

Cyprus income real estate 2026: demand, supply and what's wrong with projects

Limassol, Paphos, Larnaca, Nicosia and Famagusta.
Market data, yields after the 2026 tax reform, players, risks
and an audit of developers' project pages.

For developers, owners of residence and villa projects and their
sales teams.

Five things developers need to know

- 1 Cyprus is heading for another record year**
14,969 sales contracts in January–September 2026, up 14%. Every month of 2026 beat the same month of 2025, and the run-rate points to close to 20,000 for the year.
- 2 Foreign buyers drive growth, and regulation is coming**
Foreigners signed 41.9% of contracts in nine months; buyers from outside the EU signed 27.9%. A bill to limit non-EU purchases to one property per person is back in parliament.
- 3 Apartments outperform houses**
Apartment prices rose 10.8% year on year versus 3.0% for houses, and apartment gross yields of about 5.4% are almost double those of houses.
- 4 Net yields are modest**
After costs and tax, a rental apartment nets roughly 3.5–4%, a long-term-let villa about 2%. The 2026 tax reform helps: the defence contribution on rent is gone.
- 5 Project pages hide price, plans and returns**
In our audit of 18 project pages, none shows a payment plan, a yield or its risks, and only 7 show a price.

SO WHAT FOR DEVELOPERS

Demand is strong, but so is the new supply pipeline. Projects that show price, a payment plan, a net return and a clear answer for non-EU buyers will win the comparison buyers make online.

Sales contracts keep setting records in 2026

14,969

sales contracts, Jan–Sep 2026, +14% y/y
DLS via Cyprus Mail

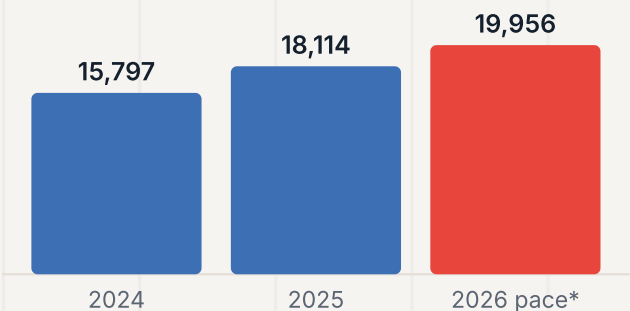
1,681

contracts in September 2026, the best September on record
BuySell / DLS

€3.72bn

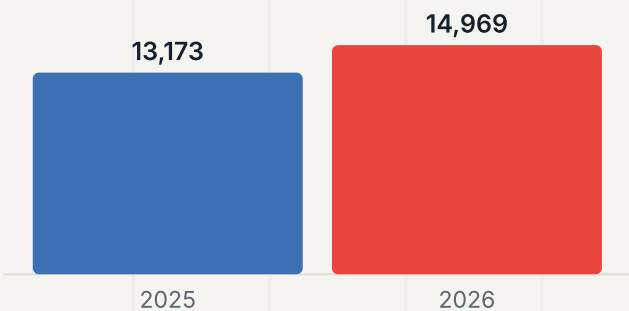
value of completed transfers, Jan–Sep 2026, +6.6%
Cyprus Mail, Oct 2026

EXHIBIT 1
Sales contracts per year



Source: Department of Lands and Surveys. *BuySell run-rate estimate (1,663 a month)

EXHIBIT 2
Sales contracts, January–September



Source: DLS via Cyprus Mail, Oct 2026

Contracts grow faster than completed transfers (+4.1% by number), a sign of a large off-plan share and title deeds that lag behind sales.

