

# Project RED

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## Real Estate Dynamics

An analysis of real estate demand characteristics in Cyprus



# 1.0 Leaf Research

- Leaf Research is a leading real estate consultancy firm, providing high quality real estate market research, valuation, feasibility studies, financial modelling and strategic consultancy.
- We provide consultancy services to individuals and a wide range of corporate clients, including developers, investors, and financial institutions.
- Leaf Research specialises in the alternative sector of the property market. We carry out projects in the areas of tourism & leisure, health & wellness, education industry, renewable energy projects and residential and commercial developments.
- We were the first company in Cyprus to be 'Regulated by RICS' and to register under the RICS' Valuer Registration Scheme.

A multifaceted service offering,  
having data gathering and analysis at its core.



## 2.0 Project RED

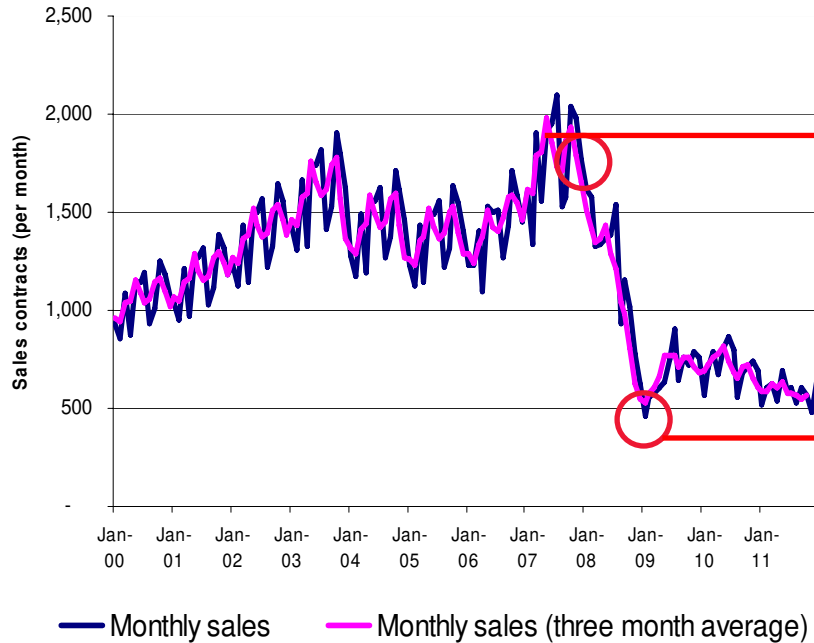
- Project RED (Real Estate Dynamics) is an analysis of all real estate transactions lodged at Land Registry between 2006 and 2011.
- These transactions comprise of properties where ownership has been transferred to the name of the buyer, as well as sale and purchase agreements where the contract has been deposited against a given property.
- Leaf Research has reviewed each transaction, sorting it by type, geography and price.
- No such study has previously been conducted, as the Land Registry does not produce data by property type or by geographical location.
- Leaf Research has analysed the data using statistical models and mapping the various transactions. A similar analysis is possible for other districts or even for very specific areas up to a “neighbourhood” level (sheet/plan).
- Analysis of this kind is of paramount importance to real estate investors, financiers and policy makers as it shows the change nature of demand and thus helps formulate more accurate real estate strategies.

Project RED provides accurate analysis  
of the changing patterns of demand.



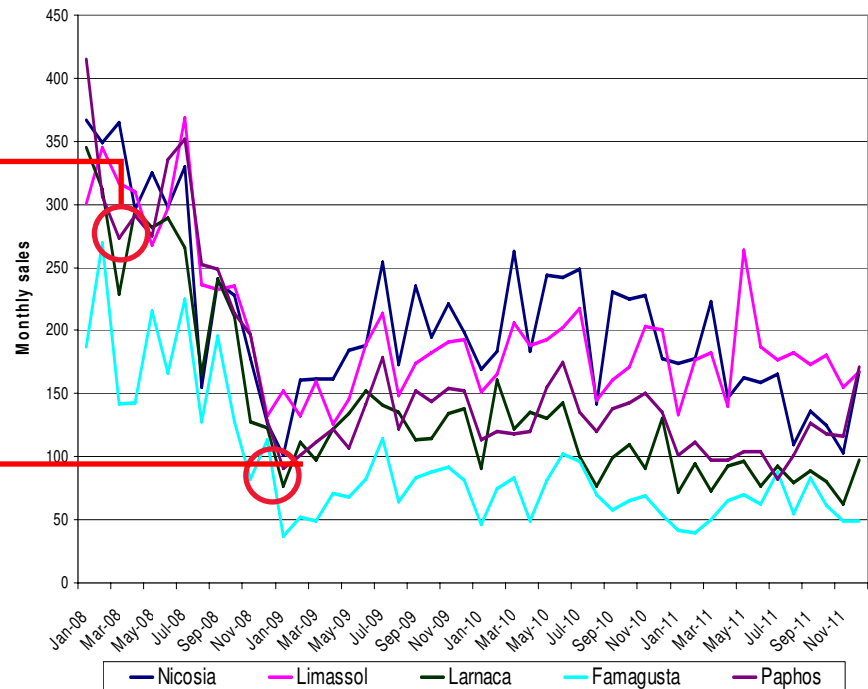
# 3.0 Transaction volume across Cyprus

Sale contracts (2000-2011)



