

Section 13: ESG, Sustainability & Resilience in Cyprus Real Estate

HUMAN-LED INTELLIGENCE. AI
PRECISION. A STRATEGIC DEEP DIVE.



The Asset Goals

- **Asset Value**
- **Financing Eligibility**
- **Exit Attractiveness**

The Filter: ESG

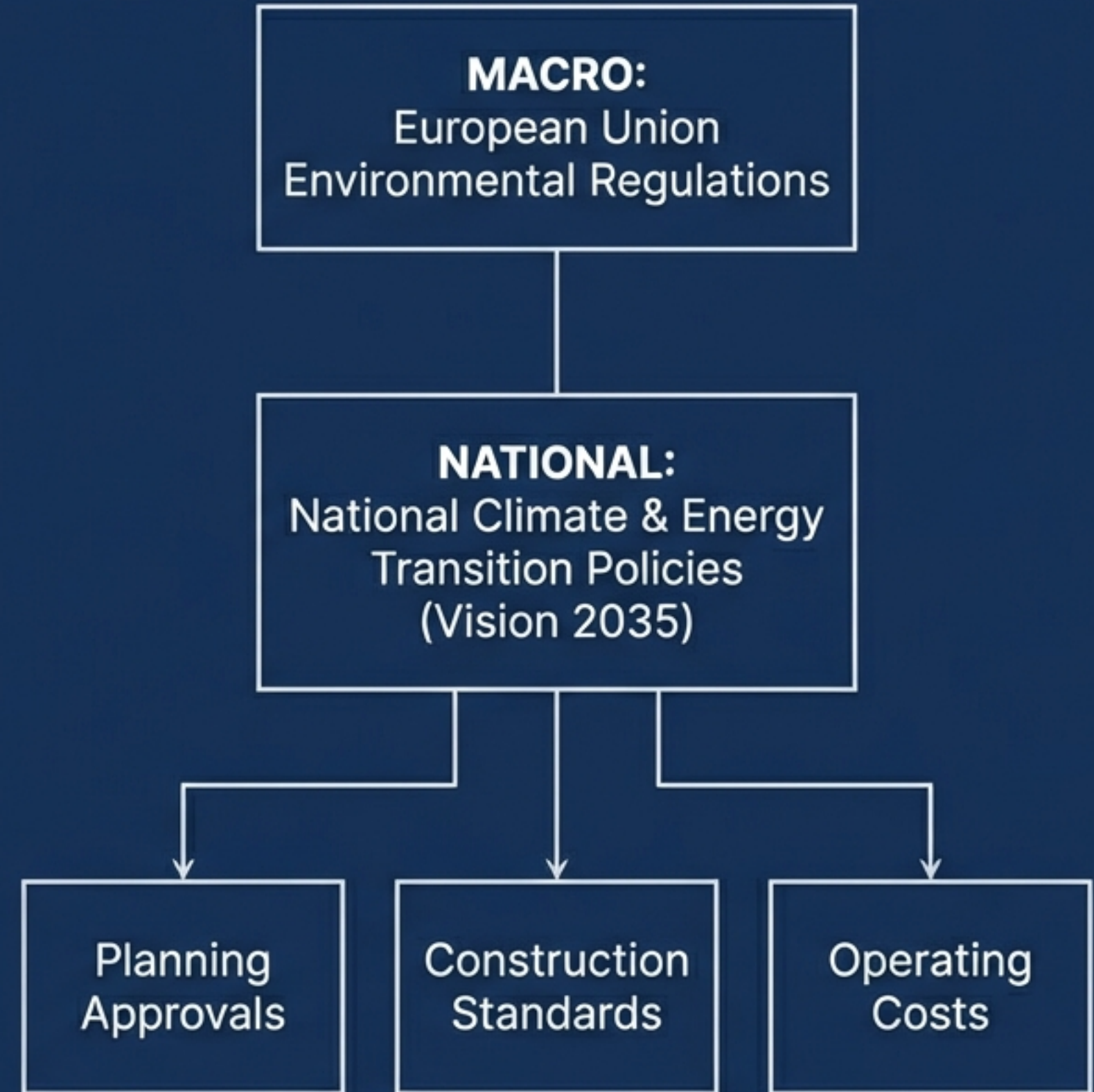
The Non-Financial Risk Filter

Section 13.1 Purpose. This analysis evaluates non-financial risk and resilience factors. In the Cyprus context, these factors are the primary drivers of long-term asset resilience.

