

# Cyprus: Revitalising mountainous, remote and disadvantaged rural areas through housing policy

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## Description

*In March 2021, the Ministry of the Interior funded and launched two new schemes to rejuvenate mountainous, remote and disadvantaged rural areas. The goal of these complementary schemes is the provision of financial incentives (i.e. economic support to build, purchase or renovate a home) for the promotion of homeownership in these areas, especially among young couples. By the end of August 2021, 112 applications, totalling €4.9 million of governmental financial support, had been approved, almost exhausting the budget that the ministry had initially allocated to the schemes for 2021.*

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In March 2021, the Ministry of the Interior launched the “Housing scheme to support mountainous, remote and disadvantaged rural areas” and the “Housing scheme to rejuvenate certain rural areas”. The two schemes have a similar structure, with the latter covering areas not covered by the former. Overall, the schemes encompass a large number of communities (258) located in mountainous and rural Cyprus.

The aim of the schemes is to provide financial support for the acquisition or construction of a residential property (exclusively for the purpose of homeownership) in areas characterised as remote, mountainous or disadvantaged on the basis of specific criteria such as: altitude (above 500 metres), population (less than 500 persons in the community), distance (more than 30km from urban areas) and population reduction (a fall of more than 10% since the 2001 census or more than 20% since the 1992 census).

To be eligible for financial support, the total cost of the acquisition/ construction of residential property should be at least €20,000. The amount of support is equal to 50% of the total eligible cost (i.e. the minimum amount of support is €10,000) and varies according to the composition of the family. The support can be up to €20,000 for a single person, €30,000 for a couple without children, €45,000 for a young couple without children (both should be below 41 years old when submitting the application), €35,000 for a family with children, €50,000 for a

young family with children, and €55,000 for a family with at least 4 children. Persons with disabilities receive an additional amount of €10,000.

Eligibility is conditional on permanent residency (at least 5 years), citizenship (the scheme is open to Cypriot and EU citizens), and other non-income related criteria (such as not having benefited from other housing schemes). It also depends on income criteria, which vary according to family composition and area of residency. The income limit for eligibility ranges from €25,000 (gross annual family income) for single-parent families to €65,000 for families with five or more children, and from €35,000 to €75,000 (again according to family type) for those residing in areas characterised as “very mountainous and very small and remote communities” by the scheme.



## Outlook and commentary

The schemes are part of the government’s integrated housing policy, the objectives of which also include revitalising mountain and remote and disadvantaged areas, improving the quality of life of residents in these areas, as well as attracting new residents.

Moreover, an interesting and innovative feature of the schemes is the additional economic support provided to young couples. This policy orientation should

be understood in a wider national and European context, where concerns for better social protection and empowerment of young people are gradually being raised. These concerns include access to decent and stable housing as an integral part of independent living (e.g. European Youth Forum, 2016).

Interestingly, the extraordinary conjuncture created by the pandemic may help to meet some of the aforementioned goals. For instance, the pandemic has forced many firms to shift to emergency teleworking. Although this shift was premature and unplanned, there is wide consensus that telework will not return to its pre-pandemic levels, but will gain recognition and be more widely established, with employers increasingly recognising its benefits (ETUI, 2021). In particular, teleworking could

enable young people and families to reside outside high-priced, unaffordable urban centres, while simultaneously rejuvenating previously remote and often disadvantaged or deprived areas.

The demand for these schemes is already strong. Since their launch, on 1 March 2021, there has been considerable interest, mostly from young couples. In less than a month, 37 applications were received. By the end of August 2021, 112 applications, totalling €4.9 million of governmental financial support, had been approved - almost exhausting the €5 million budget that the Ministry of the Interior had initially allocated to the schemes for 2021. The ministry has already requested a 2.5 million budget increase for 2021, while there are already plans for a new revised announcement in 2022. Certainly, the revitalisation of remote rural areas is a complex

and demanding endeavour, requiring a multidimensional approach. Yet the above schemes seem likely to contribute positively towards this goal.

### Further reading

ETUI (2021). [Teleworking in the aftermath of the Covid-19 pandemic](#). European Trade Union Institute. Retrieved 20 July 2021.

European Youth Forum (2016). [Excluding youth: A threat to our future](#). Retrieved 20 July 2021.

Ministry of the Interior (2021). [Scheme for rejuvenating mountainous, remote and disadvantaged areas](#) (only in Greek). Retrieved 20 July 2021.

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