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Dissertation

Full Name: Antreas Christodoulou.

Student Number:1123100468.

Title of Degree: MBA.

Email Address: A.christodouloU.1@nup.ac.cy

Supervisor: Pr. Angelos Tsaklanganos.

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International marketing strategies, policies and characteristics of west Cyprus real estate buyers.



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Abstract.

The last decades the world faced an unpredictable influence from globalization. It is developed so high and quickly that almost impact every part of organizations and business environment. Small and medium enterprises at real estate industry at west Cyprus has impacted as well.

This thesis will highlight the international marketing strategies and policies and characteristics of west Cyprus buyers from a variety of published and unpublished sources, primary and secondary research. This thesis will emphaze the different characteristics of the main buyers in Cyprus such as power at the negotiations phase, characteristics of property type that they prefer and who this is linked to their maturity, locations they desire more and characteristics on the online searches.

Finally this thesis will present a private research with data that accumulate especially for the needs of this thesis, this results will presented at a different Chapter with discussion and recommendations.

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List of Abbreviations

SME's = Small and Medium Enterprises

Sqm = Square Meter

US = United States

UK = United Kingdom

NEC = North European Countries

SEC = South European Countries

International marketing strategies, policies and characteristics of west Cyprus real estate buyers.

Chapter One: Introduction

1. An introduction about international marketing strategies and policies for real estate SME's.

The real estate market is traditionally considered to be one of the most reliable and secure in the global market. Investors prefer to invest in the real estate sector to secure their funds. At the same time, international marketing strategies and policies of real estate small and medium size companies focus on the most reliable and safe markets, where risks are low. Otherwise, investments in real estate may be risky. On the other hand, the global marketing strategy for real estate SMEs involves the investment in emerging economies and growing housing markets because such investments can bring considerable profits. However, companies should be aware of the fact that such investments are accompanied with certain risks because emerging economies and growing housing markets can face the problem of a steep and unexpected decline that is difficult to forecast. In such a situation, SMEs investing in real estate markets can face considerable problems.

Emerging markets are attractive for SMEs, especially after the crisis in the housing market of the US in 2007-2008, when the housing market was triggered the profound economic recession and global financial crisis. In such a situation, real estate markets of emerging economies have become more attractive. However investors have become more careful in their investments. Financial losses could have a considerable impact on the development of the housing industry worldwide. In such a way, today, SMEs are concerned with the safety of their investments but, at the same time, they start entering new markets such as Chinese, Indian and Dubai. Focus on emerging economies as attractive markets they are looking to create contacts and attract investors for large scale property projects, small medium investments from individuals are also welcome.

One of the most popular strategies in the real estate market in global terms is the focus on the diversification of investments in the real estate. The diversification

means investments in diverse markets. For example many companies invest into tourist-oriented markets and real estate property in well-developed countries. In such a way, through diversification, they attempt to secure their investments. Investments in diverse markets are effective but they require substantial financial resources and small businesses cannot always afford such diversification.

Furthermore, small business attempt to focus on the most attractive property, which they purchase and re-sell in a short-run or medium-run perspective. However, such investments are risky and small investors can trigger the panic in the market, if the share of small investors in the real estate market is high. Many states conduct loyal policies in relation to small investors to sell out their real estate property. That will stimulate the growth of the local housing industry and to other related industries. Local governments are interested in such investments because they contribute to the economic growth. Moreover, the attraction of SME's investors can lead to the overheating of the real estate market. At this point, it is worth mentioning the fact that small investors are vulnerable to panic, in case of the unexpected deterioration of the situation in the market or industry. As a result, SME's can trigger the rapid decline of the real estate market. This is why SME's are very careful about their investments in international markets.

2. Real Estate Definition.

The term "real estate" is a commonly used and means "land and its improvements; mines, minerals and quarries under the land; air and water rights associated with land; and other rights and privileges related to land" (Karp et al., 2008, p. 38). In other words, reals estate involves all types of land attachments that have permanent nature. However, the meaning of the term "real estate" may vary, depending on the situation. For example, in jurisdiction, the term "real estate" means "real property" (Karp et al., 2008). Moreover, real estate may refer not only to property, but also to the rights and privileges relating to land. These rights are called real estate. In marketing, real estate market analysis is used to identify current problems in the field of real estate industry. Market analysis is conducted for all types of real estate.

3. Definition of Marketing.

The term "marketing" refers to different activities aimed at sales, including "merging, integrating and controlling supervision of all company's or organization's efforts that

have a bearing on sales" (Reid & Bojanic, 2009, p. 8). In other words, marketing involves buying activities, selling activities and the activities associated with transporting goods and services. Today marketing can be viewed as a system of different business-related activities, which help to distribute various goods and services to potential and present customers. Marketing philosophy reflects the profit concept. Special attention in marketing is placed on the role of a market price. Many experts consider that marketing has become an art that covers a wide range of activities (Reid & Bojanic, 2009). The major function of marketing is enhancing consumer satisfaction. For example, improved distribution requires the proper marketing activities to increase consumer satisfaction.

4. Definition of Strategy.

The term "strategy" can be defined as "determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals" (Chandler, 2003, p. 13). In business, it is necessary to make decisions aimed at expanding activities and achieving the established goals. Marking strategy should be developed and implemented to effectively deal with customers, segments and target markets. "The major goal of marketing strategy is not only to identify customer needs and demands, but also design an effective marking program that will help to find the proper ways to satisfy the needs and demands of potential customers"(Chandler, 2003). The lack of well-developed strategy leads to poor performance because of improper actions to achieve the established goals. Organizations should recognize the importance of developing an effective strategy to achieve success on the competitive market.

5. Definition of Policies.

The term "policy" can be defined as a "set of directions, which are oriented toward a long-term purpose or to a particular problem" (Massow, 2009, p. 11). Policies refer to decisions, which influence the development and implementation of certain strategies. Policies play a crucial role in marketing development. Policies help to change the existing environment for a better one. In marketing, policies are based on marketing principles that help to promote them. Pricing policies address price as the key element of marketing, which influences customer satisfaction, sales and profits (Massow, 2009). Pricing policies help to set the most flexible prices to achieve the established

goals in sales. In other words, policies are developed to generate bigger profits addressing certain challenges.

6. Definition of Small and Medium enterprises (SME's).

Small and Medium enterprises (SME's) can have different definitions in different areas all over the world. However in European Union usually the term of Small and Medium Enterprises (SME's) can recognized from certain criteria which are differentiate each company according to the number of staff headcount or turnover or balance sheet total.

However this can be identified from the number of company employees which must be less than two hundred and fifty employees and more than 10 employees. Regarding this their balance sheet must match the criteria which are established from the European Union as they are illustrated in the following table.

Table 1:Small and Medium Size Enterprises

Enterprise Category	Number of Employees	Turnover	Assets
Small	**10 – 49**	**Less than 10 million €**	**Less than 10 million €**
Medium	**50 – 250**	**Less than 50 million €**	**Less than 43 million €**

According the above table a small enterprise is defined as an enterprise which employs less than 50 persons and more than 10 persons and has got turnover less than 10 million euro and they have got assets less 10 million euro. On the other hand medium-sized enterprise is identified an enterprise which employs between fifty and two hundred and fifty persons and has got turnover fifty million euro and/or assets until forty-three million euro.

7. Aims and Objectives.

After 2008 and the unusual economic recession real estate industry has received the bigger blow and it's still ailed until today. The economic recession has changed the way real estate business act international and has transformed the structure, the strategies and policies of each real estate business.

This thesis aims to provide the readers and the owners of small and medium real estate business with the appropriate knowledge and facts from a variety of published and unpublished studies through the literature review and the research methodology and offer them a great opportunity to develop their business international strategies and policies more effectively and efficiently.

More specific this thesis will concentrate and analyze the property type and size, locations, negotiations, online searches in order to provide the readers and the real estate SME's owners with an overview of their main buyer's characteristics. Also this thesis will present useful information's about Cyprus regulations and other Mediterranean Countries such as Greece and Spain which are the main competitors of Cyprus

The objectives of this thesis are to carry out useful information about the international marketing strategies and policies for small and medium real estate enterprises in west Cyprus, and more specify the areas of Nicosia, Limassol, Larnaca and Paphos .

The objectives of this report will be achieved by determining and studying the following sections:

a) Evaluation of Russians, Chinese, Middle East and European buyers buying properties abroad.
b) Classify property types and characteristics of buyers prefer.
c) Identify locations and country characteristics they invest and trust more.
d) Recognize negotiations characteristics
e) Detect online searches of keywords
f) By the end of this research readers and real estate owners of small and medium enterprises will understand how Russians, Chinese, Middle East and European buyers select Countries to invest their money and they will be able to develop their international marketing accordingly.
g) In what manner the small and medium real estate companies, can get advantage among their competitors in order to build their marketing strategies and policies and achieve superior results.

8. Area of Research.

The thesis will study the characteristics of West Cyprus and more specific the towns of Nicosia, Limassol, Larnaca and Paphos.



9. Structure and Layout.

Chapter One: This chapter will give an introduction to the readers about the topic of this thesis. Also will provide the readers with definitions of marketing, strategy, policies and SME's. Furthermore, it will present in details the aims and the objectives of this dissertation and the areas that contact for the need of the research.

Chapter Two: This Chapter will study published and unpublished sources related with the topic of the research in order to give background information to the readers about the different buying characteristics of Cyprus buyers, north and south European buyers, Chinese buyers, Russia buyers and Middle East buyers. Also will present competition factors between Cyprus and other Mediterranean countries such as Greek and Spain.

Chapter Three: Chapter three will present the research methodology method. More exact the chapter will clarify the primary research, the research approach, the method of gathering data from small and medium real estate enterprises, the type of questions that will be used for the questionnaire and the analysis method.

Chapter Four: This chapter will presents the results of the primary research. The presentation of the results will be with graphs so will be easier for the readers to understand them. Also a description and discussion section will be available after each figure.

Chapter Five: Chapter Five will discuss and the findings of chapter four and will present recommendations and conclusions.

Chapter Six: At this section we will study possible limitations of the research and facts that they have to study further in order to have more clearly and accurate conclusions.

Chapter Seven: This chapter will be the final of this thesis and will provide readers with an overall idea about small and medium real estate industry at north west Cyprus.

Chapter Two: Literature Review.

1. West Cyprus Property buyers characteristics.

Property buyers are basically representatives of the middle- and upper-class, who can afford buying real estate property at the local or international level. At the same time, recently the shift toward representatives of the upper-class has occurred because the overall deterioration of the situation in the global economy, including well-developed countries of the world resulted in the change of the customer behaviour among representatives of the middle-class. The middle-class focused on saving instead of spending, while many customers believed that investments in real estate sector are too risky. As a result, a large part of the middle-class customers prefer saving costs, instead of investing to the international real estate sector.

On the other hand, representatives of the upper-class, they view investments in the real estate property at the international level as a reliable way to invest their money. The reason for their certainty is their ability to invest into the real estate for a long time. That means, they can sell the purchased property, when the price of the property is attractive for investors and match their interests and plans. In such a way, they can conduct more flexible investment and marketing policies compared to representatives of the middle-class.

At the same time, the common feature for both, middle- and upper-class property buyers is their buying power. They are capable to raise substantial funds to invest in the real estate property and in some cases, they use bank loans and other sources of funding, in order to buy the property that they want.

On the other hand, a larger part of property buyers are home owners, who want to purchase the property for their ownership. They purchase property for their own needs and live in their homes for a long time or even the entire life. In such a way, they are investors interested in the real estate for their personal use only without expecting re-selling the property.