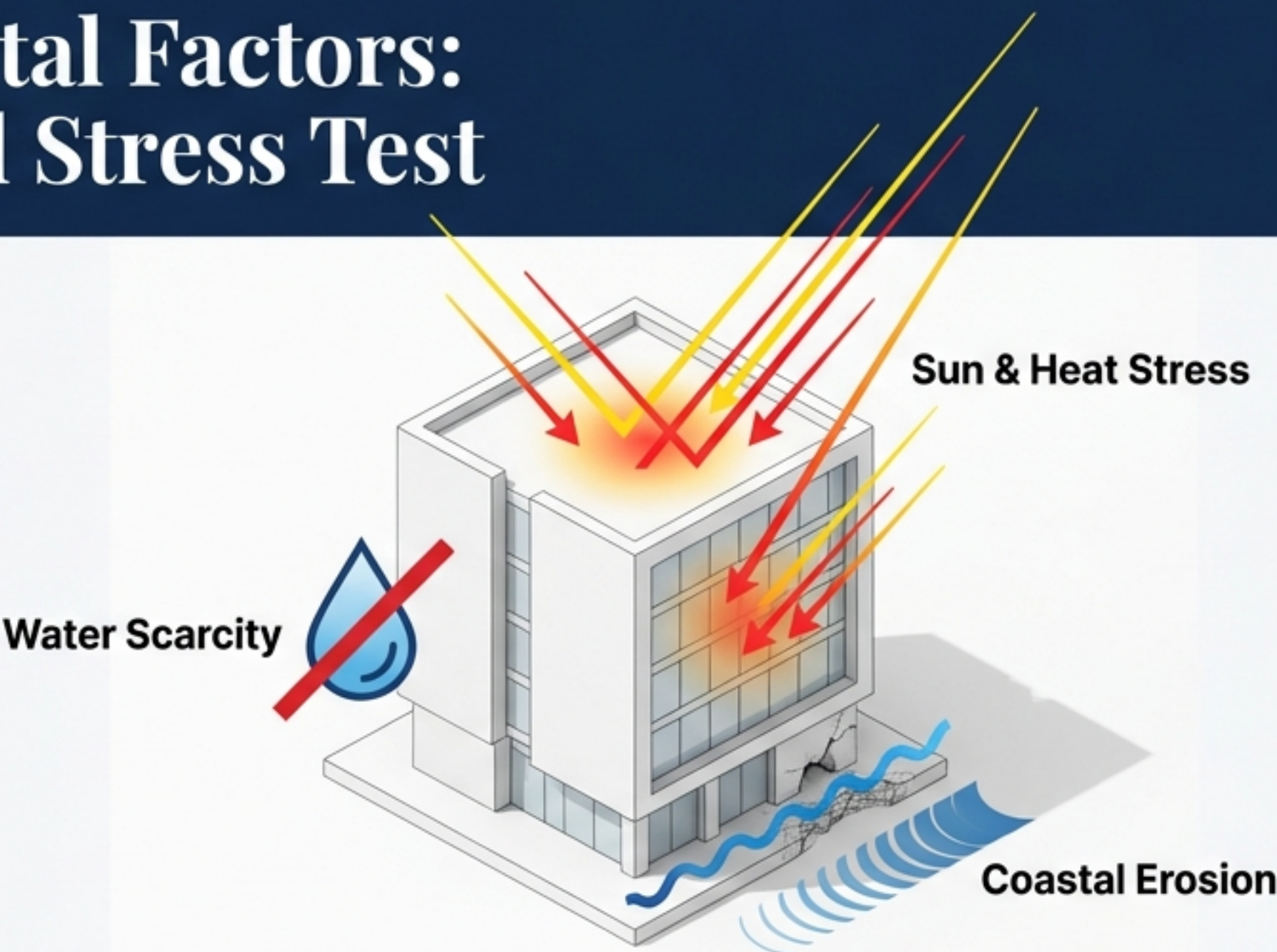
ESG in Cyprus is not branding – it is risk management.

The Regulatory Framework & Vision 2035

Cyprus aligns its sustainability direction with strict EU oversight. These macro policies directly dictate micro-impacts on development rights and construction costs.



