

AXIA

CHARTERED SURVEYORS





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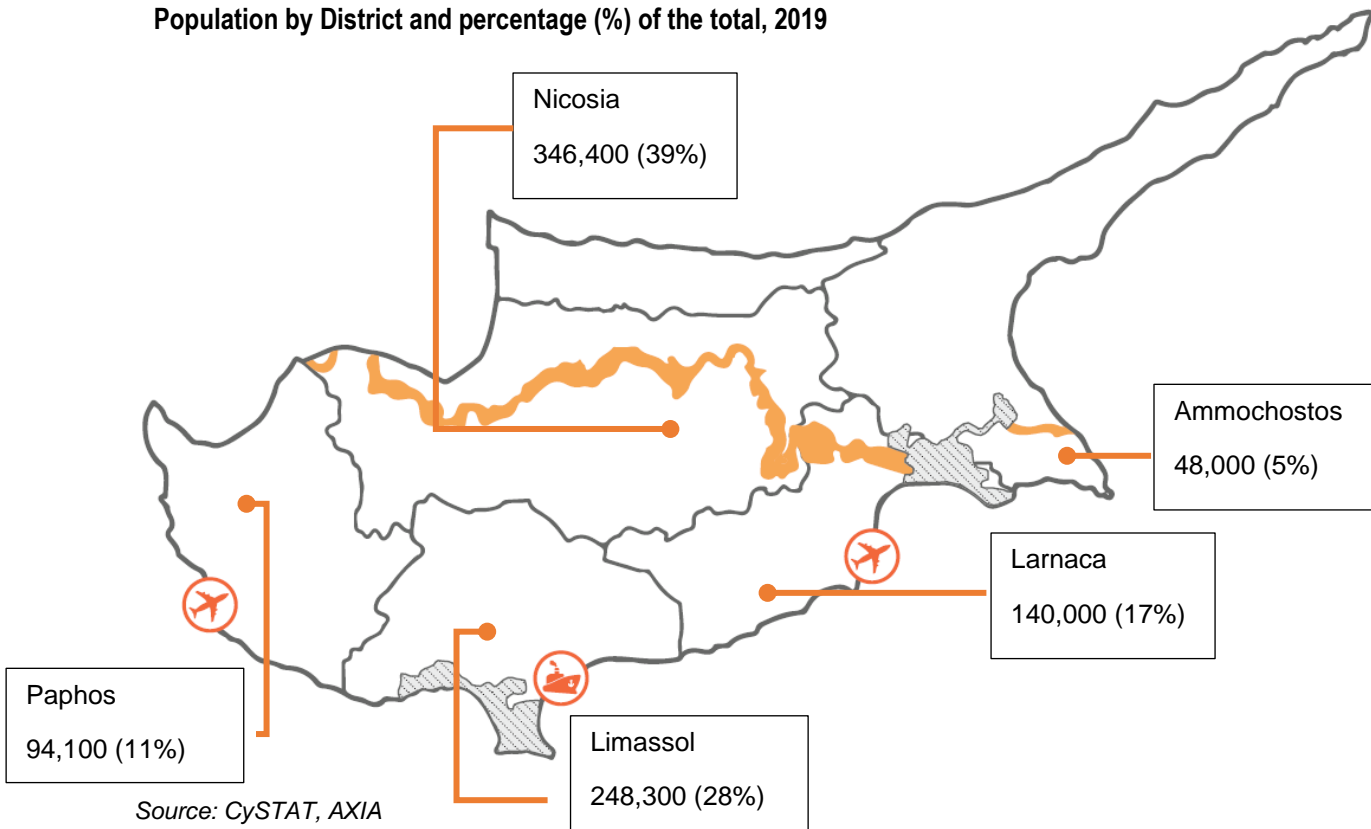
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1. CYPRUS

Population by District and percentage (%) of the total, 2019



- Geographic position**

 - > It is located at the furthest eastern point of the Mediterranean, between Europe, Asia and Africa
- Taxation System**

 - > Attractive Tax Scheme: modern, simple and low rates (corporate tax rate 12.5%).
 - > Extensive network of double tax Treaties for the avoidance of Double Taxation with over 60 countries.
 - > No property taxes.
- Legal and Regulatory Framework**

 - > Setting up a company is a simple and fast process.
 - > The legal system is closely linked to English common law.
- Good quality of life**

 - > One of the most appealing climates worldwide.
 - > It is amongst the five safest countries in the world (Value Penguin 2015).

2. MACROECONOMIC OVERVIEW

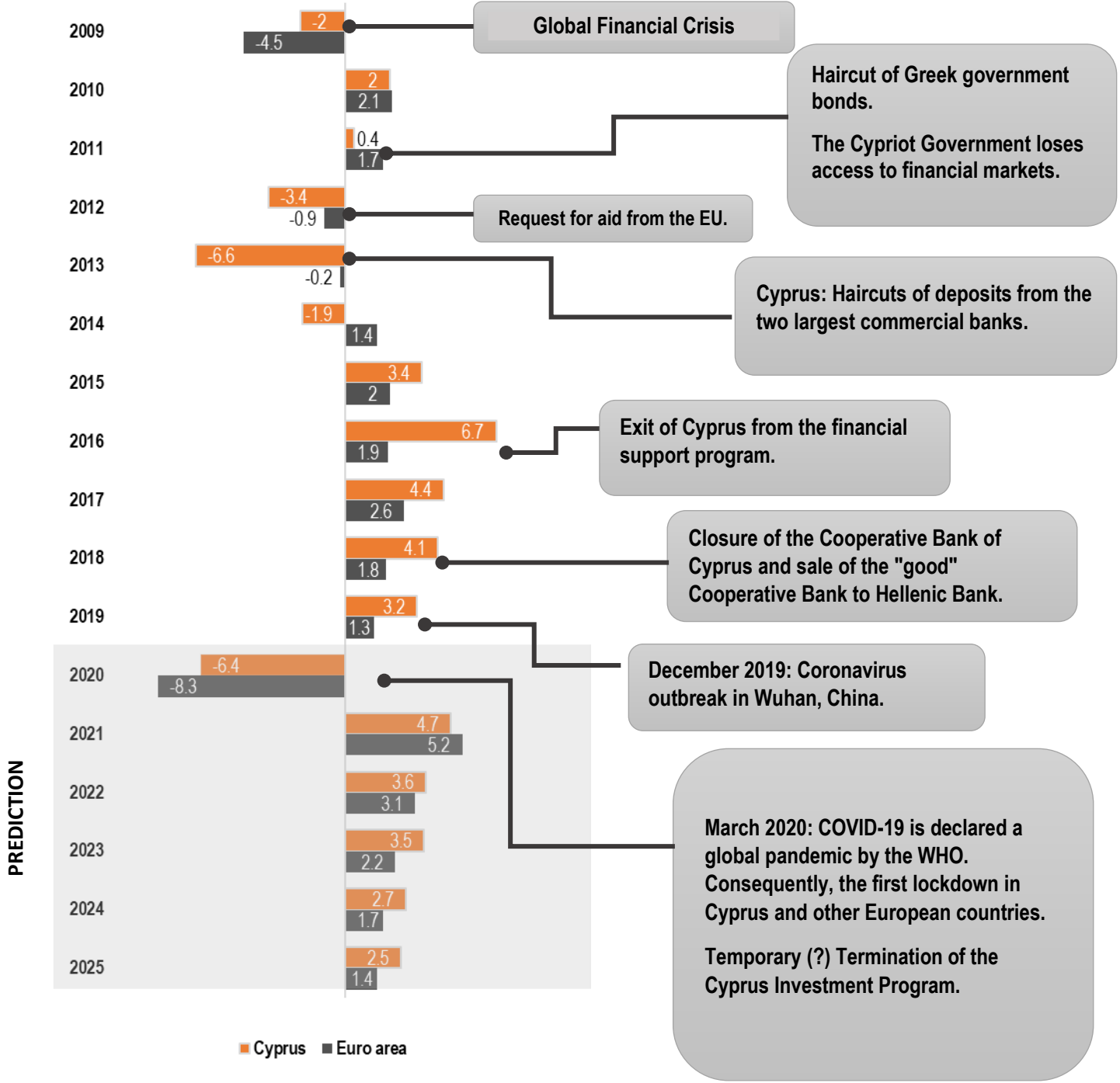
2.1 GROSS DOMESTIC PRODUCT (GDP)

The forecasted GDP of Cyprus in 2020 is expected to fluctuate at the same levels as in 2013 when the local economy was hit hard by the haircut of deposits by the two largest commercial banks. The outbreak of the COVID-19 pandemic in 2020 and the subsequent measures taken by governments worldwide to limit the spread of the disease. Especially in the second quarter of the year, reduced economic activity was observed, especially in services industries such as tourism, transport, entertainment and industrial production, while domestic consumption and trade fell sharply, financial markets were disrupted and commodity prices fell. As a result, in 2020, according to the IMF, the Cypriot economy is estimated to record a recession of -6.4% while the economy of the European Union region is expected to fall by -8.3%.

In 2021, as the situation with the pandemic is expected to begin to normalize, it is estimated that the Cypriot economy will recover at a rate of 4.7%, while the European economy is expected to recover at a rate of 5.2%. This means that by the end of 2021, in both cases, according to the IMF, the GDP of the economy will fully recover when compared to 2019, and specifically will rebound at higher levels than expected in pre-COVID-19 era estimates.



