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Essential due diligence for buying property in Cyprus

September 20, 2025 By **Nigel Howarth**

Cyprus is a popular destination for overseas buyers, offering everything from sun-soaked holiday homes to rental investments and permanent homes. Yet while buying property in Cyprus holds many opportunities, it also comes with risks.

Carrying out comprehensive due diligence *before* signing a sale agreement is essential to safeguard your investment, avoid legal complications, and ensure peace of mind.

This guide outlines the key risks and the essential due diligence process every buyer should follow when purchasing property in Cyprus.

Risks when buying property in Cyprus

While Cyprus presents good opportunities, buyers should remain cautious. Some of the most common risks include:

- **Title Deed issues:** Delays or complications in securing full ownership rights are relatively common. Without clean Title Deeds, you may never become the legal owner of the property.
- **Hidden liabilities:** Properties can carry debts, mortgages, or unresolved legal disputes that may prevent/delay transfer of the property to its purchase.
- **Unauthorised Construction:** Planning violations can prevent Title Deeds from being issued or being 'marked' in such a way that prevents their subsequent sale until the planning violations have been corrected.
- **Market Fluctuations:** Overdevelopment and commercial developments in certain regions may affect long-term returns.

Without careful checks and professional support, buyers risk financial loss, legal entanglements, or purchasing a property they cannot legally own.

Due diligence when buying property in Cyprus

Legal representation

It is absolutely essential that anyone thinking of buying a property instructs a local independent lawyer to protect their interests throughout the process. By 'independent', I mean a lawyer who has no connection whatsoever with any other party involved in the sale, which includes the vendor, the estate agent and others they recommend.

For the benefit of British nationals, the UK Foreign, Commonwealth & Development Office (FCDO) publishes a list of English-speaking lawyers who may be able to assist. See Lawyers in Cyprus.

Undertaking due diligence

- **Preparing the contract:** Safeguards your interests and ensures the contract favours your interests, is balanced and compliant with Cypriot law.
- **Negotiation assistance:** Lawyers may be able to negotiate on your behalf.
- **Title transfer:** Lawyers can oversee the transfer of title and documentation. If buying a property off-plan (before the property's build has been completed and checked for compliance) the transfer of title can still take many years even if there are no planning violations.

Remember: The contract specifies exactly what you are purchasing – nothing more and nothing less. In the past, some developers and estate agents have marketed properties by claiming that facilities such as golf courses and other leisure facilities were planned for the area. In many cases, these projects never materialised or the plans were quietly abandoned.

Title search

A title search will confirm the legal ownership and will uncover potential risks.

- **Checking ownership:** Ensure the seller is the rightful owner and has authority to sell. The Cyprus Land Registry holds the official records.
- **Identifying charges and other encumbrances:** Check the property is free of mortgages, debts, or claims.

Legal compliance

Verify that the property meets all legal and planning requirements.

- **Building permits:** Confirm valid permits exist and construction complied with zoning laws.
- **Planning permissions:** Check for existing or pending permissions and possible disputes.
- **Fines and violations:** Ensure there are no outstanding penalties attached to the property.

(Note. If buying a property 'off-plan' it's often the case that the authorities have yet to approve planning applications and building permits, which carries additional risks.)

Property condition

In situation where the property is a resale, buyers should commission a professional inspection before committing to the purchase.

- **Structural integrity:** A qualified surveyor can check for cracks, dampness, or hidden defects.
- **Utilities and services:** Confirm that water, electricity, and sewage systems are connected and functional.
- **Renovation/repair costs:** Obtain estimates for repairs or upgrades to avoid surprises.

Financial implications

Understand the full financial implications of the purchase.

- **Market Value:** Compare prices of similar properties in the area to avoid overpaying.
- **Ongoing Costs:** Factor in insurance, property taxes, maintenance, and communal fees.
- **Financing Options:** Review mortgage terms carefully with Cypriot or international lenders.

Tax implications

Be aware of local and central government taxes you'll need to pay.

- **Property transfer fees:** Government fees vary depending on property value.
- **Capital Gains Tax:** Applies if you sell the property later.
- **Annual Obligations:** Include local property taxes and municipal charges.
- **Value Added Tax:** Resale properties are currently exempt from VAT.

Local environment and facilities

Consider what's in the local area and the long-term growth prospects.

- **Location:** Research local infrastructure, amenities, and neighbourhood growth potential.
- **Future developments:** Be aware of planned projects that may impact property values.

Making a Will

Although it's no part of the actual buying process, it's essential that anyone buying a property in Cyprus makes a Will for their property and other assets in Cyprus.

The Cyprus inheritance law follows the forced heirship system, which means the person making the Will must leave portions of their estate to close relatives. It's also the case that a spouse does not automatically receive their deceased spouse's estate.

In many cases it is possible to overcome the issues with the Cyprus forced heirship rules and other potential issues by having your Will drawn up by a lawyer who is experienced in dealing with the administration of cross border estates.

I suggest you shop around and get the lawyer's agreed fees for administering your estate written into your Will.

(As mentioned earlier, the UK Foreign, Commonwealth & Development Office (FCDO) publishes a list of English-speaking lawyers who may be able to assist. See Lawyers in Cyprus.)

Conclusion

Buying property in Cyprus can be highly rewarding, but only if the right precautions are taken. From **title deed checks and legal compliance** to **property surveys, financial planning, and tax considerations**, due diligence is the cornerstone of a secure purchase.

By engaging qualified professionals and carefully investigating every aspect of the property, you can minimise risks, protect your investment, and make a confident move into the Cypriot property market.

Frequently asked questions (FAQs)

Can foreigners buy property in Cyprus? Yes. Both EU and non-EU citizens can buy property in Cyprus. Non-EU buyers, however, must obtain permission from the Council of Ministers before they can own the property (i.e. before its Title Deed is registered in their name.) This is usually a straightforward process, particularly for residential properties.

What are Title Deeds and why are they important? Title Deeds are the legal documents proving ownership of a property. Without them, you will not have full ownership rights. It is vital to ensure the property has, or will have, clean Title Deeds before completing a purchase.

What taxes and fees should I expect when buying property? Buyers typically pay transfer fees, stamp duty, and, in some cases, VAT. Ongoing obligations include annual municipal charges, property taxes, and, if applicable, communal maintenance fees.

How long does the buying process usually take? The process can take from several weeks to several years. Timelines depend on due diligence checks, mortgage approvals, and the issuance of Title Deeds.

What are the main risks of buying property in Cyprus? Common risks include delays with Title Deeds, hidden debts attached to the property, unauthorised building works, and fluctuating property values. Proper due diligence and professional guidance minimises these risks.