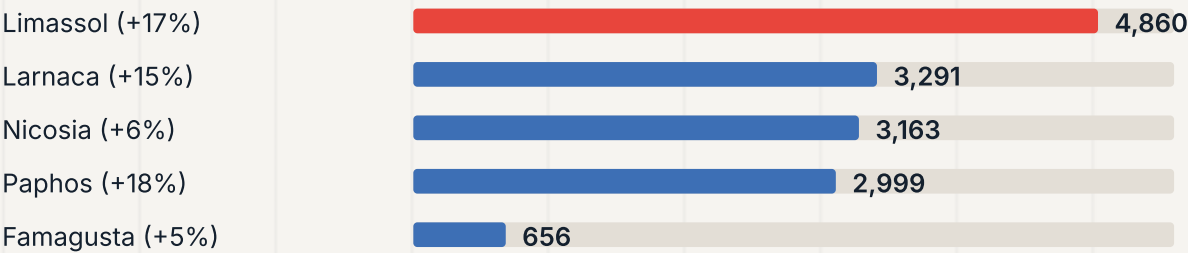
SO WHAT FOR DEVELOPERS

The market is deep enough for new projects, but buyers sign contracts years before they receive titles. Clear handover and title timelines are part of the product.

Limassol leads by volume; Paphos depends most on foreign buyers

EXHIBIT 3

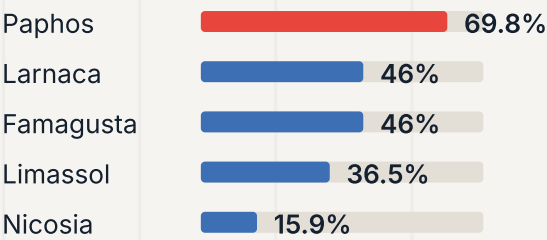
Sales contracts by district, Jan–Sep 2026 (growth y/y)



Source: BuySell / DLS via Cyprus Mail and Kiprinform, Oct 2026

EXHIBIT 4

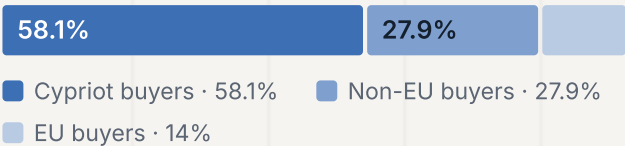
Foreign buyers' share of contracts, Jan–Jul 2026, %



Source: Cyprus Mail via UA.News, Sept 2026 (Larnaca and Famagusta approximate)

EXHIBIT 5

Who signed contracts, Jan–Sep 2026, %



Source: BuySell / DLS: 6,267 foreign contracts, of which 4,173 non-EU

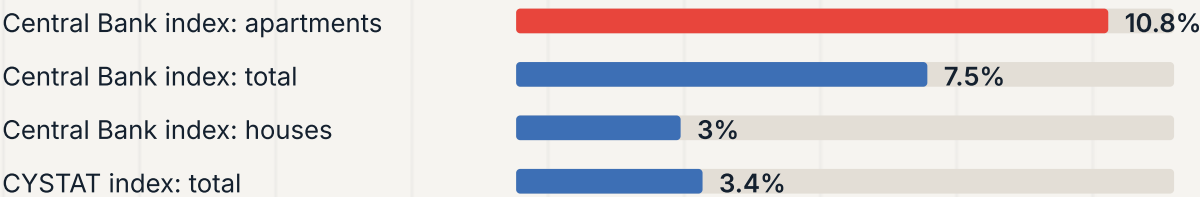
SO WHAT FOR DEVELOPERS

In Paphos seven in ten buyers are foreign, and non-EU buyers are the fastest-growing group. A project there needs content in several languages and a prepared answer on the new non-EU rules.

Apartment prices rise much faster than houses; tourism dipped in 2026

EXHIBIT 6

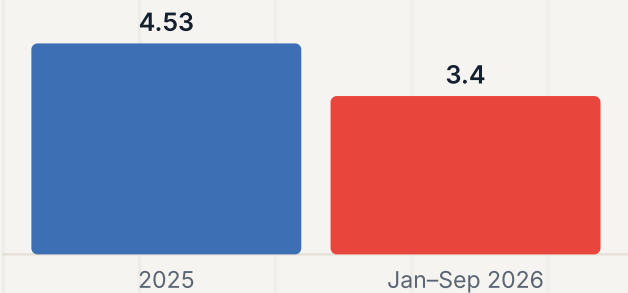
House price growth, Q1 2026, % y/y



Source: Central Bank of Cyprus RPPI; CYSTAT HPI. The two indices use different methods (valuations vs transactions)

