

# Limassol Apartment Asking Rents Analysis | Q2/2023

## OUTLINE

Change Q2/2023 vs Q3/2022

↑97%

Active Supply

↓2.5%

Median Asking Price / sqm

- Significant increase in available rental apartments
- Decrease in the overall median rental prices
- Rental prices remain at considerably elevated levels

## SUPPLY

In general, the rental supply of apartments in Limassol for Q2/2023 indicates a noticeable upward trend in all urban, suburban, and rural areas, highlighting an expanding availability of rental properties. The active supply of apartments identified has nearly doubled (+97%) within a span of 9 months comparing to Q3/2022. Most of the supply is concentrated in the central and eastern regions of Limassol, which are also associated with higher prices. Despite the overall growth in available apartments, the comparatively more affordable western areas still experience limited stock availability when compared to the central/eastern part of the city.

This surge in supply could be stem from the market's inability to absorb the accumulated inventory of high-priced apartments from previous periods due to alternations in tenants' profile. Secondly, it could result from diminishing rental renewals, resulting in a greater number of vacant properties. Additionally, the higher prices motivate more property owners to list their units for rent in the market.

Active Supply of Rental Apartments in Limassol Q2/2023 by Submarket (% Change Q3/2022)



FIGURE 1

Source: Own Research



Overall Limassol Rental Apartments Results

Asking Rent Price	Q3/2022 €/sqm/m	Q2/2023 €/sqm/m	% Change
Median	€20.8	€20.3	-2.5%
Mean	€22.8	€22.5	-1.2%
StDv	€10.3	€8.5	-17.8%
Mode	€21	€18	-14.3%

RENTAL PRICES

While the figures offer a preliminary perspective, the overall estimated decrease in median rental prices (-2.5%) can primarily be attributed to the increased supply of rental properties, potentially influenced by other factors as well. The rise in rental inventory is compelling certain landlords, particularly in the eastern and southcentral areas of the city, to adjust their pricing downward. Additionally, the substantial variation in prices caused by distinct submarkets within the city appears to have narrowed significantly compared to the third quarter of 2022. Concurrently, prices in the central, western and rural regions of Limassol are experiencing an upward trajectory, as they serve as a substitute for demand to the coastal and eastern areas.

Despite this decline, rental prices across all areas still remain considerably high. This can be attributed to a combination of high demand, elevated inflation rates, and mortgage rates, which are effectively sustaining rental prices at their current levels.

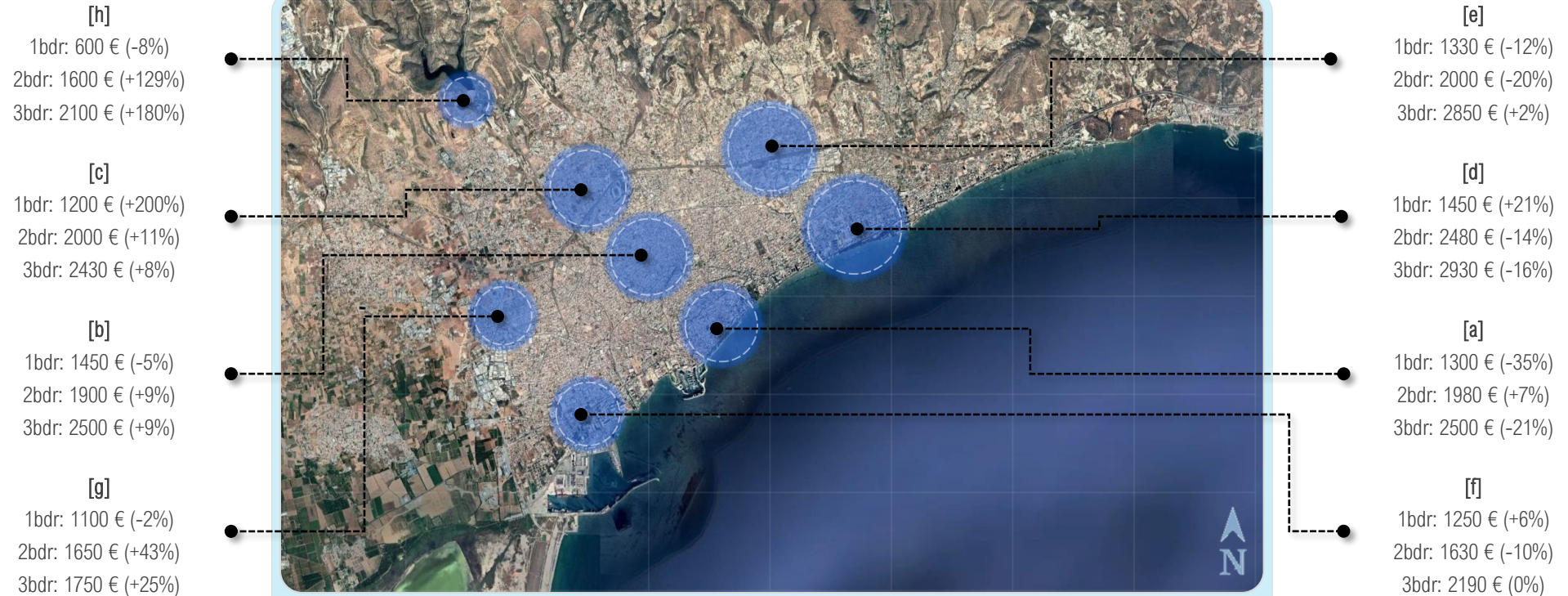
Median Asking Rent/sqm/month of Rental Apartments in Limassol Q2/2023 by Submarket (% Change Q3/2022)



