

NEAR EAST UNIVERSITY
FACULTY OF ECONOMICS AND ADMINISTRATIVE SCIENCES
DEPARTMENT OF BUSINESS ADMINISTRATION

**VARIABLES AFFECTING HOUSING DEMAND IN NORTHERN
CYPRUS AMONGST NON-TURKISH CYPRIOT NATIONALS
BETWEEN 2001 AND 2005**

GRADUATION THESIS

SUBMITTED BY: KUTAY CANATEŞ (STUDENTNO. 20010006)

SUBMITTED TO DR. FEHİMAN EMİNER

**JULY 2007
NİCOSİA**

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ABSTRACT

For the last 7 years the economic and political situations on Northern Cyprus have affected the house of sales to non Turkish Cypriot nationals. However, the opening of the border with Southern Cyprus, E.U and Annan plan peace affected the housing demand in northern Cyprus. The Turkish Cypriot lands value increased and the European citizen heard north Cyprus clean environment, low population, expected property value of future then, the visitors of Cyprus increased.

Housing demand in North Cyprus has a great importance for GNP. Construction sector has been the main sector since 2000 for the economy. There are several reasons for housing demand boom and they are going to be analysed in this study but before it would be better to make a short summary about the economy of Northern Cyprus.

This paper was a case study on property sector in northern Cyprus .The investigations found the variables affecting housing demand in northern Cyprus. However, the results of investigation also showed that non Turkish Cypriot nationals problems and needs in the northern Cyprus. Also shows us, the characteristics of buyers and differences of buyers who bought a house in Cyprus.

Key words: property sector, housing demand, Cyprus property sector.

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SECTION I

PROBLEM FORMULATIONS

1.1 Introduction

This section presents the topic area, the problem situation, the problem statement and the objectives of study.

1.2 Statement of the topic

Over the year of 2001, there was a huge movement in property sectors parameters in NC. A lot of non-Turkish bought houses or constructions in Northern Cyprus, these changes made the construction sector seem to be interesting.

Property sector is very important in northern Cyprus, also property sector is very Important to the economy, but there is an important problem in our country, that the property sector growing is not stable. It created only 5 years age of growing.

This study triest to find “what are the variables affecting housing demands in northern Cyprus amongst non Turkish Cypriot nationals between 2001-2005”.

This study will help to understand the variables affecting housing demands in northern Cyprus, it will help to make a steadily growing property sector.

1.3 Problem situation

property sector started 1974 but it was not growing fast as expected, the year of 2001 the situation of northern Cyprus changed and affected the housing demands, in other words the house sales for foreigners increased so high until 2005, property sector became one of

the most important economy provider, a lot of unemployed people found place to work in this sector, and opened a lot of constructions companies.

Up to now no body made a research about what changed between the years of 2001 to 2005, to understand the problems; we faces in property sector in northern Cyprus.

1.4 Problem statement

This paper investigated and measured the property sector in northern Cyprus with a view to access the needs to improve northern Cyprus property sector more, to attract more foreigners to buy or investigate in northern Cyprus, despite of northern Cyprus have a politic problem and need some support from foreigners.

The measuring instruments used was an adopted from Prasad 2004 & Ong and Chew.

1.5 Objectives of study

The following questions were formulated to fulfil the aims of the proposed study.

- 1.5.1 What are the special factors behind the boom in property sales in northern Cyprus between the 2001 and 2005?
- 1.5.2 What are the special factors behind the boom in property sales in northern Cyprus between the 2001 and 2005?
- 1.5.3 What are the construction sector growth economy between 2001 – 2005
- 1.5.4 What is the rule of Annan plan in the property role?
- 1.5.5 What are the characteristics of buyers of property?

1.6 Conclusion

This section has described the topic, problem situation, problem statement and the objectives of study.

SECTION II

HOUSING DEMAND BOOM:

A BRIEF LITERATURE REVIEW

2.1 Introduction

This section is a brief review of the literature on “what are the factors affecting house demand between 2001 and 2005 in Northern Cyprus?” with an aim to identify and define the correlations of the variables involved. Before starting to explain the theory about the housing demand it would be useful to give general information about the North Cyprus economy.

2.2 Housing Demand in North Cyprus

Housing demand in North Cyprus has a great importance for GNP. Construction sector has been the main sector since 2000 for the economy. There are several reasons for housing demand boom and they are going to be analysed in this study but before it would be better to make a short summary about the economy of Northern Cyprus.