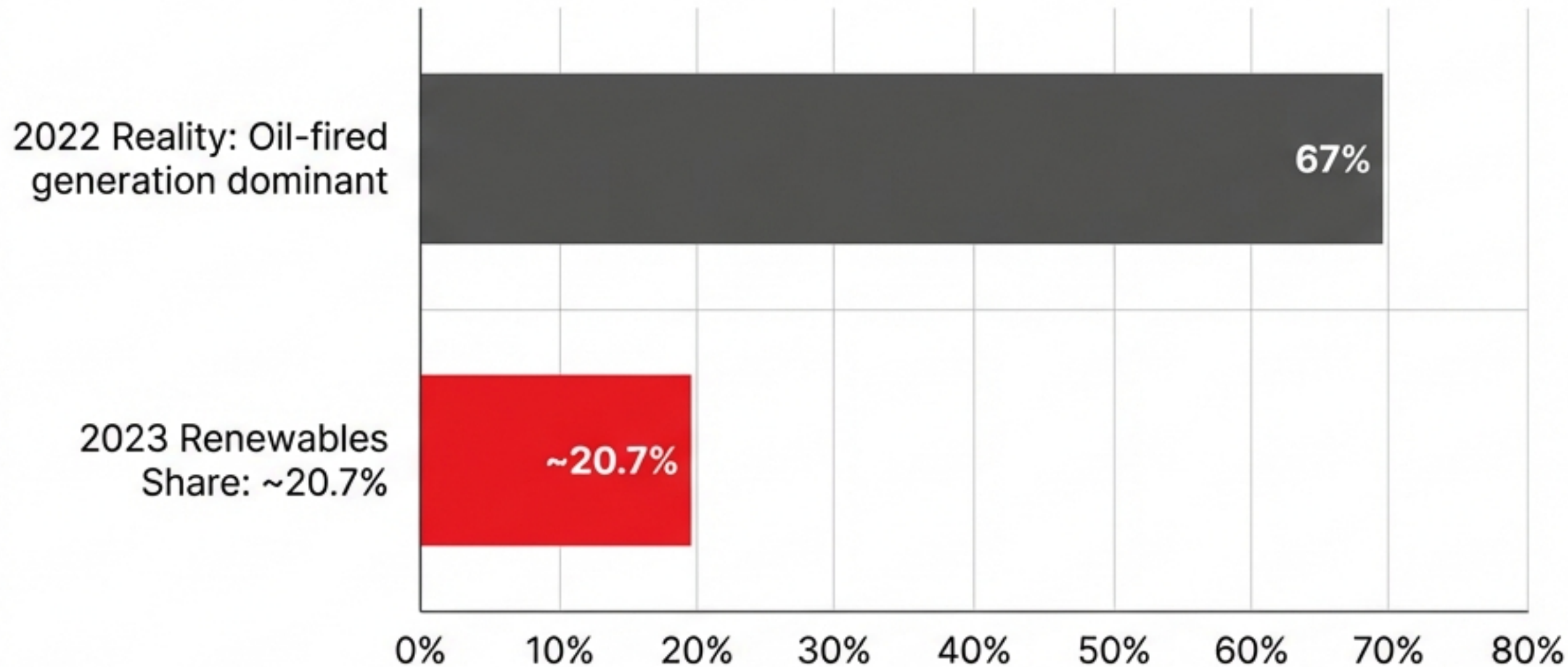
Environmental Factors: The Physical Stress Test



Climate Profile	Key Risks
<ul style="list-style-type: none">- Hot, dry summers- Mild winters- Increasing frequency of heatwaves	<ul style="list-style-type: none">- Heat stress on building envelopes- Water scarcity- Energy dependency- Localized coastal erosion
<i>Real Estate Implication: Higher demand for energy-efficient buildings with integrated shading, insulation, and cooling systems.</i>	

The Energy Transition: From Oil Dependency to Solar

Driven by Solar PV and updated NECP 2021-2030 policies.



Insight Box:

Investor Warning:

Energy-inefficient properties face long-term value erosion. New developments face higher performance standards; older stock faces retrofitting pressure.

Water Security & Structural Scarcity

Cyprus is structurally water-scarce. Official reports cite very low reservoir levels in 2025 and a heavy reliance on desalination.