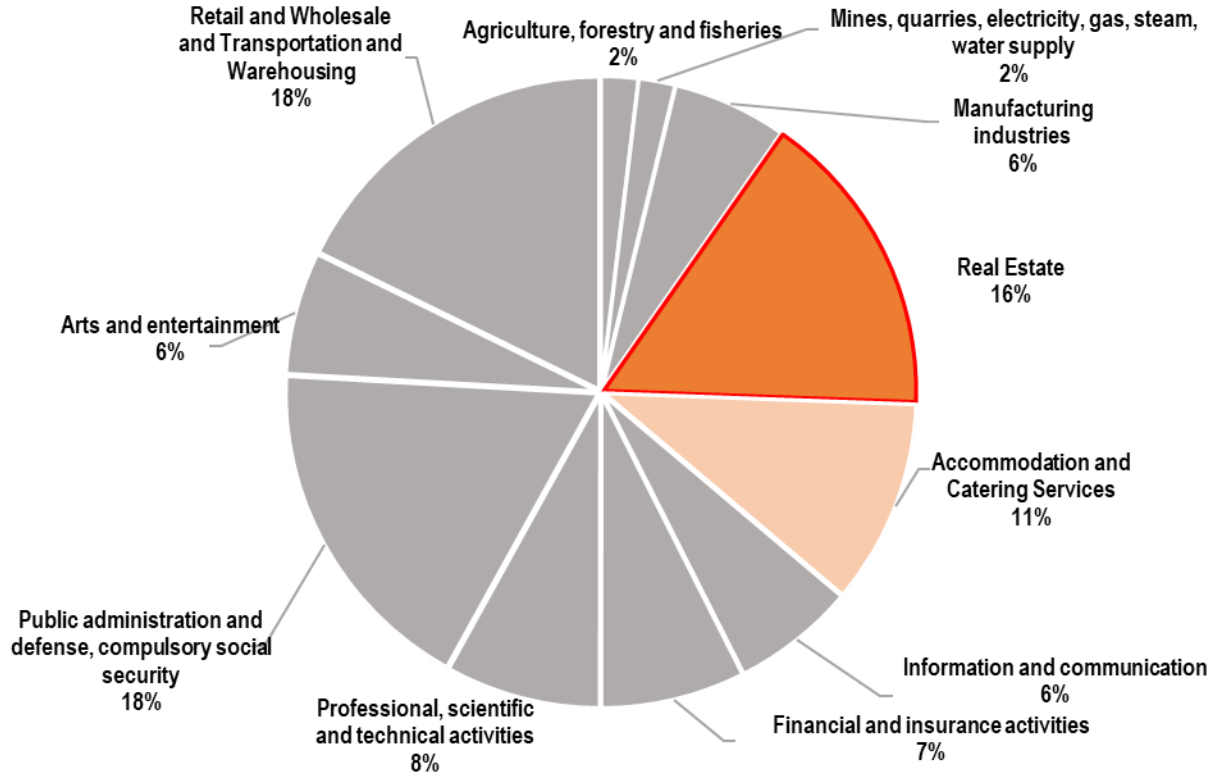
Change in GDP, 2009-24 (%)



Source: IMF

2.2 MAIN SECTORS OF THE CYPRUS ECONOMY

Percentage of GDP per economic activity for the year 2019



Source: CySTAT, AXIA

Until 2019...

Tourism



- Tourism historically has been the main pillar of growth for Cyprus, with a percentage of 11%
- Cyprus is promoted as a tourist destination for all seasons.

Real Estate

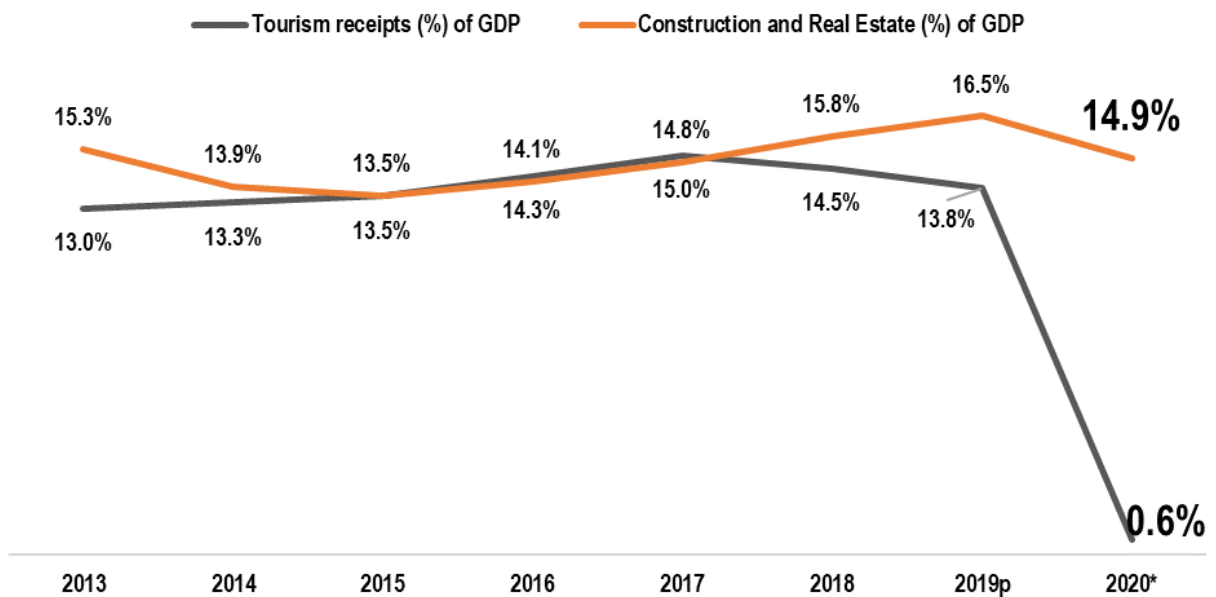


- Real estate management and construction account for 16% of GDP.
- This sector is expected to show a minor decrease in the upcoming years due to the decision of the Cypriot Government for temporary termination of the Cyprus Investment Program - reduction of luxury building associated with naturalizations. No final decision regarding the naturalization schemes have been determined.

After the outbreak of the COVID-19 pandemic.

Measures to limit the spread of COVID-19, culminated in the mandatory quarantine period that was enforced between March-May of 2020, which drastically reduced economic activity as businesses remained closed (excluding pharmacies and grocery stores), and no gatherings or events were allowed to take place. Transportation availability was very limited and airports and ports remained closed. As a result, during this time, mining and quarrying, **construction**, wholesale and retail trade, transportation, **hotels** and restaurants, the arts, entertainment and recreation, as well as other professional services, witnessed a sharp decline in economic activity.

Percentage of GDP that Corresponds to Receipts from Tourism and Real Estate, 2013-20.



**For the year 2020 the data refers to data collected up to the third quarter of 2020.*

Source: CySTAT, AXIA

The tourism sector, together with the sectors that are directly or indirectly linked to tourism, are a very important source of development for the Cypriot economy. These sectors have been hit hard due to the continuing dire circumstances brought about due to the impacts of the global pandemic in many countries, but especially in the countries where most of Cyprus’ tourists originate from (the United Kingdom and Russia). The impact on the tourism sector was most noticeable after businesses reopened after the first lockdown. The graph below shows the percentage of decrease in receipts from tourism revenue between June and September compared to the corresponding months of the previous year. The effects of the pandemic on tourism have been particularly negative. Revenues from tourism during the period of June - September 2020 were reduced to

€183.6m, compared to the €1,581.2m revenue that corresponds to the same period last year which amount to a critical decrease of 88.4%.

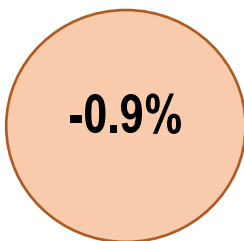
Reduction of Income from Tourism per Month: 2020 Vs 2019

	June	-98.1%
	July	-89.9%
	August	-83.5%
	September	-83.2%

Source: CySTAT.

The outbreak of the COVID-19 pandemic and the subsequent global halt of most economic activities have led to an unprecedented reduction in turnover, both in Cyprus and internationally. Given the feedback that we regularly receive from market participants, landlords and investors, we understand that the impact of the pandemic on the real estate market has not yet fully become apparent in its entirety. The real estate market traditionally cannot incorporate the impact of such large and sudden events immediately, their effects are more apparent after a longer period of time has passed. This can be seen from the number of new housing units that entered the market up to the 3rd quarter of 2020 where, despite the local lockdown, only a slight decrease was observed and the interest for construction of new units continued almost undiminished.

Number of New Residential Units up to the 3rd quarter: 2020 Vs 2019

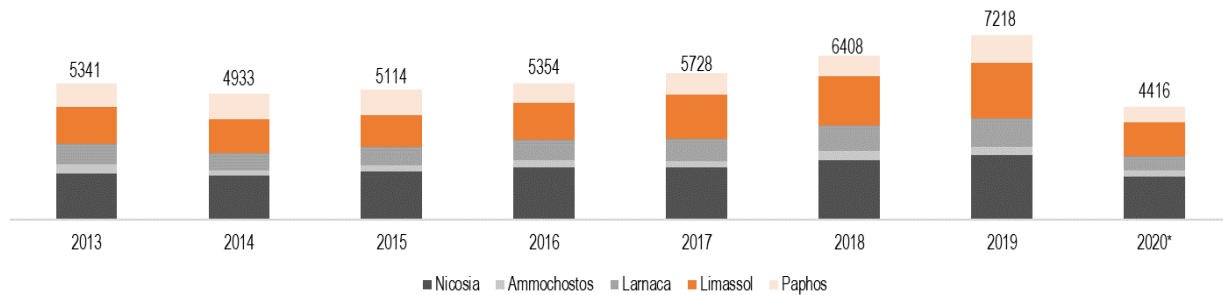


- Despite Cyprus being in lockdown, during the first nine months of 2020 a minimal decrease in the construction of new housing units was observed, when compared with the corresponding months of 2019, only a -0.9% was observed.
- However, in the coming months, and especially after the decision of the Cypriot Government to temporarily terminate the Cyprus Investment Program, a decrease in the number of new housing units is expected, mainly those that were targeted for naturalization by investment.

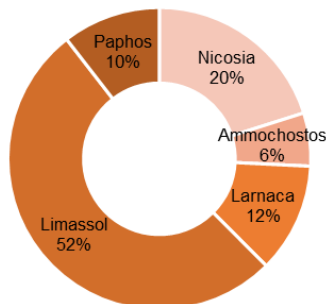
Source: CySTAT, AXIA

The number of building permits issued is an indication of the future supply. It is only an indication as some of the licensed projects are not expected to be implemented. For each year, Nicosia and Limassol have held the first and second place respectively for the number of new permits issued, while Famagusta has been in the last place. An important observation is that for the years of 2010 to 2015 Paphos held the third place and Larnaca the fourth for the number of new building permits issued, while from 2016 onwards the third place was held by Larnaca district, which is an important indication pertaining to the regeneration of the district and the increasing demand. Although Larnaca has lagged behind the other districts for several years, it now seems to be quite competitive. Some of the factors that contributed to this, is the establishment of UCLAN University, which helped to elevate the area of Pyla - Oroklini with the construction of new apartment complexes, the advancement in the development of the first large shopping mall in the district, the construction of a five-star hotel in the harbor area and the construction of other hotels, the removal of refineries and the change of planning zones – presumable abolition of SEVESO zones - as well as the development of the of the Area Plan of the Dhekelia.