2.2.1 North Cyprus Economy and Housing Demand Boom

North Cyprus is a small island economy. “Population, economy, environment and physical size—separately or in combination—are the primary, interrelated, criteria used to define a ‘small’ island state. In accordance with common practice, a country with less than 1.5 million people is considered ‘small’. There is also some consensus that ‘islands’

are bodies of land completely surrounded by water, although it is problematic to distinguish small islands from large ones. Whether or not the category of 'island' is substantively different from that of any state of comparable size is contentious, especially in economic terms." (PRASAD, 2004)

In recent years, the economic performance of small island countries has been poor which has caused many deep-seated development problems. Economic growth has generally been low and many have experienced serious financial and macroeconomic instability. Northern Cyprus is not an exception. It has also experienced very low productivity levels and slow economic growth. (YORUCU, GHAFOR, 2002)

Even North Cyprus economy is a small island with isolations the economy has reached to high growing rates during last few years. To understand which sector has higher importance on economic growth we have to look to the statistical data.

Table 2.1 Growth Rate of Main Sectors 1994–2004

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Agriculture	-12,3	2,4	8,9	-31,0	5,9	29,2	-13,2	16,10	18,9	7,3	8,5
Industry	-0,1	5,1	-1,9	3,6	1,2	2,4	4,0	-6,5	5,0	7,70	10,6
Construction	-8,2	-21,5	3,1	23,7	7,3	2	18,70	-20,4	15,90	30,8	5,3
Tourism	5,9	3,7	-13,4	14,6	3,2	11,3	3,7	-11,7	21	5	18,9
Financial Institutions	2,1	13,2	3,5	13,8	8,8	8,4	-6,8	-18,0	-10,7	6,70	-0,3
Business and Personal Services	-6,6	2,1	84,8	26,5	3,6	15,5	-10,7	14,3	0,9	5,7	26
GDP	-3,7	2,6	2,9	4,1	6	7,4	-0,6	-5,4	6,9	11,4	15,4

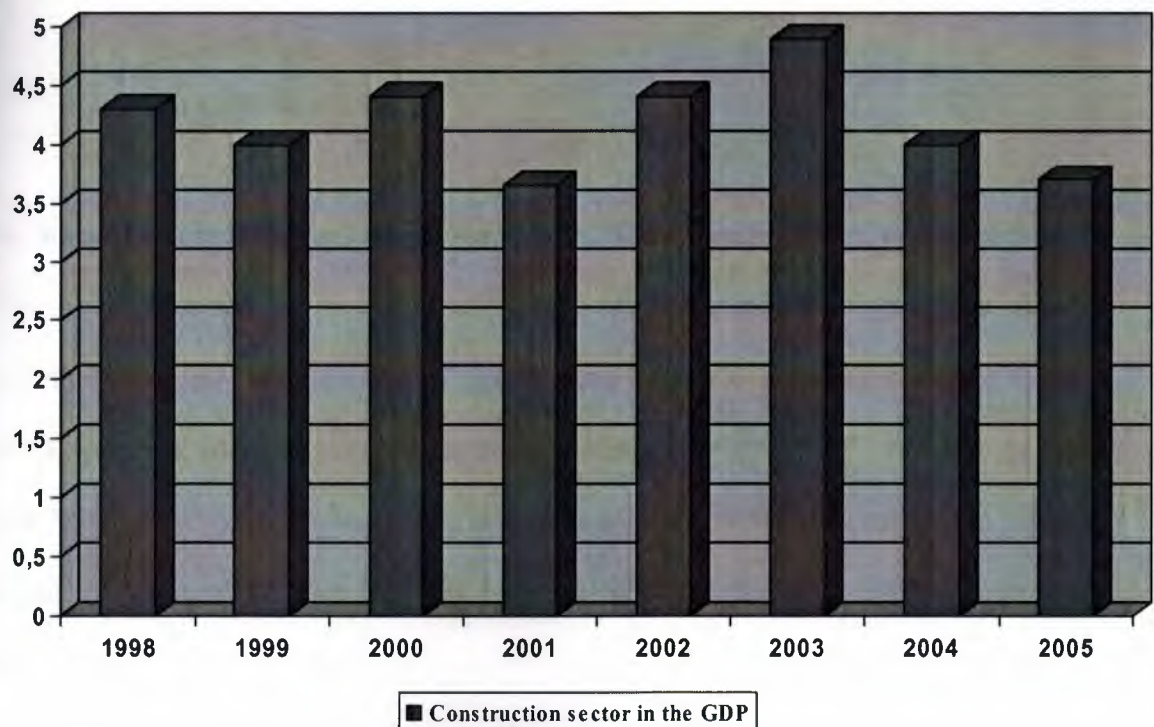
Source: SPO (2004), Economic and Social Indicators, State Planning Organization, Nicosia, p.10

Table 2.1 shows the growth rates of main sectors between 1994-2004. As it can be seen from the table it is easy to say that construction sector is one of the main sectors which show progress. Except 1994, 1995 and 2001 construction sector has a positive growth

rate. After 2001 the growth rate of this sector has an important development. The years which construction sector growth rate was negative were the years of economic crises in Turkey which North Cyprus affected negatively from that crisis. The growth rate of this sector has an important effect on housing demand or we can say that housing demand boom affected positively the growth of construction sector. Housing demand boom has a role on economic growth of North Cyprus.