Mitigation Measures	Real Estate Implications
<ul style="list-style-type: none">- Desalination plants intensification- Water recycling systems- Usage controls	<ul style="list-style-type: none">- Large-scale developments subject to stricter infrastructure approval- Landscaping and water-intensive features significantly increase operational costs

Social Factors: Demographics Driving Demand

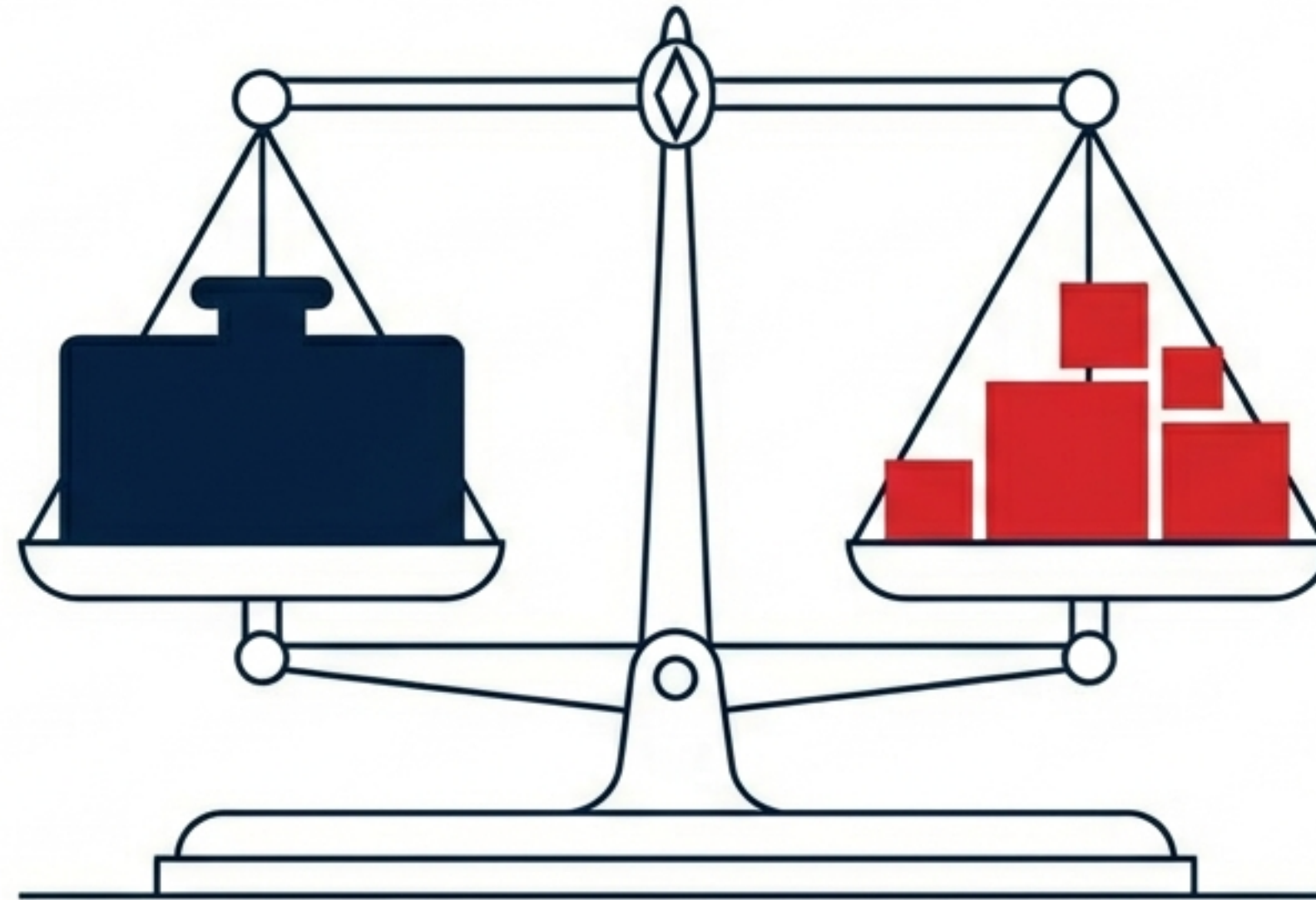
		
Population	Infrastructure	Impact
<ul style="list-style-type: none">- Mixed local/foreign base.- Strong expat & retiree communities.	<ul style="list-style-type: none">- Nationwide healthcare coverage.- Structured public education & growing private sector.	<ul style="list-style-type: none">- Stable long-term residential demand.- Specific demand for family-sized units.

High reliance on service and tourism employment underpins the rental market.

Governance: National Framework vs. Project Execution

National Framework

EU Oversight,
Independent Judiciary,
Formal Land Registry.