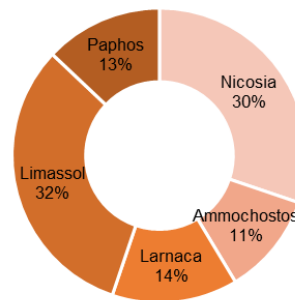
Number of Building Permits Issued by District, 2013-20.



Building Permits Issued by Value January - August 2019



Building Permits Issued by Value January - August 2020

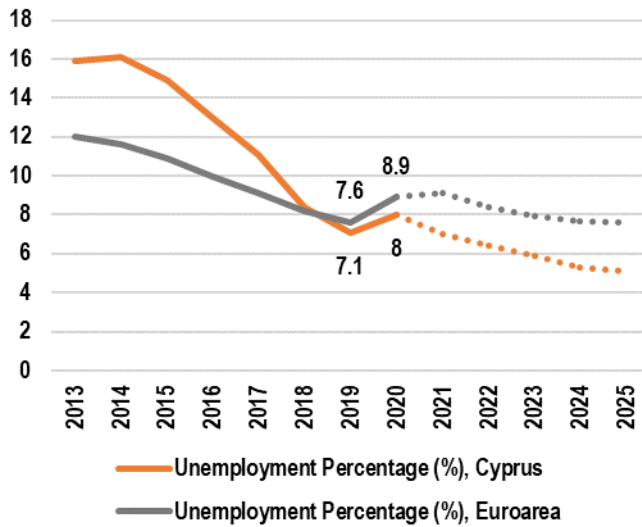


*For the year 2020 the data refers the period between the months of January – August.

Source: CySTAT, AXIA

2.3 MAIN ECONOMIC INDICATORS

Consumer Price Index Change (Inflation), 2013-25.

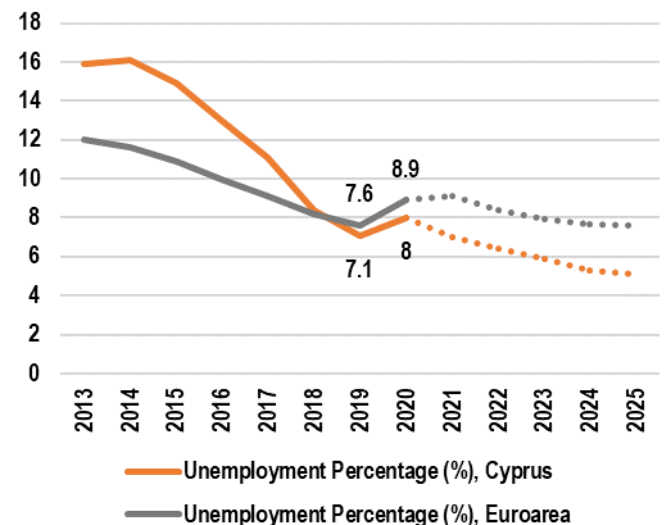


Source: IMF

- After three years of negative inflation (2014-16), the consumer price index increased by 0.7% in 2017 with a further increase of 0.8% in 2018 and by 0.6% in 2019, while in 2020, with the outbreak of the COVID-19 pandemic, it decreased to -0.6% (much lower than the Eurozone).
- According to forecasts, the inflation rate is expected to increase further in the coming years, reaching 1.7% in 2025, reflecting optimistic expectations for the local economy. The impact of COVID-19 on inflation appears to be smaller than the impact the haircut of deposits in 2013 had on inflation.

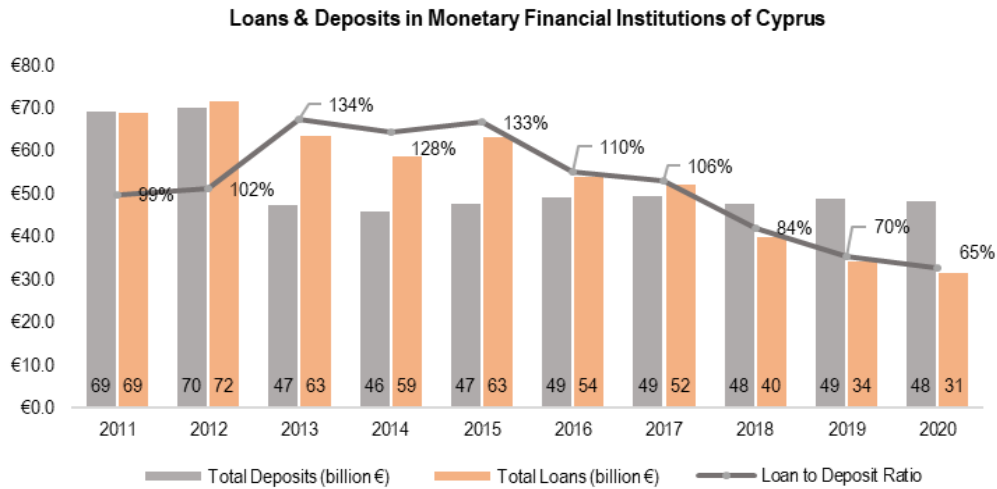
Unemployment (%), 2013-25

- From 2018 onwards, the unemployment rate in Cyprus was lower than in the rest of the Eurozone.
- In 2020, there was an increase in the unemployment rate compared to 2019, a fact that is justified by the closure of companies that came about due to the first lockdown period in Cyprus.
- According to IMF forecasts, this percentage is expected to decrease significantly in the coming years.

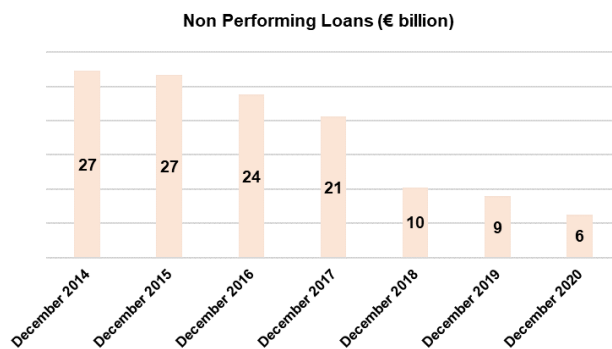
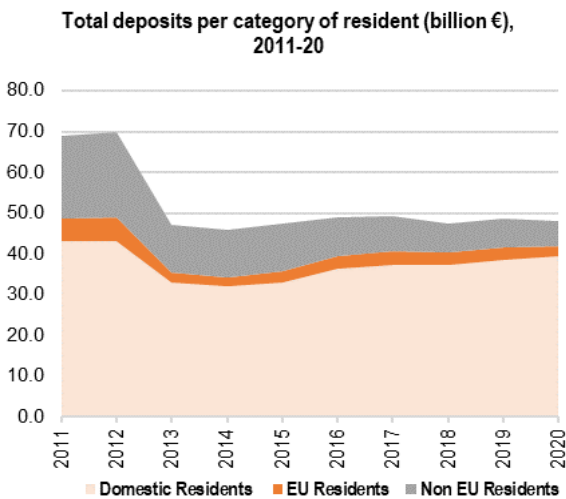


Source: IMF

2.4 BREAKDOWN OF DEPOSITS AND LOANS



Source: Cyprus Central Bank, AXIA

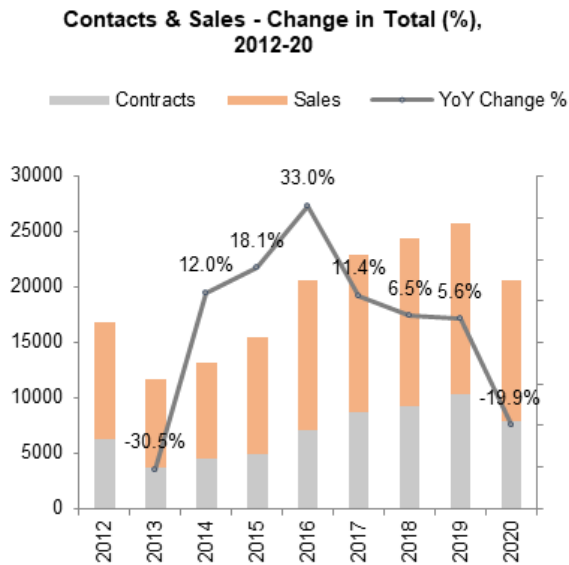


Source: Cyprus Central Bank

- Total deposits remained stable from 2013 to 2020 while total loans gradually decreased.
- Per category of resident, it appears that domestic residents increased the volume of their deposits whereas EU and Non-EU residents reduced the volume of the deposits, especially after 2013.
- The decline in loans is multifaceted; it is attributed to efforts by the banks to de-leverage their balance sheets via debt for asset swaps, write offs and cash collections, but more importantly, particularly in 2018 and 2019, to separating NPL portfolios and the banking system.
- The loan to deposit ratio has declined significantly during the last 5 years, indicating the banking system's excess liquidity.

3. REAL ESTATE MARKET OVERVIEW

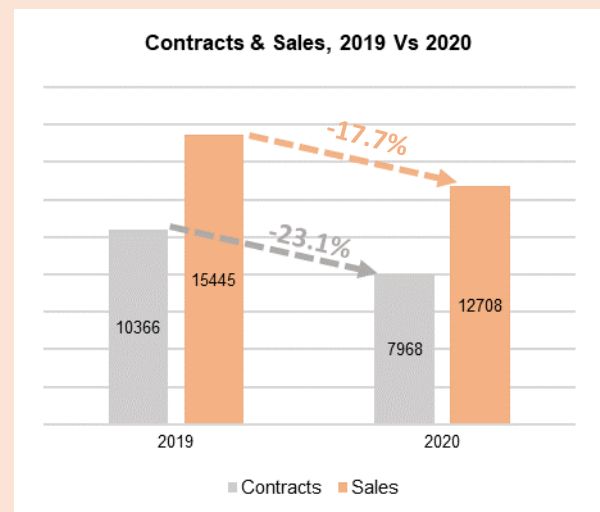
3.1 NUMBER OF TRANSACTIONS



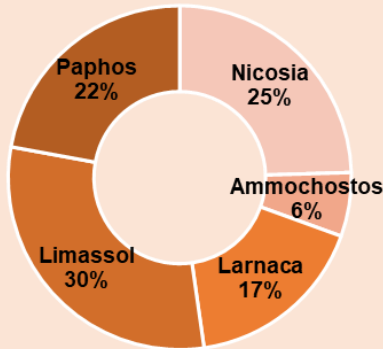
Source: DLS, Axia Analysis

- From 2014 to 2019 the total number of property transactions (sales / transfers and contracts of sales /contracts) exhibited a significant increase. Due to the outbreak of the pandemic, but also due to the temporary termination of the naturalization by investment program, a decrease of 19.9% in transactions was recorded for the year 2020. However, this decline is significantly more moderate than that recorded in 2013 with the haircut of deposits. It is worth noting that a significant percentage of sales refers to loan restructurings and acquisitions of properties by financial institutions.