Finally, there are buyers from emerging economies, who tend to purchase the real estate property in well-developed countries. The property purchase creat opportunities for them to settle in well-developed countries or live there permanently, while in some cases, they can count on citizenship in case of purchasing and owning a property.

2. Focus in Specific markets (Russia, China, Middle East, and European).

Russia, China and the Middle East are some of the most dynamic markets in terms of the growing real estate property purchases abroad. Companies and customers from these countries purchase property abroad actively outpacing traditionally active Europeans, who have bought property abroad. However, unlike Russian, Chinese and Middle Easterners, who start buying properties in Europe and other regions, Europeans were traditionally oriented on the local market. This shows, that Europeans from different countries purchased properties in Europe. European buyers focus on Spain, France and partially in Greece, and Cyprus. In this regard, Cyprus is the second class attraction for European buyers after Spain and Northern France.

Bulgaria remains the undisputed leader taking 17% of all requests. Spain has increased its share of requests and continues to occupy 2nd place with 14%. Turkey completes the top 3 with 11%. Montenegro remains popular for Russians searching for real estate abroad with 10% (Van der Borght, 2012). The leaders table for Russian searches for Property Abroad in May/June 2011 is as follows:

Table 2: **The leaders table for Russian searches for Property Abroad in May/June 2011**

Bulgaria	**17%**
Spain	14%
Turkey	11%
Montenegro	10%
Italy	6%
Czech Rep.	5%
Cyprus	5%
Germany	4%
Greece	4%
France	3%
Others	21%

Russians are looking for expensive properties. The quantity of Russian visitors looking for up-market property priced at €.1 million and over has increased from 4-5% and those looking for luxury property above €.2 million from 5-8% (Van der Borght, 2012)

As for China, control measures on real estate have stimulated the interest of many Chinese people to invest in real estate abroad. Due to current control policies, 30% of home buyers have turned their attention from the domestic market to overseas (Garvin & Artemis, 2009).

Statistics reveal that investors from the mainland and Hong Kong account for 10.8% of the market seeking new homes in the US (Garvin & Artemis, 2009).

Due to the advantages of a stable market, investment in overseas real estate has become more and more popular among Chinese home buyers in recent years. "In Australia, for example, where Chinese investors generally prefer to invest in real estate, in most areas the price of a house is 20,000 yuan (2,700 Euros) per square meter (Mohrman, 2008)". This is close to the current average house price in some regions of first-tier cities in China.

Target markets for Chinese are Australia, European and American market. In this regard, such countries as Cyprus represent a very small percentage of buyers at the moment, however this number the last two years due to the efforts of the Republic of Cyprus and the efforts of real estate sector to invest money for marketing in Chinese market has an unpredicted increase.

Middle Eastern property buyers focus on European markets and partially American market. In this regard, the UK property market is one of the main priorities for Middle Eastern buyers. However, the property in Cyprus is of minor interest for Middle Eastern buyers. At this point, it is worth mentioning the fact that Middle Eastern buyers prefer real estate property belonging to the premium segment. The premium segment of the market comprises the lion share of all properties purchased by buyers from the Middle East. From this point of view Middle East market can be taken also in consideration from the Cyprus Real Estate sector and from the Cyprus Government must find ways to broaden the relationship and the corporation with key

influences in order promote Cyprus as the European paradise for housing and leisure investments.

3. Russia Market Characteristics.

Russian market is one of the emerging ones in regard to the purchase of real estate property abroad. In this regard, the real estate property is perceived by local customers as the guarantee of their well-being and the possibility to move to the country, where they can enjoy a stable life and avoid possible pressure from the part of the government along with their uncertainty for their future in Russia. This is why many Russians, who have an opportunity to purchase the property abroad, try to purchase real estate property and move abroad.

In terms of social segmentation, the majority of the Russian prospects are from the uprising upper middle class. They are highly educated professionals, managers or small company owners. Celebrities alongside oligarchs have exclusive demands that make up only a small share of the market.

In such a way, there are three major factors that shape the three groups of Russian buyers of real estate property aboard:

a. The traditional prestige of having foreign possessions for Russians;
b. The pursuit to find a safe refuge for accumulated capital in established economies, away from domestic uncertainties and political instabilities;
c. The third group of buyers from Russia are investors, who are looking for options to invest effectively and gain benefits from their property abroad, either through successful lending or re-sale the property in the course of time.

Therefore, these factors in brief are: the prestige of the ownership of the real estate property abroad; the strife for security and certainty; and attractive investments. In fact, these factors are important for buyers from emerging economies and under-developed countries mainly, while these factors, are insignificant in developed countries, where buyers are more concerned with the effective use of the property or view the property as the investment, which can bring high return on investments. At the same time, buyers from different countries are driven by different reasons to

purchase the real estate property abroad. In this regard, the prestige of ownership the real estate property abroad is an important factor for buyers from developing countries mainly. However, even buyers from emerging economies look for stability and growth, as they purchase the real estate property in Europe and other developed countries, like the US and England.

The characteristics of property type purchased by buyers from Russia differ depending on the age group of buyers and their financial resources. In this regard, there are three distinct groups of customers:

a) *Young 30 – 35 years old* will tend to look for budget class 1 bedroom properties (€ 20 - 70 000).

b) *Established 35 – 45 years old* are interested in middle price segment, 2-4 room properties (€ 55 – 250,000)
c) *Affluent 45 – 60 years old* are capable of investing higher assets in premium level housing (up to € 1 million and higher)

They look for properties or villas with 1, 2-4 bedroom properties or villas respectively. Younger buyers cannot afford buying large and too expensive property. This is why they are looking for moderate properties with 1 bedroom. However, older buyers, at the age of 35-45 are looking for larger properties with 2-3 bedrooms. If their level of income is high, they may even look for larger properties with 4 bedrooms or villas. As for the older buyer group, they are looking for more expensive real estate property. They focus on 3-4 bedroom villas as their major priority. They also tend to purchase land, where they can either construct their villas or other households or retain the land as the investment. Therefore, investments from Russia in the real estate property abroad varies depending on the age and financial resources available to Russian buyers with the focus on tourist-oriented regions and countries, like Turkey, Bulgaria, Cyprus and others.

Locations and surrounding area characteristics are important for buyers from Russia. In this regard, they are often oriented on their tourist experience. As they travel as tourists around the world, they tend to purchase property in those areas, where they have spent their vocations or where they have ever travelled to. The development of purchasing power of buyers from Russian leads to active purchasing of property abroad.

In this regard, such factors as the proximity to or location in well-developed European countries; the tourist background of the target location; the personal experience of buyers, when they were in the target location are important for different buyer groups from different countries. Buyers from different countries often are looking for tourist centres as the target location for the purchase of their real estate property. For example, buyers oriented on the premium segment of the real estate market tend to buy this property because they want to spend their vacation or leisure time there. The personal experience is also important for all buyers. Finally, European and other well-developed countries were traditional target locations for buyers from all over the world due to their stability and security.

Buyers from Russia often set high characteristics at negotiations before they purchase the property but these characteristics vary depending on the country, where they purchase the property. In well-developed European countries like Spain, characteristics they are looking for are much more moderate, compared to characteristics of the property, which Russians buy in Turkey or Cyprus. Online characteristics on online searches (KEYWORDS) are basically standard and Russian buyers are looking mainly for 2-4 bedroom properties and villas, while younger buyers are looking for 1 bedroom properties.

4. Chinese Market Characteristics.

In recent years, due to the impact of property-purchasing limitations and other control measures, more and more people are considering investing in real estate overseas. Statistics show an increase of about 10 percent in terms of properties purchased abroad by Chinese citizens during the first six months of 2014.

At the international real estate trade fair in Shanghai, many Chinese people show their interest in overseas property. Some want to buy property abroad as an investment, while others wish to emigrate abroad through buying properties. But most of them concerns about their children's education. This is one of the main reason for buying property abroad.

The major drivers contributing to the growing interest of Chinese buyers to the property abroad are:

a) prestige of the ownership of the real estate property abroad
b) the desire of creating educational opportunities for children through ownership of the real estate property abroad
c) the desire of buyers to secure their position in case of troubles at their home country, or region.

These three factors are determinant for Chinese property buyers. The prestige of the ownership of the real estate abroad is very important for Chinese buyers. At the same time, this factor is historically predetermined because since the time of the colonization, when the world was virtually ruled by several major states, China was under the impact of several foreign powers, mainly European ones. As a result, historically, Chinese people shaped the view of western civilization as superior one. They view it currently as the more secure and stable part of the world. This is why Chinese buyers, who can afford investing into the real estate abroad, they prefer to purchase a property most in European countries, Australia or America. The ownership of the real estate property abroad is admired because it makes Chinese buyers closer to the 'advanced', western world and western civilization.

At the same time, the desire of creating educational opportunities for children through ownership of the real estate abroad remains to be one of the strongest factors that motivate Chinese buyers to purchase the real estate property abroad. In fact, the real estate property abroad opens wider opportunities for their children to study abroad. According to Dunning (2008), "more people are now showing concerns about their children's education are the main reason for buying property abroad". Furthermore, today, costs of living and leasing of home are very high, especially in European, Australian, and American educational centres, which are particularly attractive for Chinese buyers. Additionally, buying property abroad opens further opportunities for the immigration or expand their business

Many Chinese people show their interest in overseas property. Some want to buy property abroad as an investment, while others wish to emigrate abroad through buying property. The desire of buyers to secure their position in case of troubles at their home country is another major driver that encourages Chinese buyers to purchase the real estate property abroad. Unlike China, where democratic principles remain under-developed, Chinese buyers feel much more secure in Australia, Europe

or the US, where they feel their rights are fully protected (Howard, 2010). In addition, they can avoid the excessive pressure from the part of the state as is the case of China.

At the same time, it is worth mentioning the fact that although buyers are passionate about buying property abroad, they know little about what qualifications they are expected to have, and what necessary procedures they must go through in order to buy overseas. Instead, they follow exactly what real estate developers are telling them (Wilson & Zurbruegg 2003). The lack of adequate information and understanding of legal and other issues related to the purchase of the real estate property abroad raises considerable problems in face of buyers from China. In addition, the total difference of Chinese political and socioeconomic system as well as culture makes it even more difficult for Chinese buyers to understand basic norms and principles of purchasing, owning and managing their real estate property abroad.

However, overseas real estate projects are very complex, and people must pay attention to many different areas, including buying real estate, investment, studying abroad, and immigration procedures (Wilson & Zurbruegg 2003). In this regard, Chinese buyers are similar to other buyers, who purchase the real estate property abroad. In addition, it is not easy for buyers to learn about the credit of local real estate developers due to differences in language and cultural background. Buyers have to bear risks such as discrepancy between immigration policy and real estate purchases, for example, even if they own a house overseas, in some cases they are not allowed to manage their investment (Wilson & Zurbruegg 2003). In such a situation, buyers from China may face financial difficulties, while funding the deal, for example, if they fail to understand conditions of the loan and the payments they have to pay, turns out to be considerably higher than they expected.

Characteristics on online searches (KEYWORDS) basically mirror needs of customers and include the location of the real estate property and its size, as a rule, they are looking for 2-3 bedroom properties.

