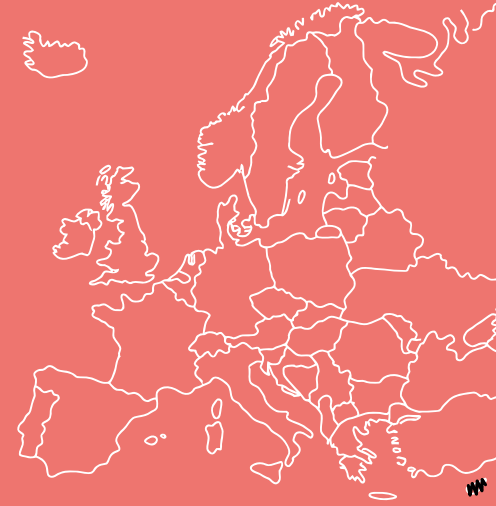


THE STATE OF HOUSING IN EUROPE – 2025

CYPRUS

- ➔ Owner-occupied
- ➔ Rental
 - Of which: social rental
- ➔ Provided for free
- ➔ Other tenure status
- ➔ Total

# OF DWELLINGS	% OF TOTAL
247,019	69.9
74,809	21.2
0	0
17,890	5.1
12,397	3.5
353,432	



SOURCE: STAT, Census of Population and Housing 2021: final results.
NOTES: Conventional dwellings used as usual residence only.

THE ROLE OF PUBLIC, COOPERATIVE, AND SOCIAL HOUSING PROVIDERS

At the time of the recent 2021 Census, Cyprus was one of only two countries in the EU—along with Greece—with no recorded social rental housing.

However, there are two important points to note: Firstly, Cyprus is now developing affordable rental housing options, alongside additional supported homeownership policies. Secondly, a previous lack of social rental housing does not mean that the Cypriot State had adopted an inherently non-interventionist position on the provision of housing.

Indeed, the Turkish invasion of Cyprus in 1974 resulted in the displacement of around 200,000 Greek Cypriots from the occupied area. The State had to dedicate significant resources to housing programmes for these internally displaced people. This included the implementation of large-scale emergency housing measures for displaced Greek Cypriots, including the development of refugee housing settlements and allocation of plots.¹ To this day, the State (mainly through the Department of Town Planning and Housing and the Service for the Care and Rehabilitation of Displaced Persons) continues to support the maintenance and redevelopment of many of these settlements, while also providing financial assistance and rent subsidies to displaced Greek Cypriots and their families.

Additionally, since the 1980s, several low-cost housing initiatives have been launched to assist low- and middle-income families in purchasing homes,² mainly through the

creation of the Cyprus Land Development Corporation (Κυπριακός Οργανισμός Αναπτύξεως Γης, KOAG).

DYNAMICS OF HOUSING SUPPLY

At 522 dwellings per 1,000 residents, Cyprus is slightly above the EU average (514) in terms of the availability of housing.³ In terms of the recent market dynamics, house prices have risen by over 30% since the start of 2019. However, in real terms prices are up by a somewhat more modest 16% (vs EU average 11%).⁴

The delivery of new affordable purchase homes by the KOAG in recent years has been limited. There were 16 new homes in 2023, followed by 24 in 2025.⁵ Aware of this, the Government's response is now centred on scaling up supply through an expanded housing strategy, including accelerated KOAG construction, greater use of planning incentives to leverage private-sector development, and the implementation of schemes such as affordable rental and renovation-based programmes.

This is supported by increased public funding commitments, including tens of millions of euro allocated to KOAG projects and broader housing support measures (indicatively €70–€100 million across all programmes), alongside efforts to mobilise additional private investment, with the overall objective of boosting housing output, addressing structural shortages, and improving access; especially for younger and low to middle-income households.⁶

1 _ Housing Europe. (2012). Housing Europe Review 2012: the nuts and bolts of social housing systems in Europe.

2 _ *Ibid.*

3 _ OECD Affordable Housing Database.

4 _ Based on Eurostat [tipsho30] and [tipsho40].

