

**Reference Number:** ZYPRUS-22

14<sup>th</sup> March 2022

**VALUATION REPORT FOR A PROPERTY WITHIN THE QUARTER**  
**OF AGIOS THEODOROS IN THE MUNICIPALITY & DISTRICT OF PAPHOS**

To: Mr. THOMAS NEE & Mrs. EILEEN NEE

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## **1. INSTRUCTION TERMS**

### **1.1. DATE OF INSTRUCTION AND ASSIGNOR**

The valuation was requested by the advocate Eleni Walleling on behalf of **ELEENI NEE** and by the advocate James Debeard on behalf of **THOMAS NEE** on the 2<sup>nd</sup> of March 2022 and it refers to a property (apartment) within the Quarter of Agios Theodoros in the Municipality and District of Paphos.

### **1.2. SCOPE OF VALUATION**

The scope of this valuation report is to estimate the Market Value of the property under study as at its date, for legal purposes (divorce proceedings).

### **1.3. REQUESTED VALUES**

The following values have been requested:

- Market Value.

### **1.4. SHARE TO BE VALUED**

Based on the terms of the instruction, the valuation refers to the 1/8 share of the ownership of the property.

### **1.5. RECEIVED DOCUMENTS**

For the processing of the valuation report, we have received the Title Deed of the property.

## **2. BASE OF VALUE & VALUATION STANDARDS**

### **2.1. BASE OF VALUE**

The base of value is Market Value. The market value of a property is "the estimated amount for which an asset or a liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

### **2.2. VALUATION STANDARDS**

The valuation has been conducted according to the Valuation Standards and Guidance Notes of the Royal Institution of Chartered Surveyors (RICS) on subjects related to real estate valuations.

The calculated market value does not include any expenses related to the disposal of the property. Therefore, our valuation is exclusive of VAT, in cases where it applies, and no allowance is made for Capital Gains Tax or any other taxation liabilities that may arise upon the disposal of the property. In addition, our valuation is based on the assumption that the property will be sold free of restrictions or encumbrances and that a reasonable time will be given in order to attract potential investors/buyers.

### **2.3. VALIDITY CONFIRMATION**

We confirm that the property has been valued by a valuer who is qualified for the purposes of the valuation in accordance with the RICS Valuation - Professional Standards (The Red Book), IVS (European Valuation Standards) and the Cyprus (CPRV) law.

### **2.4. CONFIRMATION OF INDEPENDENCE & OBJECTIVITY**

We have acted as independent valuers and we confirm that there is no conflict of interest in relation to the subject property or the client at the time of the valuation.

## **3. PROPERTY INSPECTION**

### **3.1. DATE OF PROPERTY INSPECTION**

The physical inspection of the property took place on the 16/05/2022.

### **3.2. DEGREE OF INSPECTION**

During the physical inspection, we inspected all areas of the property.

### **3.3. RESTRICTIONS & ASSUMPTIONS IN REGARDS TO THE PROPERTY INSPECTION**

There are no restrictions or assumptions applied in regards to the property inspection.

#### 4. LAND & REGISTRY DETAILS

##### 4.1. PROPERTY LAND & REGISTRY DETAILS

District	Paphos
Municipality	Paphos
Quarter	Agios Theodoros
Address	28, Agios Theodoros
Registration Number	6/21414
Type of Property	2 <sup>nd</sup> Floor Apartment (Penthouse)
Block/Plot	6/2 146 148
Block	14
Parcel Number	272
Parcel Area	2,024 sqm
Scale	1:2000 1:750
Plot Area	Enclaved Area 75sqm Decanted Terrace 17sqm
Ownership /Share	100% (1/1)

##### 4.2. LAND & REGISTRY SURVEY

The property under study is registered in the official records of the Department of Lands and Surveys as a 'Apartment' No. 5 on the 2<sup>nd</sup> floor with 'exclusive use' of the parking space No. 4 and the storage unit No. 26.