5. Middle East Market Characteristics.

Middle Eastern buyers are looking for purchases of the real estate property in well-developed countries mainly. In this regard, one of the target destinations for them is the UK, because the Middle East had historical links to the UK, which dates

back to the colonial era. At the same time, one of the primary concerns of Middle Eastern buyers of the real estate property is educational opportunities, which increase, if they purchase the property in the country, where target educational institutions are located. Traditionally, the UK colleges and Universities are highly valued. In addition, Middle Eastern buyers are looking for expensive, premium segment property, which comprise the larger share of their purchases in the real estate market abroad. In such a way, it is possible to distinguish three major factors that contribute to the purchase of the real estate property abroad by Middle Eastern buyers, including the following:

a) The prestige and luxury of the real estate property abroad.

b) Educational opportunities that the real estate property abroad .

c) Orientation on countries, which they have historical links to and which they view as attractive and prestigious.

For buyers from other countries, the prestige and luxury of the real estate abroad very is important for them but not always determinant, especially for buyers from well-developed countries. As for buyers from developing countries, the prestige of the country, where their real estate property is located is significant but also not necessarily determinant. Instead, they rather look for security and stability than prestige.

Educational opportunities that the real estate property abroad opens are very important, especially for buyers from China, as well as from other emerging economies and developing countries. They are looking for better future for their children and the real estate property in well-developed countries with a solid educational basis, such as the UK or the US provide them with such a better future.

As for characteristics of property type, buyers from the Middle East are looking for luxurious real estate property in well-developed countries. They are looking for large, 3-4 bedroom properties and villas as well as they purchase land to construct their villas, according to their own projects. They invest substantial funds into their real estate property and are concerned with the prestige of the

neighbourhood and location of their real estate property. They focus on the UK real estate market as the main market for their purchases. In addition, they readily purchase the real estate property in other European countries, such as Cyprus, France, Spain.

In such a way, the luxurious real estate is the priority for buyers from the Middle East. However, often such strife for luxury comes into clashes with local cultural norms and traditions, when the excessive luxury evokes quite a negative response from the part of the local population. Nevertheless, buyer from the Middle East still prefer following their cultural norms and traditions and focus on their own comfort and well-being rather than on cultural norms and traditions of the local population.

Characteristics at negotiations that buyers from the Middle East set are quite strict but often face the problem of the lack of knowledge about legal norms and business practices in target markets. Even though buyers from the Middle East are passionate about buying property abroad, they know little about what qualifications they are expected to have, and what necessary procedures they must go through in order to buy overseas. Instead, they follow exactly what real estate developers are telling them (Wilson & Zurbruegg 2003). However, they still push on their developers because they want to manifest their well-being and prosperity and shift developers' projects beyond standard projects. Their concerns about prestige and luxury set new requirements in face of developers, which they should meet to keep their clients from the Middle East satisfied.

In this regard, buyers from the Middle East rely heavily on their developers and local companies providing respective services. They are often too confident in local developers. The result is prior to costs for them. This is why buyers from the Middle East often pay the high price for luxury and speed, even though they can purchase the similar real estate property at the lower price but in a longer time or in a less prestigious location.

Just like in case of other buyers, it is not easy for buyers from the Middle East to learn about the credit of local real estate developers due to differences in language

and cultural background. Buyers have to bear risks such as discrepancy between immigration policy and real estate purchases, for example, even if they own a house overseas, in some cases they are not allowed to manage their investment (Wilson & Zurbruegg 2003). However, often they deal with banks that operate internationally and these banks help them to complete deals and fund their projects internationally.

As buyers from the Middle East are looking for luxurious real estate property, key characteristics on online searches (KEYWORDS) focus on such property mainly, including the search for land, 3-4 bedroom villas and properties. In addition, they focus their searches on well-developed countries. In this regard, the UK holds the leading position among online searches conducted by buyers from the Middle East. They mainly search for luxurious and prestigious real estate in London and other large cities of the UK. In this regard, the growing cooperation between Middle East and Europe is one of the major factors contributing to the rise of interest of buyers from the Middle East to the European real estate market and online searches prove this trend. Saudi Arabia and the United Arab Emirates are among leaders in these searches, while keywords prove that buyers from these countries look for the luxurious real estate property in the Europe.

6. North European Market Characteristics(Germany, UK, Norway, Finland, Sweden, Netherlands).

North European market is different from Chinese, Russian and Middle Eastern markets. Buyers of the real estate property from Northern, Central and Western European countries are looking for the real estate property that allows them maintaining their traditional lifestyle and enjoy their vocations at the same time. In this regard, the major characteristics that are attractive for buyers from Germany, UK, Norway, Finland, Sweden, and Netherlands are as follows:

a) Good taxation that allows them to save costs and purchase the real estate property abroad.

b) Recreational opportunities, which allow them to spend their vocations or to move after the retirement.

c) Recent and most important requirement of these buyers are environmental issues, since buyers from these countries are looking for comfortable and safe environment, where they can live safely.

In fact, the major characteristics of the real estate market that matches needs and expectations of buyers from these countries are quite different from characteristics required by buyers from other countries. North European customers, are looking for a good taxation that allows them to save costs and purchase the real estate property abroad, as one of the major conditions that the location of their real estate property abroad should match. However, in case of buyers from emerging economies, taxation is not always important. However the most important for these buyers is to provide their children with European education as and give them the opportunity to stay in a well-developed country with a prospect of obtaining citizenship.

The recreational opportunities, which allow buyers from Germany, the UK, Norway, Finland, Sweden, and Netherlands to spend their vocations or to move after the retirement to recreational areas are attractive but not determinant for other buyers from other countries. For example, buyers from Northern Europe are not interested in conventional recreational opportunities but, instead, they are more concerned with quietness of locations, where they purchase their real estate property and environmental issues. At the same time, buyers from emerging economies and developing countries prefer recreational areas too, although this is not their number one priority.

Furthermore, one of the recent and most important requirements of buyers from northern European Countries as we mention previously is environmental factor, buyers from these countries are looking for comfortable and safe environment, where they can live safely. In this regard, buyers from developing countries and emerging economies, such as China, Russia and Middle East are more likely to buy a property at the coastline of Mediterranean sea and Cyprus in order to satisfy their needs and ensure a more quality life for them and their children.

The characteristics of real estate buyers from these countries are differentiate from the financial position of each buyer. However, most of these buyers are belonging to the middle-class in their 30s – 40s or older, who purchase a property abroad either as investment or as the possible residence area for their vocations and retirement. The larger part of this buyers are purchased 1 to 3 bedroom properties and are belong to the medium segment of the market. The share of luxurious 4 bedroom villas is minimal among European buyers, however there are some celebrities, or successful entrepreneurs, or top executives of large corporations, who can afford buying such properties.

Locations and surrounding area characteristics are driven by needs and expectations of buyers. Their major requirement is the proximity to recreational areas of their real estate property and environmental safety. At the same time, one of their priorities is the taxation policies conducted by local governments because they are unwilling to purchase the real estate property in areas with the high taxation level. At the moment, the most attractive countries for investors from these countries are Spain, Portugal, Greece and Cyprus. The latter has a considerable potential because the current decline of the local economy has resulted in the downfall of the property prices and the local government is ready to support any incentive that brings financial resources to the local economy. This is why the real estate industry is more attractive for foreign investors in these countries.

Analysing the characteristics of negotiation skills of these buyers from, it is worth mentioning the fact that they are similar, to a significant extent to other buyers. Although are interested in buying property abroad, they know little about what qualifications they are expected to have, and what necessary procedures they must go through in order to buy abroad. Instead, they follow exactly what real estate developers are telling them (Wilson & Zurbruegg 2003). However, as they buy the real estate property in Europe, the legislation is similar and as a rule they do not rely on developers as much as buyers from non-European countries do.

In fact, real estate projects abroad are very complex, and people must pay attention to many different areas, including buying real estate, investment, studying abroad, and immigration procedures (Wilson & Zurbruegg 2003). This is why the

buyers from north European countrie, still need the assistant of real estate companies and also the legal support to complete their deals successfully. In fact, it is not easy for buyers from Germany, the UK, Norway, Finland, Sweden, and Netherlands to learn about the credit of local real estate developers due to differences in language and cultural background. Buyers have to bear risks such as discrepancy between immigration policy and real estate purchases, for example, even if they own a house overseas, in some cases they are not allowed to manage their investment (Wilson & Zurbruegg 2003). However, North European buyers have much lower risks compared to non-European buyers because of the similarity of European legislation.

7. **South European market Characteristics (Spain, Italy, Greece, Portugal.**
   In fact, unlike markets of emerging economies and developing countries, South European buyers they look for properties with different features. In this respect, it is possible to distinguish three major characteristics, which are crucial for these buyers:

   a) Better taxation, which allows buyers from Southern Europe save their money and avoid high taxes.

   b) Environmental issues, they want to live in the safe and healthy environment.

   c) The quietness of the local area, is very important for buyers from these countries because of their tiredness from their traditionally overcrowded residential areas.

   d) Cost of living is another important role for these buyers, as there countries had the bigger impact of economic crisis of 2008.

In this regard, we should mention, the fact that the key characteristics of the real estate market which is attractive for South European are not always attractive for buyers from other countries. In this regard, the better taxation, which allows buyers from Southern Europe save their money and avoid high taxes is the characteristics attractive for buyers from Europe and other well-developed countries. They are accustomed to high standards of living. This is why they focus more on taxation

issues rather than prestige of the location of their real estate or proximity to educational centres. Instead, buyers from emerging economies, such as China, Russia or from the Middle East are less concerned with the taxation in their real estate property abroad compared to buyers from well-developed countries.

Similarly, environmental issues, which are extremely important for buyers from south Europe because they want to live in the safe and healthy environment, are less important for buyers from emerging economies and developing countries. Instead, they are more concerned with the stability of countries in terms of socioeconomic and political life rather than with their environmental policies. However, buyers from north Europe and other Northern, Central and Western European countries have the similar attitude to environmental issues, just like buyers from south European countries.

Finally, the quietness of the local area, where the real estate property is purchased, which is important for buyers from south Europe because of their tiredness from their traditionally overcrowded residential areas caused by the development of the local tourist industry. This is the distinct characteristic of buyers from Spain, Italy, Greece, Portugal. In fact, buyers from other countries, including European ones do not consider this characteristic as an important one for their choice of the real estate property abroad. Instead, they prioritize other characteristics, which are important for them.

Characteristics of the real estate property type for buyers from south Europe are similar to those from Norhtern, Central and Western Europe. At the same time, they prefer buying the real estate property in Northern European countries, especially Norway, Sweden and Finland. In this regard, environmental issues and the quietness are determinant factors that determine the choice of buyers from Spain, Italy, Greece, and Portugal. Scandinavian countries offer them excellent opportunities to purchase the real estate property in remote areas but still with well-developed infrastructure. In addition, these areas have the healthy environment and minimal pollution compared to Southern countries of Europe.

Therefore, locations and surrounding area characteristics of the real estate property purchased by buyers from South European Countries, mirror their environmental concerns and strife for the quiet and steady life abroad to relax and have a rest from their noisy and busy hometowns and countries at large.

8. Competition factors between Cyprus, Greece and Spain what benefits offer each country in order to give the permanent residency and passport to foreign investors.

Today, Cyprus is challenging the position of traditional leaders in the real estate industry in European market. Traditionally, Spain was the leader in the industry due to the well-developed infrastructure, extensive coastal line, attractiveness of local areas due to local architecture, historical monuments and places and other attractions. In this regard, the traditional orientation of Spain on tourists made it attractive for buyers of the real estate property from different parts of the world. One of the main factors that contributed to the rise of the attention of international investors and buyers of the real estate property in Spain was its location in Europe and the high level of development. In such a way, Spain became attractive for buyers from Europe, Asia and other parts of the world.

