

# Land Management Procedures and Informal Constructions in Cyprus

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FIG Working Week 2008 – Integrating Generations

## Objectives



- Investigation of the institutional infrastructure, procedures & responsibilities in terms of land development
- Are there any illegal constructions in Cyprus or not?
- Identification of weaknesses in the land development procedures that may encourage illegal construction
- Identification of problems created both to the state and to the owners of the illegal buildings
- Evaluation of the tools used for the legal integration of such informalities
- Proposal for improvements

Of the Mediterranean islands Cyprus is the third largest, and lies in the southeastern region of the sea

Size: 9,251 km<sup>2</sup>

Mean temperatures: 5-36°C

Administrative structure: 6 districts

Population: 749,200 (2004) in the  
5,987.25 km<sup>2</sup>

Number of residences: 293,985 (2001)  
68.2% private residences

Rapidly increasing economy

GDP per capita income: 20400 Euro  
94% mean income EU

Annual growth rate GDP 3,8% (2005)

Cyprus became a member of the EU  
in May 2004



## Responsibilities of the Cyprus Ministry of Interior

- Department of Lands and Surveys responsible for the
  - production of cadastral maps,
  - registration of ownership rights,
  - mortgages,
  - valuation,
  - cartographic data, GIS, etc
- Department of Town Planning and Housing responsible for the sustainable development and the environment, with several departments for the
  - Adoption of zoning and planning regulations,
  - compilation of development plans and projects,
  - housing policy and cultural heritage issues
  - development control and planning Implementation
  - Local authorities (building permits)



## Sector of Development Plans and Projects



Zoning and planning in Cyprus :

- The Plan for the Island of Cyprus (refers to the whole island and remains unpublished)
- Local Plans (they include policies and a broad range of regulatory plans for a variety of development types, infrastructure networks, etc, for large geographical areas)
- Area Plans (they include policies and regulations, at a more detailed level and for smaller geographical areas than the Local Plans)
- Policy Statement for the Countryside for the Sustainable Development of Cyprus (for areas not included in the Local or Area Plans)

## Local Plans



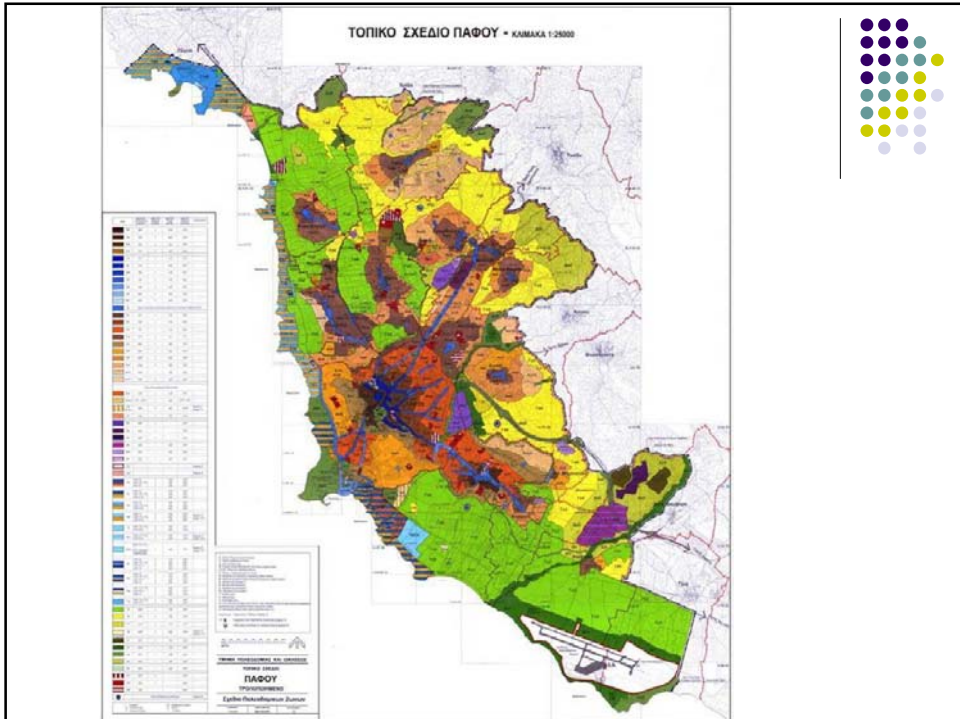
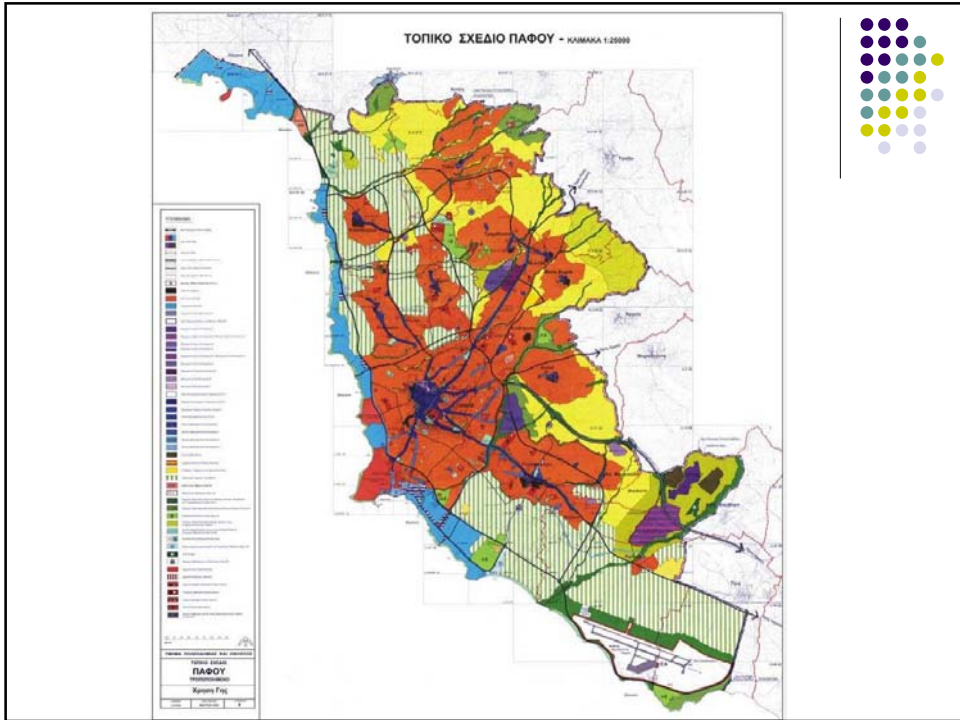
The content of the Local Plans includes:

- Written regulations (where the general and specific policies in the area of interest are defined)
- Plans and Maps (where land-use zoning and planning regulations are defined for the area of interest)

Types of Local Plans:

- Administrative structure
- General spatial Plan
- Main Road Network
- Main cycle network
- Land use maps
- Aircraft noise maps
- Town planning and zoning





## Update and revision of Local Plans



- Every 5 years according to Law for Town and Spatial Planning 90/1972 (by the Ministerial Board)
- Other involved agencies: Local authorities, Department of Town Planning and Housing, Department for fresh water supply
- Publication of the revised plan
- Objection submission
- Objection examination and amendment, submission to the Ministerial Board
- Ratification by the Ministerial Board
- The whole objection procedure should be finalized within 18 months

## Planning Permit

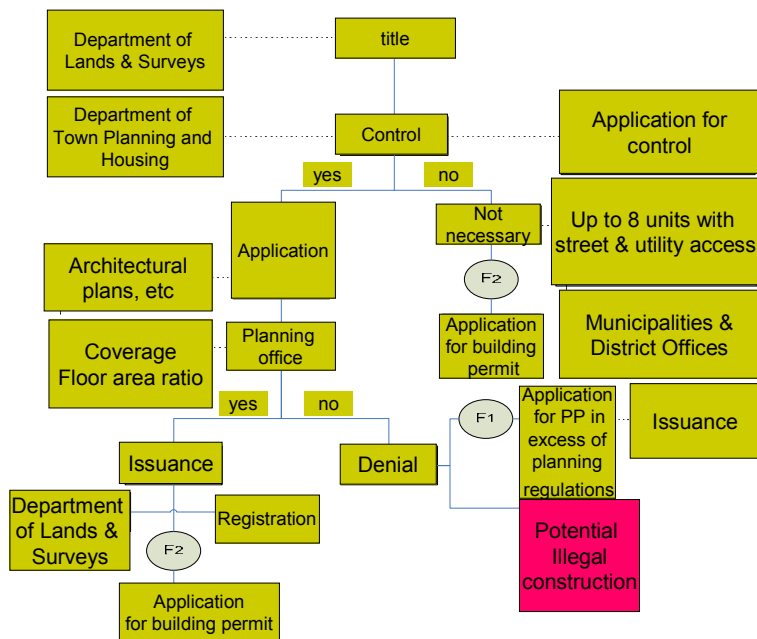


- By Law 90/1972, planning permit constitutes the first step of the development process
- Responsible agency: Municipalities and District Offices for Planning and Housing for the rest areas
- Refers to the ratification of the architectural study of the construction in terms of volume, land coverage percentage and floor area ratio