##### 4.3. RESTRICTIONS & ASSUMPTIONS IN REGARDS TO LAND & REGISTRY

There are no restrictions or assumptions in regards to Land & Registry.

#### 5. TOWN PLANNING DETAILS

##### 5.1. PLANNING ZONE & PLANNING PARAMETERS

The parcel in which the building has been erected falls within the Residential Zone (R4) for which, according to the Local Town Plan, the following development parameters apply:

Planning Zone	R4
Building Density	100%
Site Coverage Ratio	10%
Maximum No. of Floors	3
Maximum Height (meters)	11.5

## **5.2. TOWN PLANNING SURVEY**

The urban planning rules have been provided by the published plans of the Paphos Local Town Plan.

## **5.3. TOWN PLANNING RESTRICTIONS & ASSUMPTIONS**

We have not been provided with any planning or building permits and therefore, we apply the 'assumption' that the building satisfies all regulations in regards to the legitimacy of the construction.

# **6. LOCATION & PROPERTY DESCRIPTION**

## **6.1. AREA & LOCATION DESCRIPTION**

The subject property is located in the Quarter of Agios Theodoros, within the administrative boundaries of the Municipality of Paphos, in the District of Paphos. In particular, it is located on the corner of Angelos Stefanos and Zacharia Papantoniou Streets, approximately 90 meters east of the 'Tombs of the Kings' Avenue.

In addition, it is situated about 100 meters northwest of the shopping centre 'Kings Avenue Mall', about 1,1km southwest of the town centre, approximately 100 meters northwest of the 'Bazaar Hotel', about 1,1km northwest of the 'Medieval Castle' and at a distance of about 100 meters from the coastline.

'Tombs of the Kings' Avenue is considered as one of the most commercial road arteries of Paphos, connecting the tourist area of Kato Paphos with the popular 'Coral Bay' and the Municipality of Paphos and it is characterized by numerous commercial developments, some consisting of numerous bars, cafeterias, bakeries, restaurants, bank branches, hotels and various small retail shops. Therefore, it is an area which is well supported by a variety of facilities and services and offers quick and easy accessibility to the town center and the tourist area.

## **6.2. PROPERTY DESCRIPTION & USE**

The property under study refers to a 2 bedrooms, 3<sup>rd</sup> floor apartment (penthouse) which, according to the official title deed, covers a total enclosed area of 79 m<sup>2</sup> and uncovered verandas of 17 m<sup>2</sup> with an 'exclusive use' of the parking space No. 4 and the storage unit No. 29 on the ground floor.

According to the Department of Lands and Surveys, the building was erected around 1990 and it appears to have been constructed utilizing conventional methods of construction which involve reinforced concrete frames and slabs, walls plastered with or filled clay bricks and concrete and a flat roof. During the physical inspection, it has been noticed that the building complex consists of two separate blocks and it is supported by elevator facilities and a communal swimming pool.

The apartment under study No.3 (Plot No. 306) is located on the 3<sup>rd</sup> floor of Block A (northwest block) of the building complex named "PAPHOS", which consists of 2 blocks comprising a total of 29 apartment units on three levels. The ground level of the building consists of covered parking spaces and storage units.



The apartment under study consists of two bedrooms with en-suite WC's/bathrooms, an open space which includes a kitchen and a dining/living area with access to a terrace that has been covered with a pergola.

In terms of finishes and fixtures, the unit includes flooring of ceramic tiles, single glazed windows fitted in aluminum frames with external aluminum shutters in the bedrooms and in the dining area windows, wooden kitchen cabinets and worktops of MDF material, wooden internal doors, wooden ceiling cladding in the hallways and above the entrance door fitted



with spotlights and A/C split type units and ceiling fans in all areas as well as a video door entry system.

During the physical inspection, it has been noticed that the under study apartment internally and the internal common areas of the building as well as the swimming pool facilities are in a very good state of maintenance, however during the course of our inspection, we have noticed signs of accumulated dampness, joint failure and minor cracks on various internal walls of the buildings.

