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PURCHASING OFF-PLAN REAL ESTATE PROPERTY IN CYPRUS

An off-plan property is considered a property (either residential or commercial) that is being bought before a structure has been constructed upon it.

In a rapidly rising market, buying off-plan enables the buyers to buy a property at a lower price than if they wait for construction of their elected property to commence and the price of the property is possible to increase between the period of signing the contract and taking delivery.

In addition, buying off-plan allows the buyer to customise and differentiate their property as compared to the original plans of the project's developer and/or architect.

However, there are a number of risks related with buying property before whole completion of the project; some of those are delays on delivery and the risk of non-completion.

To reduce the chance of experiencing problems (or even eliminate it altogether) when buying off plan, you should check the following:

- Make sure that your lawyer drafts a contract between you and the developer which has your interests uppermost. For example, in the event of a default by the developer, your lawyer will have to make sure that you will have the right to claim compensation or other damages, which you may have suffered from such breach according to the terms of your Contract and the Law. Another option, in case that the developer fails to complete and/or deliver the property on completion date, is to make sure that as per your Contract, you will be liable to claim a delay charge.
- Ensure that your payments are made when key stages of construction have been finalised. Usually, an architect certifies the completion of each agreed stage of construction or supervising engineer and then the agreed stage payment is handed over. Never hand over any money in advance, apart from a decent deposit.
- Make sure that the property is finished before making the final payment. A finished property is one where the building is complete in every detail (as confirmed by your own lawyer or architect).
- Use a local lawyer, experienced in this kind of purchase arrangement.

The purpose of this legal briefing is to provide a general guideline on the subject and not to be considered, in any way, as legal advice. It is advisable to seek professional and legal advice on this subject before proceeding with any general information provided to you. For further clarifications and advice please contact us at legal@economideslegal.com.



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