

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

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PRECISION. A STRATEGIC DEEP DIVE.



# The Asset Goals

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

# The Filter: ESG

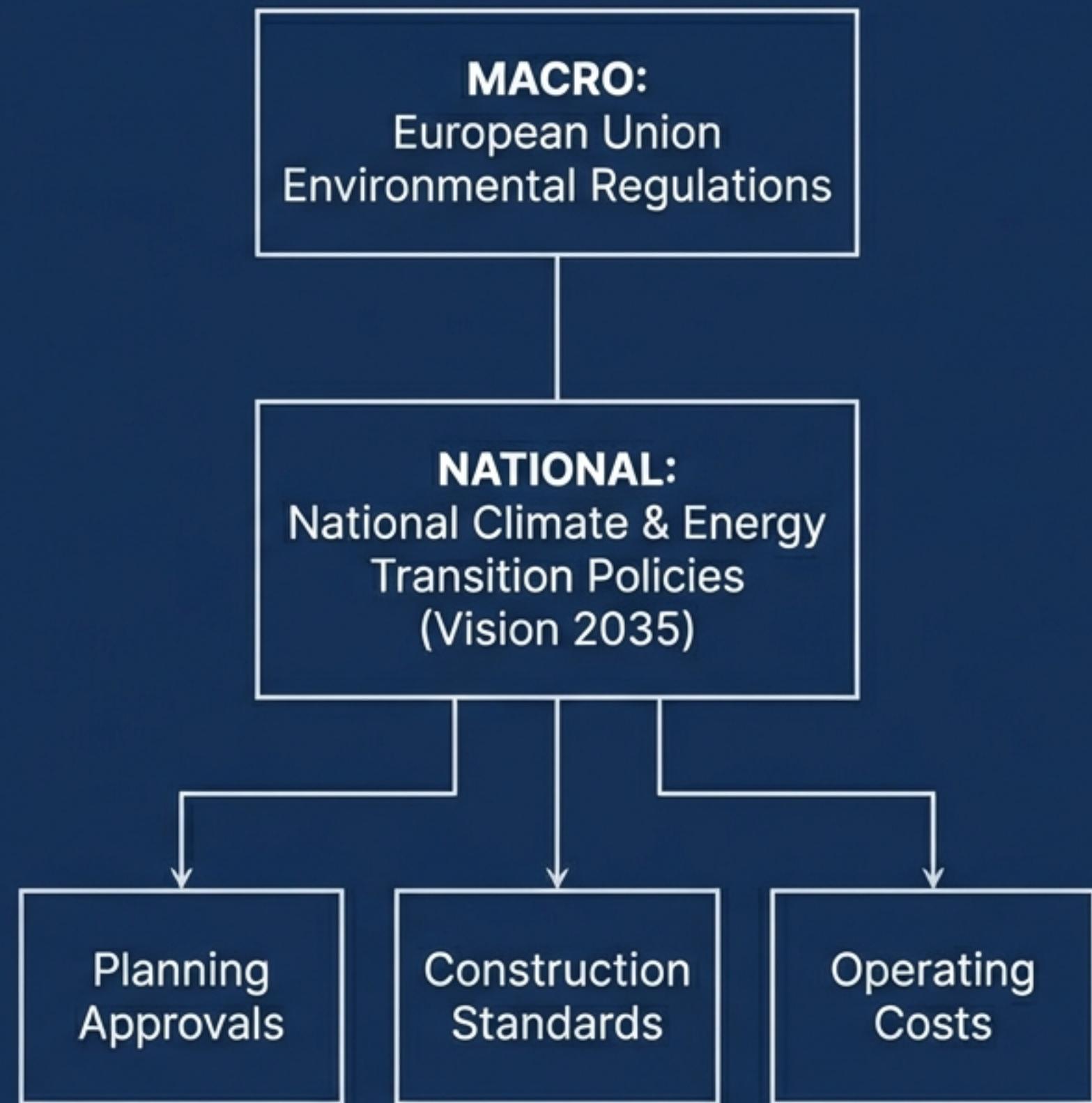
The Non-Financial Risk Filter

**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.

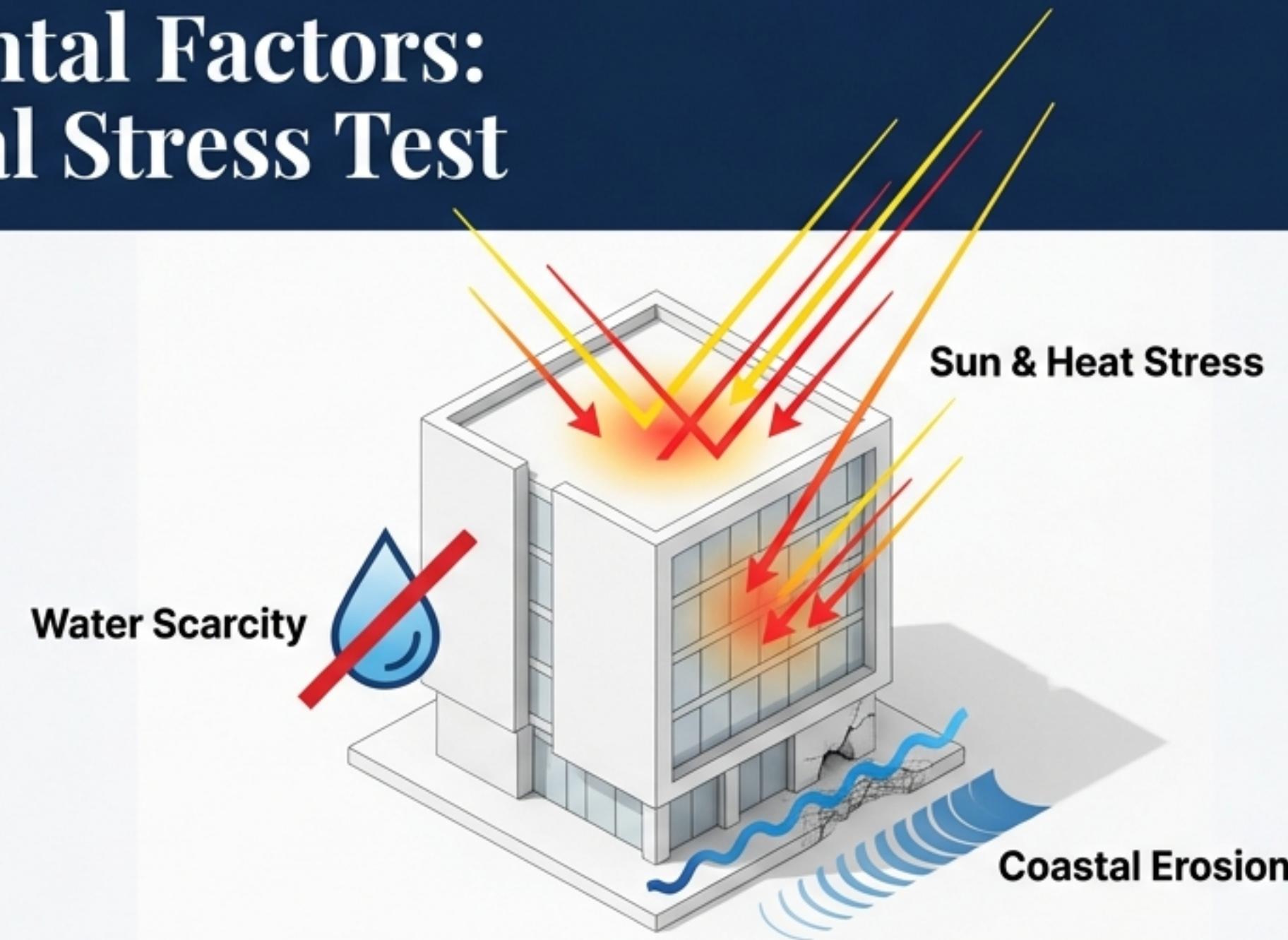
***ESG in Cyprus is not branding - it is risk management.***