Note that, it is not within the scope of this report and neither we are qualified to investigate and assess whether there are any structural damages extending beyond the scope of a property appraisal that may affect the foundations of the building or other significant parts. Therefore, we apply the assumption that there are no structural issues that could negatively affect the value of the asset.

### **6.3. STATE OF POSSESSION**

The property is evaluated based on 'vacant possession'.

## **7. ANALYSIS OF GENERAL ECONOMY & REAL ESTATE MARKET**

### **7.1. GENERAL ECONOMIC CLIMATE**

The GDP growth rate in real terms during the fourth quarter of 2021 is positive and it is estimated at 4.4% over the corresponding quarter of 2020. Based on seasonally and working day adjusted data, GDP growth rate in real terms is estimated at 5.4%. The positive GDP growth rate is mainly attributed to the sectors 'Hotels and Restaurants', 'Manufacturing', 'Transport, Storage and Communication', 'Wholesale and Retail Trade, Repair of Motor Vehicles', 'Arts, Entertainment and Recreation', 'Other Service Activities'.

According to the International Monetary Fund (IMF), the GDP of Cyprus in 2021 was positive at 4.8% in contrast with 2020 which recorded a recession of -5.1% due to the impact of the COVID-19 pandemic and the subsequent measures taken by governments worldwide to limit the spread of the disease. These measures caused a reduction in economic activity especially in the service industries such as tourism, transport, entertainment and industrial production, while domestic consumption and trade fell sharply. Financial markets were disrupted and commodity prices dropped.

**GDP Growth Rate 2010q4-2021q4**



Source: Ministry of Finance

**HICP Inflation**



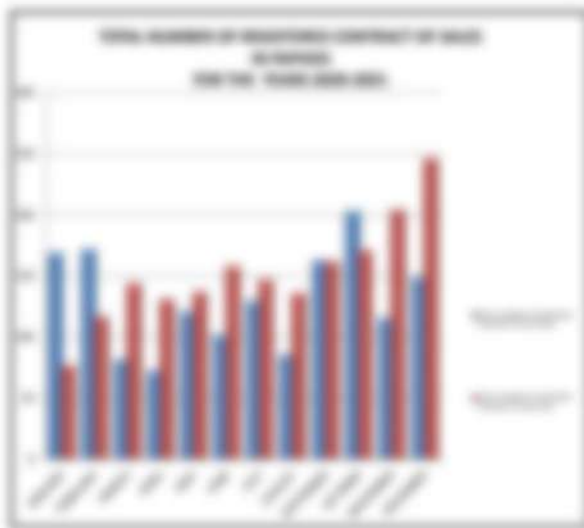
Inflation (HICP) in January 2022 increased by 5.0% compared with an increase of 4.0% in December 2021.

**7.2. REAL ESTATE MARKET**

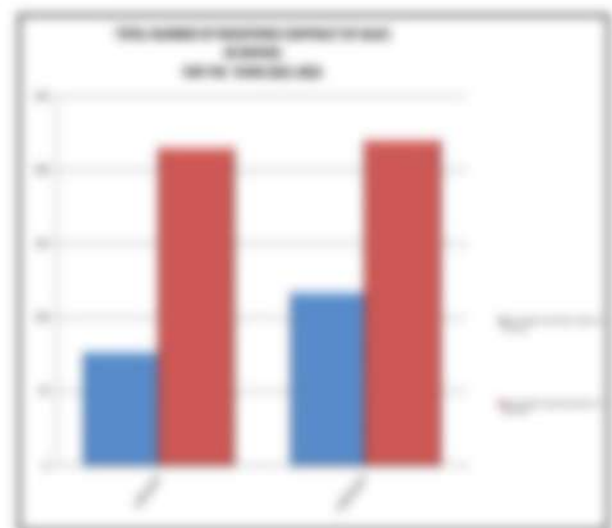
Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Value	1,000,000,000	1,100,000,000	1,200,000,000	1,300,000,000	1,400,000,000	1,500,000,000	1,600,000,000	1,700,000,000	1,800,000,000	1,900,000,000	2,000,000,000	2,100,000,000
Volume	100,000	110,000	120,000	130,000	140,000	150,000	160,000	170,000	180,000	190,000	200,000	210,000



Source: Statista



Source: Department of Lands & Surveys



Source: Central Bank of Cyprus

The Cyprus real estate market in 2021, fluctuated at higher levels than the previous year (2020) and at almost the same levels as 2019, which was the best year of the last decade in terms of transaction volume.