5 _ Presidency of the Republic of Cyprus. (2026, February 5). *President of the Republic: The government is making a major effort to address the housing challenge.*

<https://www.gov.cy/speeches/proedros-tis-dimokratias-h-kyvernisi-katavallei-megali-prospatheia-gia-antimetopisi-tis-proklisis-tou-stegastikou/>

6 _ *Ibid.*

RECENT DEVELOPMENTS IN HOUSING

Three new initiatives to boost the supply of housing for targeted groups are:

- **Affordable rental housing on state-owned land:** Cyprus is planning to develop around 500 rental units to be offered at below market prices in the coming years (completion horizon 2029-2031). Units will be built on state-owned land, and they will be managed by the KOAG. The cost of the scheme will be €70-75 million.
- **Scheme for the Construction of Collective Accommodation Units:** Will provide housing for those with short-to-medium-term needs, such as seasonal workers in the tourism sector. This, it is hoped, will help to free up 'conventional' housing for permanent residents. The scheme is also intended to support the smooth operation of productive sectors and ensure decent living conditions for workers.
- **Student Housing Construction Scheme:** Provision of planning incentives to increase the supply of student accommodation near universities. The Scheme aims to increase the supply of affordable student accommodation by introducing a new type of compact residential unit located near universities. The scheme allows flexible development options, including mixed-use and conversion projects, with reduced space and parking requirements to encourage faster and more cost-effective construction.⁷

HOUSING NEEDS TODAY

Recent analysis by the European Commission has identified housing supply shortages and demographic pressures—including population growth, migration and household formation—as key drivers of housing affordability challenges across the EU, including in countries such as Cyprus.

According to estimates prepared by the European Commission's Joint Research Centre (JRC) and DG ECFIN in support of the European Affordable Housing Plan, Cyprus may require approximately 43,000 additional dwellings by 2035. The estimate is based primarily on projected demographic and household-formation trends, while also accounting for existing housing shortages and replacement needs within the housing stock.⁸

The new housing support schemes in Cyprus fit within the paradigm of the 'New Unified Housing Policy' (Νέα Ενιαία Στεγαστική Πολιτική), a multi-year action plan for housing.⁹

The policy is structured around two axes: the first focuses on short- and long-term measures to increase the overall supply of housing—both through new construction and the activation of idle residential stock—ensuring that units are available at affordable prices for low- and middle-income households; the second axis contains measures to directly enhance citizens' purchasing power and access to affordable housing, with particular attention to young individuals, young couples, families, as well as supports for the acquisition of houses in specific "revitalisation" areas.

On the supply side, other than those already mentioned, key instruments include the "Renovate-Rent" scheme to bring vacant properties back into use, revised urban planning incentives offering developers increased building coefficients in exchange for delivering affordable units for purchase and a "Built to Rent" scheme on private land.

Additionally, the introduction of faster permitting procedures, by reducing approval times to 40-80 working days, depending on the scale of the project, is expected to facilitate the supply of housing units in the construction industry. It is also worth mentioning that a financing initiative supported through Recovery and Resilience Facility (RRF) is in effect, to support developing additional accommodation for students in the old city of Nicosia.

On the demand side, the policy mainly includes provision of subsidies/grants to young individuals/couples with children to acquire a house, special housing acquisition schemes in the form of subsidies/grants to individuals to acquire a house in mountainous, disadvantaged, or near the ceasefire areas, a mortgage interest rate subsidy scheme introduced by the Ministry of Finance and the provision of state-owned land to families, based on income criteria, in rural and disadvantaged areas (the latter is still under development/planning).

7 _ <https://www.gov.cy/moi/documents/nea-eniaia-stegastiki-politiki/schedio-anegersis-monadon-diamonis-foititon/>

8 _ Joint Research Centre. (2025, December 16). *Housing in the EU: More than 2 million new homes per year needed by 2035 to meet demand*. European Commission. https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/housing-eu-more-2-million-new-homes-year-needed-2035-meet-demand-2025-12-16_en

9 _ See : <https://www.gov.cy/moi/documents/nea-eniaia-stegastiki-politiki/>

