DANOS RESEARCH

NICOSIA OFFICE MARKET INSIGHT JULY 2026

Pricing, demand, office geography, modern stock and development pipeline

MARKET	PUBLICATION	SOURCE
Nicosia offices	July 2026	DANOS Research

EXECUTIVE VIEW

A stable market with a widening quality divide

Nicosia remains Cyprus' deepest administrative and professional-services office market. Headline growth is measured, but demand is increasingly concentrated in modern, energy-efficient buildings with parking, resilient infrastructure and flexible floorplates.

+2.91%	+3.03%	5.60%	33
OFFICE VALUES	**OFFICE RENTS**	**OFFICE YIELD**	**NICOSIA SALES**
Cyprus YoY, Q1 2026	Cyprus YoY, Q1 2026	Cyprus, Q1 2026	Office transactions, 2026

DANOS MARKET VIEW

The market is not moving uniformly. Prime and newly delivered offices are supported by technical quality and scarcity, while older buildings without efficient systems, parking or refurbishment capacity face a longer marketing period and greater pricing sensitivity.

Demand. Financial, professional, technology and institutional users continue to screen Nicosia first for headquarters and substantial office functions.

Supply. Large contiguous floors remain limited. The development pipeline improves choice, but delivery timing and pre-leasing matter.

Pricing. Modern space broadly occupies the upper end of the market; secondary stock competes through location, flexibility and value.

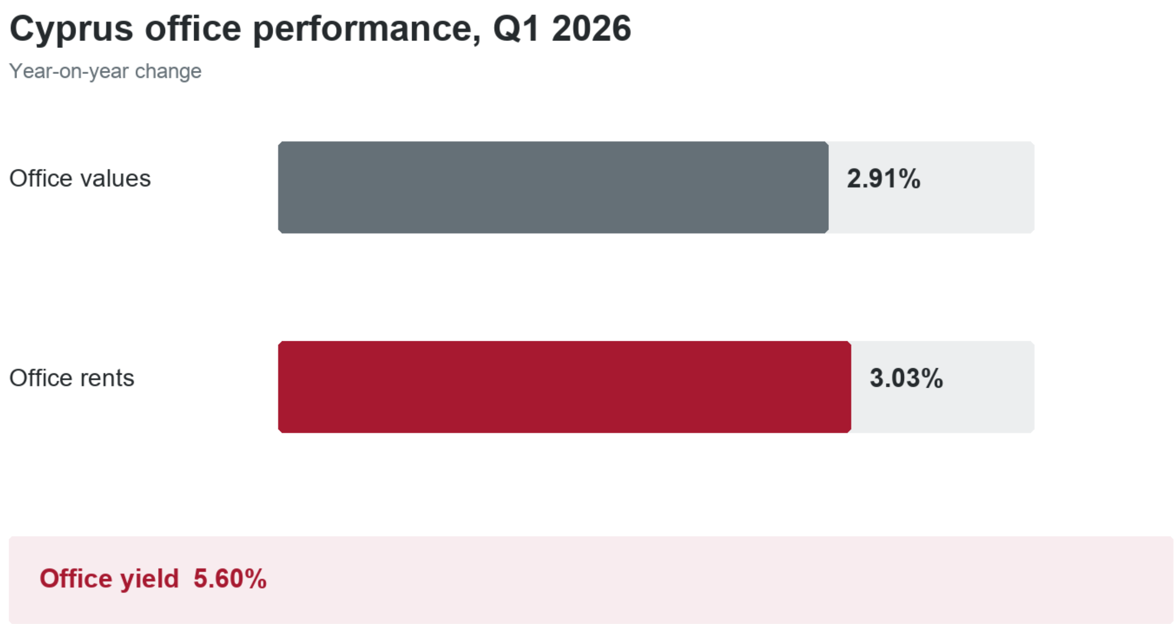
Decision factor. Parking is frequently as important as headline rent, particularly for occupiers with high staff density or cross-city commuting.

Source: DANOS Research; RICS Cyprus Property Index with KPMG, Q1 2026; DANOS office transaction analysis, 2026.

PROPERTY PERFORMANCE

Office rents and values continue to edge upward

The Q1 2026 RICS Cyprus Property Index with KPMG records positive annual movement in both office capital and rental values, with office yields broadly stable.



What the index says

Office market values increased by 2.91% year on year and rental values by 3.03%. The 5.60% office yield remained broadly stable at 5.60% in Q1 2026. The pattern is one of gradual growth rather than a broad repricing event.

BUSINESS-DEMAND CONTEXT
Cyprus service-sector turnover rose in Q1 2026, including professional, scientific and technical activities (+3.0%) and real-estate activities (+2.8%). These sectors form part of the demand base for Nicosia's office market.

