



Cyprus – September 2022

GENERAL VALUATION OF IMMOVABLE PROPERTY IN THE REPUBLIC OF CYPRUS 1

General Valuation Of Immovable Property In The Republic Of Cyprus

Pursuant to the powers vested in it by virtue of s.69(1) of the Immovable Property (Registration, Tenure and Valuation) Law, Cap. 224 (henceforth the "Law"), the Council of Ministers may, for the purposes of obtaining an up to date and uniform valuation of immovable property situated in any municipality or community, issue a decree ordering the conducting of a general valuation of such immovable property, carried out at such time periods which shall not, in any case, be further apart than three years from the date of the most recent general valuation, with the first three-year period commencing on January 1st 2018 (being the date of the last general valuation).

Going further, it is worth mentioning that the Council of Ministers reserves the right, to order, at its discretion, the conducting -within the said three-year period- of a general valuation in respect of any specific part of immovable property situated in any municipality or community, notwithstanding whether or not a general valuation was conducted in respect of the immovable property in question.

Importantly, for the purposes of calculating the general valuation of immovable property, the immovable property comprising the subject of calculation is deemed as being vacant.

For the purposes of the Law, a "general valuation" is defined as the valuation of immovable property irrespective of whether or not any valuation or re-valuation was conducted in relation to the said property and irrespective of the date on which such valuation or re-valuation was conducted.

For the sake of clarity however, the general valuation is not equivalent and does not correspond to the "market value" of the immovable property in question. In practice, a general valuation is "general" in that it is carried out en masse, and is calculated by taking into account, not the particular or specific characteristics of each individual immovable property, but rather groups or clusters of real estate with similar natural and legal characteristics.

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The update of the general valuation at regular intervals results in the fair and uniform taxation of immovable property and is utilized by authorities such as municipalities, community councils, sewerage boards etc, for the calculation of the fees and levies imposed on real estate. In its press release following the new general valuation of 2021, the Department of Lands and Surveys labelled the general valuation as a "pillar of transparency in the real estate market" in that it offers an indication of the market value and return of immovable property and guidance to prospective sellers and prospective purchasers of real estate, as well as investors in such a significant sector of the economy.

In accordance with the provisions of s.70 of the Law, where the Council of Ministers has ordered the conducting of a general valuation, the Director of the Department of Lands and Surveys (henceforth the "Director") must publish in the Official Gazette of the Republic (and in such other newspaper as he shall deem necessary) and post a notice, informing the public that a general valuation shall be conducted, such notice containing details pertaining to the region in respect of which the notice is being given, as well as with regards to the date on which the general valuation shall commence, and shall summon all affected registered owners to provide the valuer with such information, or written report including such information concerning the immovable property comprising the subject of the valuation as the valuer may require, and to present for inspection by the valuer any document in their possession or control as the valuer shall determine.

Following the completion of the general valuation the Director shall see to it that a notice in the Official Gazette of the Republic is published and/or transmitted by mass communications media, informing that the catalogues (in printed and/or electronic form) have been submitted to the office of the mayor or the relevant municipality or the office of the municipality of the relevant community as the case may be, and send a notice in writing to the owner informing him of the value of the general valuation of the immovable property in respect of which he is the registered owner.

Any person having an interest in any immovable property to which the notice relates may inspect the abovementioned catalogues at reasonable times and the mayor or mukhtar responsible for safekeeping these catalogues must allow, at reasonable times, any such person to receive any extract therefrom or copies of the same free of charge.

In accordance with the provisions of the Law, a valuation carried out by a valuer is rendered final unless any affected person submits before the Director, an objection against such valuation, within six months from the date of publication of the general valuation in the Official Gazette of the Republic (in which case the Director must examine such objection), or unless the Director applies to the Court asking for the valuation to be revised.

In view of the above, following a relevant order to this end issued by the Council of Ministers, the new general valuation for the year 2021 has been completed by the Department of Lands

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and Surveys. Prior to the relatively recent amendment to the Law which dictates that general valuations are to be carried out every three years, previous general valuations were carried out much more sporadically, specifically in the years 1920, 1980, 2013 and 2018.

According to the records of the Department of Lands and Surveys, in the context of the new general valuation 1.093.495 plots of land and 566.53 units (including flats, maisonettes and shops) were valued. Interestingly, the aggregate value of the real estate valued is in excess of 186 billion euros, compared to approximately 182 billion euros, being the aggregate value of real estate on 01.01.2018 (being the date of the previous general valuation). As the Department of Lands and Surveys notes, there does not seem to be a great fluctuation between the values of the general valuation dated 01.01.2021 and the values of the general valuation dated 01.01.2018. Modest increases in value were observed in respect of houses and apartments; on the other hand, there was a decrease in value in respect of certain plots of land. More notable increases in value (albeit, as the Department of Lands and Surveys observes, inconsequential) were noted in apartments and houses in the district of Limassol.