At the same time, the economic difficulties of Greece encouraged the local government to focus on attraction of foreign investors, including to the real estate industry. The Greek government counted on the revival of the local economy due to foreign investments. In such a situation, the EU membership of Greece along with well-developed infrastructure and numerous landmarks made Greece as attractive as Spain, while lower prices attracted buyers belonging to the medium segment of the market. They started to purchase the real estate property in Greece as the alternative to the real estate in Spain, which was more expensive. However, the main drawback of Greece, at the moment, is the economic and social instability in the country.

In such a situation, Cyprus emerges as a new but potentially influential player in the real estate industry of Europe. In fact, Cyprus has raised consistently its level of the economic development. The local government invested and supported foreign direct investments into the development of the local infrastructure. Moreover, Cyprus offered loyal and attractive fiscal policies which attracted buyers from the EU, Russia, and other countries. As a result, such policies accelerated the development of the real

estate industry of Cyprus and attracted many international buyers of the real estate property. In such a situation, Cyprus has a considerable potential for taking a larger share in the global real estate market. Even though Cyprus is relatively remote from leading EU countries, its improved infrastructure and social stability make the island attractive for international investors. At the moment, Cyprus became one of the most desirable markets for buyers from emerging economies, especially from Russia, but the closer integration of the country in the EU opened the local market for European buyers.

Chapter Three: Research Methodology.

1. Research Methodology Review.

The research method can identify as the approach to collect variety of necessary and valuable information related to the topic. The purpose of research method is to help the researcher to support with evidence the literature review and on the other hand the readers to understand and enrich their personal idea for the referring thesis. The purpose of this chapter is to address the different methods which will be chosen to analyse the collected data.

2. Research Methodology.

Taking all the appropriate knowledge form the literature review for the different buyer's characteristics for the real estate industry in this chapter will examine the methodology of the primary research which will enrich the above literature review. The aim of this research is to support and increase the possibility of success of this dissertation. In such this thesis will examine the data collection methods which will use in order to gather the necessary information. It is important to identify the appropriate means for data collection in order to receive reliable and valid data which will lead to right conclusions.

3. Primary Research.

This thesis, will contact a primary research to collect data which will use them to support the literature review. The purpose of primary research is to allow this thesis to contact with real results related with real estate SME's in south Cyprus. To achieve the above purpose this thesis will devise and develop a research plan, a data collection method, data input and finally will analyse and bring out its own results. However

before the data collection the thesis will study the research approach, the qualitative and quantitative approaches.

4. Secondary Research

In order to create a high level output this thesis will contact secondary published researches to enhance and compare the results of the primary research, which is related to the topic of this dissertation. The purpose of secondary research is to give the ability to the readers to compare the original data from the primary research with the data of secondary research. That will give the prospects to the readers to develop a clearly idea for the topic.

5. Research Options.

A justification of the data collection methods in order to gather the necessary information, require. It is important to identify the appropriate means for data collection in order to receive reliable and valid data and reach to effective conclusions. Some of the most vital options to collect information are questionnaires, interviews, focus group and observations. For the purpose of this thesis will use questionnaires and interviews.

6. Questionnaires.

The questionnaire is the medium of communication between the researcher and the subject (Brace, 2008).The quantitative data of this research was gathered through the process of questionnaires. The questionnaire considered any form of data collection where a person has to answer a set of questions. Even though questionnaires are the most widely used method of data collection, they are difficult to produce in order to get accurate and relevant data. Questionnaires are more likely to be used for descriptive or explanatory research. Additionally, the questionnaires contain an order of questions, with purpose to collect the necessary information for the research.

The advantages of questionnaire are that the potential responders have got the ability to answer cautiously and more clustered the questions, this has as a result to reach the goal with more certainly conclusions. The research can give a huge number of questionnaires at the same time, all the responders get the same questions without misinterpret which may appear in the process of interview. Finally one of the most greatest advantage of questionnaire is that the responder can keep the anonymity. On the other hand the disadvantages of the questionnaire are, sometimes the potential responders they cannot understand some kind of questions or the design of the overall

structure of questionnaire, which may give undesired results, there is no motivation for the potential responders to respond, the quality of the collection data may not have high quality.

7. Interviews.

The interviewing process is a purposeful discussion between two or more people and is conducted in order to receive reliable data relevant to the objectives of this research. There are many types of interviewing, the best known types are, the traditional face to face interview, the panel interviews, the telephone interviews, the group interview and the sequential interviews.

Each, from the above interview technics has got advantages and disadvantages. The advantages of interview are, the researcher can adjust a different way to question in order to be more understandable for the interviewee. The researcher can easily recognize any sign of stress and information about the character of the interviewee. Finally, incomplete answers can be queried again to get more clearly answer. On the other hand the disadvantages of interview can identify as follow, it need a lot of time analyzing the answers, they can be very costly, finally the interview works better to small groups of people.

8. Questionnaire Overview.

In this chapter will discuss the development of questionnaire, with detail identification of all steps and concerns that appear in the development process. This chapter will label clearly the target audience of this questionnaire, the types of questions which will use in order to collect high output after the completion, will describe in details the structure and the content of this questionnaire. Finally, will identify software which will use in order to transform the questionnaires data to aggregate results.

9. Questionnaire Development.

The way in which the questionnaire is laid is very important to its success as an instrument of accurate data capture. If the layout is not clear to any of the various users of the questionnaire, the wrong responses may be recorded or the wrong question asked.

During the design process of questionnaire this thesis will try to set questions that are required in order to gathering necessary data which will help to produce

conclusions related to the objectives of this thesis. The development requires a lot of hard work from the designer in order to produce an effective questionnaire. There are several factors which must be taken into consideration such as, clear and efficient questions identify the target audience, time consideration, the structure and the content of questionnaire. Finally, another important factor which the author of this thesis gives attention at this stage is the method of administration the questionnaire to the small and medium retail enterprises in south Cyprus. Some possible methods can be post mail, telephone, web form and email. It has been decided that the most effective method at his case is the email.

10. Questionnaire Target audience.

A target audience is quite like the bull's-eye; it is selected through segmentation, a process to divide a broad audience into homogeneous sub audiences (Cheng et al, 2011). Filling the above reference, Dougas and Fred (2005) said "the target audience, study perspective and analytic method are among the key issues that are critical not only to the nature of the analysis, but to the interpretation and usefulness of the results as well". The target audience of this questionnaire will be SME's real estate offices from south Cyprus. For the audience of this dissertation, which may do not have the necessary knowledge, has been decided to design the content of questionnaire in a way which is easy to understand and answer the questions.

11. Questionnaire Content.

The development of questionnaire content is very important, as a result takes a lot of time and concentration to build an effective content. In this regard, this thesis divide the questionnaire to three sections, the first section is the background information for the participants business and section two are questions about the characteristics of their clients. Developing the questionnaire content the most important element was to collect data which will give light to the objectives of this dissertation. However during this stage the author consider the time which allocated to complete the questionnaire as well with the types of questions that will use.

12. Questions Types.

There are several types of questions which this research can implement in order to achieve valuable answers. Some of the most popular are calculated questions, descriptive, multiple choice, numerical, dichotomous questions, questions based on

level of measurement and filter or contingency questions. However, the above types of questions can be named as technics to set questions. Generally the questions types are divided in two categories, close questions and open questions.

There are multiple important factors which the research has to consider during the design of questions. However the most substantial factor is the time which the potential participants need to answer the questionnaire. In the next two sub chapters which are follow, will analyze these questions types close and open. That will lead to examine conclusions, for the selected types in order to complete the questionnaire. At this stage the possibility to use both types of questions is attainable.

13. Open Questions.

Open questions are only occasionally used in questionnaires because they are more difficult to analyze and more troublesome to answer (Gillham, 2000). The characteristic of open questions is that usually need long answer in order to achieve the requested answer. In this regard, it is possible the potential participants to go off topic. The aims of open questions are to collect an overall answer for a specific topic. The advantages of this are that the responder can give important unexpectedly answers which the author missed out of the questionnaire. The respondents can explain in detail their answers and gives them ability to be more creative. On the other hand the disadvantages of open questions are the variety of different answers which is difficult to analyze in depth, the answer may not be useful for the purpose of the research. Finally the answer can be general, so will not respond to the researcher expectation.

14. Close Questions.

Closed questions involve small answers which usually is a single word. This happen because there is a predictable and usually small set of answers to a closed question that the respondent can give (Brace, 2008). Furthermore closed questions can be asked from the respondent to choose from a number of possible answers.

The advantages of close question are that the respondent is easy and quick to give answers, the answers is easy to transforms to statistic data and compared with other and there are limited answers which keep the respondent in the topic. However the limitations of closed questions are, can suggest possible answers where the respondent disagree, the respondent can answer with no the appropriate knowledge and finally the respondents can misinterpretation a question.

15. Select Questions type.

Taking on consideration the above study about open and closed questions identify that both methods have got their advantages and their limitations. However closed questions are more familiar with the structure and the purpose of questionnaire. As a result the author decides to use close questions for the questionnaire.

Chapter Four: Analysis of Findings.

1. Data Analysis Overview.

This section analyze the results of the primary research, using charts and diagrams. In this regard, this chapter will conduct each part of the questionnaire in order to achieve depth analysis of the captured data. Furthermore, this thesis in order to attain more successful conclusions will compare the results of the primary research with secondary research in order to develop a high level outcome and results.

2. Questionnaire analysis.

As we mention before the target population of this research are real estate SME's of south Cyprus. In this regard a sample of 120 real estate SME's in south Cyprus was taken. The number of the SME's which responded in this research was 68. However five of them were received incomplete so where excluded from this research. As a result the final number of the questionnaire which will be analyzed in this section is 63. As a result, the respondents of questionnaires are equal to 52.5%, the rest 48,5% of real estate SME's did not responded.

3. Analysis of Questionnaire: Background Questions.

This section will address the background information of this research. Furthermore in the background section the real estate SME's they asked to identify the size of their business and the place which are located. Finally this section has as aim to allow researched to gather basic information for this research in order to be able to understand the information with the information from the main body of questionnaire.

Figure 1: What area of Cyprus you operate.

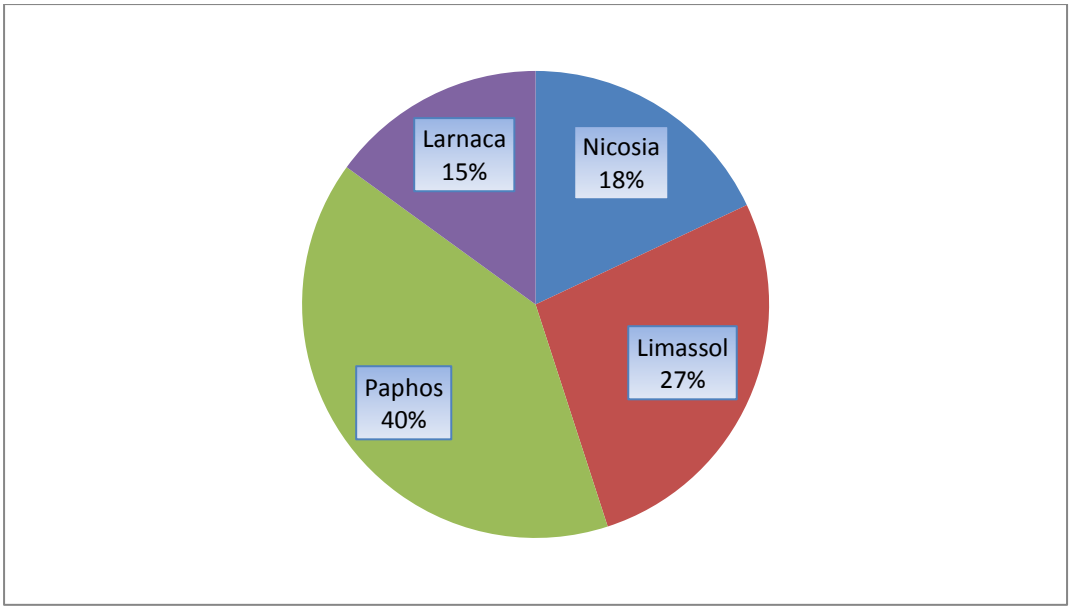


Figure 1: What area of Cyprus you operate.