# 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

- Hot, dry summers
- Mild winters
- Increasing frequency of heatwaves

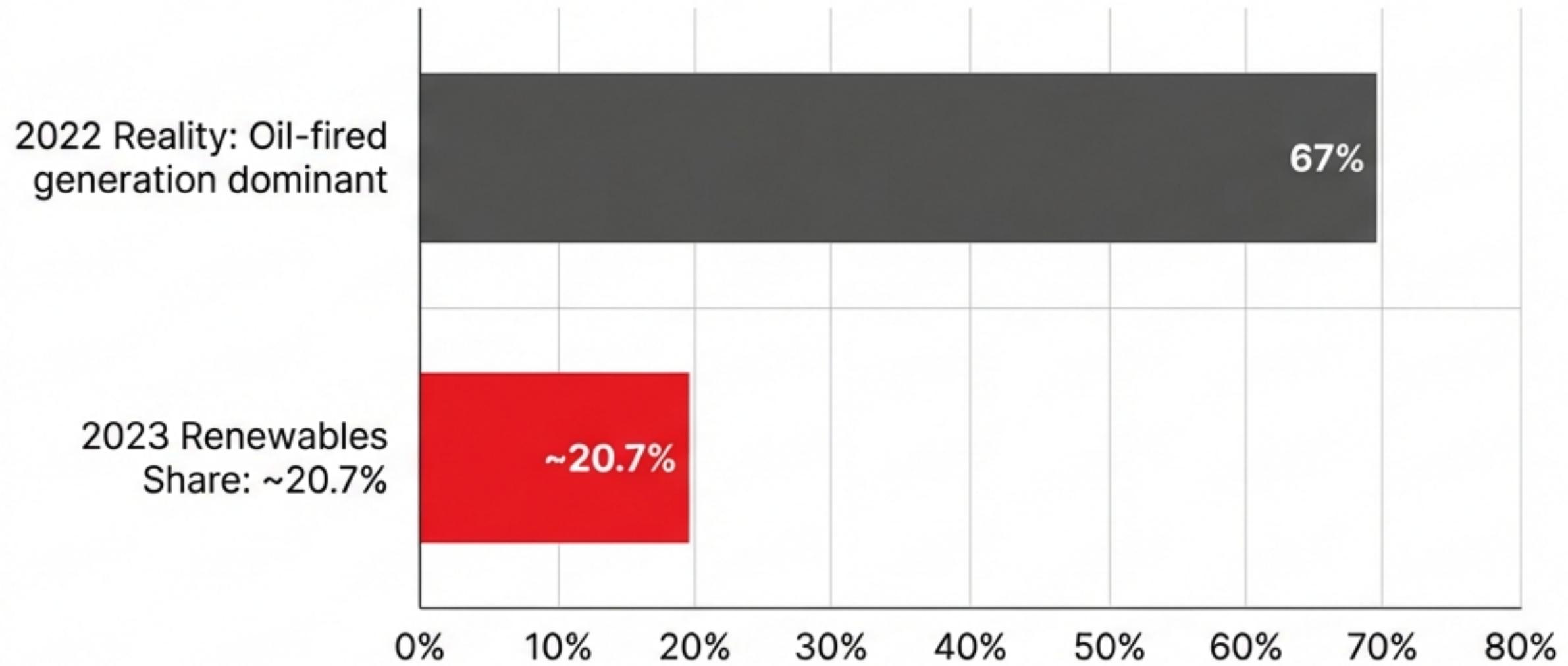
## Key Risks

- Heat stress on building envelopes
- Water scarcity
- Energy dependency
- Localized coastal erosion

**Real Estate Implication:** Higher demand for energy-efficient buildings with integrated shading, insulation, and cooling systems.

