

VAT on Property

Since 1st of May 2004, when Cyprus became a full member of the European Union, VAT is payable at a rate of 15% on the sales price. In cases where an application for a building permit was filed before the 1st of May 2004, VAT will not be charged. VAT on the purchase of land will also apply from 2007.

Real Estate Transfer

Real Estate Transfer tax-fees are necessary in order to transfer FREEHOLD ownership to the name of the purchaser. The transfer fees will be paid when the transfer of the title deed in the name of the purchaser will take place. The Purchaser is responsible for the tax payment. The rates are on a graduated scale.

Value of property (CYP)	Transfer fee rate (%)
up to 50,000	3
from 50,001 to 100,000	5
from 100.001 and over	8

If the property is in joint names e.g. of a couple (husband and wife) or two individuals, then the purchase value is divided into two parts which results in reduced transfer fees.

The following example clearly illustrates this:

Property purchased for CYP 120.000 in one name. Assessed as:

1st scale = 50.000 @ 3% = CYP 1.500
2nd scale = 50.000 @ 5% = CYP 2.500
Balance = 20.000 @ 8% = CYP 1.600
Total fees payable: = CYP 5.600

Property purchased for CYP 120.000 in joint names. Assessed as:

CYP 120.000 / 2 = 60.000
1st scale = 50.000 @ 3% = CYP 1.500 * 2 = CYP 3.000
Balance = 10.000 @ 5% = CYP .500 * 2 = CYP 1.000
Total fees payable: = CYP 4.000

Stamp Duty

The purchaser is liable for the payment of stamp duty at the rate of 1.50 CY Pounds per thousand up to the value of 100.000 CY Pounds and thereafter at the rate of 2 CY Pounds per thousand.

For example if the purchase price is CYP 150. 000

first CYP 100 000 1.5‰	CYP 150
next CYP 50 000 2.0‰	CYP 100
Total CYP 250	

Immovable Property Tax

The annual immovable property tax is calculated on the market value of the property as at 1st January 1980.

Market value of property (CYP)	Annual Property tax (%)
up to 100,000	exempt
100,001 to 250,000	2.5
250,001 to 500,000	3.5
over 500,000	4.0

Local Authority Taxes & Rates

A rough guide could be approximately CYP 50 -150 per year depending on the size of your property. This tax is for refuse collection, street lighting, sewerage, etc.