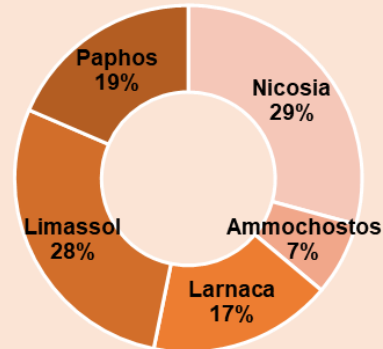
- More Specifically:** A decline in the number of sales and contracts of sales was recorded, with a decline of 17.7% and 23.1% respectively.
- During the period of March-May, an enforced lockdown was implemented that allowed for very limited very movement (banks, public services and airports underperformed during this period) resulting in a decline in transactions due to the inability to proceed with many transactions during this period, and possibly also the cancellation of transactions due to uncertainty associated with the pandemic.



Number of Transactions per District, 2019



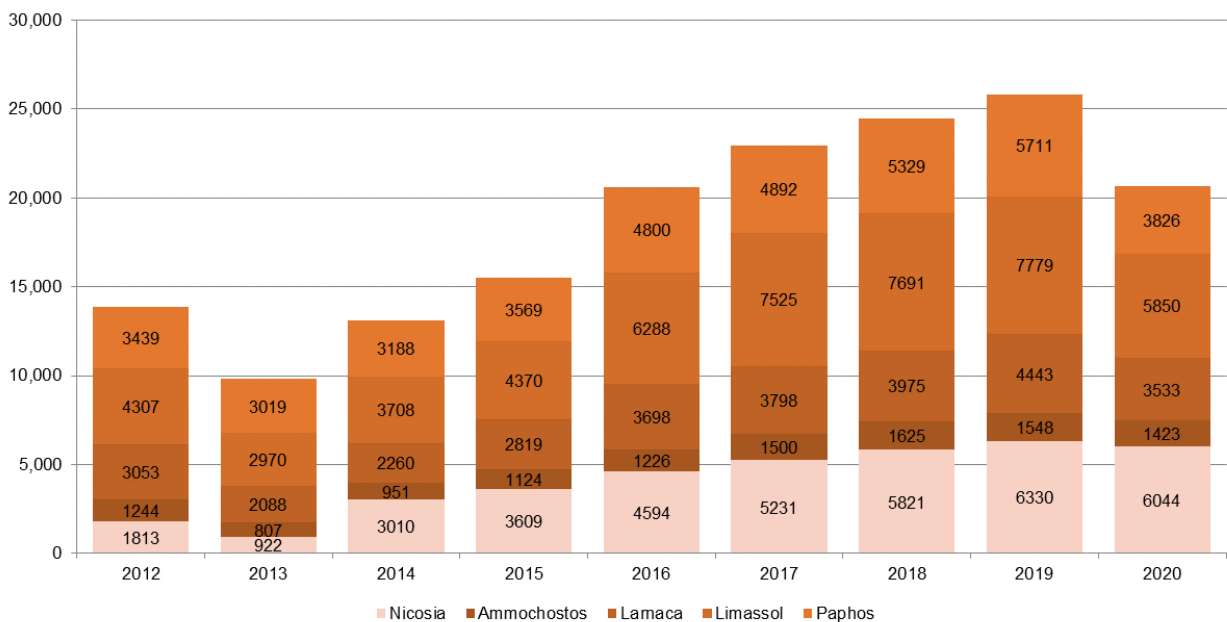
Number of Transactions per District, 2020



Source: DLS, Axia Analysis

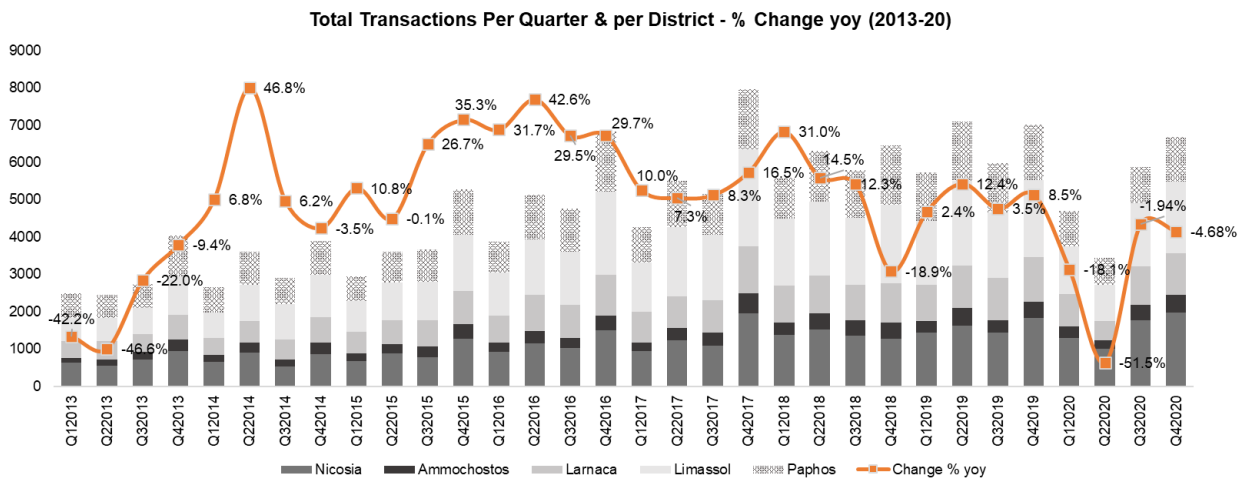
- At district level, for the year 2019 Limassol presented the highest percentage of transactions, whereas in 2020 Nicosia presented the highest percentage with 29%, followed by Limassol at 28%. The percentage of transactions in Paphos declined to 19% whereas in Larnaca and Ammochostos the percentage on average remained the same.
- The following graph shows that in all districts there was a decrease in the number of sales compared to 2019.

Total Number of Transactions per District, 2012-20

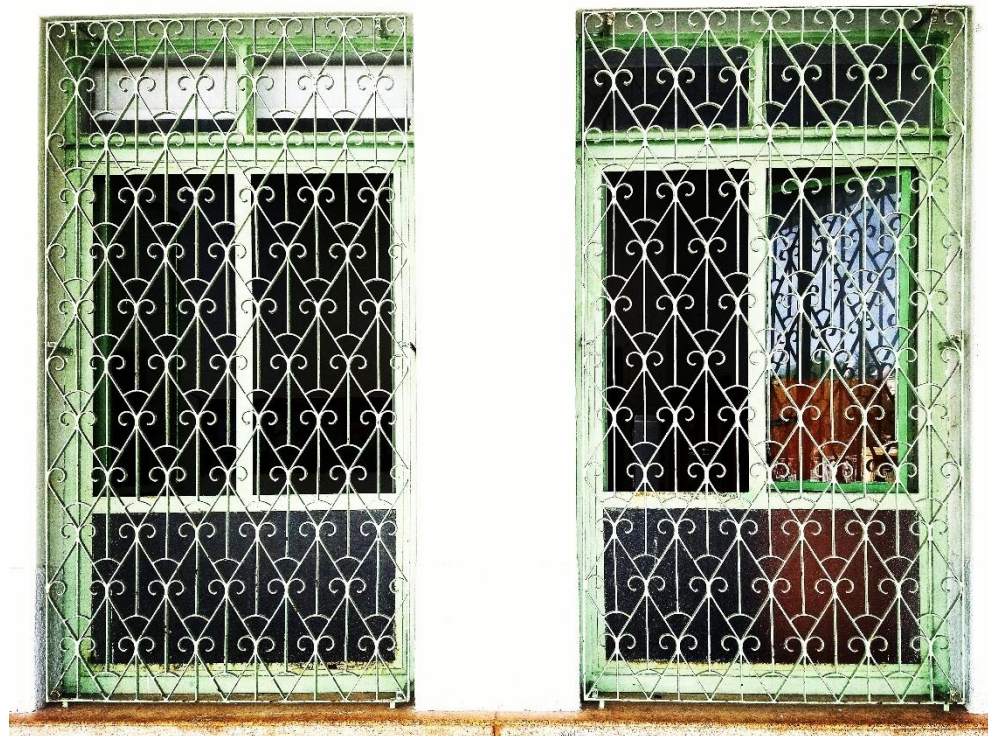


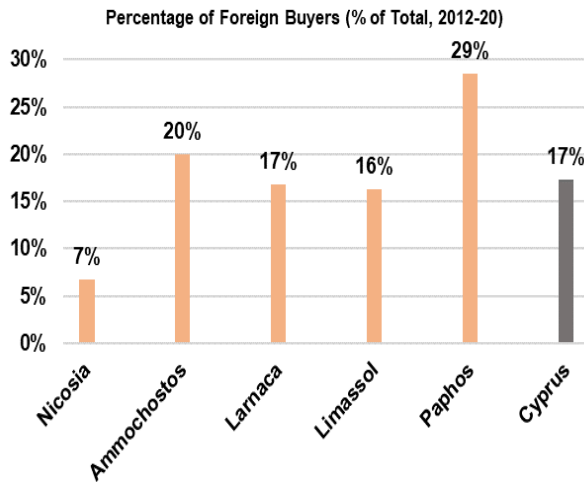
Source: DLS

- The graph below shows the fluctuation of property transactions in absolute numbers per district for the period of 2013-20. The number of transactions for this period did not fall below 2,000 per quarter, while in 2019 between 5,731 - 7,091 transactions were recorded per quarter.
- During 2020, the number of recorded transactions ranged from 3,439 in the 2nd quarter (during the first local lockdown) to 6,675 in the 4th quarter (before the second lockdown which took place during the beginning of 2021).
- In the fourth quarter of 2017, the highest number of property transactions (8,000) was recorded since 2013, which was a result of the newly introduced rate of VAT (19%) imposed on the sale of plots after January 1, 2018. This was the reason for the reduction of the annual average (year-on-year, yoy) by 18.9% from the 4th quarter of 2017 to the 4th quarter of 2018.



