

18th April 2007

Dear Colleagues,

Title Deed Meeting - 12* April 2007

Thank you for your attendance and participation in the meeting, held under the auspices of the Peyia Coalition of Independents, to discuss matters pertaining to the buying and owning of property in Cyprus.

It is clear that the problems discussed:

- Certificate of Final Approval
- Title Deeds
- Immovable Property Tax
- Sales before full ownership
- Illegal buildings
- Risks of buying OffPlan
- Devaluation of Properties
- Lack of proper infrastructure

are matters of serious concern for many non-Cypriots who have purchased property in Cyprus in good faith. Furthermore, judging from the experiences shared at the meeting, it is extremely difficult for individuals to obtain assistance in these matters from the various authorities involved, and also just as important, that the Cyprus legal fraternity in general could be much more supportive in protecting their clients.

It is also clear that, despite purchasers being assured by some developers that the legal system surrounding the purchase of property in Cyprus is very similar to (for example) the UK, in fact nothing could be further from the truth. Where laws have been enacted to protect purchasers, such as the law prohibiting buyers from occupying properties without a Certificate of Final Approval, these are largely ignored both by developers and the authorities responsible for their supervision/enforcement. Our colleague from Armou very expertly explained the pitfalls and consequences of such failure to adhere to this particular law and his ongoing court case and battle for justice in this regard.

Finally there was general agreement at the meeting that something needed to be done about these shortcomings in the regulatory system in Cyprus which prompted the proposal to start a Cyprus-wide pressure group to lobby the authorities to create a more protective environment for foreign buyers.

Obviously, this group would be outside of the normal remit of the Peyia Coalition of Independents and therefore would of necessity have to be a separate entity. Nevertheless Linda Leblanc reiterated that, supported by her colleagues, she will continue to represent to the Municipality of Peyia Council any related issues on behalf of residents of Peyia,

It is estimated, according to the Cyprus Land and Building Developers' Association, that the building sector has an annual turnover of more than £1 billion and attracts

some £700 million in foreign currency. Clearly it follows that the Authorities will be keen to protect and grow this sector.

The basic aims of this pressure group would be:

- * To represent the current views and difficulties of foreign purchasers in Cyprus and to actively seek Government support in this regard*
- To work with the Government and various industry bodies and professions to improve the current planning, construction and ownership laws, practices and enforcement in order to ensure a more protective environment for purchasers.

This in turn would safeguard this vital industry sector for the continued benefit of the purchasers, the developers, Government revenues and also the image of the Republic of Cyprus.

Since the meeting Denis O'Hare, who has agreed to take the lead on the formation of the pressure group, has been contacting similarly affected groups of buyers and also seeking support from other interested parties. A website domain has already been registered - (www.cyprus-property-action-group.net note: this is not yet operational - and work will take place over the next few weeks to launch the website and publicise the action group in the local press.

Prior to this we will be writing to the Minister of the Interior to advise him of the planned activities and to seek his general support for the aims of the group.

Kind regards,

Linda Leblanc David Ball Denis O'Hare