

# Overseas buyers guide to Cyprus.



Key areas to consider before buying a property in Cyprus.

## Avoid the fiction. Get the facts

Buying a property overseas can be daunting, especially when newspapers and television programmes highlight the horror stories, but the good news is it doesn't have to be that way. Take our clients for example, they tell us time and time again how their experience has not only been a positive one but also has exceeded their expectations. How? By being prepared! It is crucial for anyone looking to buy a property overseas to be fully informed if they want a hassle-free experience, which is why we have produced a series of guides to help prospective buyers.

## A brief guide

This guide is designed to provide a snapshot of the key areas you will need to consider before buying a property in Cyprus. Every country has its own way of doing things and being aware of the differences is an important step in your journey.

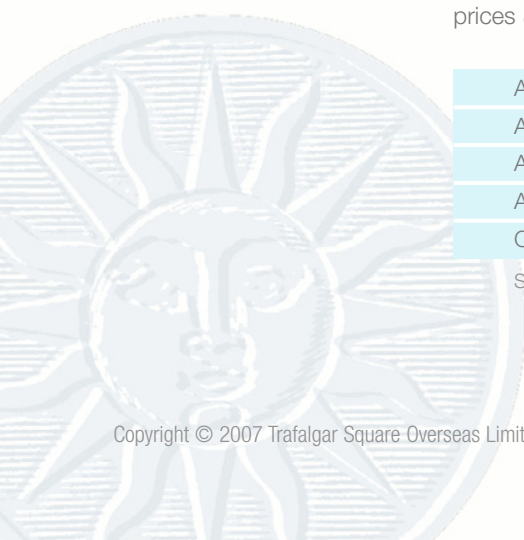
## Cyprus – property statistics

Cyprus is preparing to enter the Euro currency in January 2008 which will bring interest rates in line with Europe providing mortgages at fantastic rates. Being a full member of the EU, Cyprus is considered to be a property hotspot with good investment potential.

Medium distance destinations from the UK such as Cyprus show the strongest links between house prices & the accessibility of low cost airlines.

|                           |          |
|---------------------------|----------|
| Average house price       | £252,174 |
| Average rent per week     | £466.00  |
| Average rental weeks      | 16       |
| Average annual rent       | £7,613   |
| Capital growth pa (02-06) | 12.6%    |

Source: Savills Research; Office of National Statistics; homesoverseas.co.uk



## Key areas to consider before buying a property in Cyprus.



### The legalities

**'Council of Ministers' Application':** To purchase a property in Cyprus, assuming you are a non-citizen of the Republic, you will need to apply for permission to do so from the Ministerial Council. Your lawyer will do this on your behalf and submit your completed application to the appropriate District Officer.

**Report of Approval:** The District Officer will coordinate with other Government Departments to secure a report of approval for the purchase.

**Application to the Central Bank:** Following the report of approval, you will need to submit a further application to the Exchange Control Officer at the Central Bank. They will provide confirmation that payment in foreign exchange has been made.

**Application for transfer of ownership:** This should be delivered in person to the District Land Registry along with all the necessary documents.

**Independent legal advice:** You will need a solicitor or lawyer, preferably one that is English speaking, to ensure your interests are represented when making the purchase.

**Bank account:** An account will be required in Cyprus in order to facilitate your financial transactions within the country.

**Estate agents:** Estate agents in Cyprus must be registered with the Government in order to operate legally.

**Power of Attorney:** It is possible for you (and the seller) to appoint a third party, giving them specific power of attorney to act on your behalf at the transfer procedure.

If you are looking to purchase a new-build property, there are additional facts that you will need to take into account. See below for details.

### Additional purchase costs

Aside from the actual purchase price of the property, you will need to take into account the following costs:

**Legal fees:** The legal system in Cyprus mirrors that of Britain and includes solicitor's fees, making property searches and preparing the title deeds etc.

### Taxes

**Real Estate Transfer Tax (RETT):** The buyer is liable for this tax which comes into effect once the freehold has been transferred to the new owner. Payment is required once the appropriate local authority has issued the title deeds. This tax is regarded as a personal tax based on the value of the property but on a graduated scale. The level of tax reduces if the property is jointly-owned by husband and wife.

**Stamp Duty:** In Cyprus, a contract must be stamped in order for it to be legally binding. The buyer is liable for the stamp duty which is payable once the contract has been signed.

**Immovable Property Tax:** The registered owner is liable for this annual tax which is based on the value of the property.

**Local Authority Tax:** The tax is payable each year and is dependent on the size of the property and covers amenities such as refuse collection and street lighting etc.

### New-build properties

There are other factors you will need to consider if purchasing a new-build property, i.e. a Reservation Fee (to secure the property and the purchase), VAT (on property built since 1 May 2004), an annual property maintenance fee etc. Further details can be found in our free, comprehensive, no-nonsense guide.

## Turning overseas dreams into financially balanced realities.

### The Next step

If you are serious about buying a property in Cyprus, contact us today to order our comprehensive, no-nonsense guide. It's full of facts and figures – including insights into the buying process – as well as information on what to expect and to budget for once the property is yours. You will also find details of our services and how we have helped our clients turn their overseas dream into a welcome reality.

Tel: +44 (0) 20 8870 8787

E-mail: info@TrafalgarSqoverseas.co.uk

### Language is no barrier

Employing the services of an interpreter is easier than you might think and can make all the difference to your buying experience. Ask us how.

### Overseas but over here

Trafalgar Square Overseas is a truly independent advice-based mortgage brokerage. Our guiding principle is to break the mould of institutional-style selling by operating a new, non-aligned mortgage business which is client-centred and based entirely on service.



Trafalgar Square Overseas is a Member of the Association of International Property Professionals (AIPP). In an effort to improve the professional standards of the international property market, Members of the AIPP have voluntarily committed themselves to industry regulation.

When you see that a company is a Member, it means:

- A company has been vetted and approved.
- A company has submitted to industry standard training.
- A company has agreed to follow the AIPP Code of Conduct, one established to help and protect you, the buyer, by ensuring Members follow professional guidelines.

## Trafalgar Square overseas

For further information please contact:

**Trafalgar Square Overseas Ltd**

6 Morie Street  
London SW18 1SL

Telephone: 020 8870 8787  
Fax: 020 8870 8788

info@TrafalgarSqoverseas.co.uk  
www.TrafalgarSqoverseas.co.uk