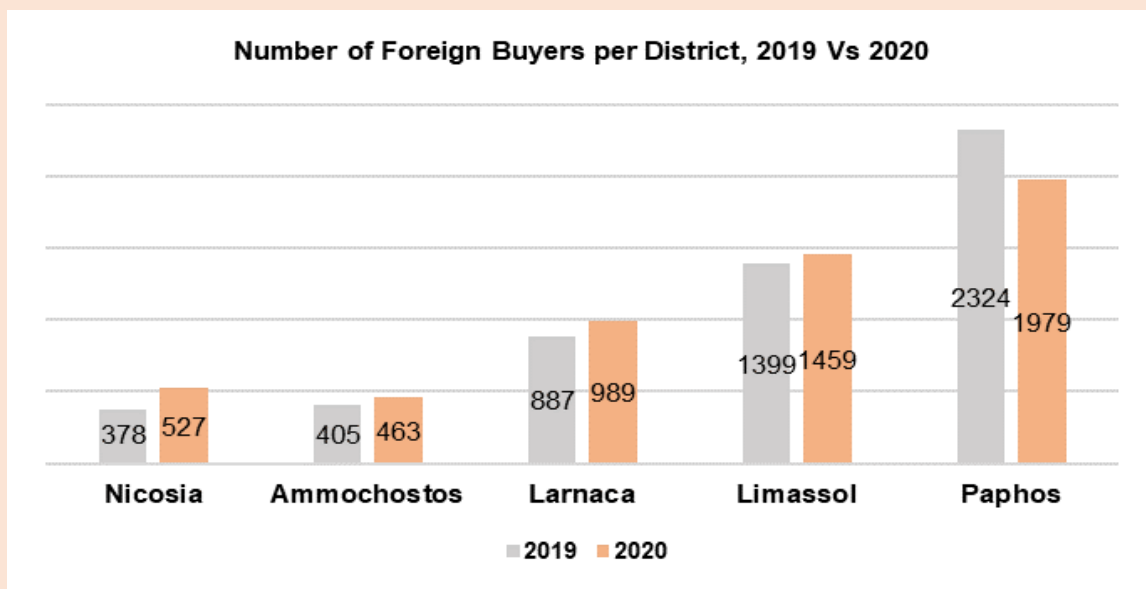
Source: DLS, Axia Analysis





Source: DLS, AXIA

- The percentage of foreign buyers in Cyprus amounts to 17% nationally, while the percentage ranges significant between districts.
- Nicosia is the district with the lowest number of sales to foreigners (6% of total), which indicates its dependency on local buyers rather than foreign buyers.
- Paphos has the largest percentage, followed by Ammochostos.



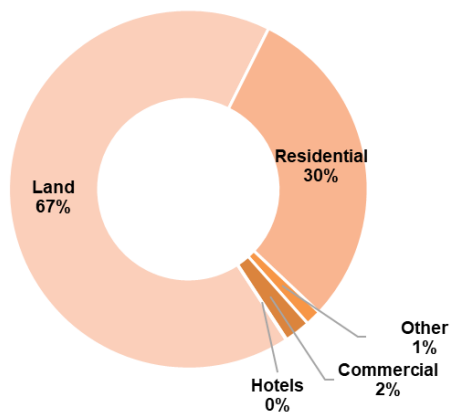
Source: DLS, AXIA

- Paphos was the district with the highest number of sales to foreigners in 2020, although compared to 2019, a significant decrease in the number of foreign buyers was observed. This percentage corresponds to a 14.8% decline, which was most likely due to the closure of the airports due to COVID-19.
- On the other hand in the remaining districts of Cyprus an increase in the number of sales to foreigners was observed compared to 2019. The largest increase was recorded in Nicosia at an increase rate of 39.4%.

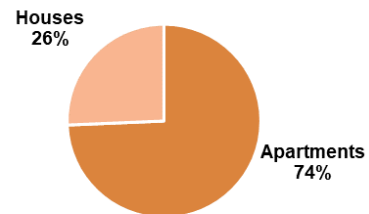
3.2 SALES AND CONTRACTS OF SALE DATA

- Sales of parcels of land accounted for approximately 67% of all transactions, whereas the transactions that corresponded to residential properties (apartment, houses) followed with a percentage of 30% (the percentages are provided with apprehension as some transactions recorded as land sales - include buildings).
- Up until 2019, sales of land accounted for 50% of total transactions whereas by 2020 the percentage increased. This was probably due to the fact that Altamira, Gordian, REMU and APS released a large number of parcels of land that they had in their portfolios.
- The remaining property categories (commercial, hotels etc.) accounted for a very low percentages, lower than 3%, which corresponded to a small sector of the real estate market.
- In terms of residential real estate transactions, which are separated for analysis purposes into apartments and houses, the majority, 74%, were for apartments while the remaining 26% were for houses.
- These percentages concern the average for the period of 2014-2020, and while they do not seem to demonstrate notable fluctuations year on year, based on current living standards, it is our opinion that the current market favours the apartment sub-market.

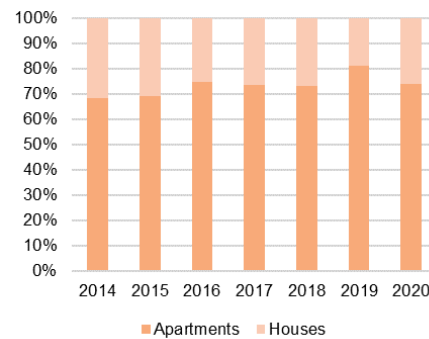
Share of Transactions by Property Type, 2014-20, (% Avg.)



Proportion of Apartments & Houses (% of Total Number of Transactions for Residential Properties, Avg. 2014-2020).



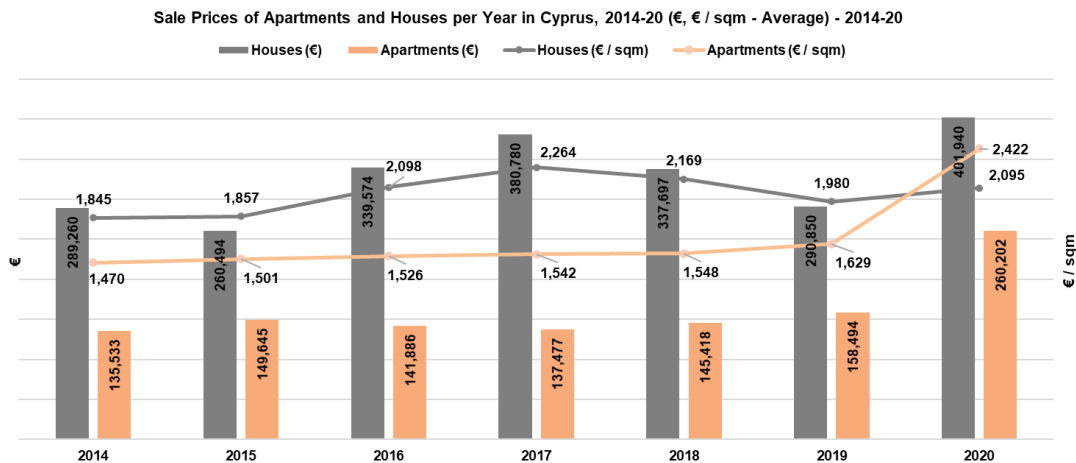
Share of Apartments & Houses (% of Total Number of Transactions for Residential Properties, 2014-20).



Πηγή: Department of Lands and Surveys

Sale Prices of Houses and Apartments in Cyprus

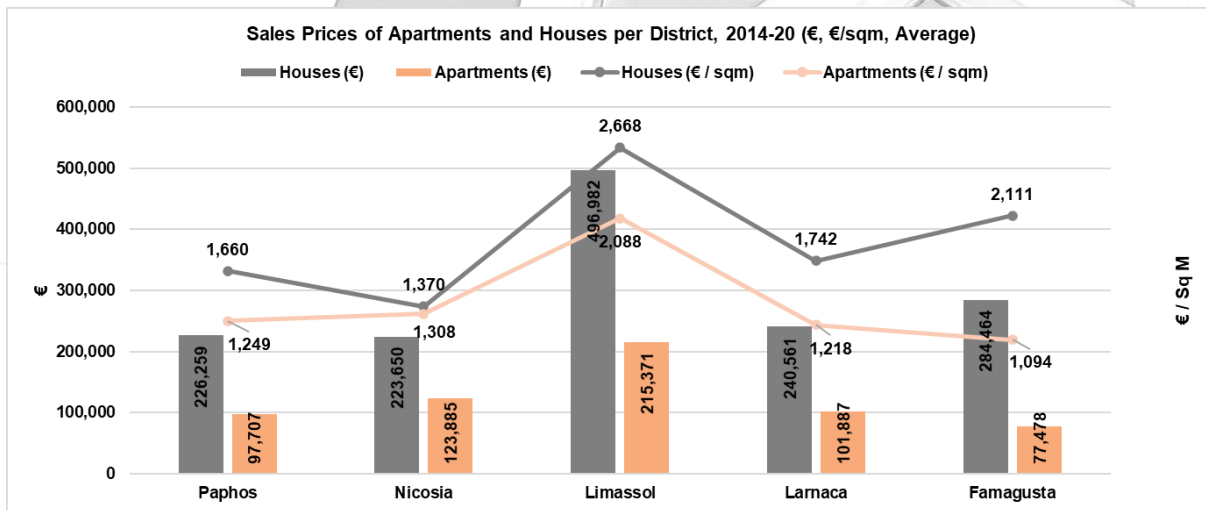
- The following graph shows the average selling prices of apartments and houses (in terms of € and € / sq.m.) for the period of 2014-20 at a national level. The data refers to approximately 20,527 transactions for which relevant data was available. Nationwide and for the entire period, apartments sold had an average internal area of 89 sq.m., an average sale price of approximately €146,835 and an average price per sq.m. of €1,559.
- Respectively, the houses that were sold during the same period had an average internal area of 138 sq.m., an average sale price of approximately €323,000 and an average price per sq.m. of €2,067.
- From 2017 onwards, there were fluctuations between the average sale price of houses, while in 2020 the highest average price was recorded. Again, although average sale prices of apartments fluctuated at similar levels throughout the years, in 2020 the average sale price skyrocketed. The same applies for the average sale price per sq.m. of apartments which even surpassed the average sale price per sq.m. of houses.
- **Overall, however, sales in 2020 cannot be compared to other years due to the reduced number sales recorded due to the local lockdown.**