In particular, compared to 2020, the number of contracts of sale in Cyprus have increased by 30%, and that is 10,174 transactions compared to 7,948 in the year before. The number of sales to Cypriots increased to 6,626 compared to 4,982 in 2020 and 5,882 in 2019, while the number of sales to foreigners were 3,548 compared to 2,967 in 2020 and 4,292 in 2019.

In addition, until today we have not seen significant decreases in property values, especially in residential properties, due to a number of measures taken by the government in order to mitigate the effects of the pandemic, such as the financial support to businesses and workers, the interest rate subsidies for purchases of prime residences, the suspension of bank repayments and the suspension of lease payments that were adopted by the banks during the first year of the pandemic. All these counter measures helped households and businesses to retain their liquidity and as a result, the majority of people have not been dramatically affected.

According to the Central Bank, significant role in the resistance of property values, despite the level of demand, is attributed to the increase in the construction materials as well. Regarding property values during the first half of 2021, dwellings and especially apartments have recorded growth in contrast with commercial properties which recorded decreases during the same period. The above upward trend has been partly driven by government measures through the aforementioned schemes of interest rate subsidies for new mortgages in conjunction with the low interest rate environment regarding the local market and through the promotion of investments and provision of incentives for headquartering of high tech companies, as well as due to the programs offered for permanent residence in Cyprus through real estate investments from foreigners.

Therefore, as highlighted by the Central Bank, all of the above and in particular the increase in the cost of construction materials and the continuity of the pandemic, requires delicate observations of the market in order to foresee whether the overall positive 'picture' of the real estate market can be sustained, given the continuous epidemic variations as well as the current effect of asset offloading by bank portfolios and funds that have acquired a number of NPLs.

### **7.3. PROSPECTS & MARKETABILITY OF PROPERTY**

The subject property is located in a centralised area which is characterized by solid demand for residential units, due to the proximity with the 'Kings Avenue Mall', the town center, the market area and the coastal front.

However, the real estate market is currently under significant investor uncertainty due to the outbreak of the COVID-19 virus as well as due to the cessation of the Cyprus Investment Program (CIP), factors that could potentially affect the marketability of the property to some extent.

Taking into consideration the above, the marketability of the property under study is considered to be of a moderate to high level and it is expected to be sold within a period of 3 to 7 months if marketed properly.

## **8. VALUATION METHODOLOGY & VALUATION DATE**

### **8.1. VALUATION METHODOLOGY**

In order to arrive at a Market Value for the particular property, the *Comparative Method* has been applied. According to the above method, the Market Value of the property is estimated based on comparative evidence (recent transactions) of similar types of properties within the relevant Real Estate Market. The evidence is assessed and adjusted based on specific factors and parameters such as the planning use, the position, the size, the shape, the orientation, etc. and the planning uses of each comparative transaction.