EXHIBIT 7

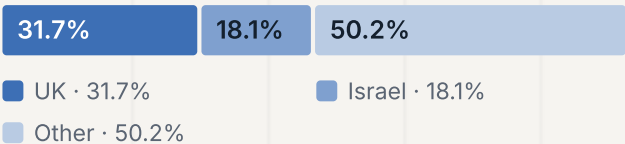
Tourist arrivals, million



Source: CYSTAT. Jan-Sep 2026 -5.6% y/y; September 2026 a record 580,889

EXHIBIT 8

September 2026 arrivals by market, %



Source: CYSTAT via Cyprus Mail. Israel +31.4% y/y

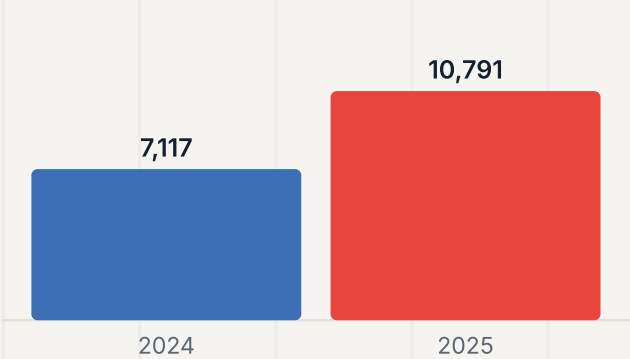
SO WHAT FOR DEVELOPERS

Short-term rental projects depend on two markets, the UK and Israel, for about half of September arrivals. Investors will ask how occupancy holds if either market weakens.

SUPPLY

Building permits jump while construction output barely grows

EXHIBIT 9
Approved units in multi-unit buildings



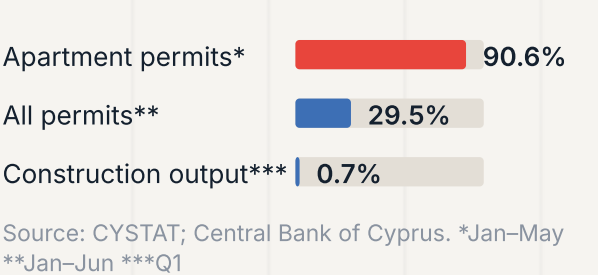
Source: CYSTAT, April 2026

Permits grow by 30–90% while the construction production index rose only 0.7% and labour shortages persist. New supply is mostly apartments; villa supply grows more slowly.

SO WHAT FOR DEVELOPERS

Expect stretched delivery for 2027–2029 and rising costs. Buyers will compare handover promises; a credible schedule and progress reporting become a selling point.

EXHIBIT 10
Permits vs construction output, 2026, % y/y

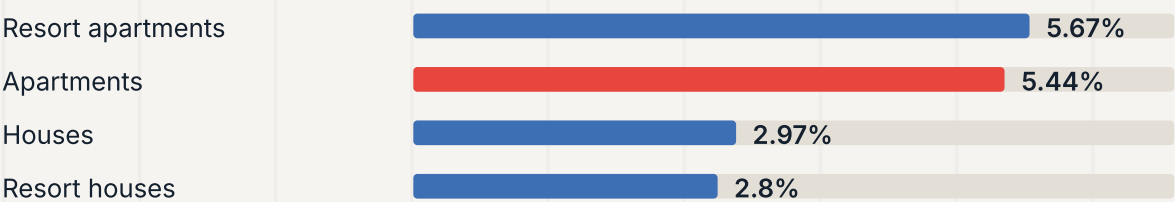


YIELDS

Gross yields are about 5.4% for apartments and 3% for houses

EXHIBIT 11

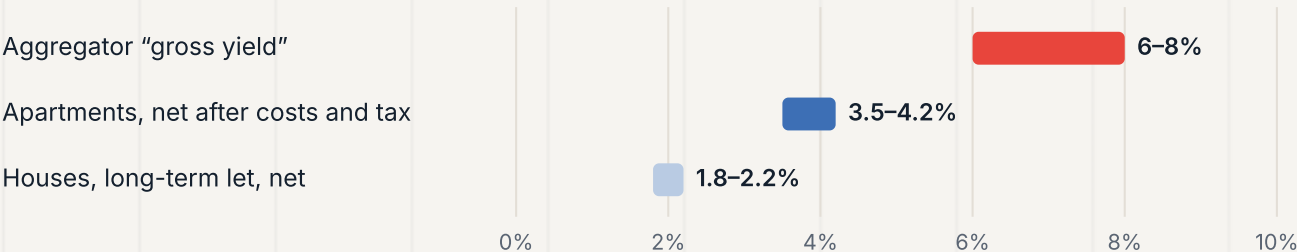
Gross rental yield by property type, Q1 2026, %