Source: Department of Lands and Surveys

Sales Prices of Houses and Apartments per District (average)

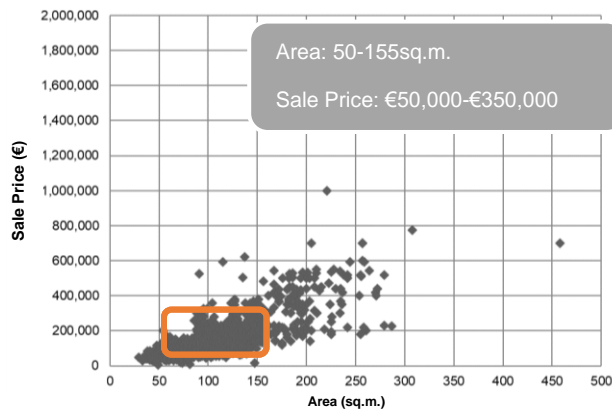
- Limassol presents the highest prices in both categories, where apartments were sold for €215,000 (€2,088 / sq.m.) and houses for €497,000 (€2,668 / sq.m.).
- Famagusta followed with apartment prices of €77,500 (€1,094 / sq.m.) and house prices of €285,000 (€2,100 / sq.m.).
- Paphos had the lowest sale prices of apartments while Nicosia had the lowest sale prices of houses. In general, Nicosia, Larnaca and Paphos were at the same levels for house sale prices.



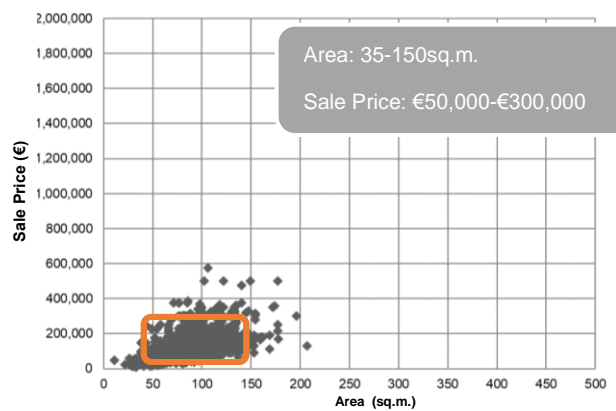
Source: Department of Lands and Surveys

Ranges of Sale Prices and Internal Area of Apartments

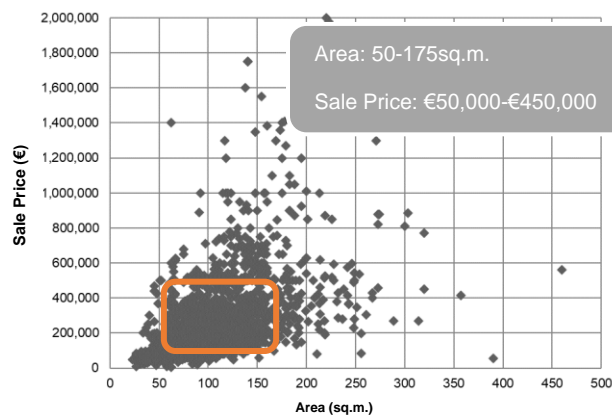
Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Nicosia)



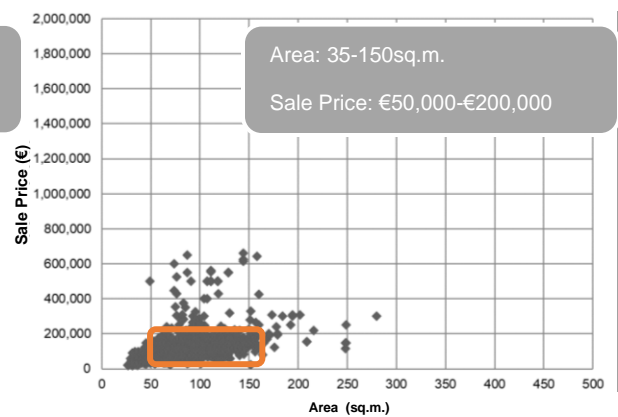
Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Paphos)



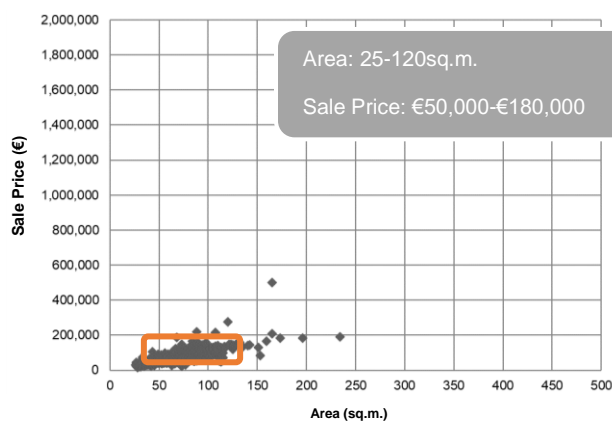
Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Limassol)



Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Larnaca)



Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Ammochostos)

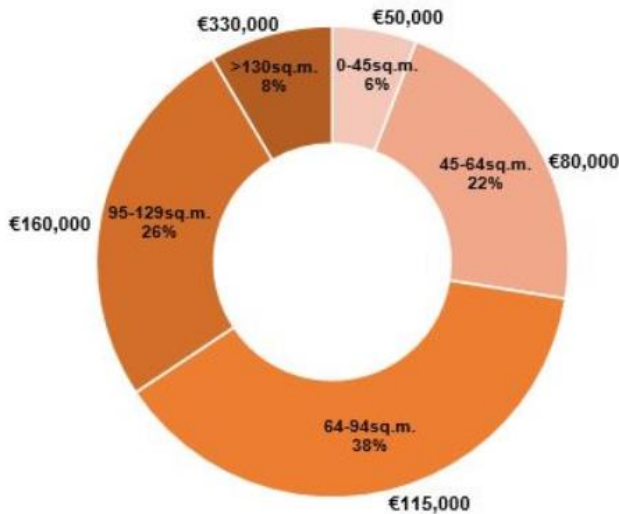


- The majority of the transactions regarding apartments (properties for which area information was available), show that most of the apartments sold ranged between 50-150 sq.m. (except in Ammochostos – where the range was smaller).
- Whereas there was a limited number of buyers who were willing to pay premiums in return for special features (ex. excellent quality of construction, view / penthouse, special location, etc.).

Source: Department of Lands and Surveys

- The number sales that relate to high end properties was relatively low as shown in the charts above and we would say that most of these sales concerned mainly sales of properties within organized resorts (ex. Limassol Marina) or the within newly built skyscrapers in Limassol (The One, Del Mar, etc.). We assume that the majority of these sales relate to investments made by Non-EU residents for the acquisition of citizenship or naturalization via property investment.

Sale Price and Share (%) of Total Apartment Transactions in Cyprus by Area Group, 2014-20 (Avg.)

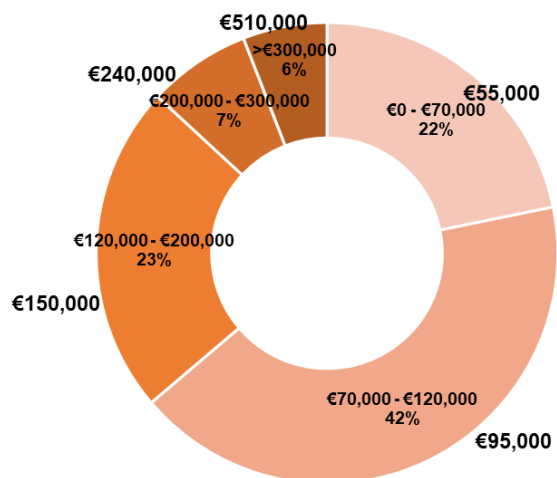


Source: Department of Lands and Surveys

- The majority number of apartment sales (38%) corresponded to properties with an internal area of 64-94sq.m. – a size which corresponds with a two-bedroom apartment, with an average sale price of around €115,000.
- Following in preference were apartments with an internal area of 95-129sq.m. (26%) - a size which corresponds with a three-bedroom apartment that had an average sale price of €160,000 and in third place were apartments with an internal area of 46-64sq.m. (22%) that had an average sale price of €80,000.
- The smallest share corresponded to studio apartments and apartments with an internal area of over 130sq.m.

- Using the same sample of apartments, when analysing by price group we see 42% of the transactions that were carried out had selling prices between €70,000 and €120,000, with an average of €95,000.
- The smallest share of transactions corresponded to sales between €200,000 - €300,000 and over €300,000.

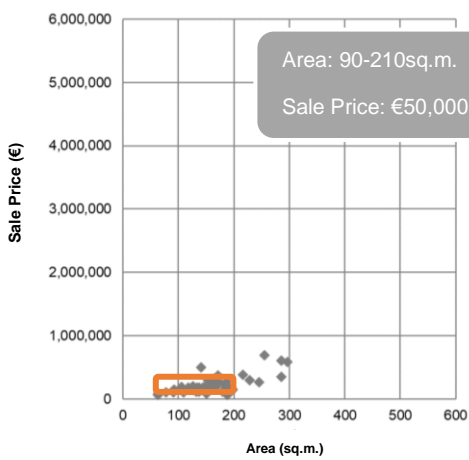
Sale Price (€) and Share (%) of Total Apartment Transactions in Cyprus by Price Group 2014-2020 (Avg.)