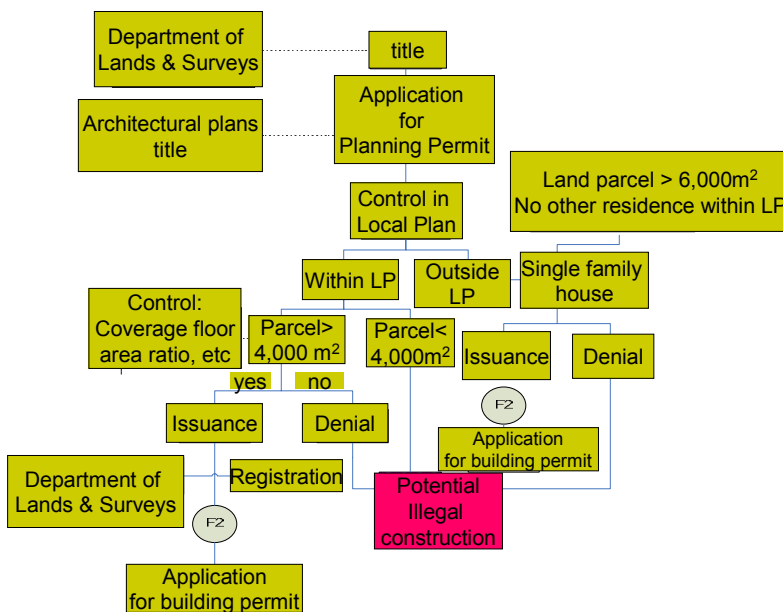


Nicosia old town

## Planning permitting process in the urban area



## Planning Permitting process in rural areas



## Building Permit

- Issuance of building permit follows issuance of planning permit
- Necessary for any construction
- By subdivision control Law
- Issued by the municipality



At completion of construction the owner should apply to the Municipality for final inspection, certificate of compliance & Registration of the construction to the Department of Lands & Surveys

Frequently exceed the limits of the building permit so the result is an illegal construction

## Cyprus is an attractive destination both for residence and tourism



Rapid increase of international real estate market

## Illegal constructions in Cyprus



- Appeared during the last decade
- No slums
- No lack of cadastre and planning infrastructure
- No unrealistic regulations
- No low income
- Existence of housing policy
- Rapid market demand



## Classification of Illegal constructions and causes of their creation



Illegal constructions in Cyprus are classified as:

- Without a building permit
- With exceeds of building permit
- Without a planning approval

They may lie:

- Within the area of Local Plans
- Outside Local Plans within the greater urban or rural area
- Within protected areas





### Causes:

- Increased need for more comfortable houses
- Increased land values require land use change (rural to urban)
- Profit
- Increased RE market demand for vacation houses



## Types of Illegal Constructions in Cyprus



Two types of illegal constructions exist:

- with a planning & a building permit
- no permit

**For a legal transaction, or mortgage, the real estate has to be registered (title, planning & building permit & compliance certificate are required)**

## Transactions of illegal constructions



- Condominiums may be registered by the sales contract before the completion of the construction (so a compliance certificate is not necessary for the transaction).

**Illegal condos though cannot acquire a title, so any further transaction is impossible**

- Single family houses registration requires a compliance certificate.

Only transaction of the parcel is legal. In case of on site valuation all taxes are paid, otherwise not, since the estimated value refers only to the land value of the parcel.

## Statistics



By the Department of Lands & Surveys it is estimated that:

- 80% of condominiums are registered, but many owners do not get titles
- 60% of single family houses are not registered. 40% of them have small illegalities while 15% have large. The rest 45% is not registered due to no interest for transaction

## Penalties



- Notification (in 2005, Nicosia 40)
- Partial compliance & legalization
- Monetary penalties
- Denial of services
- Punishment of the responsible engineer
- Prohibition of transaction/ mortgage
- Demolition (not applied, unpopular)



## Conclusions



### Illegal development causes:

- Loss of transaction and taxation fees
- Additional costs for land upgrading
- Public dissatisfaction
- Owners require quick urbanization procedures
- Current procedures create an impact on land tenure and RE market
- Planning regulations and procedures have been improved within 2008

Land administration system in Cyprus is well established - no serious weaknesses exist.

Local & international RE market increase creates increased needs for urbanized land, especially for vacation houses.

New legislation is under compilation to improve coordination within agencies, e-governance, and to speed up urbanization procedures. Urban land readjustment and land consolidation tools are under investigation.