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

# Social Factors: Demographics Driving Demand



## Population

- Mixed local/foreign base.
- Strong expat & retiree communities.



## Infrastructure

- Nationwide healthcare coverage.
- Structured public education & growing private sector.

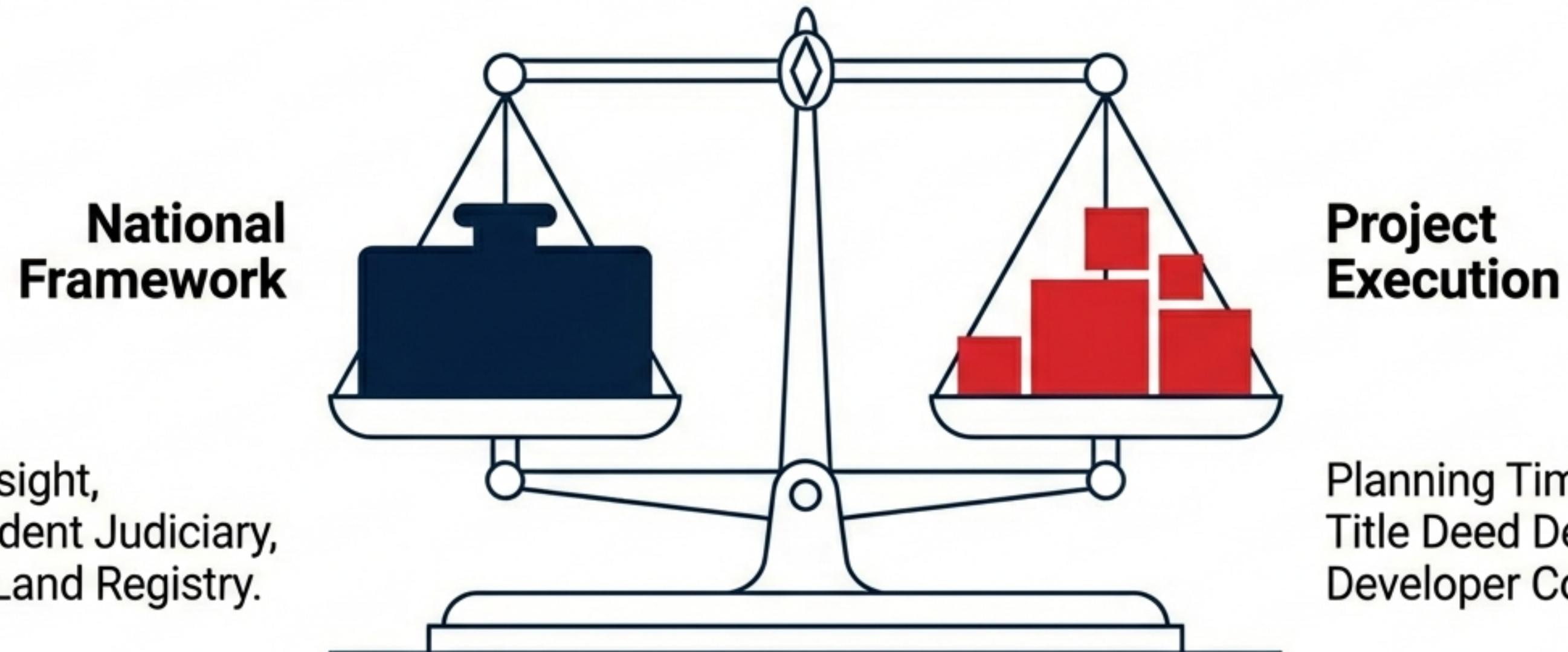


## Impact

- Stable long-term residential demand.
- Specific demand for family-sized units.