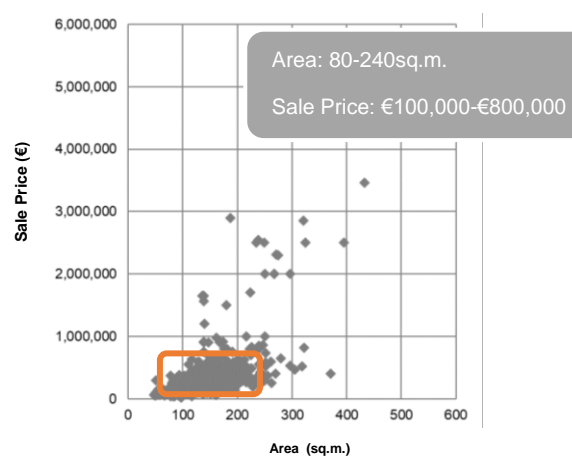
Source: Department of Lands and Surveys

Ranges of Sale Prices and Internal Area of Houses

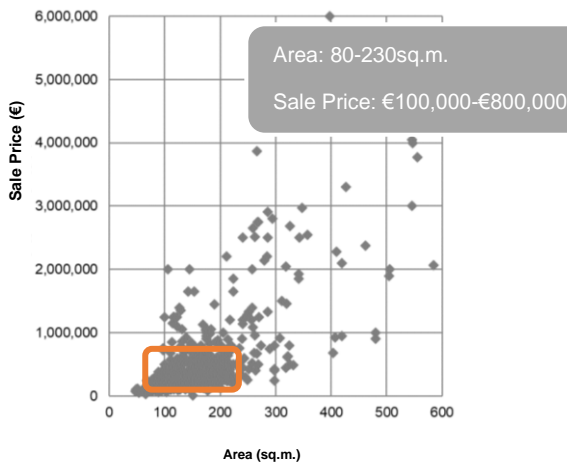
Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Nicosia)



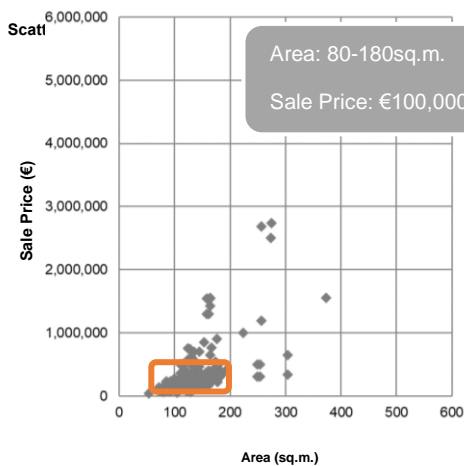
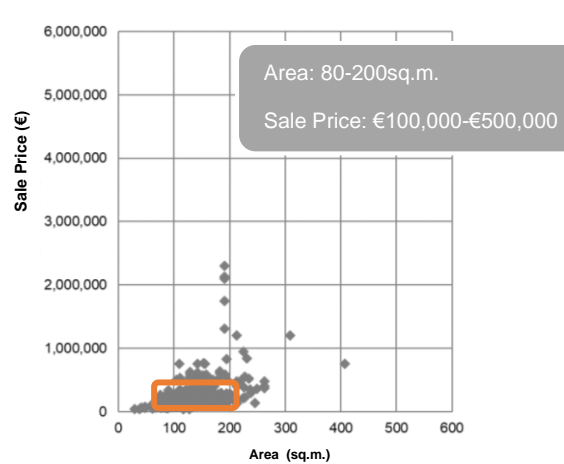
Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Paphos)



Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Limassol)



Scatter Chart between Average Price (€) and area (sq.m.), 2014-20 (Larnaca)

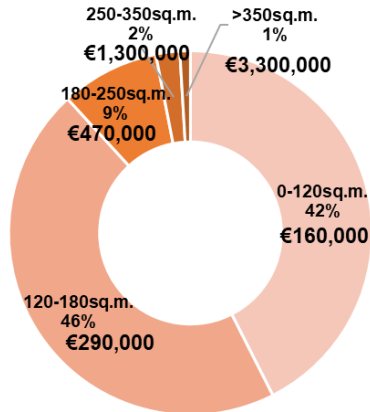


- The relationship between sale price and internal area is not linear but rather is exponential. From a certain property size and above (approximately 250 sq.m.), the value increased exponentially (something that can be seen predominately in Limassol and Paphos Districts). This is probably due to the fact that the buyers of these houses are willing to pay premium prices due to the special features of these properties (ex. excellent quality of construction, views / uniqueness, special location, etc.).

Source: Department of Lands and Surveys

- The unique characteristics of some properties justify their higher prices that a certain portion of buyers (mainly foreigners - investors) have been willing to pay for the acquisition of citizenship by investment.

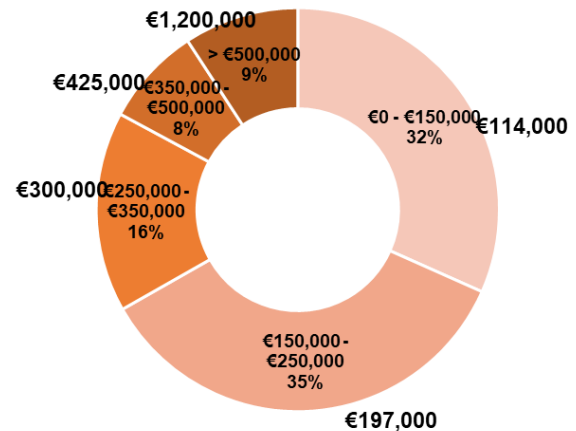
Sale Price and Share (%) of Total House Transactions in Cyprus by Area Group, 2014-20 (Avg.)



Source: Departments of Lands and Surveys

- The majority number of house sales (48%) corresponded to properties with an internal area of 120-180sq.m. – a size which corresponds with a three to four bedroom house, with an average sale price of around €290,000.
- About 3% of the transactions concerned houses with an internal area of over 250sq.m. with an average selling price of over €1 million.

Sale Price and Share (%) of Total House Transactions in Cyprus by Price Group, 2014-20 (Avg.)

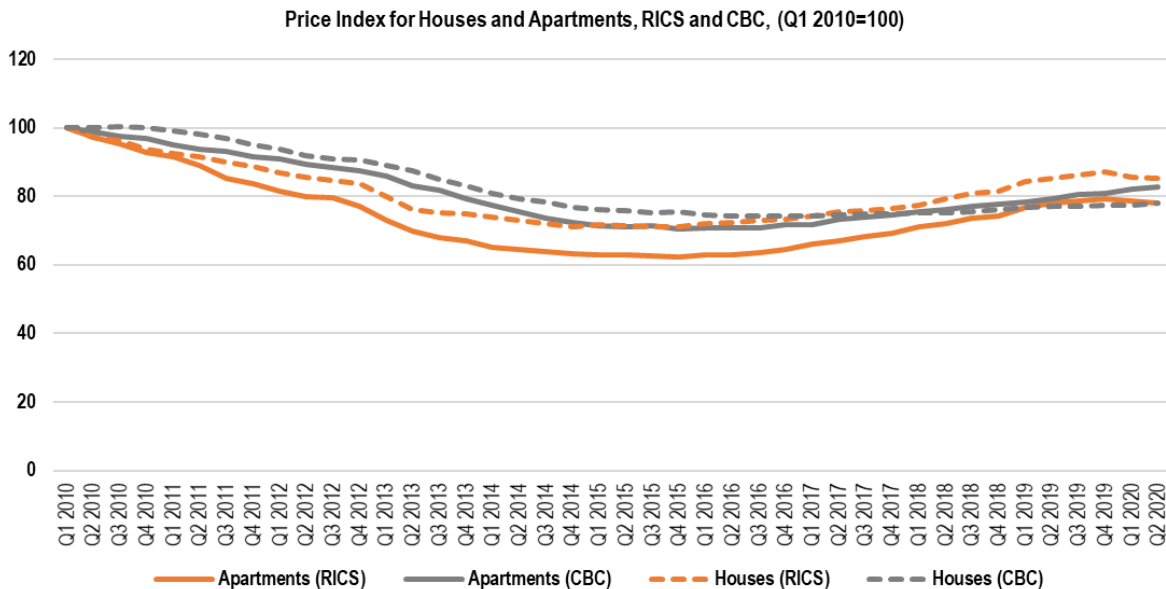


Source: Department of Lands and Surveys

- The highest share of price ranges concern houses with prices between €0 - €150,000 and €150,000 - €250,000.
- Approximately 9% of the total number of transactions for houses had selling prices over €500,000 per property, some of which were related to the acquisition of Cypriot Citizenship by investment which, until May 2019, required a minimum investment of €2,000,000 and after May 2019 it increased to €2,150,000.

3.3 PRICE INDEX

- Central Bank of Cyprus Index: It is based on real estate appraisals carried out for lending purposes by all Banks associated with the Central Bank.
- RICS Index: It is based on systematic assessments conducted quarterly by the same appraisers and concern hypothetical properties with specific characteristics.

