



# Property Lending Barometer 2020

COVID - 19 early release

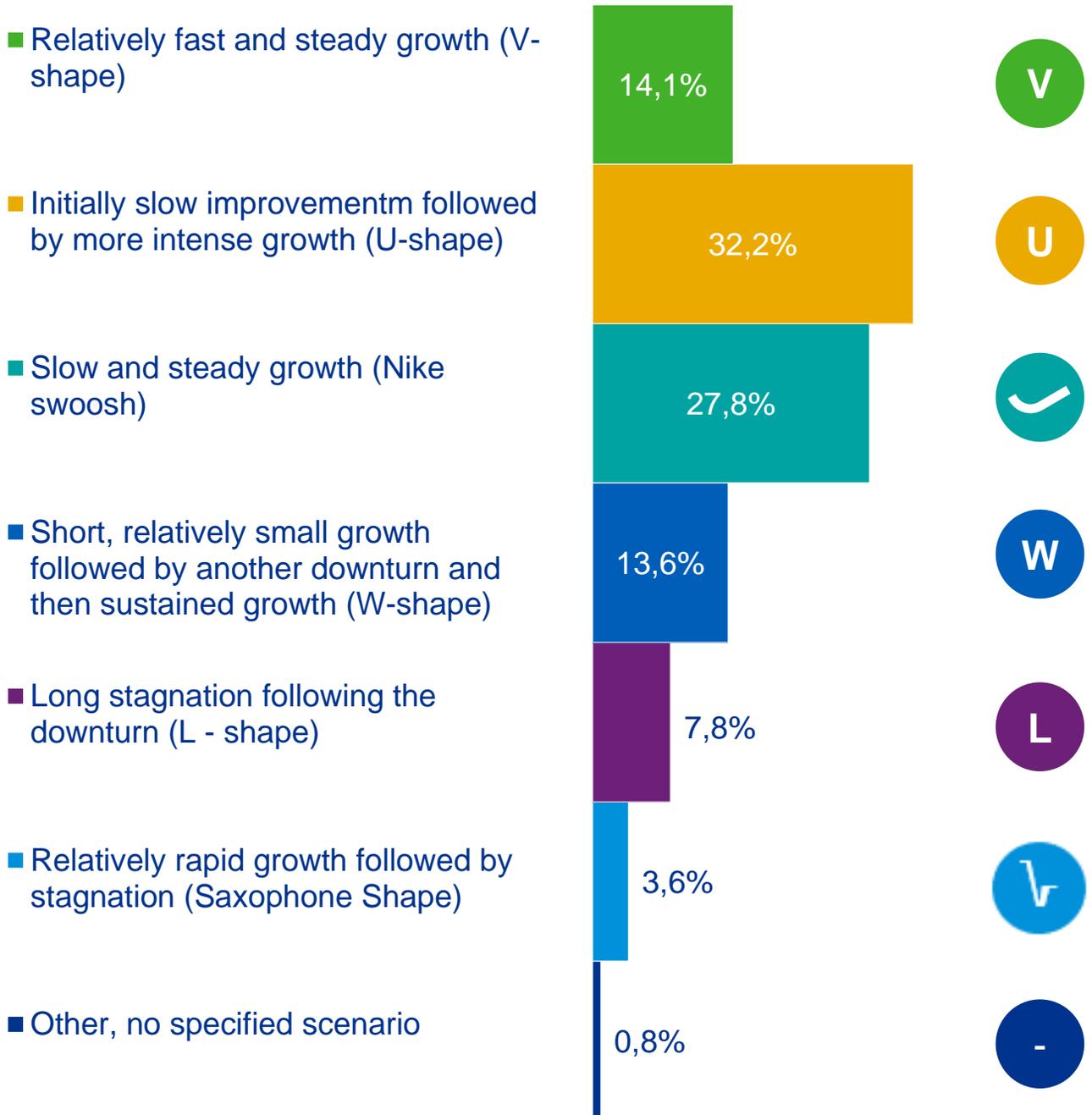
Cyprus results



**8** commercial banks from  
Cyprus took part in the 2020  
Property Lending Barometer

## QUESTION 1

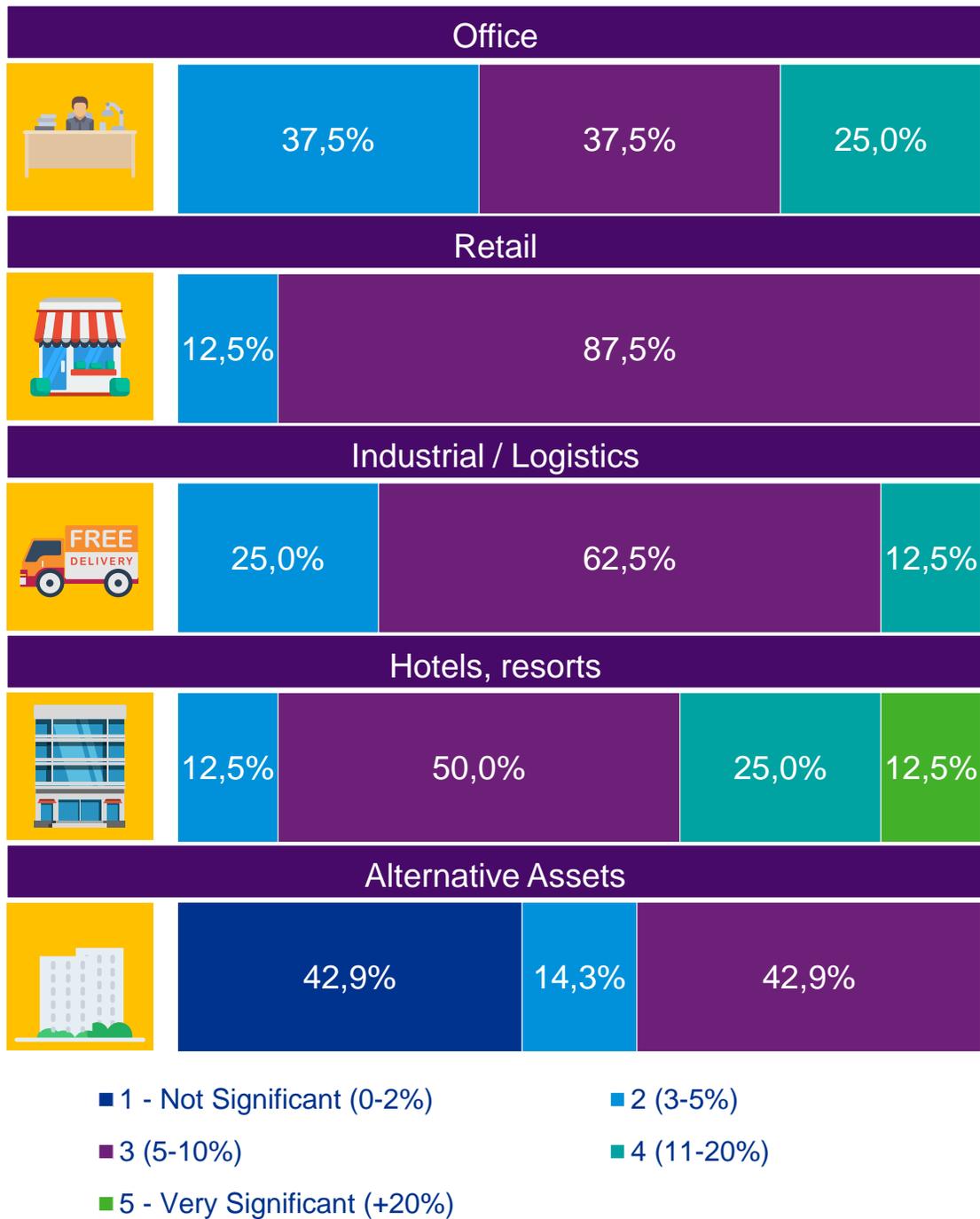
After reaching the bottom of the crisis, how do you expect the economy to move forward in your country? What probabilities would you assign to the below scenarios?



It appears that 60% of the respondents expect a rather prolonged recession followed by rapid or a more gradual growth subsequently ("U" and "Nike swoosh" shape), whereas 14% expect a much faster recovery to rapid growth ("V" shape) and a further 14% expect a more volatile future economic performance.

## QUESTION 2

To what extent is the quality of the existing loan portfolio of the banking system in your country expected to deteriorate as a result of the epidemic and its economic effects in each of the below categories?



Note: The (%) in the ledger refers to provisions or value adjustments as a percentage of the whole portfolio

Based on the responses received it appears that the least affected asset class is expected to be Alternative Assets (e.g. student housing, senior homes) and the most affected is expected to be Hotels and resorts.

## QUESTION 3

How strongly do you agree with the below statements regarding your country?

a). Based on the current experience gained on the necessary shift to home office, demand for office space will decrease significantly.



b). Governments' and central banks' measures that have been communicated so far have significantly reduced the negative impact of the pandemic on real estate financing.



c). The way a potential borrower's business model handles a pandemic will play a major role in making financing decisions in the future.



- 1 - Strongly Disagree
- 2 - Disagree
- 3 - Neither agree nor disagree
- 4 - Agree
- 5 - Strongly Agree

- 62,5% of respondents strongly disagree or disagree that demand for office space will decrease significantly
- 37,5% of respondents feel that the governmental and central bank measures have significantly reduced the negative impact on real estate financing
- 62,5% of respondents agree that the way a potential borrower's business model handles a pandemic will play a major role in making future financial decisions.

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