

Essential information for buying properties in Cyprus



Buying property abroad is not necessarily the same as buying in the UK, there is other essential information you need to be aware of both before and during your property purchase.

- It is of paramount importance to seek independent advice from an overseas solicitor.
- You need to ensure that you will have full title to the property on completion and that you have the appropriate documents available for the lender. If it is a new development, the lender will require security to be offered in the form of a bank guarantee, which may be up to 1.80% of the loan amount.
- You should check with the estate agent and/or your lawyer and/or your notary that you are aware of the costs charged by legal and Government authorities for buying a Cypriot property. The solicitor may be incorporating costs for assigning the mortgage within his charges, along with the title deeds to the land registry. You should establish the actual cost of these before proceeding with a loan application. The lender will also have their own legal costs for assigning the loan, the cost of which they will normally advise you when they issue the mortgage offer. These associated fees/taxes are typically between 10% - 15% of the property purchase price.
- Before signing the sales contract, the bank will require a copy of this document to be forwarded with the relevant application form. However you are able to sign this contract with the clause "subject to mortgage finance" as the contract, once signed is legally binding, and you may forfeit any deposit monies paid.
- There will also be a Government Mortgage Registration fee of approximately 1% and a Government Stamp Duty of up to 0.20% payable when the Lender registers the loan.
- Properties can be purchased either individually or in joint names. For married couples the property must be purchased in both names.
- All clients will be required to sign the lenders loan papers and the banks Power of Attorney documents, which may require signatures to be verified by the Cypriot Consulate/Embassy in London.
- Clients should consider having their lawyer act on their behalf, with the necessary power of attorney in place to liaise with the lender and in signing the required legal documents for completion.
- Cypriot lenders will require you to visit Cyprus for an interview prior the release of funds.