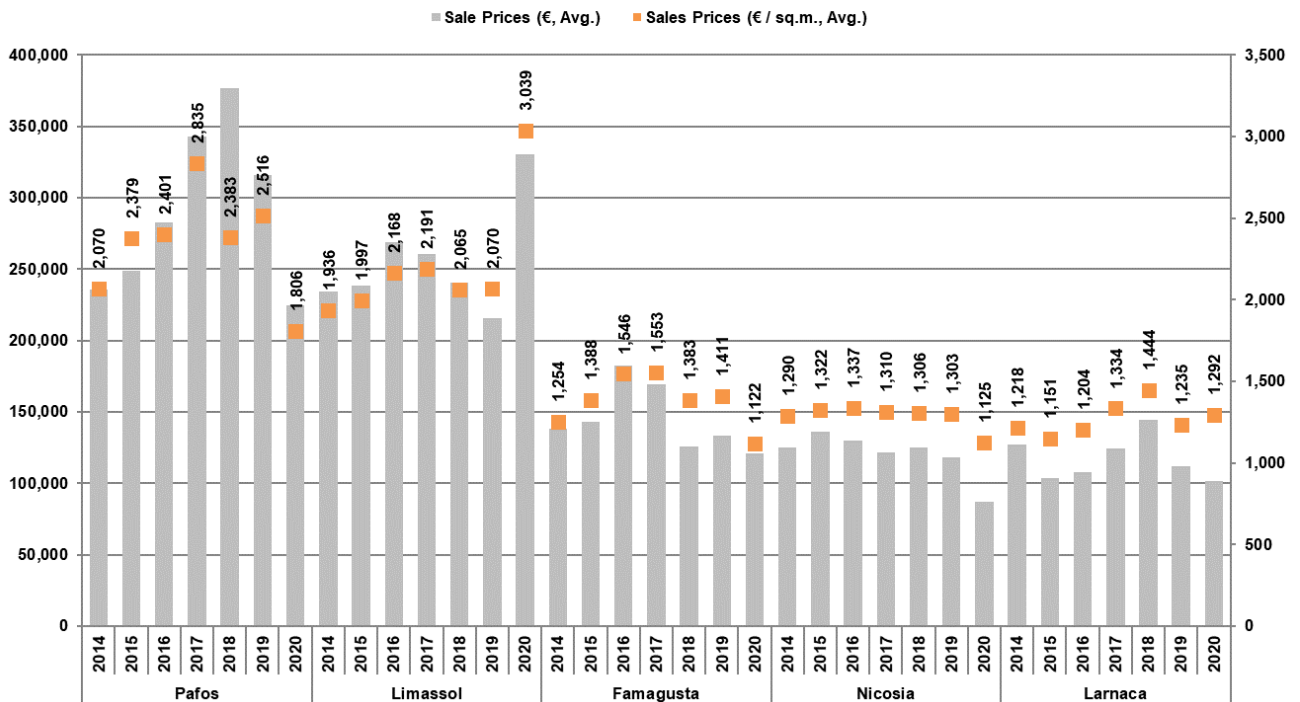


Source: RICS kai Central Bank of Cyprus

Apartments	Houses
<ul style="list-style-type: none"> • According to the RICS index from 2016 until 2020 apartment prices were increasing. However, in the 2nd quarter of 2020 a slight decrease in prices was observed when compared to the 1st quarter of 2019. • On the other hand, prices according to the CBC increased from 2016 until the 2nd quarter of 2020 (where data is available). 	<ul style="list-style-type: none"> • In both indices there was an increase in house prices from 2016 to the 2nd quarter of 2020. • The only difference that arises is that house prices according to the CBC were increasing at a slower rate than in the RICS price index.

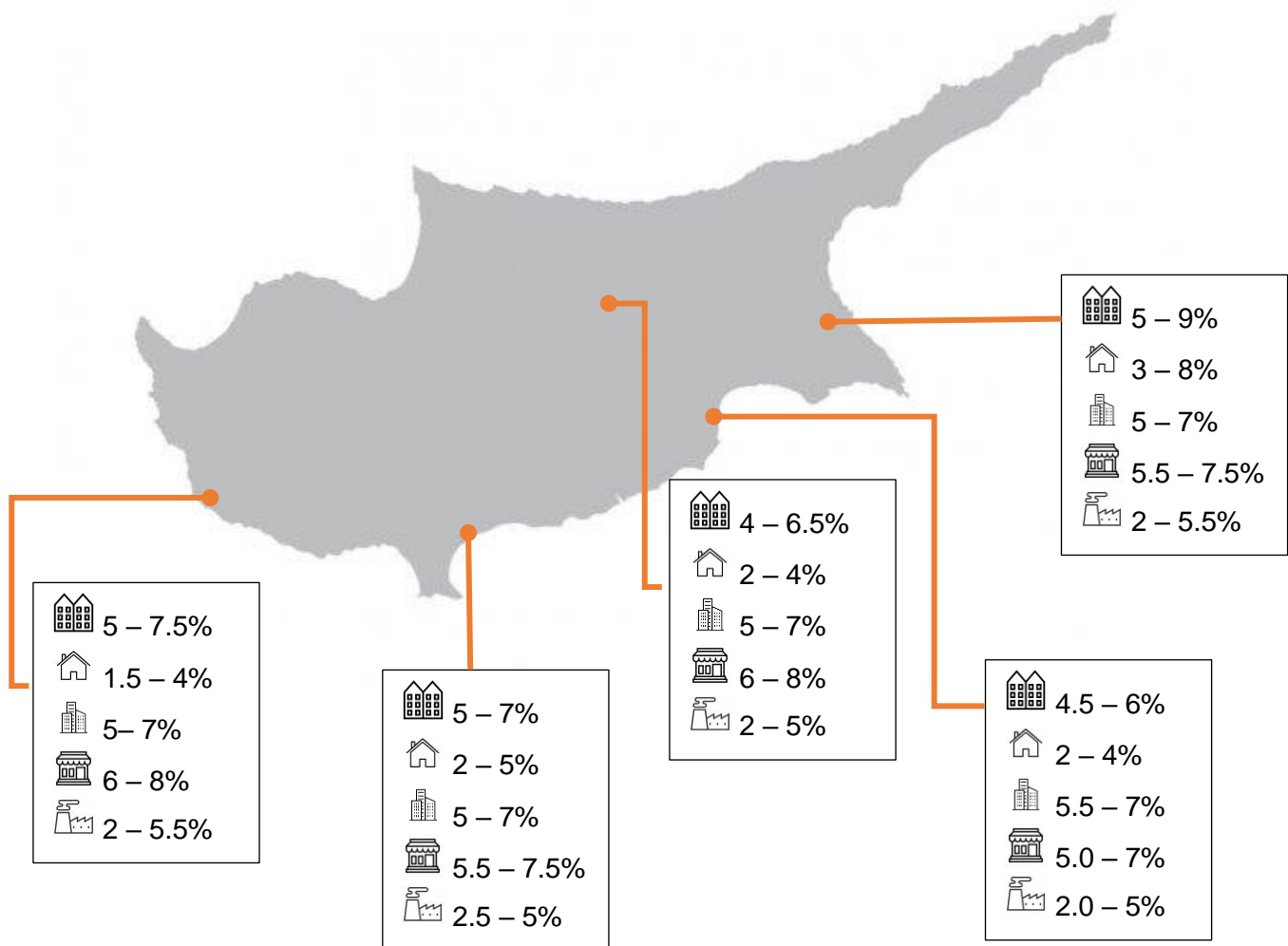
- The following graph further explores the change in average property prices (both in terms of capital values and in terms of prices per sqm) per district for the period of 2014-20. This data relates to real estate transactions in Cyprus and concerns both apartments and houses.
- It is evident that apart from Limassol and Paphos, residential prices in the remaining of Cyprus' Districts displayed a similar average price range (c.€87,000-140,000) over the years. In 2020, a decrease in the average sale price compared to 2019 was observed in all the districts, except in Limassol. This may be due to a price correction and the increasing number of new developments that have been completed recently and placed on the market in recent years.
- Limassol and Paphos are areas of interest as the highest selling prices were recorded in these districts. This is predominintely due to the different buyer profile in these districts. The relatively high quality of life, the importance of the cities as a tourist destinations, the special development projects that have created a new product in the existing luxury building market, but also projects that are in progress and others infrastructure projects (marinas, golf, etc.) make these two districts attractive destinations for tourists and investors.

Sale Prices of Residential Properties by District, 2014-20 (€, €/sq.m.)



Source: Departments and Surveys

3.4 EXPECTED RATES OF RETURN FOR 2021



Apartments: Returns depends on the age, location of the property, the maintenance and condition of the property and the duration of the rental contract.



Houses: The same applies as above and an additional characteristic is also if the house has a swimming pool.



Offices: Returns depend on the distance from the mall.



Shops: The risk factor of shops was affected highly by the outbreak of the COVID-19 pandemic - mainly with the closure of businesses.



Warehouses: Returns depend on the internal area, accessibility and the location.

**It is noted that in Paphos, Limassol and Famagusta districts, both for the houses and apartments there is possibility for short-term rent contracts.*

3.5 CONCERNS / GENERAL COMMENTS

Recently Cyprus entered its second local lockdown and the Cyprus Citizenship by Investment Program was terminated. These events that are inextricably linked to the real estate market.

Although the pandemic seems to have affected several categories of real estate, we believe that these changes would have taken place eventually and that it was only a matter of time. The pandemic simply acted as a catalyst for acceleration in this direction.

- **Offices:** Given recent technological developments and the fast speed of the internet, traffic on the streets and the lack of public transport in the cities, it seemed unnecessary for the average worker to spend up to two hours a day commuting to and from work. So many employers, with great relief, agreed for employees to work from home for two or three days a week. Working from home has been tested more in recent months, and seems to have had positive outcomes. Therefore, it is possible that this new way of working will continue and may become established as the norm in some cases. Companies have succeeded in cutting costs, needing less office area to meet operational needs and executives having a better quality of life and more time with family. Therefore, if the above continues, we would expect an increase in the supply of office space and a downward adjustment of rents.
- **Commercial Spaces:** We believe that commercial spaces will move in a similar direction, as a large part of the population has become familiar with online shopping and some even prefer it. People are now spending more time at home and the requirements for larger and better quality residential space have increased. People's shopping needs are being met from the comfort of their homes. Therefore, while the demand for shops will decrease the demand for large warehouses will increase in order to meet the storage needs of large suppliers.
- **Demand for Apartments:** It is a fact that Cypriot Universities have invested heavily in attracting foreign students, the number of which has increased substantially in recent years. The inflow of foreign students formed the demand for a new product in the residential real estate sector, student dormitories. Private

universities and investors have channeled significant funds into the construction of such projects. However, mainly in Nicosia and Limassol, the number of dormitories built were not sufficient to meet the housing requirements of students. As a result, demand for apartments and housing units in the city centers has skyrocketed, significantly raising rental prices.

The question that arises is whether this demand will continue in the new academic year, given the new circumstances brought about by the pandemic. In the case of universities, it remains unknown how many students will choose to travel to Cyprus while the situation regarding the pandemic remains fluid and the vaccination roll out for this age group appears to be moving slowly. An important factor that will determine enrollment levels and student flow will be the model of education that will be implemented. If, for example, it is deemed necessary for the courses to be carried out online, a model that was applied during the quarantine period, then the number of students who will be looking for accommodation in Cyprus in September is estimated to be reduced. The adaptation of universities to online learning is expected to improve thereby increasing the number of students as a whole, but at the same time it is expected to reduce the number of students that are physically sitting in a lecture hall. The latter will have the effect of reducing the demand for real estate aimed at students, as we assume most will prefer to stay home where there is a reduced cost of living.

Long-term Rentals: The reduction of travel and the cancellation of summer vacations have inevitably hit the Airbnb and short-term rental accommodation sector as well. In fact, in recent months there was a reduction of more than 80% in new bookings and a 90% cancellation in bookings. It is estimated that if the same situation continues, then many owners of short-term rental accommodation will prefer to let their properties on a long-term rental basis. This, in turn, will increase the supply of residential accommodation, with the corresponding impact of course on rents and yields.