### **8.2. VALUATION DATE**

14<sup>th</sup> March 2022

**9. COMPARATIVE ANALYSIS**

**9.1. COMPARATIVE EVIDENCE**

Address	Area	Plot No.	Size	Usage	Year	Estimated Price/€	Actual Price/€	Estimated Price/€	Actual Price/€	Estimated Price/€	Actual Price/€	Area	Year
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015
16 Thessalon	Limassol	215	4000 sq.m	Residential	2015	250000	250000	250000	250000	250000	250000	4000	2015

**9.2. MAP LOCATION OF COMPARATIVE EVIDENCE**



**ENSA-BLOCK**









**9.3. ANALYSIS OF COMPARATIVE EVIDENCE**

FREE APARTMENTS							
Property	Ref No.	Reg. No.	Valuation	Index Time of sale	Index Q1 2023	% Change	Time Adjusted Valuation
Apt No.1	2022/0001	010000	€1,075	754	754	0.0%	€1,075
Apt No.2	2022/0002	010000	€1,087	757	754	0.4%	€1,088
Apt No.3	2022/0003	010000	€1,097	803	754	0.6%	€1,099
Apt No.4	2022/0004	010000	€1,175	803	754	0.6%	€1,201
Apt No.5	2022/0005	010000	€1,205	803	754	0.6%	€1,287
Apt No.6	2022/0006	010000	€1,000	754	754	0.0%	€1,000
Apt No.7	2022/0007	010000	€1,000	803	754	0.0%	€1,000

Source: Zyprus Real Estate Consultants

GARAGED APARTMENTS								
Property	Reg. No.	Time Adj. Valuation	Flow	Orientation	Condition	Adjusted Valuation	Weight	Final Valuation
Apt No.1	010000	€1,075	2%	2%	2%	€1,179	20%	€235.8
Apt No.2	010000	€1,000	2%	2%	2%	€1,060	20%	€212.0
Apt No.3	010000	€1,099	2%	2%	2%	€1,160	20%	€232.0
Apt No.4	010000	€1,201	2%	2%	2%	€1,260	20%	€252.0
Apt No.5	010000	€1,287	2%	2%	2%	€1,346	20%	€269.2
Apt No.6	010000	€1,000	2%	2%	2%	€1,060	20%	€212.0
Apt No.7	010000	€1,000	2%	2%	2%	€1,060	20%	€212.0
							100%	€1,723.0



Source: Central Bank of Cyprus Property Price Index - Zyprus Analysis



Source: Central Bank of Cyprus Property Price Index - Cyprus Analysis

## 10. ESTIMATION OF VALUE

### 10.1. MARKET VALUE

Taking into account the results of the comparative analysis in conjunction with the characteristics of the subject property and the current market conditions, we have reached the following conclusions regarding the Market Value of the property under study:

Enclaved Area	79 sqm	
Value/m <sup>2</sup>	€ 1,490.00	€ 126,800.00
Decorated Terrace	17 sqm	
Value/m <sup>2</sup>	€ 400.00	€ 6,800.00
<b>MARKET VALUE</b>		<b>€ 133,600.00</b>
	<b>Rounded</b>	<b>€ 133,000.00</b>
		<i>(The Minimum-Tenure-Tenure-Tenure-Value)</i>

## **11. GENERAL VALUATION ASSUMPTIONS**

### **11.1. CERTAINTY OF VALUATION**

As at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements, our opinion of value is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of the above conclusions, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.

### **11.2. ENVIRONMENTAL ISSUES**

For the purpose of this valuation report, we have not considered any environmental research or/and environmental study that has been carried out for the specific site that it may reveal any contamination of land. Also, it must be noted that we have not carried out any research in order to identify prior uses of the site or adjacent sites that could cause a contamination on the land from harmful substances such as asbestos, asbestos fibrous, leaking underground storage tanks and others. Therefore, for the purpose of this valuation report it is assumed that there are not any issues regarding environmental contamination.

### **11.3. LEGAL ISSUES**

The calculation of the Market Value was based on the assumption that the property will be sold free of restrictions and encumbrances.

### **11.4. CONFLICT OF INTEREST**

We confirm that there is no conflict of interest in relation to the subject property or the client at the time of the valuation.

### **11.5. GENERAL COMMENTS & REMARKS**

A building survey has not been carried out and an inspection was not made of those parts of the property which are covered, overgrown or inaccessible and such parts have been assumed to be in good repair and condition, except otherwise stated. An opinion cannot be expressed, or advice given upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

In addition, the calculation of the Market Value was based on the assumption that the property will be sold free of restrictions and encumbrances and that it will be given the appropriate time to attract potential investors. The results represent the Market Value of the property at the date of valuation.