Figure one represent the towns which real estate companies are operate. As we can observe the most of them are operate at Paphos town with 40%. Limassol represent the 27% percent and the other towns are follow with lower percentages. However studying the land registry sales statistics per region for the year 2014 we can observe a similarity flow between the responder companies and the sales that are made in each town. This can lead to the conclusion that real estate companies in Paphos are more active rather than other companies in different regions in the island(Appendix,2).

Figure 2: Size of Companies respond to the questionnaire.

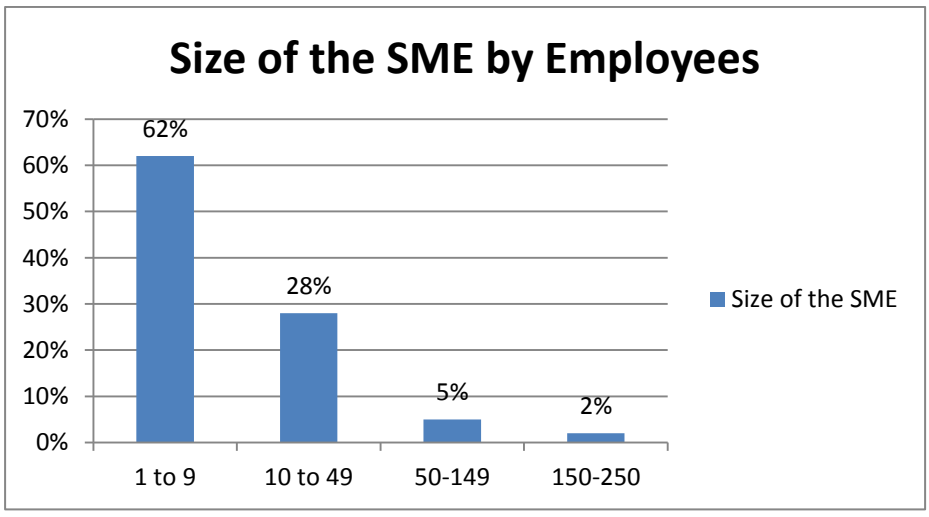


Figure 2: Size of Companies respond to the questionnaire.

An interesting result came to light from the *figure: 2*, companies with 1 to 9 employee represented in all towns with the largest percentage. In contrast, almost few companies and these are located in Paphos represent the sector with over than 150 employees. Companies with 10 to 49 employees represent the industry with 28% and the rest 5 percent represent the industry with 50- to 149 employees. The next figure represents the size of real estate companies by town.

Figure 3: Size of Real Estate Companies by town.

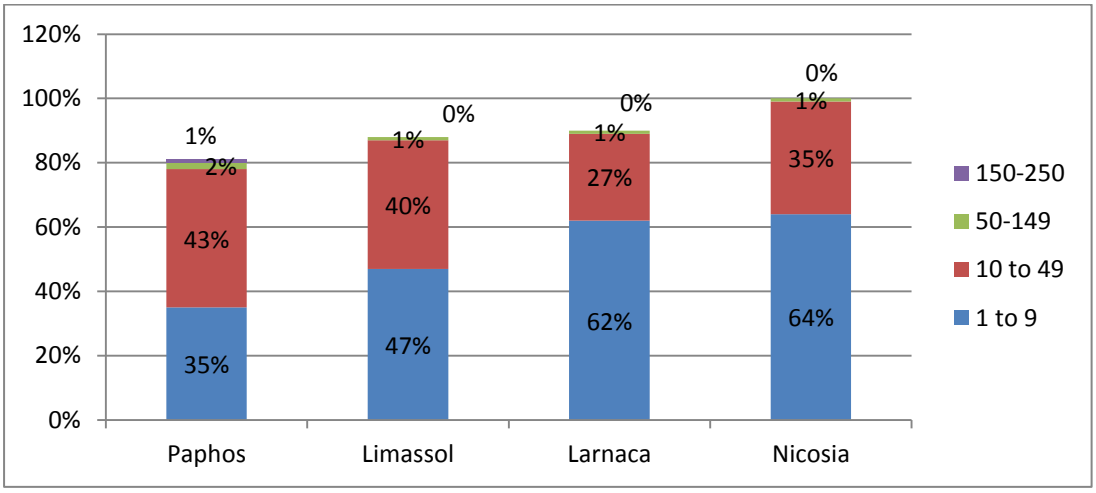


Figure 3: Size of Real Estate Companies by town.

Table 3:Size of the SME's by Town

Size of the SME's by Town				
Size of the SME's by Town	Paphos	Limassol	Larnaca	Nicosia
1 to 9	35%	47%	62%	64%
10 to 49	43%	40%	27%	35%
50-149	2%	1%	1%	1%
150-250	1%	0%	0%	0%

Further to the analysis of figure:2, figure :3 present the size of real estate companies by down. As we can observe companies with 1 to 9 employees are more in Nicosia and Larnaca with 64% and 62% accordingly, Limassol and Paphos are follow with fewer representatives. However, in the other hand Paphos and Limassol have bigger percentages among Nicosia and Larnaca between 10 to 49 employees. Finally only few companies are employee a number of employees between 50- to 149 and only in Paphos we have companies with over 150 employees. According to the study the at Paphos and Limassol we have more companies that are employee people 10 to 49, the

reason of this result is because real estate companies at these regions expand their operations at maintenance services in order to survive the economic recession which hit the sector at the second semester of 2008 and is continuing until 2014.

4. **Analysis of Questionnaire: Main body questions.**

Figure 4: Total enquiries received per year/ views and win Cases.

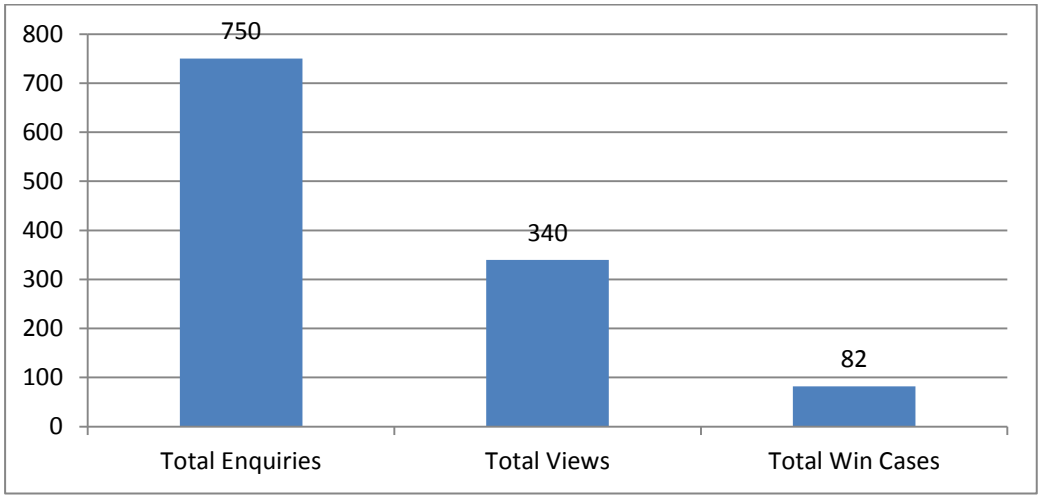


Figure 4: Total enquiries received per year/ views and win Cases.

A quite important conclusion can be observed from the above figure, companies cannot transform the enquiries that they receive from clients in to views. This can be happen for several reasons such as:

a) Not quality clients.
b) Clients want just to collect information from the real estate companies and are waiting probably to in further decrease of the prices.
c) Are future enquiries that companies are continuing dealing with them in order to arrange appointments.

Furthermore, according to figure:4, is important to mention that companies they do not manage to arrange property views even for the half enquiries that they receive. Finally the conclusion that arise from the figure is that companies may have to start thinking to invest money to train their employees so they will improve their "WIN CASES" and minimize the "LOST CASES".

Figure 2: Enquiries from Countries and Views per Country-Region.

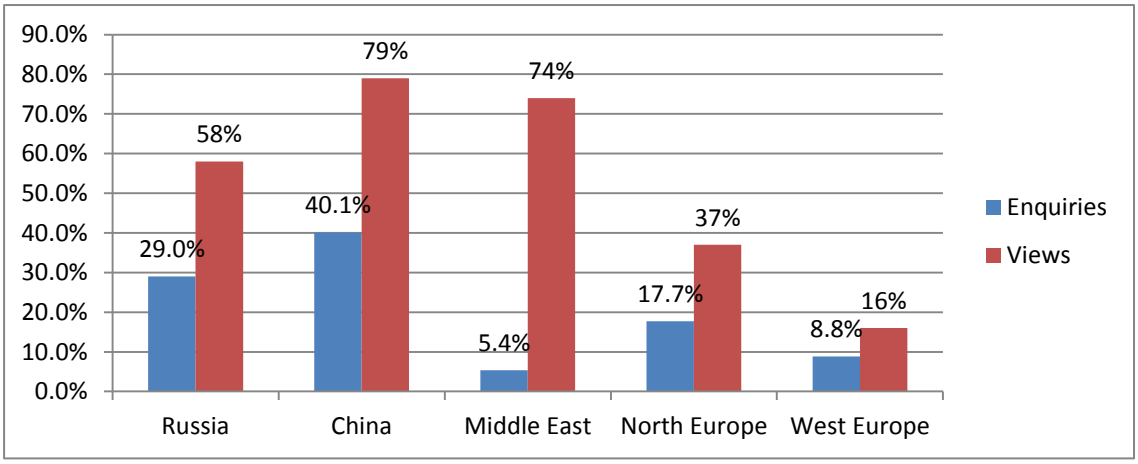


Table 4: Enquiries from Countries and Views per Country-Region.

Enquiries from Countries and Views per Country-Region.		
	Enquiries	Views
Russia	29.0%	58%
China	40.1%	79%
Middle East	5.4%	74%
North Europe	17.7%	37%
West Europe	8.8%	16%

Figure 5: Enquiries from Countries and Views per Country-Region

At figure five it is obvious that people from Countries from North Europe and West Europe which are more mature to our real estate market are make less views rather than buyers from other countries such as Russia, China and Middle East. Markets such as China and Middle East which they have only few years' experience from our Market they have higher percentage in viewings, and this happen because they are not so familiar with our products, prices, buying process and also another important factor is the language. Russia buyers they count now ten years' experience in our market and their percentage between enquiries and viewings start to decrease. Another important conclusion is that as more experience is the buyers in our real estate market as less they trust our real estate companies. Finally, China and Middle East buyers they have got the higher percentages of views. This happen because, they are coming here to invest through Agents and Exhibitions.

Figure 6: More Effective way to contact clients.