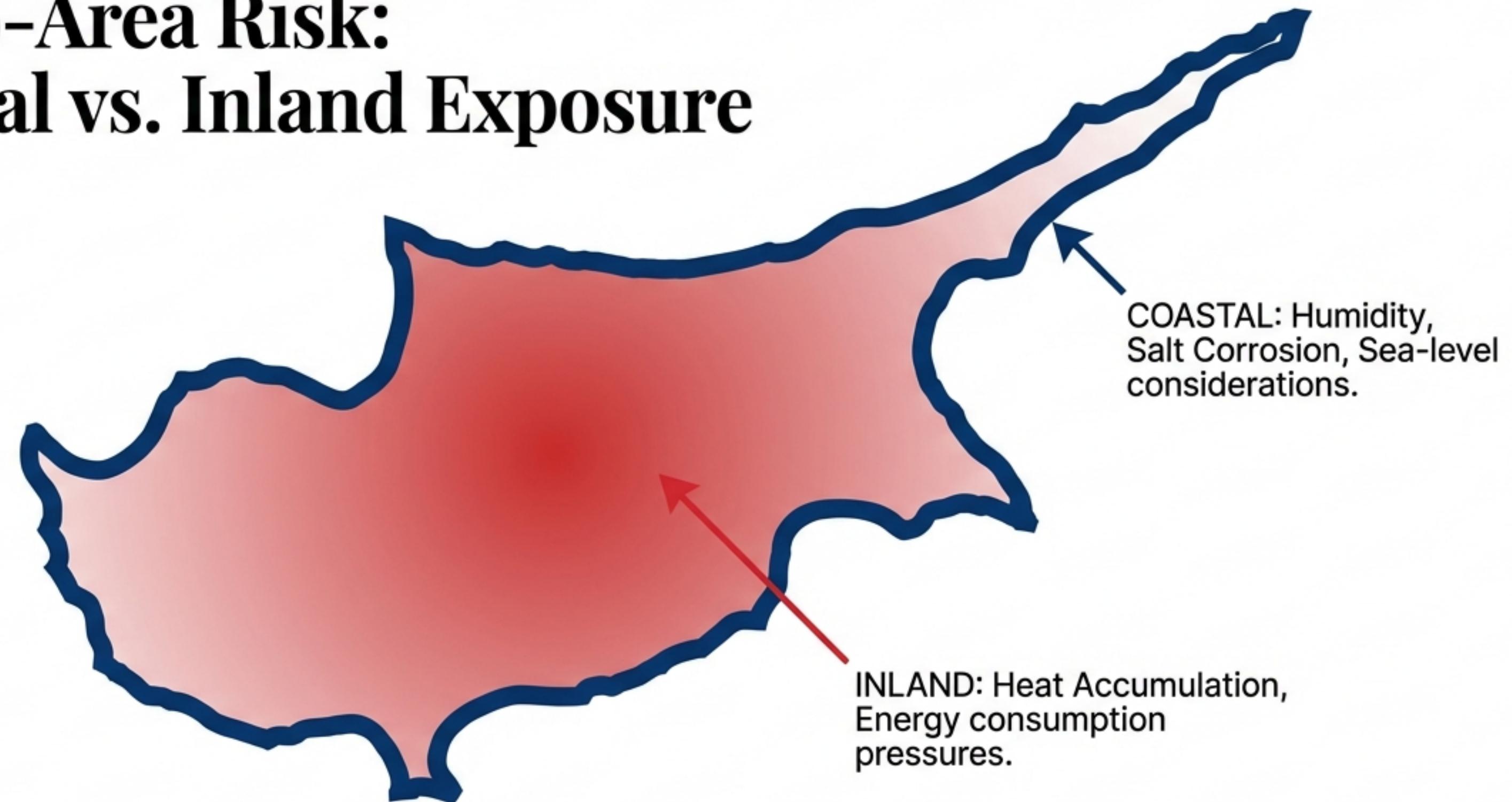
**High reliance on service and tourism employment underpins the rental market.**