Lastly, we confirm that the report is confidential and is addressed exclusively for the purposes of the assignor and we cannot be held liable to any third parties. In addition, the report shall not be published without our written approval.

For any clarifications do not hesitate to contact us.

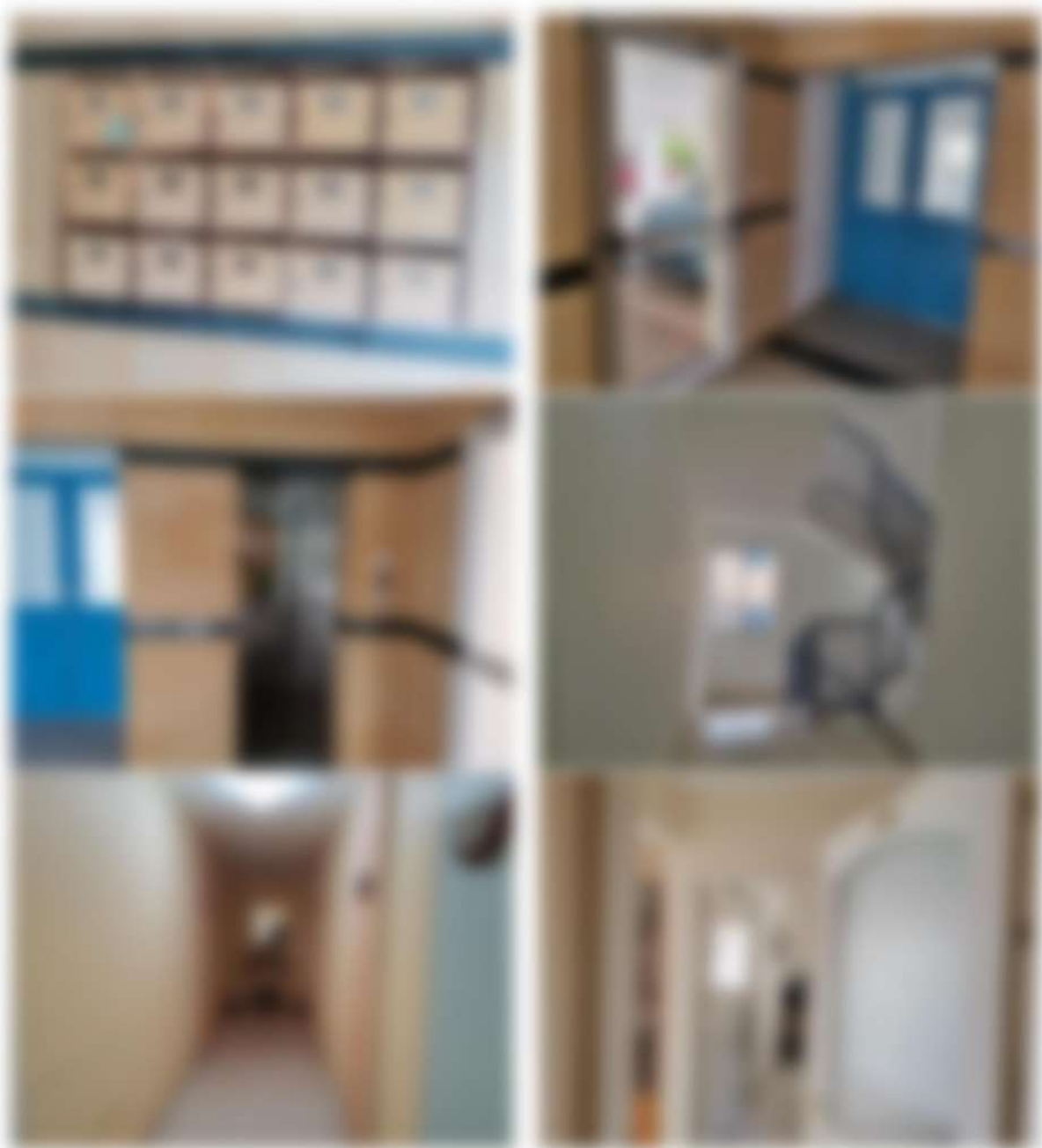
