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Cyprus Ideal Newsletter

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5 Good Reasons why Cyprus is a safe bet!

‘Why should we invest in Cyprus ?’

1. Cyprus property has an end user since it is a major holiday destination. It is not like Dubai or Bulgaria where investment for the sake of resale for a profit was the aim. Therefore we have never reached and will never reach the bubbles that these countries have presented to the people who bought there. Even if our prices are depressed now, even if the sales are slow and stock of ready-made properties is increasing, these are all manageable for the size of the economy. We don't have a stock of 1 million unsold properties like Spain does, which represents 6 years worth of pre-crisis sales for them.

2. Tourism is significantly up for the first time since 2001. Both arrivals and income from Tourism is up by 10% as compared to 2010. Russian arrivals are up 50% for the past 2 years. We have gone from 150,000 to 300,000 tourists in two years. An agreement was reached with Ryanair, Europe's largest airline, and they are committed to bringing 500,000 new tourists to the island over the next 5 years. This represents an increase of 25% of the tourists arriving in Cyprus every year. Tourists are now shifting away from 2,3 and 4 star hotels to private rented property. It means the people who buy rentable properties are able to rent them short term easier and make a return.

3. The banking sector is still strong and willing to make loans. The deposits Vs loans gap varies between 10-20 billion more deposits than sales. Yes they are exposed to Government Debt of Greece (about EUR 5 billion in total) and also through loans they made to businesses and households in Greece (about EUR 23 billion). But the recent stress tests made by the European Central Bank has shown that the Cypriot Banks can withstand both a haircut (Greek default) and also any commercial loans made to Greek

businesses that may go bad. Don't forget they also take collateral to make loans, these assets will be theirs in case of non-repayments.

4. Investments into Cyprus are continuing, we had three major investments in 2010 worth hundreds of billions (deal with QATER investment fund with Cyprus government for creation of multi-use facility in the heart of Nicosia, purchase of 10% of Bank of Cyprus by Russian oligarch, creation of an energy centre by Vitol). Infrastructure projects are continuing, Limassol Marina, Limassol waterfront, Limassol old port, private investments to build more marinas and golf courses. Cyprus continues to be an attractive destination for international companies to use in order to save tax and for this reason Cyprus is officially the largest investor country for Russia and Ukraine, ahead of countries such as USA, Germany and Britain.

5. Oil and Gas exploration is beginning before the end of this year, at the moment the drilling platforms are being moved from the Israeli oil fields to be positioned in the Cyprus waters by Noble Energy. The initial estimated reserves of energy in monetary terms are EUR 500 billion and for an economy of EUR 17.5 billion per year (2010 figures). This means the wealth of the country in gas and oil is 28 times its national economy. This is huge ! Cyprus is a relatively advanced, non-corrupt and democratic country (<http://www.heritage.org/index/Country/cyprus>), it means this wealth will eventually reach the Cyprus citizen, in ways such as less taxes, more infrastructure investment, etc. Which means inflation for assets will be significant for bonds, stocks and land. The property price growths of 15-20% per year that we saw in the past will come again!

**So if you want to find your ideal life in the Sun then
why not give me a call FREE on 0800 081 1969 and ask
for Gary**