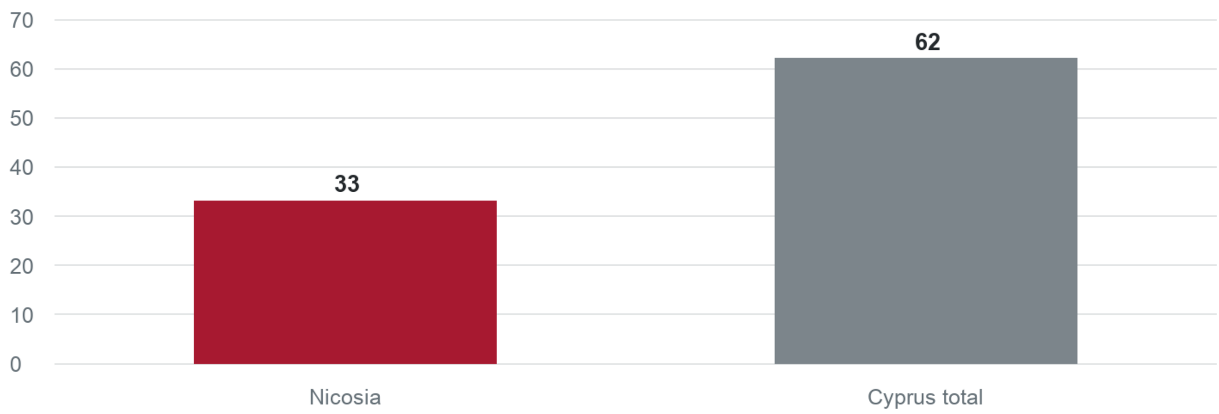
Sources: RICS Cyprus Property Index with KPMG in Cyprus, Q1 2026; CYSTAT service-sector turnover data, via KPMG Economics Weekly Alert 20/2026.

PRICING AND LIQUIDITY

Transaction depth is strongest in Nicosia; rents separate by quality

In 2026, Nicosia recorded 33 of Cyprus' 62 office transactions. Cyprus office sales totalled approximately €11 million. Rental evidence shows a clear premium for new or comprehensively upgraded accommodation.

Office transactions: Nicosia and Cyprus, 2026



Cyprus office sales value: approximately €11 million

Nicosia office rental bands, 2026

Segment	EUR / sqm / month	Market reading
Secondary / older stock	€12-16	Condition, parking and fit-out drive dispersion
Modern offices	€18-25	Good specification and established office locations
Prime Grade A corridors	€22-28	New or developing stock on principal business axes

Nicosia office capital-value bands, 2026

Segment	Value range
Secondary offices	€2,000-3,200 / sqm
Prime modern offices	€3,500-5,000 / sqm

INTERPRETATION

The 2026 average Nicosia office sale value was approximately €190,000. It reflects the transaction mix and is not a benchmark for headquarters-scale buildings, which require asset-specific analysis of floor efficiency, parking, capex, tenure and income.

OFFICE GEOGRAPHY

Four corridors define the Nicosia office search

Nicosia is a multi-node office market. Corporate identity, staff access, parking and proximity to institutions produce distinct location choices rather than a single dominant business district.

Submarket	Strengths	Market implication
City centre / Makariou	Prestige, institutions, urban amenity	Constrained organised parking; varied building age
Limassol Avenue / city entrance	Modern corporate stock, motorway access, visibility	Strongest fit for larger floorplates and commuter access
Athalassas / Dasoupoli	Mature office corridor, established services, active pipeline	Good balance of access, specification and recognisable address
Engomi / Griva Digeni	Established corporate and education-related district	Diverse stock; traffic conditions and parking require site testing

Submarket reading

The centre remains important for institutional proximity and corporate address, but the strongest modern building response is increasingly visible on the radial avenues. Limassol Avenue and Athalassas combine motorway access with newer technical stock; Engomi provides an established western alternative.

LOCATION IS A TOTAL-COST DECISION

A lower face rent can be offset by fit-out works, inefficient floorplates, external parking, higher energy use or staff travel friction. Comparable analysis should therefore normalise occupancy cost and not compare rent alone.

Source: DANOS Research, July 2026.

OCCUPIER INTELLIGENCE

The specification gap now shapes demand

Recent market enquiries reviewed by DANOS show a consistent shift from area-only searches toward operational and technical performance.