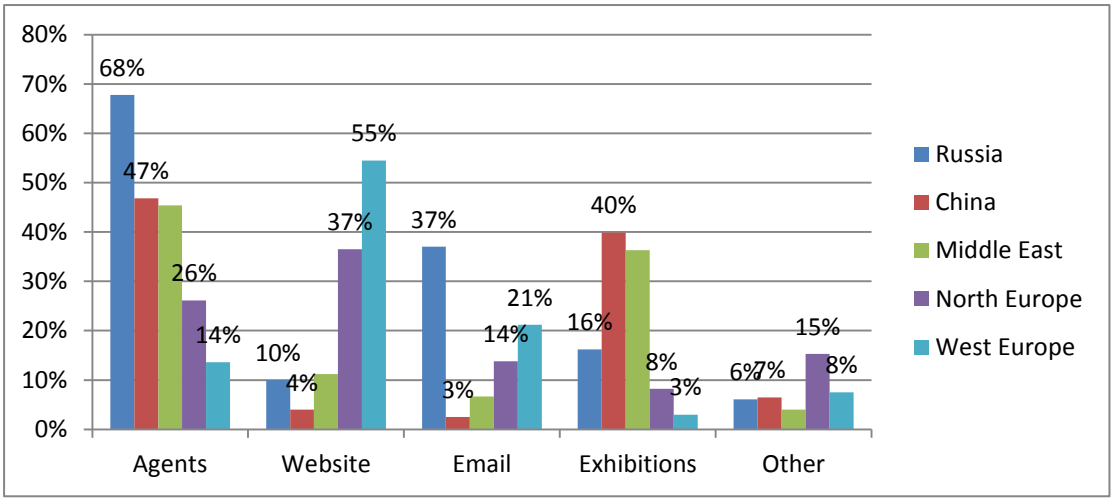


Table 5: More Effective way to contact clients.

More Effective way to contact clients.					
	Agents	Website	Email	Exhibitions	Other
Russia	68%	10%	37%	16%	6%
China	47%	4%	3%	40%	7%
Middle East	45%	11%	7%	36%	4%
North Europe	26%	37%	14%	8%	15%
West Europe	14%	55%	21%	3%	8%

Figure 6: More Effective way to contact clients.

At figure five we detected the more effective ways that companies use to contact new clients from the areas that we study. Many important conclusions can be made from this figure. However one of the most important is the key role of Agents, and our real estate companies must consider the agents as one of the most important factor in order to attract new clients. As a result they have to build close relationships with their agents and try to keep them happy with their commissions so they will continue give them new clients. Moreover, a well-developed website, user friendly and high google ranking is also important to attract new clients and build a well-known brand between the buyers from Europe and Russia, on the other hand people from china and Middle East can be contacted them more from exhibitions rather than the websites.

Figure 7: What is the average amount of money the buyers spent to buy a property?

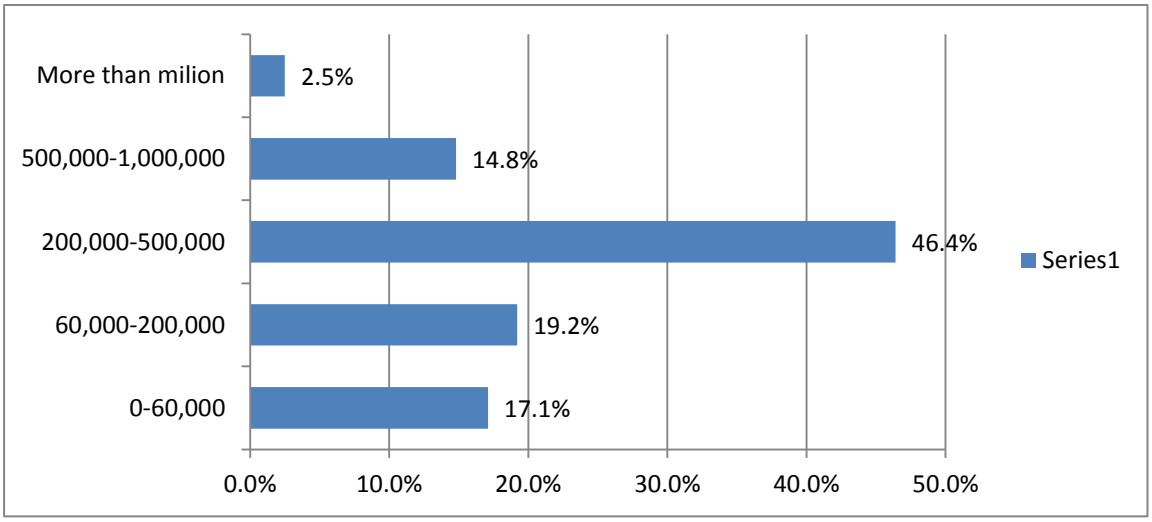


Figure 7: What is the average amount of money the buyers spent to buy a property ?

According to the findings of the research of this thesis, Cyprus is a popular destination for middle class buyers. This conclusion can be enhanced from the secondary research of Royal Institution of Chartered Surveyors (Appendix: 3). Furthermore, the most of the buyers, a percentage close to 46% invest in Cyprus properties between 200 hundred thousand and 500 hundred thousand, the 36% spent less than 200 hundred thousand and the rest of them spent over half million euros to buy a property in Cyprus. A key role to attract larger percentage of buyers who are interesting to invest 200,000 Euros and 500,000 Euros hundred thousand euros is the regulations that are set from the Cyprus Government to issue permanent residency visa for the buyers over the 300,000 Euros plus VAT.

Figure 8: What size of property your client is more interesting?

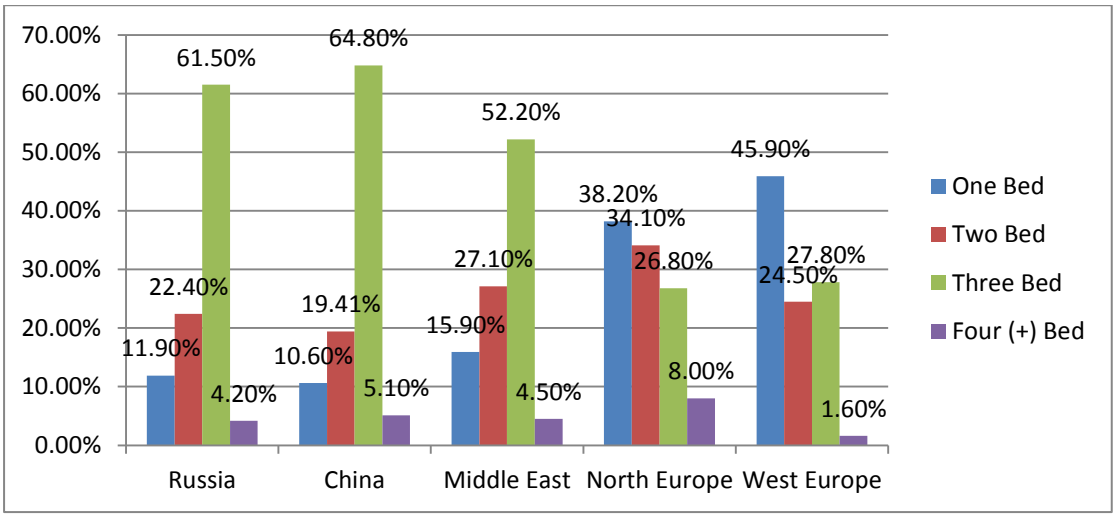


Figure 8: What size of property your client is more interesting?

In parallel manner with figure: 7, are the results of the figure:8 "In what size of property your clients are more interesting". The most of the buyers are prefer properties with three bedrooms. An interesting conclusion arise from European countries and specially from the northern European countries that are hit from economic recession, the buyers prefer small size properties one to two bedrooms and normally apartments and not detached properties which is in contrast with the buyers from Russia, China and Middle East. Another important finding of the research is that the higher percentage of buyers that are looking to invest in Cyprus for four bedroom properties which normally are more than half million are from north European countries. This result may need further study. However a quick conclusion can be that this result represents the healthy economic environment of north European countries such as Norway, Finland, Sweden and Germany.

Figure 9: What is the most popular area in which your clients request to buy?

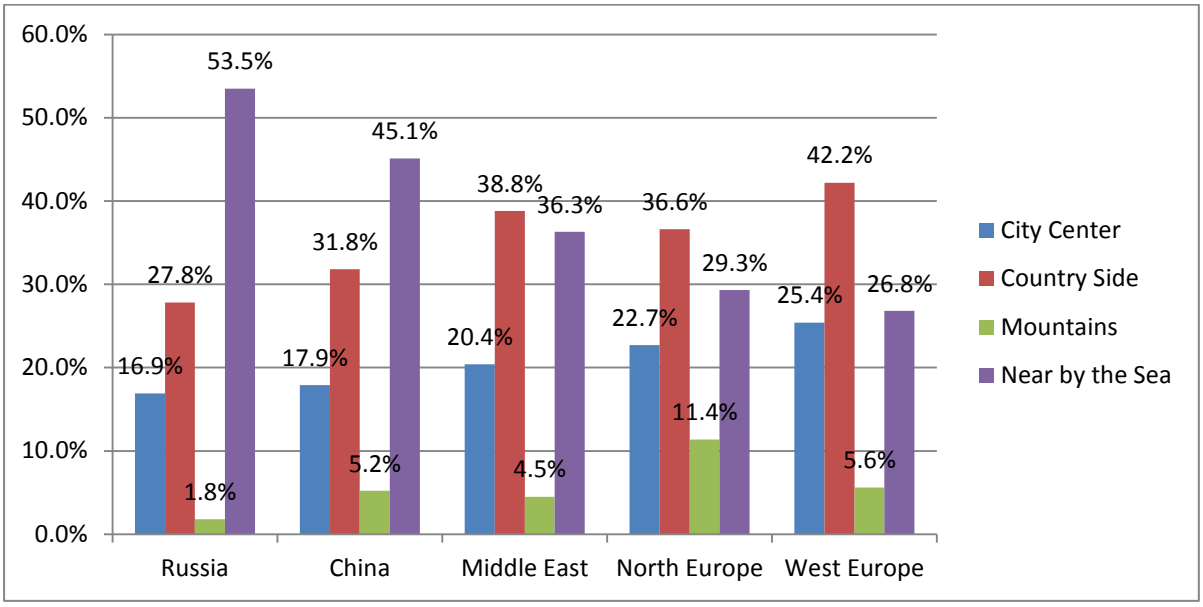


Figure 9: What are the most popular area in which your clients request to buy?

At the question "What are the most popular areas in which your client request to buy properties", we can observe a similarity between the questionnaire responders. Most of the clients prefer to buy properties near by the sea and at the country side. These results will be studying further at the next figure. In this way will understand what motives the buyers to choose locations which are close to the sea and the country side. A quick conclusion can be that buyers are buying the properties for holidays, In order to escape from the busy city centres, of their countries. On the other hand destinations such as mountains and city centres have lower percentage of interest. Based on this results small and medium real estate companies at west Cyprus must focus at the areas which are close to the sea and good locations at the country side so will achieve better results at the future.