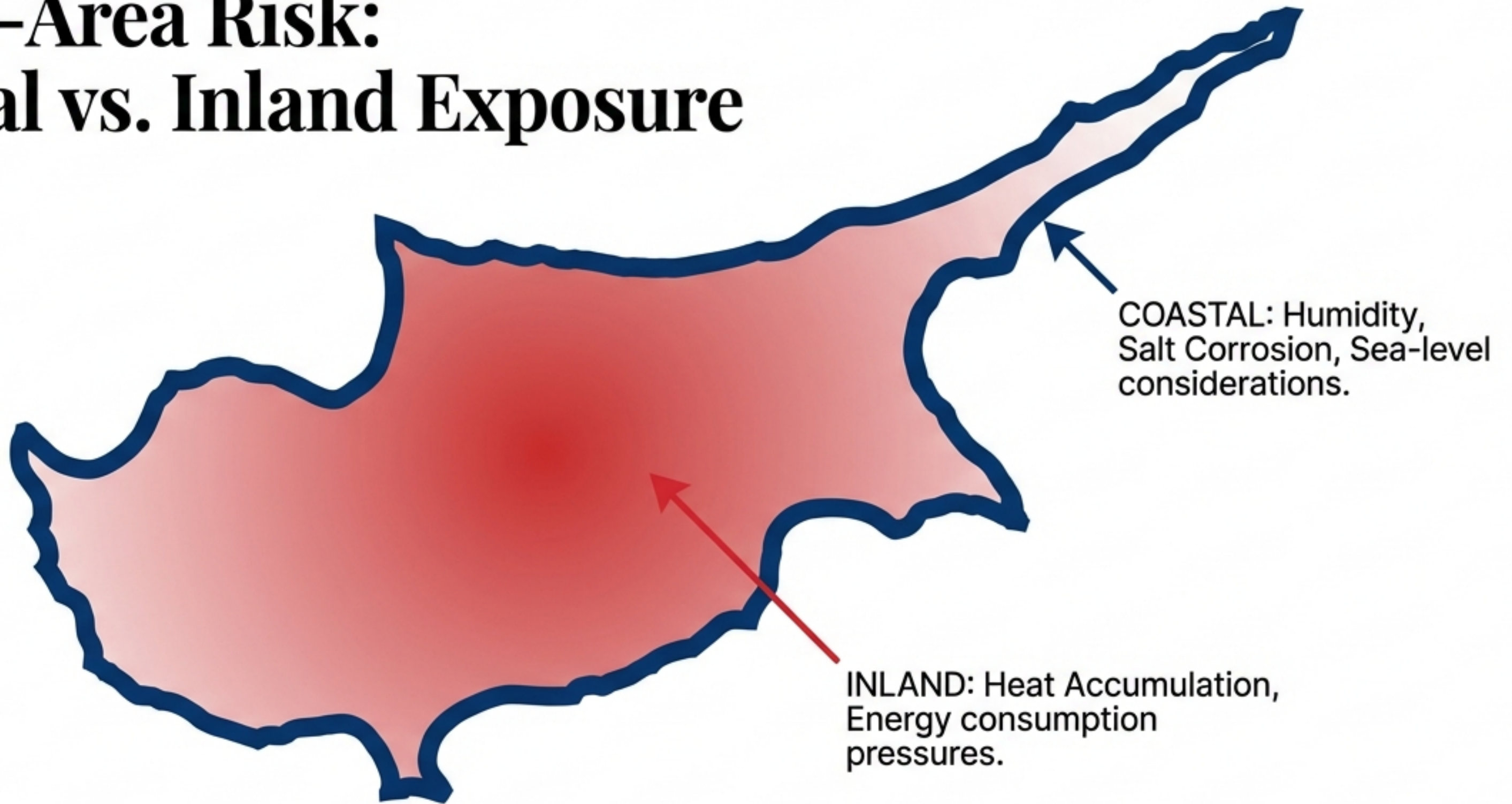


Project Execution

Planning Timelines,
Title Deed Delays,
Developer Compliance.

Governance risk is project-specific, not country-wide.

