

Has the British love affair with Cyprus come to an end?

By Bejay Browne

THOUSANDS of Brits have moved to Cyprus over the last 30 years, after falling in love with the island, the locals and the lifestyle, but there are signs this love affair with Cyprus might finally be over.

Tina Hadjigeorgiou and her family have been in the building industry since 1981. Due to the high demand from the British market, they evolved into Tritonia developers in 1993. In recent years she has noticed a steady stream of Britons returning home while new buyers from Britain have fallen steeply. The global credit crunch and the introduction of the euro are both important factors.

"I've had customers selling up and moving to Thailand and Bali. The credit crunch is affecting everyone, and the ex-pats here are losing out, when they convert their sterling pensions. Since we joined the EU and the euro became legal tender, prices have soared," said Hadjigeorgiou.

"Our custom has dropped tremendously. People can't sell in the UK because of the global recession. It isn't only confined to Cyprus. Britain is suffering from the biggest drop in house prices since 1990. I think it will take two or three years for the market to recover."

Competition from countries such as Romania and Bulgaria, where properties are cheaper has also hit the Cypriot property market.

"People are buying the 'same' house for a lot less in other countries such as Romania and Bulgaria, and feel they're getting value for money," she said. "But the infrastructure just isn't in place in a lot of these countries, and that concerns me. Even in the Greek islands, they don't yet issue proper title deeds."

While financial reasons are the main reason, Hadjigeorgiou said there are also social factors at play. "Many of the older British residents return to the UK after the death of a partner. In addition the older generation become grandparents and they go back to spend time with their grandchildren."

For others, it's simply that life here



was not as easy or as straightforward as they had expected.

Dave is 42 years' old and has been living in Paphos for the last two years. He describes himself as a 'jack of all trades'.

"I moved here with my wife a couple of years ago and we were renting until our house was finished. I'm qualified as a plasterer, painter, and also in woodwork and plumbing. I was doing all this in England, and I found it easy to get work here in Cyprus. Within a few months I was very busy," he said.

His wife was less lucky and found it hard to find work. "She was a secretary in the UK and was earning good wages," he said. "Here, she could only find work in a hotel, and they paid her poorly. She also told me that they treated her badly, as she isn't Cypriot."

The couple also had problems with their developer. "The house wasn't finished on time, and we had to fight them to put right their mistakes. I think we would have been better just renting a house. It put a lot of unnecessary pressure on us," Dave said.

The final straw came when his wife's mother fell ill recently. The couple plan to return to England next month, but that isn't proving easy.

"We're trying to sell our property, but economically it's not the best time, and there are so many others on the market. It's very expensive to live here now, and with the culture difference and worries about our families, it's time for us to go back."

Honor Rickman is 28 years old, and is leaving Cyprus in October, after living here for 18 months.

"I came here on holiday a few times and loved it," she said. "I decided to move here and leave the dreariness of the UK safely behind me."

"I realised living here wouldn't be the same as being on holiday, and was ready to work hard. I've only been able to find bar work, where they pay a pittance, and expect you to make up your

wages from customers' tips. I'm working with mainly Eastern European girls from Poland and the Czech Republic. They really play up to the customers, especially the male ones. I'm not going to do that. The Cypriot men love it, and most of them have families at home.

"I love England, but it's so expensive and we have horrible weather. I won't go back to England; I'm leaving for Spain in October. I've already secured a good job and a place to live."

George Mais, the president of the Paphos committee of Cyprus land and building developers association said his members had been affected by a fall in demand. "There is a general reduction in demand by British buyers. Obviously there are economic parameters now, since the euro was brought in," he said.

But he added that he had not noticed an increase in the number of British people repatriating. "There hasn't been a change in the statistics for the last 20 years. I even know of some people who have returned to Cyprus for a second time," he said. "Of course, there will always be a small number of people who want to return home, for several reasons, the main one being family. As people get older they want to be close to friends and family, it's

In recent years she has noticed a steady stream of Britons returning home while new buyers from Britain have fallen steeply. The global credit crunch and the introduction of the euro are both important factors.

natural."

If the British are repatriating, are there other nationalities to fill the void? Are there new markets out there, and if so who are they?

George Zandi, a 46-year-old Iranian businessman, recently returned to London from Tehran. He has visited Cyprus a number of times in the past.

"Whilst I was in Iran, I noticed the many adverts on television and in the national newspapers, advertising properties for sale in Cyprus. Most of them were for new villas and complexes. It seems as if the Cyprus Government has given the go-ahead to Iranian investors, as these adverts promise Cypriot visas, as soon as the properties are purchased," he said.

"I know of an Iranian who is building a complex of 150 flats near Larnaca at the moment. Iran is a big market and would mean a lot of money for Cyprus. Iranians used to favour Dubai, but now attention has moved to Cyprus. We like to invest, and with sanctions imposed against Iran, we are looking at all avenues open to us."

The Russian market has long been another alternative and many developers now advertise in Russia.

Tanya Titov is a Russian businesswoman, who is looking at investing in the Cyprus housing market.

"Cyprus has long been a favourite destination for Russians," she said, "and the Cyprus government has a friendly relationship with the Russian government. In addition, Russian money is being invested in Cyprus."

The Russian market, however, tends to be quite different from the British. While the latter are often happy with small houses or apartments, the Russians buying abroad are looking for luxury. "We generally like to have the best, and Russians are purchasing large houses, furnished to a very high standard," Titov said.

"I know there are some Russians living and working here, but the numbers are minimal, compared with our population. I have been coming to Cyprus for 10 years. Cyprus is somewhere for us to come and play, although there are more companies from Russia investing here now."

As the migration restrictions were lifted when Cyprus joined the EU, thousands of foreign workers headed for Cyprus, egged on by the promise of a better life.

Poles, Czechs, Latvians, Lithuanians, Romanians, and Bulgarians, now make up the fledgling multi-cultural society of Cyprus. Some of these nationalities have decided to make Cyprus their home, purchasing houses and enrolling their children into local schools.

Whether these other markets will be able to take the place of the British remains to be seen. But the credit crunch has worried many developers in Cyprus, and pushed them into looking at alternative and viable markets.