FIGURE 2

Source: Own Research

Median Asking Rent/Month of Rental Apartments in Limassol Q2/2023 by Bedroom Type and by Submarket (% Change Q3/2022)



<b>[a]</b>	Historical Center, Limassol Marina, Neapoli, Enaerios, etc.	<b>[e]</b>	Germasogeia, Ag. Athanasios, Ag. Tychon, Pareklisia, Pyrgos, etc.
<b>[b]</b>	Laniteio, Petrou & Pavlou, Mesa Geitonia, etc.	<b>[f]</b>	Zakaki, Omonoia, Trachoni, etc.
<b>[c]</b>	Panthea, Ag. Fyla, Ekali, etc.	<b>[g]</b>	Kato Polemidia, Ypsonas, Kolossi, Erimi, etc.
<b>[d]</b>	Potamos Germasogeias, coastal/touristic areas, etc.	<b>[h]</b>	Rural areas (villages across district)

FIGURE 3

Source: Own Research



Elaborating on **Figure 3**, Limassol's median rental prices in absolute amounts for Q2/2023 reveals diverse trends across submarkets and bedroom types. These trends suggest potential shifts in supply and demand dynamics within the rental market, indicating changing preferences and requirements among tenants. These shifts could be attributed to various factors, including relocations of tenants within the city and alterations in the demand for smaller or larger apartments. In any case, it is important to note that despite the varying trends and fluctuations, prices generally remain at elevated levels. This indicates that the overall real estate market in Limassol continues to exhibit strength and resilience.

While certain submarkets experienced increases or decreases in prices, it is evident that the overall market conditions in Limassol are characterized by a high level of demand and limited supply for affordable housing despite the surge in available apartments. The city's status as a significant business and financial hub contribute to the sustained demand for real estate in the region. Moreover, the elevated price levels may also be attributed to various external factors such as inflationary pressures, increased construction costs, and global economic instability that influence the real estate market.

## NOTES & METHODOLOGY

It is important to clarify that the asking rent prices should not be taken as an accurate reflection of the market rent or the final closing price. Empirical data shows that asking rents exhibit high volatility and often deviate significantly from market rents. Therefore, it is expected that final closing prices, in general, will be adjusted downward.

Also, it is important to emphasize that each property vary in terms of physical and/or legal characteristics. Therefore, the estimates provided for the median or average rent may not be applicable to every property within a given area. Factors such as location, size, condition, amenities, and local market conditions, etc. can significantly influence rental prices.

Furthermore, it should be noted that there are instances where property information is deficient, insufficient, incorrect, or duplicated, which impacts the overall quality of the database. Additionally, the analysis is based on a sample dataset, which means that the total active quantity supplied may differ, potentially affecting the results. While efforts have been made to ensure accuracy and reliability, this report is not without limitations.

Despite these limitations, analyzing asking rents provides valuable insights into market trends and holds its own significance. Furthermore, price trends are influenced by various factors that may not all be addressed in this report and may not be feasibly included.

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