Source: Land Registry

Sale contracts per district (2006-2011)

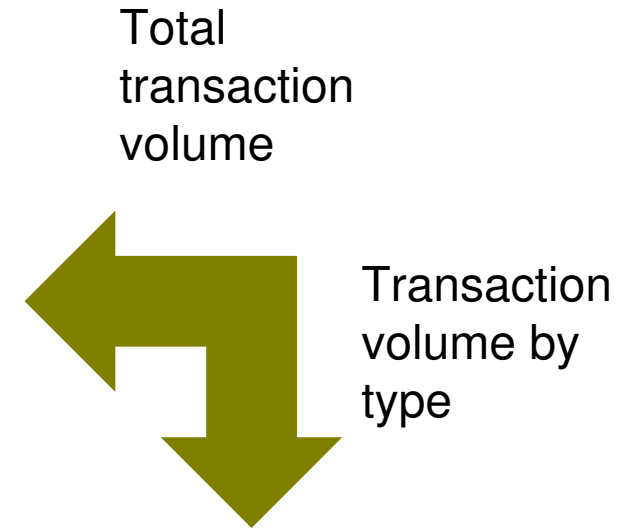
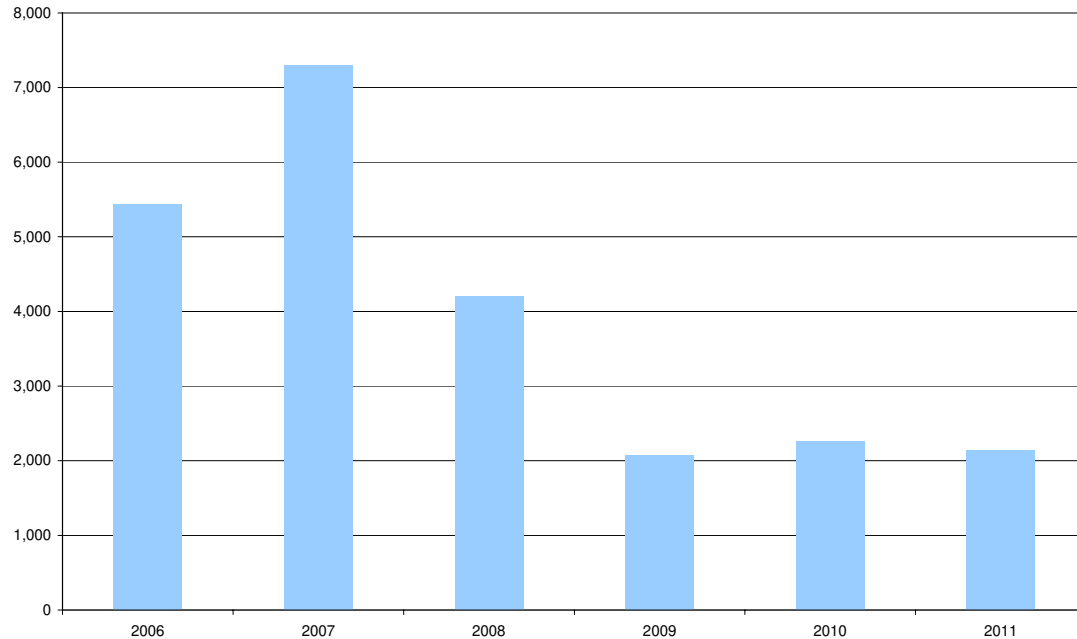