Source: RICS / KPMG Cyprus Property Index, Q1 2026 (published May 2026)

EXHIBIT 12

Advertised vs estimated net returns, % per year



Source: cyprus-consult (advertised); PBB estimates based on RICS/KPMG yields, management fees, vacancy, tax and GeSY

2026 TAX REFORM (FROM 1 JANUARY 2026)

WHAT CHANGED FOR RENTAL INCOME

Defence contribution on rent	Abolished (previously about 2.25% of gross rent)
Income tax on rent	0% up to €22,000; 20% to €32,000; 25% to €42,000; 30% to €72,000; 35% above
Cashless rent	Rent above €500 a month paid only by bank transfer from 1 July 2026

Source: EY Tax News (Jan 2026); Dixcart. GeSY health contribution of 2.65% still applies.

SO WHAT FOR DEVELOPERS

Villas held for long-term rent rarely work as a yield product. Developers selling villas to investors need a seasonal rental model with an operator, or an honest capital-growth story.

PLAYERS AND CHANNELS

A few large groups and many boutique developers compete for the same buyers

GROUP	EXAMPLES	NOTES
Large developers	Leptos, Pafilia, Cybarco, Aristo, Imperio	Landmark towers, marinas and resort communities; strong brands abroad.
Mid-size and boutique	Korantina Homes, Prime Property Group, Cyfield, D. Zavos, Karma, Iacovou and others	Residences and villas in Limassol, Paphos and Larnaca; market shares are not published.
Agents and networks	Local agencies and international agent networks	Agent commission typically 3–5% plus VAT, paid by the seller or developer.
Portals	BuySell, INDEX.cy, Bazaraki, international portals	No comparable traffic data is published.
After-sales and management	Some developers run their own (e.g. Zavos)	A visible differentiator; no public ranking of rental operators.

SO WHAT FOR DEVELOPERS

Boutique developers cannot match the marketing budgets of the large groups. They can match them on transparency: price, plan, net return, delivery schedule and after-sales.

The non-EU buyer bill is the biggest swing factor for 2027

TREND	WHAT WE SEE	IMPLICATION
Limits on non-EU buyers	Draft bill: one home per person, no farm or forest land, companies at least 51% EU-owned; one variant adds a 5-year residence requirement. Debate resumed in September 2026; timing depends on parliament.	27.9% of 2026 contracts are non-EU. Prepare buyer scenarios now.
Short-term rental data rules	EU Regulation 2024/1028 applies from 20 May 2026: registration numbers and platform data sharing.	Rental income becomes fully visible; models must be tax-clean.
Apartments over houses	Apartment prices +10.8% vs houses +3.0%.	Product mix shifts to apartments and resort units.
Israel as a growth market	Arrivals from Israel +31.4% in September; Israelis among top buyers in Larnaca and Limassol.	Hebrew content and Israeli agent networks matter.
Permit boom	Apartment permits +90.6% (Jan–May).	More competition from 2027; differentiation needed.
Price expectations	EU price expectations indicator 32.8 vs 24.6 a year earlier.	Buyers still expect growth; momentum supports launches.

