING PROPERTY IN THE OCCUPIED AREA



**For more information on buying property in Cyprus contact:**

Estate Agents Registration Council  
[mesitwn@cytanet.com.cy](mailto:mesitwn@cytanet.com.cy)

The Cyprus Valuers Association - RICS Cyprus  
[ricscyprus@rics.org](mailto:ricscyprus@rics.org)

Cyprus Professional Real Estate Agents Association  
[Yianna@ccci.org.cy](mailto:Yianna@ccci.org.cy)

The International Real Estate Federation (FIABCI) Cyprus  
[Yianna@ccci.org.cy](mailto:Yianna@ccci.org.cy)

Cyprus Land and Building Developers Association  
[afrangoudis@oeb.org.cy](mailto:afrangoudis@oeb.org.cy)

Cyprus Chamber of Commerce and Industry Chamber  
[@ccci.org.cy](mailto:@ccci.org.cy) [www.ccci.org.cy](http://www.ccci.org.cy)

Cyprus Employers and Industrialists Federation  
[info@oeb.org.cy](mailto:info@oeb.org.cy) [www.oeb.org.cy](http://www.oeb.org.cy)