Transaction volume in Larnaca is circa 150 – 200 properties per month



## 4.0 Transaction volume in Larnaca district

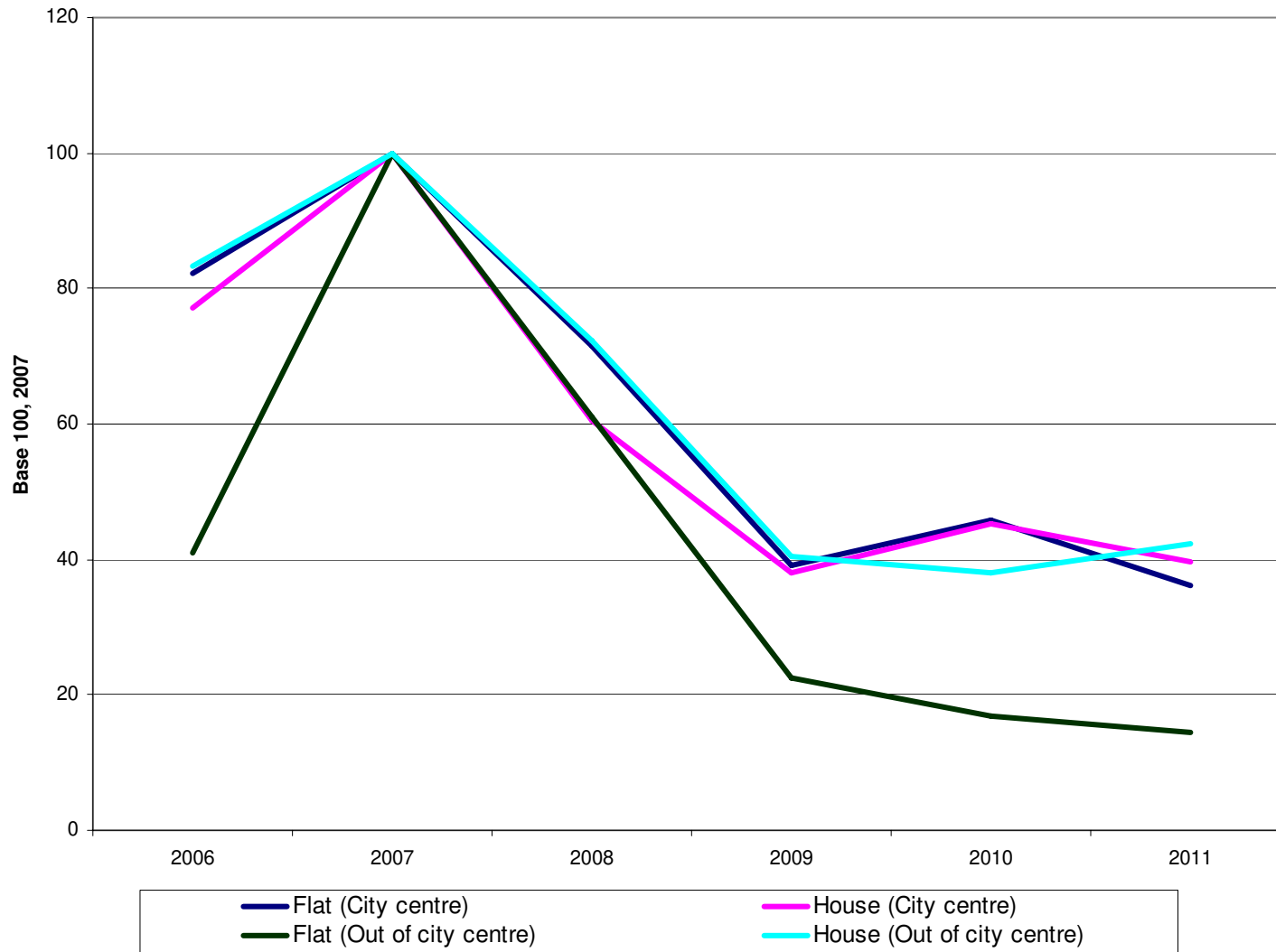
Project RED Larnaca is an analysis of 23,394 transactions between 2006 & 2011.



	As a percentage of total transaction volume					
	2006	2007	2008	2009	2010	2011
Residential – Houses and Flats	48.6%	53.9%	62.0%	63.0%	60.6%	54.7%
Land – Plots and Fields	45.1%	41.0%	28.7%	24.6%	32.5%	27.9%
Commercial – Offices, Shops and Warehouses	1.9%	1.2%	1.6%	1.6%	1.7%	8.6%
Other	4.5%	3.9%	7.7%	10.8%	5.2%	8.8%



