

Viviane Reding  
Vice President, Commissioner for Justice  
DG Justice  
European Commission  
Brussels B-1049

Dear Commissioner Reding,

**SUBJECT: Cypriot Property Developers and Unfair Commercial Practice**

I wish to lend my support to the joint letter sent to you on this subject by UK MEPS dated April 6th 2011, and to kindly urge you as EU Commissioner for Justice to respond promptly to the just and fair requests in that letter.

As you are aware many buyers in Cyprus are without the title deeds to their homes due to the grossly unfair practices of the property industry, banks and even their own lawyers. Despite the misleading assurances to the EU by the Republic the current legal provisions in Cyprus to protect buyers' rights are considered totally inadequate.

Furthermore, it has recently come to light that knowledge of Directive 2005/29/EC - Unfair Commercial Practices and the Cyprus Law 103 (I) /2007 which transposes it, appears to have been suppressed by the Republic, with even the Head of the Cyprus Consumers Association recently admitting to the media that he had not heard of the law. This despite Article 17 of the Directive mandating that states inform consumers.

Accordingly, to enable the quest for justice under this Directive we need the Commission to confirm, as per our MEPs' requests, that the failure to transfer legal ownership of immovable properties immediately after the purchase is an unfair practice in all circumstances, regardless of when the contract was signed.

Finally, remembering that peoples' homes are at risk is this the most unfair commercial practice of all? - the attachment to this letter further gives further clarification.

Thank you for your attention to this matter.

Name:

Signature:

Date:

Address:

## **The Unfair Practice of Withheld Title Deeds**

1. Instead of the transfer of their individual title deeds upon payment of the full purchase price, all that the buyer obtains by the relevant legal provision of lodging of the sales contract at the Land Registry is merely a legal claim against the main title. Should the land on which their property is built have a prior developer mortgage then the buyers are denied legal ownership at least until this is cleared.
2. An empty building plot can be mortgaged under an agreement solely between the two parties; yet in the event of the developer's bankruptcy the bank can legally have access to all the buildings on that land which were built subsequently under quite separate legal agreements (involving the same land!) and which did not include the bank as a party to these agreements – note: how can this be legal?
3. Should the developer become bankrupt prior to the transfer of individual deeds, then the buyers become victims of a biased liquidation scenario and unless they can pay off 'their share' of the developer's related debts and taxes, lawyer's fees and hefty Receiver's fees they stand to have their home repossessed by the bank.
4. Lodging the sales contract at the Land Registry does not stop the developer from reselling the buyer's property either and the Attorney General has said this reselling is not even a criminal offence.
5. Because title deeds are not transferred immediately the developers need not apply to obtain a Completion Certificate covering the development (required before individual deeds can be applied for) and prior to buyers' occupancy, which without the certificate is actually illegal for both the developer and buyers. This means that buyers can move into properties which may in some cases be unsafe to occupy or without the required permits, or illegal in other ways, and therefore ultimately may not even be able to have clean title deeds issued.
6. A property without title deeds is more difficult to dispose of ('sell') and is worth less on the open market than an equivalent one with deeds and as a consequence is therefore devalued by this practice until deeds are issued.
7. In order to dispose of their property to another buyer the first buyer usually must pay significant (and illegal) cancellation charges to the developer.
8. Buyers are usually subjected to fraudulent annual charges and taxes (under the threat of the developer not transferring deeds) which are much more than the developer actually pays.
9. For title deed transfer tax charging purposes, the Land Registry can come up with their highly inflated scam 'valuation' of the purchase price many years after the sales contract (with the true purchase price) was actually lodged with them.

**Note :** in applying the '*is this fair or just*' test to any of the individual issues numbered above could anyone be in any doubt that **the practice of withholding title deeds is grossly unfair in all circumstances?**