



CYPRUS - April 2017

ONE-SIXTH OF PROPERTIES ARE NOT REGISTERED..... 1

One-sixth of properties are not registered

Some 200,000 real estate properties were not registered with the Department of Lands and Surveys in the time period between 1980 and 2013, lawmakers heard on Monday.

Around one-sixth of 1.2 million properties island-wide had not been accounted for until authorities began a revaluation of properties back in 2013.

Speaking after the matter was discussed at the House interior committee, chair Eleni Mavrou (Akel) said that the 33-year gap between the two property revaluations resulted in several problems, not least relating to property taxation.

From now on, Mavrou said, general property revaluations will take place every three years.

She recalled that owners have the right to challenge estimates of their property by the Department of Lands and Surveys.

The department informed MPs of the methods used to revalue properties, including via satellite imagery.

The updated data is used not only for the purposes of calculating property taxes, but also property transfer fees as well municipal sewerage charges.

As part of Cyprus' bailout agreement with international lenders, authorities here completed the revaluation of around half a million properties in 2014.

As a result, immovable property tax (IPT) was to be paid based on up-to-date values (2013); however the new rates were never actually levied.

Despite the property revaluation, IPT paid for 2015 and 2016 was still based on the market value of properties as at 1st of January 1980.

And last year, a law was passed slashing IPT payable for 2016 by 75 per cent. Additionally, MPs voted to scrap IPT altogether thereafter.

Sewerage rates continue to be based on a property's market value – the updated 2013 values.

International Property Tax Institute

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