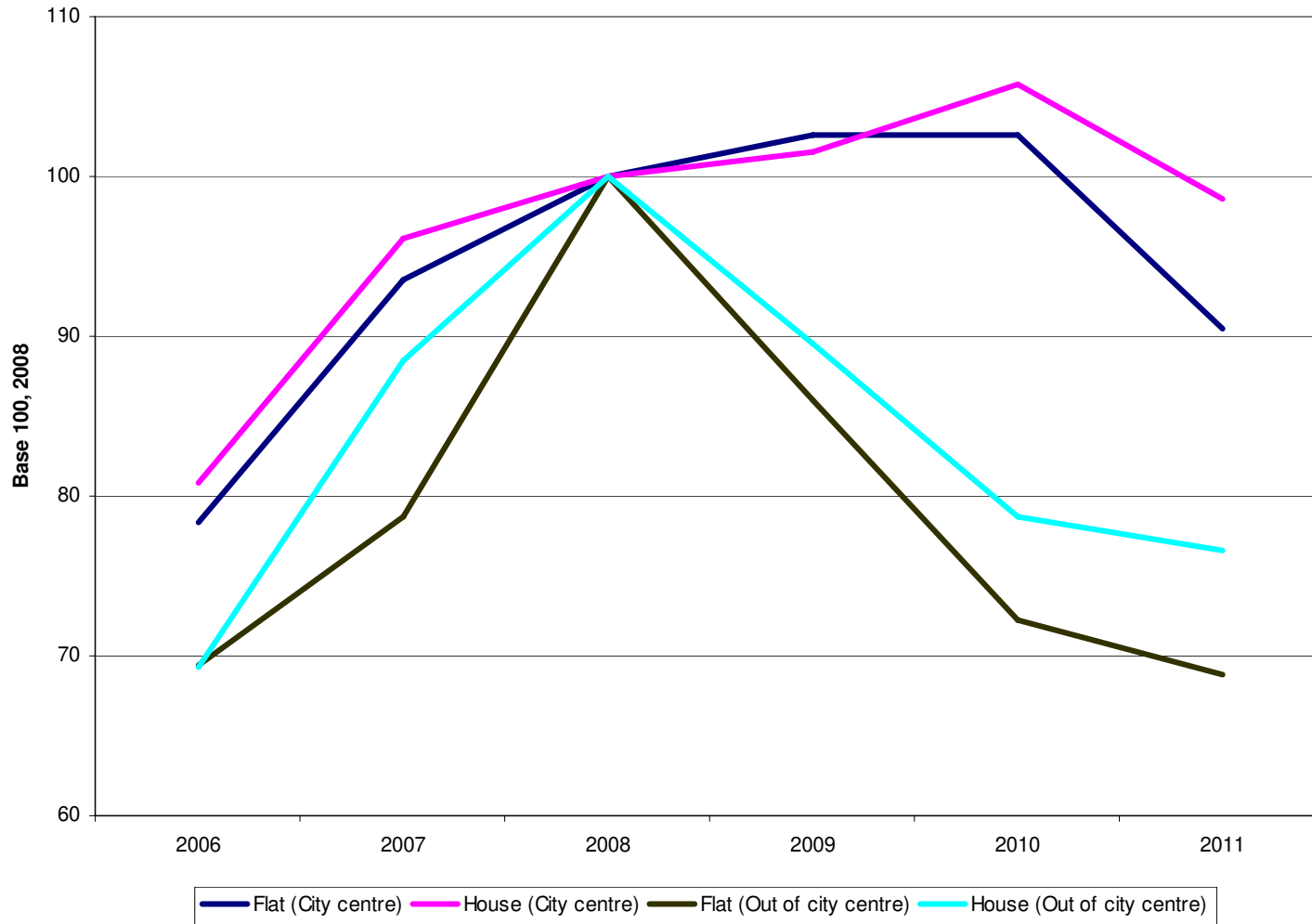
## 5.0 Transaction volume by type and geography



Apartments in outside the city centre  
have faired the worst in terms of liquidity.



## 6.0 Median price by type and geography



Transaction volume started decreasing from 2007, but prices kept increasing.

Median prices of city centre properties  
were increasing until 2010.



## 7.0 Summary of findings

- The reduction in transaction volume is greater for land (plots and fields) than all other types of property. The worst performing are fields outside the city centre.
- There is a gradual shift in the geography of where people buy, from properties outside the city centre to properties in city centre.
- Median prices have fallen for all property types, with those of fields having fared the worst.
- The decline in median price of residential properties is not as great as the reduction in other types of property. The reduction is less for houses than apartments, with prices of city centre houses falling the least.
- Despite the reductions in prices, excluding farmland, the median transaction prices for all property types remain higher than 2006 levels.

Project RED is a testament to the value that sound analytics can bring to any decision making process.





## 8.0 Leadership & Contact

### Lead Consultant - Pavlos Loizou

Pavlos specialises in property market dynamics, cash flow modelling and strategic positioning. Having worked in London as a surveyor for CB Richard Ellis and as fund analyst for AXA Real Estate Investment Managers, he moved to Bucharest, Romania, in 2007 where he set up a boutique real estate consultancy firm.

Pavlos is a Visiting Fellow at the University of Reading, the University of Cyprus and Frederick University, where he lectures on international real estate development. He is an executive board member of RICS Cyprus, and in 2010 led the team that set up the RICS Cyprus Property Price & Rental index.

He is a graduate of the University of Reading (BSc in Land Management), the University of Cambridge (MPhil in Real Estate Finance) and the ACCA (DipFM in Financial Management).

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