Sincerely,  
  
**Nikolas Ioannides**  
M.Sc. (Hons) B.Sc. (Hons)  
Valuer  
A.M. ETEN A214867

Sincerely,  
  
**Dr. Charalambos Pliros**  
Ph.D. M.Sc. (Hons) ETEN, CREA  
Chartered Surveyor Valuer

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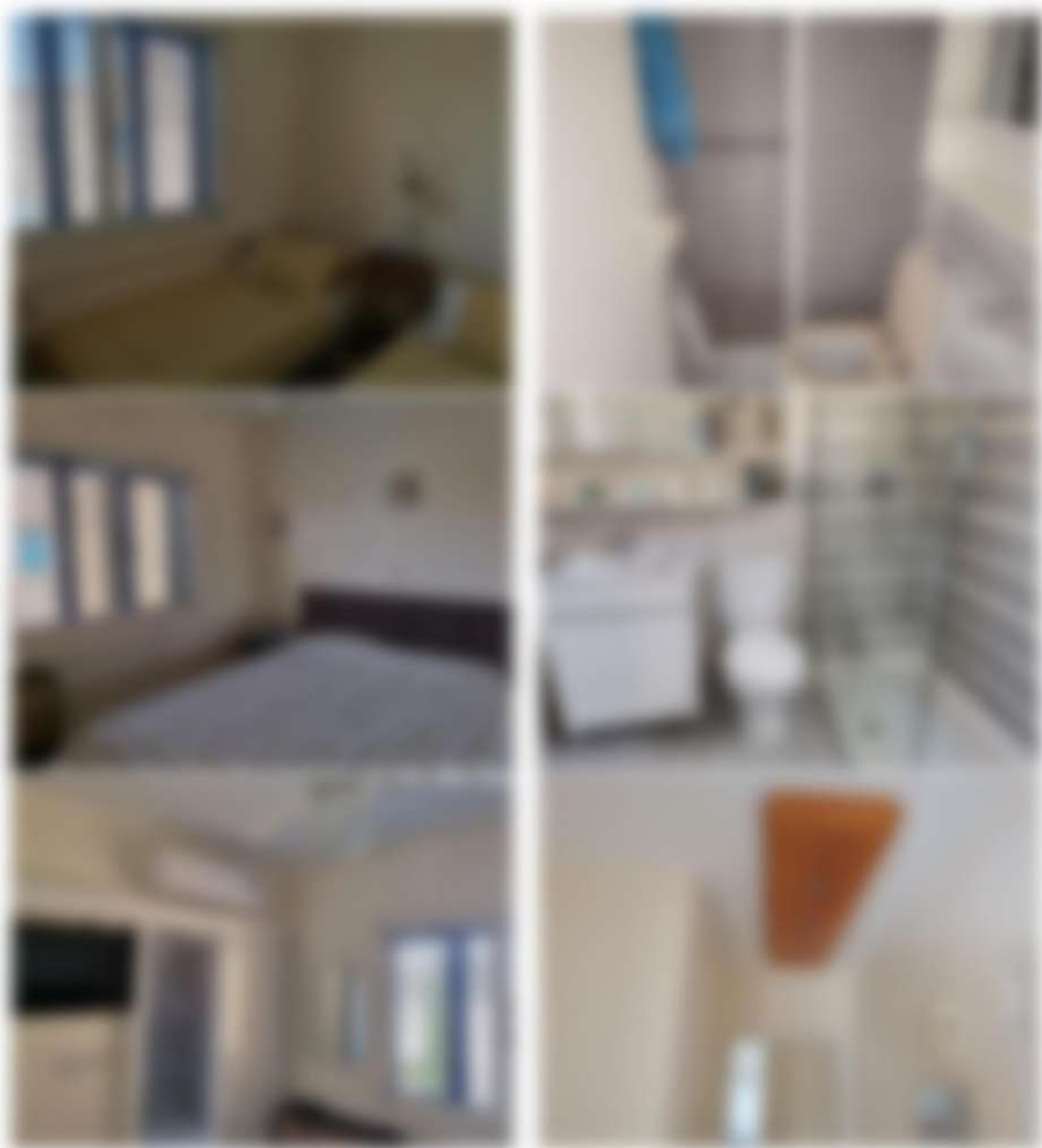
**APPENDIX A – PROPERTY PICTURES**