Micro-Area Risk: Coastal vs. Inland Exposure

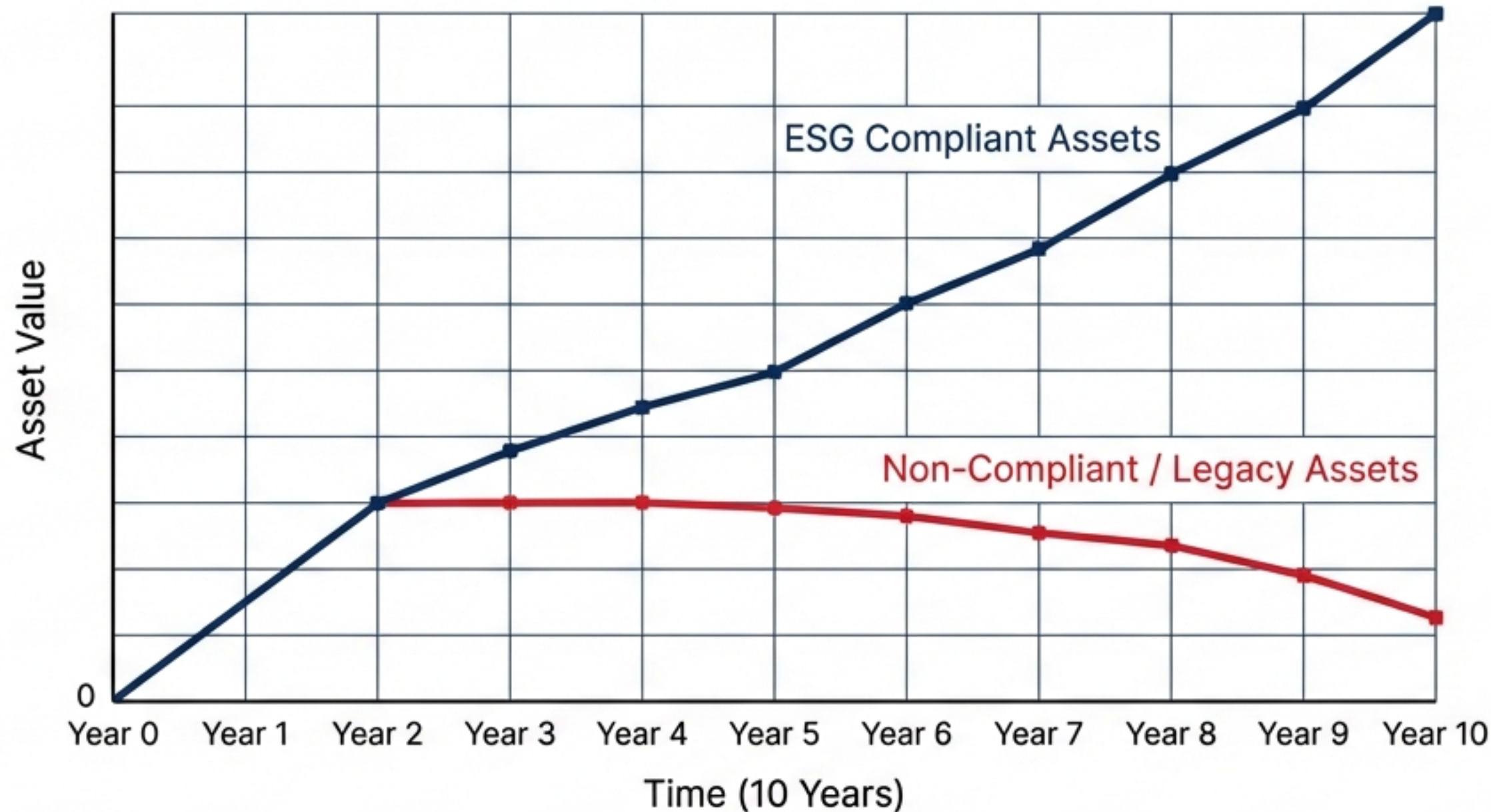


Location selection must balance climate comfort with long-term resilience.

Indicative ESG Readiness by City

City	Environmental Risk	Social Infrastructure	Governance Clarity
Nicosia	Medium (heat)	Strong	Strong
Limassol	Medium (coastal)	Strong	Medium
Larnaca	Medium	Good	Medium
Paphos	Low-Medium	Adequate	Medium
Famagusta District	Medium-High	Limited	Medium

The Future Valuation Filter



1. Energy efficiency will increasingly affect resale value.
2. ESG-compliant developments will access broader financing pools.
3. Poorly planned assets will face discounting.

“ESG is becoming a pricing mechanism, not an ethical choice.”

Summary & Strategic Anchors



Performance: ESG factors directly influence long-term real estate performance.



Valuation: Climate and energy resilience are growing valuation drivers.



Governance: Quality varies by project; due diligence is essential.



Risk: Sustainable assets reduce future regulatory and cost risks.



Navigating Complexity with Intelligence

We combine deep data analysis with local market expertise to secure resilient assets.

Contact RE/MAX Smart Concept for specific project assessments.

Disclaimer & Contact

This presentation is for informational purposes only and does not constitute financial or legal advice. All data regarding Section 13 is derived from the 'Cyprus Directory.'

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