# Governance: National Framework vs. Project Execution



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

# Micro-Area Risk: Coastal vs. Inland Exposure

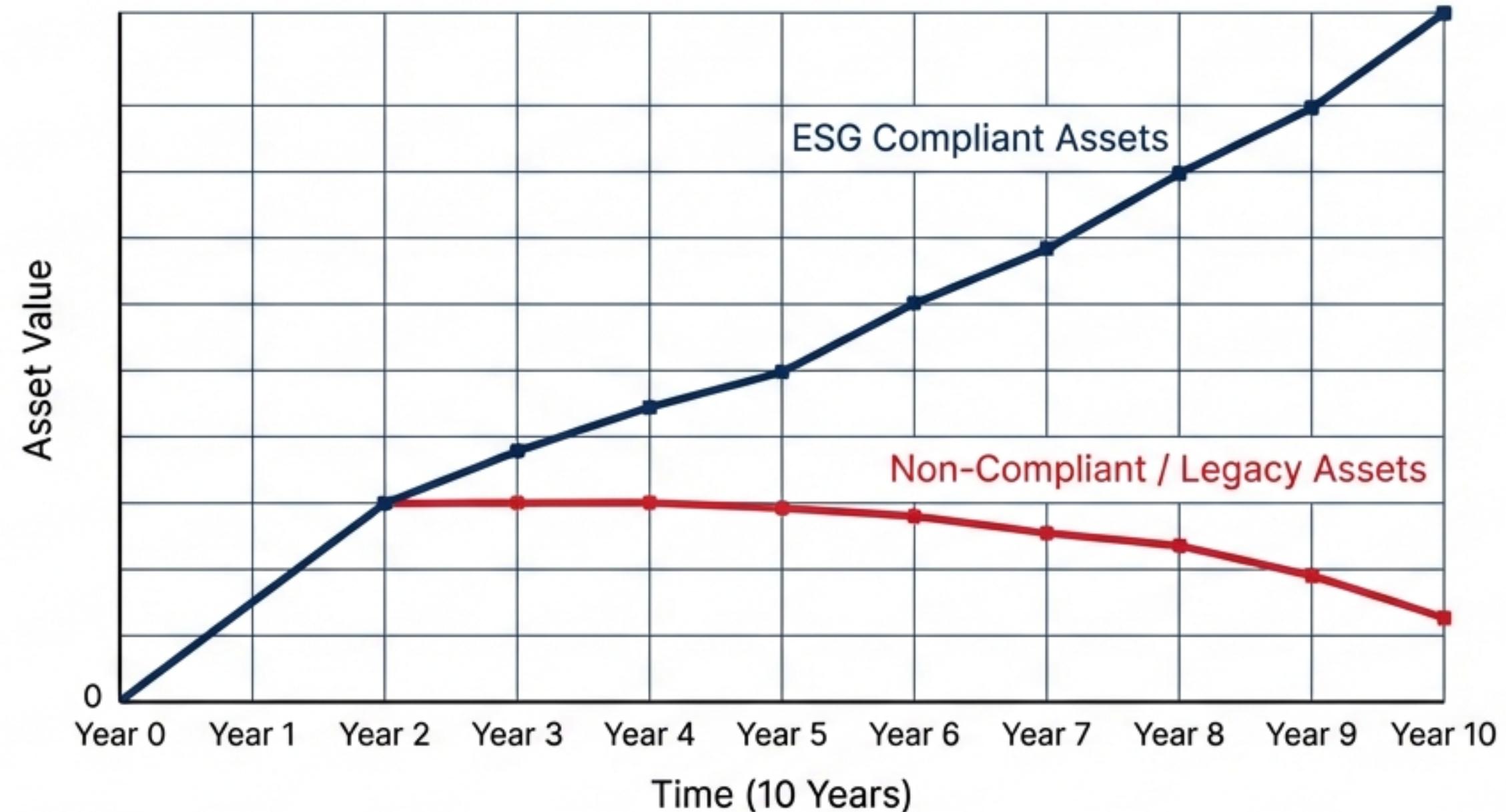


Location selection must balance climate comfort with long-term resilience.

# 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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