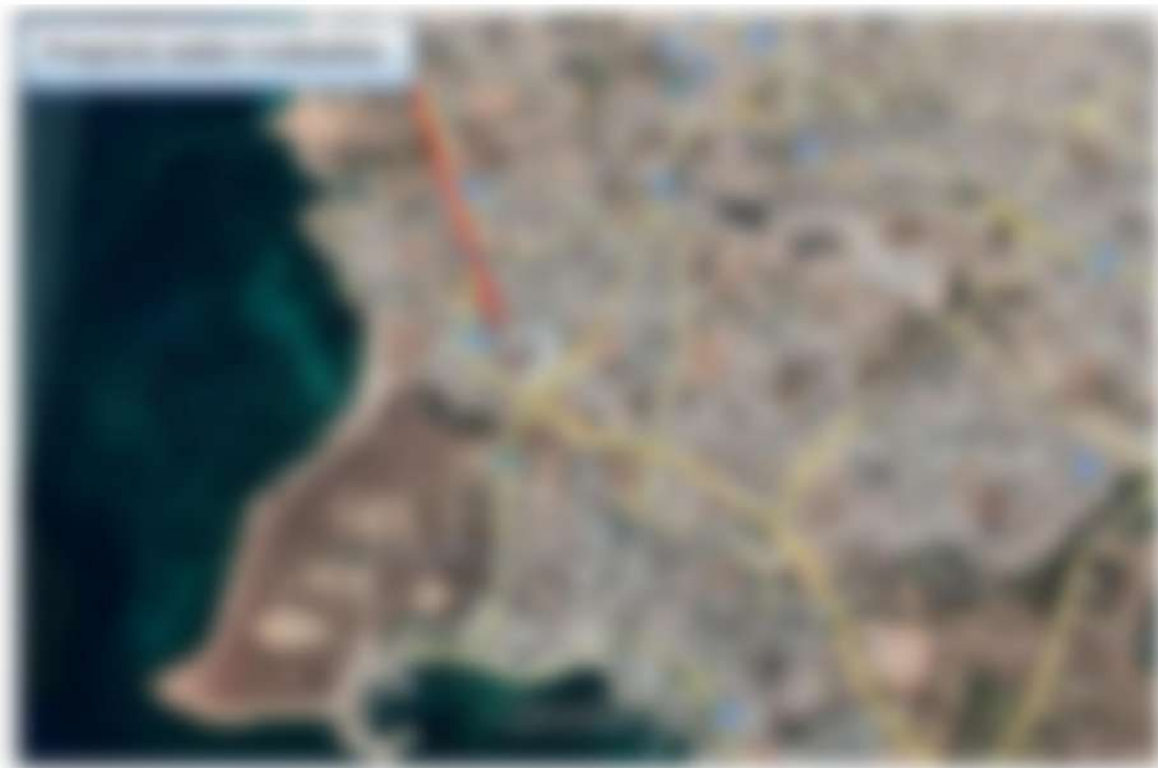




**APPENDIX B - CADASTRAL PLAN**



**APPENDIX C – SATELLITE PICTURES**



**APPENDIX D – HORIZONTAL DIVISION PLANS**