Figure 10: What are the most usual reasons for your client to buy a property in Cyprus

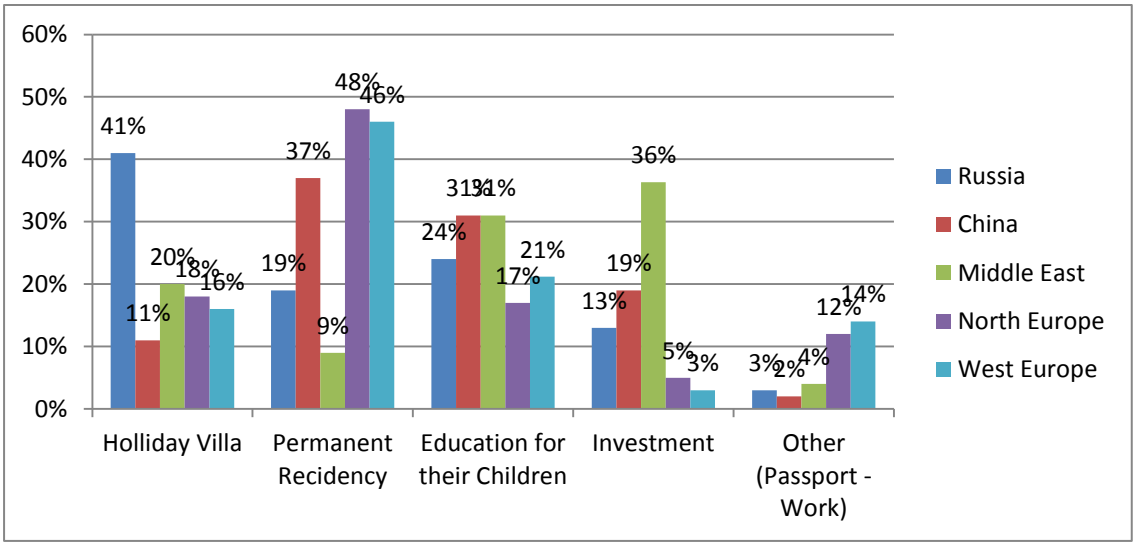


Figure 10: What are the most usual reasons for your client to buy a property in Cyprus.

Table 6: What are the most usual reasons for your client to buy a property in Cyprus

What are the most usual reasons for your client to buy a property in Cyprus					
	Holliday Villa	Permanent Recidency	Education for their Children	Investment	Other (Passport - Work)
Russia	41%	19%	24%	13%	3%
China	11%	37%	31%	19%	2%
Middle East	20%	9%	31%	36%	4%
North Europe	18%	48%	17%	5%	12%
West Europe	16%	46%	21%	3%	14%

Figure:10 presents the most popular reasons that the buyers select Cyprus to buy a property. The higher percentage is observed at the category of "Permanent Residency" and the second reason is for holidays. Those results are in contrast with the secondary research which shows as first reason to buy in Cyprus the Vocation (Appendix 4). That's happens probably due to the large interest that we have the last year in Chinese market. Chinese buyers are interest in buying properties more than 300,000Euros so they will be able to get the P.R visa, and the rest of them are interesting to education for their children's. Additionally to enhance and make more valuable the conclusions that arise from figure:9&10 real estate SME's of South West Cyprus when they select locations for their clients must consider also schools and other services as a large percentage of the buyers, have it very high in their priorities.

Chapter Five: Discussion of Analysis.

1. Overview.

The intention of this chapter is to discuss the findings of questionnaire analysis with further details in order to examine conclusions about the topic of this thesis. Moreover, this chapter will develop a theoretical approach based the results of questionnaire in order to meet the objectives of this theme.

2. Discussion.

This chapter will give a depth analysis based the results of the previous chapter in order to identify if the theory in literature review confirmed the evidence of the primary research. However is crucial to develop conclusions which meet the objectives of this dissertation.

To start with, from the literature review and the questionnaire results it is possible to comprehend that Cyprus real estate SME's in Cyprus they have all the requirements to be successful and financial healthy companies. However to achieve that they have to improve their services, the products that they offer and finally and most important they have to understand the needs, the characteristics and the requirements of their buyers, in order to improve their position at today competitive environment and increase their "Close Win Cases".

According to the research people from these countries they have similarities and various when they select to buy a property. Most of the buyers from Russia, China and Middle East, as arise from the literature review and the research they prefer to buy properties that they have three bedrooms which there size is approximately 130 sqm to170 sqm. On the other hand European buyers tend to buy smaller properties with one or two bedrooms. Moreover, an interesting conclusion that is arising from the research is that most of the Cyprus property buyers they prefer to buy properties near by the sea or in the country side. The above result led to the conclusion that buyers they choose to invest at the property industry in Cyprus in order to escape from the busy city centers and enjoy the relaxable, peaceful and sunny environment of Cyprus. In this regard real estate companies they have to focus on the locations, they decide to develop properties and projects, so they will meet the requirements of market trends.

Furthermore another important conclusion that arise from the this thesis is that buyers from Russia they buy properties in Cyprus in order to use them as holiday properties for their vocations in contrast with other buyers that they are buying properties in order to get the Permanent Residency Visa or to educate their children, or as future investment.

2.1.Suggestions.

Evaluating the buyers from Russia, China, Middle East and Europe, we conclude that all of them are important for the future operation and survivor of Cyprus real estate SME's. Property buyers from above countries are traditional donors of the industry. Real estate companies must emphasis at these markets, to so that they have to:

a. Strengthen the relationship of their companies and their real estate agents from these countries.
b. Develop new ventures and cooperation
c. Train their employees.
d. Organize seminars for their employees and describe the characteristics and trends of each buyer from the above countries.
e. Develop on-line and off-line marketing campaigns.
f. Improve the services for this clients, for example they can offer translation services, legal services, financial services, life style services and property management services.

3. Limitations of Research.

It is undisputed that real estate SME's must improve their services in order to be more productive in the future. The changes in the way which real estate SME's promote their products compete with the other companies within their industry and the new marketing technics that they implement declare the impact on their win cases. However the primary research is limited to identify what exactly they have to improve in order to improve their wining cases. Reasons such as administration work, training of their employees must be studying too, so we will have more accurate conclusions. That can be achieved with further study on the industry in the future.

Furthermore, the research fails to get accurate answers regarding the most powerful Keywords from the Small and medium real estate companies' websites. In this regard the researchers decided not to include it in the questionnaire analysis. Was

obvious from the responders that they did not had any knowledge regarding their online keywords. The subject of online marketing and optimization is another important topic that research can be contacted at the future. However a general conclusion about the online activities of our real estate companies is the fact that are lagging in the field of information technology.

Finally, this research fails to identify the negotiation characteristics of Cyprus buyers due to time limitation. The research will be continue the new academic year in order to eliminate any limitations and also study in depth some of the chapters of this research, in order to achieve more effective and accurate results. Additionally will provide more suggestions real estate SME's so they will improve their services, study further the different characteristics of Cyprus property buyers and finally get bigger efforts from questionnaires so will be able to present more precise conclusions.

Chapter Six: Conclusion.

International real estate market is one of the most attractive investment options for SMEs. Although the market itself is perceived as one of the most secure ones, there are both risks and opportunities associated with emerging real estate markets. Emerging markets became more attractive for SMEs after the U.S. housing crisis of 2007-2008. However, taking into account higher risks associated with marketing strategies and policies in emerging countries, the optimal strategy for SMEs is to diversify their real estate investments or to purchase real estate and resell it in the short- or medium-run period. It should be noted that many countries have favorable regulations aimed at boosting the housing market and allow SMEs to purchase and sell out property.

Most buyers of real estate belong to middle and upper class, and the proportion of upper class buyers recently increased due to the recession which took place in 2008 while middle-class buyers chose to save instead of investing. The major number of real estate purchases is made by home owners for personal use; the remaining purchases are made for SMEs and wealthy individuals for resale and sometimes for rental purposes. There is also a category of buyers who belong to emerging economies but tend to invest into real estate in developed countries.

European real estate market is largely characterized by purchases for local purposes, while real estate customers in Russia, China and in the Middle East are very active and tend to purchase property abroad. European buyers are used to purchased real estate in Spain, Greece, Cyprus and France. The criteria for choosing real estate among European SMEs are taxation, recreational opportunity and safe environment. In general, the preferences of European buyers from different countries such as Germany, Norway, Sweden, the UK, Finland and Netherlands are similar.

Russian buyers seek for expensive real estate purchases the number of affluent Russian customers searching for luxury real estate above €2 million increased to 8%. Russian customers focus on the following countries: Bulgaria, Spain, Turkey, Montenegro, Italy, Cyprus, Germany, Greece and France. Key psychological factors driving the purchases of Russian buyers are the prestige of foreign possessions and the need to secure investments against political and economic instability. The criteria for purchasing real estate for Russian SMEs include proximity to well-developed European countries, personal experience and opportunities for tourists.

Chinese buyers also demonstrate strong interest to real estate overseas, primarily due to heavy regulations and control measures used for the internal real estate market. Statistics shows that 30% of Chinese home buyers started looking for overseas real estate. In particular, the investors from mainland China and Hong Kong constitute 10.8% of real estate seekers in the United States. Chinese SMEs also actively purchase real estate in Australia and Europe and are most attracted to countries with large Chinese diaspora. Chinese buyers pay a lot of attention to educational opportunities for their children, and view investments into real estate overseas as a means of securing their future and the future of their relatives in the case of problems in China.

Middle Eastern real estate buyers express notable interest to the European market and moderate interest to the real estate market in the United States. Middle Eastern buyers prefer purchasing premium segment real estate objects. Customers from Middle East pay significant attention to the UK real estate market, primarily due to the historical links created between Middle Eastern countries and the UK in the colonial era. For Middle Eastern buyers, the prestige of the location and the neighborhood are very important real estate characteristics.

Regarding Cyprus's position in real estate market, it is possible to assess it as emerging. The country is now challenging real estate positions of such market leaders as Spain and Greece. While Spain is viewed as a more expensive investment location and Greece is perceived as the economically unstable market, Cyprus emerges as an important real estate player with reasonable real estate prices and sufficient level of economic development. Although Cyprus is located relatively far from key European countries, its integration with the EU made real estate market more attractive for European buyers. Russian buyers also demonstrate notable interest to real estate in Cyprus. Further improvement of economic situation and social stability combined with loyal fiscal policies and encouragement of foreign investment will attract more international customers to Cyprus and fuel real estate market.

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Appendices:

Appendix 1:

Covering Letter of Questionnaire.

The following questionnaire is designed for purpose of my final year dissertation at Neapolis University). The aim of this questionnaire is to find out your views, as small and medium real estate enterprises in south Cyprus.

The questionnaire contains closed type questions which will be easier for you to answer and give me importance information which is necessary to complete my dissertation. The content of the questionnaire is divided in three sections. The section one is background information about your company and section two are questions about your customers and there characteristics. The required time to complete the overall questionnaire is less than 5 minutes.

This questionnaire is being conducted by Mr. Christodoulou Antrea as part of his Final Year Dissertation for MBA student of Neapolis University of Paphos, and will be supervised by Pr. Angelo Tsaklangano.

Finally, I would like to thanks you for your time that you spent to answer my questionnaire. As thanks for your time to complete the questionnaire each SME which will answer the questionnaire can get free advertising for one year on CyprusAdvisor.com. The only think that you have to do is to complete the questionnaire and then sent me the logo, the description and images of your business by email. Please feel free to email me for further assistance: *a.christodoulou.1@nup.ac.cy*

The deadline for submitting Questionnaire is 20th Aug 2013

QUESTIONAIRE

SECTION ONE:

BACKGROUND INFORMATION:

1. What area of south Cyprus are you operate? **[√]**

- Nicosia ……
- Limassol ……
- Paphos ……
- Larnaca ……

2. Size of your business: Number of full time Employee? **[√]**

- One to Nine Employee (1 to 9). ……
- Ten to Forty-nine Employee (10 to 49). ……
- Fifty to One hundred Forty-nine Employee (50 to 149). ……
- One hundred Fifty to two hundred Fifty Employee (150 to 250) ……

3. How many properties enquiries you received per year?

……..