Demand group	Typical building implication
Financial and professional services	Contiguous floors, controlled access, meeting capacity, robust power/data, substantial parking
Technology and digital services	Efficient cooling, fibre connectivity, flexible planning, staff amenity and resilient systems
Institutional and public bodies	Accessibility, security, long-term cost control, clear circulation and compliance
Smaller firms and project teams	Ready-to-use space, flexible terms, shared facilities and central access

Common building-screen criteria

- Energy performance and credible operating-cost evidence
- Parking capacity measured against real staff and visitor demand
- Raised floors, structured cabling, fibre and adaptable services
- Ventilation, fire safety, access control and backup-power strategy
- Floorplate efficiency, natural light and flexibility for future change
- Delivery programme, fit-out responsibility and whole-life occupancy cost

MARKET CONSEQUENCE

Buildings that combine these characteristics can defend a rental premium. Buildings that cannot demonstrate them increasingly compete as refurbishment or value-led options.

Source: DANOS Research market enquiries, July 2026.

SELECTED MODERN STOCK

Selected modern office stock in Nicosia

The following buildings form part of the modern office stock and development activity recorded in Nicosia in 2026.

Capital Gate

The Landmark Offices

NEXUS

City Gate Business Center

Building	Location	Development status	2026 characteristics
Capital Gate	Nicosia entrance / Limassol Avenue	Completed	>3,000 sqm offices; 70 parking; Energy Class A
The Landmark Offices	John Kennedy Avenue	Office tower	16 office floors; 1,250 sqm floorplates; LEED Gold process
NEXUS	Griva Digeni & Prodromou	Current development	4,000 sqm project area; central Nicosia
City Gate Business Center	Dasoupoli / city entrance	Under study	2,813 sqm covered; 7 levels; 4 basements; Energy Class A

Sources: project and developer information from Cyfield Group, The Landmark Nicosia Towers and AVAX Development; status stated as at July 2026.

DEVELOPMENT PIPELINE

Nicosia office development pipeline, 2026

The pipeline includes projects at different development stages, from completed and advanced schemes to longer-horizon projects.

Nautilus Tower

T-Capital

Building	Location	Stage	2026 characteristics
T-Capital	Dasoupoli	Under study	6-storey commercial scheme; 1,738 sqm site; Energy Class A
Nautilus Tower	Limassol Avenue / Aglantzia corridor	Long-term pipeline	9,050 sqm; 208 parking; LEED Gold target

Pipeline profile

Near term. Completed and advanced projects add modern office space to the market.

Medium term. Under-construction schemes support fit-out input and staged delivery.

Long term. Design-stage and major tower projects expand the market's scale and sustainability profile.

Sources: Cyfield Group project information and DANOS Research project materials, July 2026.

12-24 MONTH OUTLOOK

Prime rents retain an upward bias, while obsolescence risk increases

The central forecast is for measured rental growth in modern offices, with a more selective outcome for secondary stock. Pipeline delivery will improve choice without immediately removing the scarcity of large, parking-rich accommodation.

BASE CASE	UPSIDE	DOWNSIDE
Measured growth	**Faster absorption**	**Longer decisions**
Professional-services demand remains stable; Grade A rents edge upward; modern pipeline leases progressively.	Large requirements transact, pre-leasing increases and delivery slippage tightens effective supply.	Corporate expansion slows, projects are delayed and occupiers prioritise consolidation over relocation.

Current market considerations

Effective rents. Incentives, fit-out contributions and service charges shape the total occupancy cost beyond face rent.

Large-space supply. Contiguous area and parking together determine practical capacity; headline building area can overstate usable space.

Pipeline delivery. Planning, funding, construction progress, certification and pre-leasing shape delivery timing.

Secondary refurbishment. Energy upgrades and parking solutions will determine whether older stock can remain competitive.

DANOS CONCLUSION

Nicosia offers a stable office demand base and a credible modern pipeline. The market opportunity is not simply more space: it is deliverable, energy-efficient space with parking, operational resilience and floorplates that support contemporary work.

Source: DANOS Research outlook, July 2026.

METHODOLOGY AND SOURCES

Evidence-led, building-specific market intelligence

This public report combines published market indices, transaction analysis, official economic data, developer information and DANOS field research.

Methodology notes

- The RICS index tracks notional CBD office assets and provides directional price, rent and yield evidence; it is not a transaction register.
- Rental and capital-value bands are 2026 market ranges compiled by DANOS.
- Development information reflects published project records and DANOS Research dated July 2026.
- Named buildings form part of the observed 2026 office stock and development pipeline.

Principal sources

RICS / KPMG in Cyprus. RICS Cyprus Property Index, Q1 2026 View source
KPMG in Cyprus / CYSTAT. Economics Weekly Alert 20/2026: service-sector turnover, Q1 2026 View source
Cyfield Group. Capital Gate, City Gate Business Center and T-Capital project information View source
The Landmark Nicosia Towers. The Landmark Offices project information View source
AVAX Development. NEXUS project information View source
DANOS Research. Cyprus office transactions, Nicosia comparables, field enquiries and development intelligence, 2026

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Source: DANOS Research, July 2026.

REPORT BASIS

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Source: DANOS Research, July 2026.