CONSTRAINTS AND RISKS

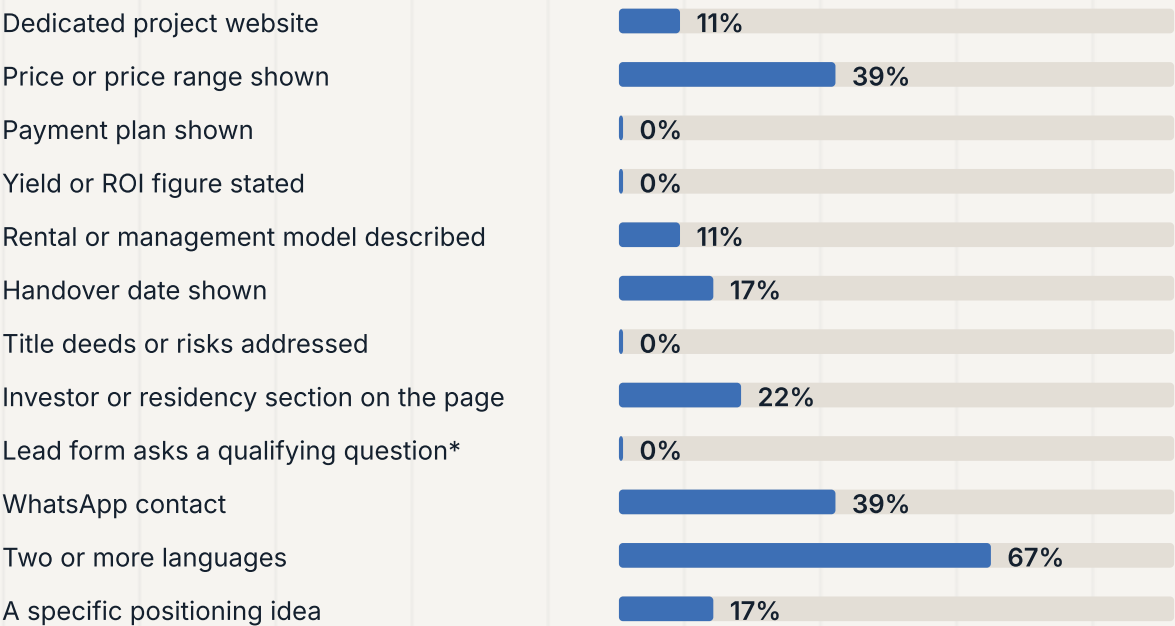
Six risks investors will raise

RISK	IMPACT	WHAT WE SEE	HOW DEVELOPERS RESPOND
Non-EU purchase limits	High	Bill to cap non-EU buyers at one property; companies 51% EU-owned.	Model scenarios; widen EU and local demand; qualify by citizenship.
Delivery delays	Medium	Permits surge while construction output is flat; labour shortages.	Publish schedules and progress; avoid over-promising.
Title deed lag	Medium	Contracts +14% vs completed transfers +4.1%.	Explain the title process and timeline upfront.
Tourism concentration	Medium	UK and Israel $\approx$ half of September arrivals; 9M 2026 -5.6%.	Stress-test occupancy; diversify guest markets.
Low villa yields	Medium	Houses yield ~3% gross, ~2% net on long-term lets.	Use a seasonal rental model or a capital-growth case.
VAT and tax rules	Low	Reduced 5% VAT only for main residence under conditions; new rent tax bands.	Show the buyer's full cost and net income clearly.

No project page in our sample shows a payment plan, a yield or its risks

We reviewed 18 currently selling projects in Limassol, Paphos and Larnaca in October 2026: 15 by mid-size and boutique developers and 3 by large developers as a benchmark. We recorded what a buyer can see on the developer's own project page.

EXHIBIT 13
Share of 18 audited project pages showing each element, %



Source: PBB Global audit of developer project pages, October 2026. *Share of forms we could check (forms of 10 projects could not be checked)

SO WHAT FOR DEVELOPERS

Buyers who cannot see a price, a payment plan or a rental model leave to compare on a portal. Residency and investment pages sit in site menus, separate from the project. A project page that answers these questions stands out immediately.