4. How many close deals you have per year?

……..

5. What is the average amount that your client spent to buy a property?

0-60,000 Euros …….

60,000-200,000 Euros …….

200,000-500,000 Euros …….

500,000-1,000,000 Euros …….

More than Million Euros …….

SECTION TWO:

1. What are the average enquiries per year that you have from the following Countries?

Russia ……

China ……

Middle Eat …….

North Europe …….

West Europe ……

1.2. How many Viewings you are you doing for the above enquiries.?

Russia ……

China ……

Middle Eat …….

North Europe …….

West Europe ……

2. In what type of property are more interesting (Average)? **[√]**

Russia ☐ 1 Bedroom ☐ 2 Bedroom ☐ 3 Bedroom ☐ 4+ Bedroom

China ☐ 1 Bedroom ☐ 2 Bedroom ☐ 3 Bedroom ☐ 4+ Bedroom

Middle East ☐ 1 Bedroom ☐ 2 Bedroom 3 ☐ oom 4+ ☐ room

North Europe ☐ 1 Bedroom ☐ 2 Bedroom ☐ 3 Bedroom ☐ 4+ Bedroom

West Europe ☐ 1 Bedroom ☐ 2 Bedroom ☐ 3 Bedroom ☐ 4+ Bedroom

3. What is the average amount of budget that they spent? Fill spaces with Numbers

Country	1 Bedroom	2 Bedroom	3Bedroom	4+ Bedroom
Russia				
China				

Middle Eat				
South Europe				
West Europe				

4. What are the most popular areas for your clients? **[√]**

Country	City Center	Country Side	Mountains	Near By the Sea
Russia				
China				
Middle Eat				
South Europe				
West Europe				

5. What is their Negotiations skills? **[√]**

Country	Low	Medium	Strong
Russia			
China			
Middle Eat			
South Europe			
West Europe			

6. What is the most usual reason for your client to buy a property? **[√]**

Country	Holiday Villa	Permanent Residency	Education for their Children	Investment	Other
Russia					
China					
Middle Eat					
South Europe					
West Europe					

7. What are the three most powerful Keywords of your company website?

1. ……
2. ……
3. ……

8. What is the most effective way to contact clients? **[√]**

Country	Agents	Website	Email	Exhibitions	Other
Russia					
China					
Middle Eat					
South Europe					
West Europe					

The questionnaire is finish thanks for your time.

Appendix 2:

LARNACA - 2013 08/01/2014

TOTAL:	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
Total Number of Transfers of Sale:	84	141	88	106	114	121	117	94
Total Number of Parcels:	95	147	99	119	120	132	132	102
Total Declared Amount:	€10.050.461,91	€15.679.032,14	€8.559.606,85	€13.815.839,58	€12.482.901,82	€15.782.052,67	€15.439.649,56	€13.839.814,99
Total Accepted Amount:	€10.695.755,67	€16.911.933,36	€9.310.298,40	€14.383.785,87	€13.177.044,53	€16.476.851,77	€16.544.066,92	€14.475.682,15

LARNACA - 2013 08/01/2014

TOTAL:	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Total Number of Transfers of Sale:	125	136	146	212	1484
Total Number of Parcels:	130	148	156	228	1608
Total Declared Amount:	€23.982.988,40	€17.411.440,43	€20.115.810,30	€40.802.046,16	€207.961.644,81
Total Accepted Amount:	€25.217.662,19	€18.707.476,67	€21.783.704,24	€42.397.255,68	€220.081.517,45

LIMASSOL - 2013 08/01/2014

TOTAL:	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
Total Number of Transfers of Sale:	€122,00	€168,00	95	92	150	173	153	148
Total Number of Parcels:	130	172	102	93	164	181	160	153
Total Declared Amount:	€21.450.728,37	€47.114.461,36	€17.851.245,75	€22.801.116,36	€31.932.420,25	€25.200.328,57	€29.281.791,00	€25.767.494,11
Total Accepted Amount:	€22.561.868,02	€48.954.334,13	€18.526.666,35	€23.341.848,22	€32.958.190,50	€26.561.969,37	€30.485.910,17	€26.854.508,48

LIMASSOL - 2013 08/01/2014

TOTAL:	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Total Number of Transfers of Sale:	132	182	204	302	1921
Total Number of Parcels:	136	205	210	333	2039
Total Declared Amount:	€19.775.783,40	€30.277.548,74	€34.575.822,92	€66.656.463,17	€372.685.204,00
Total Accepted Amount:	€20.459.327,12	€31.727.362,12	€36.285.517,38	€69.682.846,17	€388.400.348,03

NICOSIA 2013 08/01/2014

TOTAL:	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
Total Number of Transfers of Sale:	141	198	102	126	143	181	213	117
Total Number of Parcels:	167	221	105	140	151	191	227	135
Total Declared Amount:	€23.767.621,15	€32.798.823,17	€14.224.319,20	€16.910.596,68	€19.679.330,44	€28.368.471,12	€34.362.697,49	€18.021.379,92
Total Accepted Amount:	€24.817.872,87	€34.649.647,20	€15.347.429,43	€18.184.379,79	€20.963.452,42	€29.526.201,45	€36.344.374,35	€19.626.289,79

NICOSIA 2013 08/01/2014

TOTAL:	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Total Number of Transfers of Sale:	170	181	191	354	2117
Total Number of Parcels:	179	203	195	377	2291
Total Declared Amount:	€29.590.587,48	€26.278.261,20	€28.718.667,29	€50.434.844,77	€323.155.599,91
Total Accepted Amount:	€31.762.849,70	€27.890.909,76	€30.217.205,22	€52.917.089,44	€342.247.701,42

PAPHOS - 2013 08/01/2014

TOTAL:	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST
Total Number of Transfers of Sale:	71	109	86	119	132	133	121	121
Total Number of Parcels:	73	110	196	125	133	133	123	135
Total Declared Amount:	€13.332.771,23	€17.268.700,25	€39.485.975,26	€17.690.062,03	€24.477.319,57	€22.354.007,15	€22.415.029,82	€18.702.440,13
Total Accepted Amount:	€14.416.987,65	€19.407.227,93	€40.333.190,63	€19.724.554,47	€25.711.459,09	€23.704.178,92	€23.431.085,97	€20.374.074,02

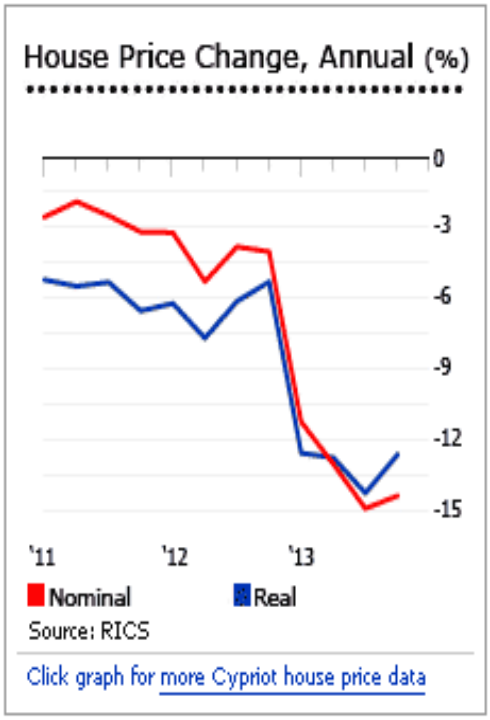
PAPHOS - 2013

TOTAL:	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	TOTAL
Total Number of Transfers of Sale:	171	216	236	340	1855
Total Number of Parcels:	222	216	241	364	2071
Total Declared Amount:	€37.856.715,74	€40.838.415,63	€37.363.816,78	€57.939.051,90	€349.724.305,49
Total Accepted Amount:	€39.817.068,42	€42.390.101,55	€40.095.173,12	€60.863.814,45	€370.268.916,22

Source:
http://www.moi.gov.cy/moi/DLS/dls.nsf/All/F37AA6D5DC3AA329C2257D2B001C925B/$file/Annual_Report_2014_July_Districts_en.pdf?OpenElement

Appendix 3:

The average house price in Cyprus fell 10.5% (-8.7% inflation-adjusted) in 2013, according to the Royal Institution of Chartered Surveyors (RICS). On a quarterly basis, prices fell 0.5% (-0.35% inflation-adjusted).



- The largest decline during the year was in **Larnaca**, with prices falling 15.2% (-13.4% inflation-adjusted) to an average price of €281,400 (US$ 385,715)
- In **Nicosia**, house prices fell 14.4% (-12.6% inflation-adjusted) to an average price of €407,115 (US$ 558,033)
- **Paphos** saw house prices decline 10.9% (-9% inflation-adjusted) to an average price of €348,105 (US$ 477,148)
- In **Limassol**, house prices dropped 8.3% (-6.5% inflation-adjusted) to an average price of €333,030 (US$ 456,484)

Appendix 4:

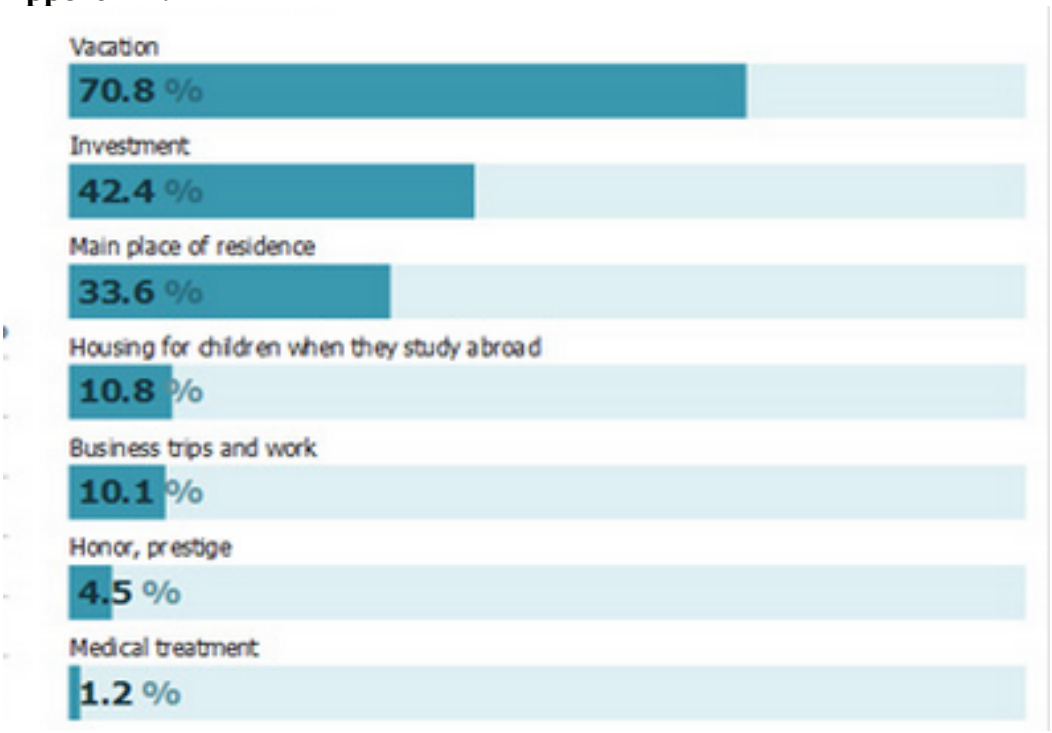


Figure 11: source:http://www.opp-connect.com/19/07/2013/most-buy-overseas-property-for-leisure-says-survey/