PBB AUDIT · PROJECT BY PROJECT

Audit grid

PROJECT · DEVELOPER	SITE	PRICE	PLAN	YIELD	MGMT	HAND- OVER	RISKS	INV.	QUAL.	WA	2+ LANG	IDEA
Riviera Residences, Paphos · Korantina Homes	○	○	○	○	●	○	○	○	—	●	●	○
Georgiana Residences 2, Paphos · Korantina Homes	○	○	○	○	○	○	○	●	○	●	●	○
Lambda Type Residences, Paphos · Kuutio Homes	○	○	○	○	○	○	○	○	—	○	●	○
Verano Villas, Paphos · Domenica Group	○	●	○	○	○	○	○	○	—	○	○	○
Londa Residences, Limassol · Londa Residences	●	○	○	○	○	○	○	●	○	○	●	●
Lumina Mare, Larnaca · S.L.K Development	●	○	○	○	○	●	○	○	—	●	○	○
Horizon Heights, Larnaca · Livadhiotis & Sons	○	○	○	○	○	○	○	○	○	○	○	○
The Point, Larnaca · Lebrus Development	○	○	○	○	○	○	○	○	—	●	○	○
The Collection, Limassol · SquareOne	○	○	○	○	○	●	○	○	—	○	●	●
Dreamy Residence, Limassol · Poulos Developments	○	●	○	○	○	○	○	○	○	●	○	○
Trianon Heights, Limassol · Stylianides Group	○	○	○	○	○	○	○	○	○	●	●	○
GALEA, Limassol · Crona Group	○	●	○	○	○	○	○	○	—	●	●	○
Canal del Sol, Larnaca · EliteEdge	○	○	○	○	○	●	○	○	○	○	○	●
Limassol Hill Residences · Cyfield	○	○	○	○	○	○	○	●	—	○	●	○
Projects listing, Limassol · D. Zavos	○	●	○	○	●	○	○	●	—	○	●	○
Aphrodite Court, Paphos (large) · Aristo Developers	○	●	○	○	○	○	○	○	○	○	●	○
Bel Air Gardens, Paphos (large) · Leptos Estates	○	●	○	○	○	○	○	○	—	○	●	○
Seaview Heights, Limassol (large) · Cybarco	○	●	○	○	○	○	○	○	○	○	●	○

● shown · ○ not shown · — could not be checked. Several pages also showed inconsistencies, such as headline prices that do not match unit tables and a WhatsApp button that links nowhere. Large developers show prices more often but no more investor information.

IMPLICATIONS

Seven moves for developers in Cyprus

- 1 Favour apartments and resort units for investors**
They yield almost twice as much as houses and are rising faster in price.
- 2 Show price and payment plan on the project page**
Buyers who must request a brochure go to a portal to compare instead.
- 3 Publish a net return after the 2026 tax reform**
Gross rent, building costs, management, vacancy, tax and GeSY: content no one else gives.
- 4 Prepare for the non-EU bill**
Explain current and possible rules to buyers; broaden demand to EU and local buyers.
- 5 Make delivery and titles transparent**
Unit availability, construction progress and the title process build trust.
- 6 Sell after-sales and management as part of the product**
A visible difference from "luxury" wording.
- 7 Qualify leads by purpose, budget and citizenship**
Residency, rental or living, and EU or non-EU, will soon be a compliance question.

METHODOLOGY AND SOURCES

How this report was prepared

Desk research completed on 22 October 2026. Official statistics, the central bank, major consultancies and major media are used for market figures. Calculations and illustrative examples are PBB estimates and are not investment advice.

Main sources: Department of Lands and Surveys and BuySell analysis via Cyprus Mail and Kiprinform (Oct 2026); Cyprus Mail (Sept–Oct 2026); Central Bank of Cyprus residential property price index; CYSTAT house price index, building permits and tourist arrivals; RICS / KPMG Cyprus Property Index (Q4 2025, Q1 2026); EY Tax News and Dixcart on the 2026 tax reform; Cyprus Property News and Cyprus Mail on the non-EU purchase bill; EU Regulation 2024/1028; cyprus-consult; Leptos Estates; developer websites for the audit.

The audit reviewed publicly available project pages in October 2026. It records what a buyer can see on the developer's own website; it does not assess construction quality or financial strength.

Want to see how your project compares?

Get in touch for a free 30-minute review. We'll run your project through the same audit grid and show you where it loses buyers and investors.

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About PBB Global

The international practice of PBB Advisory: a real estate marketing and advisory team with 18 years in the market. Our founder has led projects as a developer, and our team has run marketing for developers, business parks, shopping centres and international brands such as RE/MAX, NAI and Nhood in Ukraine. We work in the same time zone as Cyprus and help developers with social media, lead generation, investor decks, brochures, websites and outsourced marketing.