Graph 2.1 shows the share of construction sector in GNP. In 2003 the construction sector share reached to its highest level. In 2005 the share of construction sector was not as high as the other sectors.

Percent in GDP



Graph-2.1 Construction Sector in Gross National Product in TRNC (1998-2005)

Sources: TRNC; State Planning Organization.

2.2.2. Housing Demand Boom in North Cyprus

The factors affecting property market are classified under demand and supply side factors. In this study we are only interested with demand factors and especially with foreign demand. But if we have to write the sub factors of demand and supply (Ong and Chew, 2005:55);

1) Demand Factors;

- Income;
- Demography;
- Foreign demand;
- Alternative investments;
- Government policies;
- Financing;

2) Supply Factors;

- Units under construction;
- Costs;
- Public housing supply;
- Availability of land;

Ever since Cypriots from the Turkish Republic of North Cyprus (TRNC) voted in favour of the Annan Plan and the peaceful reunification of Cyprus in 2004, Cyprus Real Estate in North Cyprus has been booming. The real estate boom has also been bolstered by EU aid to Cyprus and an increase in foreign direct investment.

Since 2004, property investment in North Cyprus has been steadily increasing, as has the amount of government spending on infrastructure and amenity improvement and development.

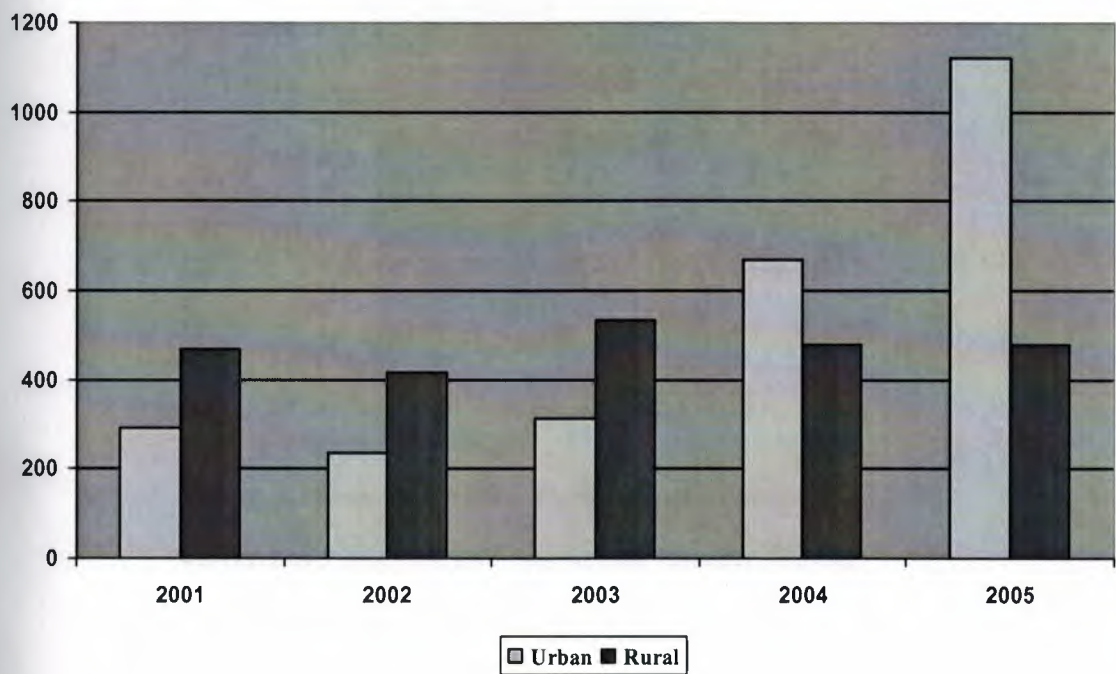
All indicators point to a long-term upward trend in Cyprus Real Estate prices in North Cyprus. Corresponding to this real estate boom, Cyprus Real Estate offers a myriad of investment opportunities in North Cyprus ranging in size from off plan residential

apartments starting at GBP 50,000 to a 400 berth marina requiring an investment of over GBP 90 million. Most investors are interested in residential properties off plan for both capital appreciation and rental yield.

Tourist areas in North Cyprus are presently experiencing the greatest property demand, a trend that will likely continue since UK-based tourist companies such as 'Going Places' have agreed to display TRNC brochures and the city of London itself is advertising North Cyprus on buses and in underground rail stations. The heightened awareness of this beautiful Mediterranean destination created by all this focus is causing an even greater increase in the number of tourists visiting the region (and it's already been on the rise for the last five years). Increased tourism will serve to intensify the demand for short-term villa and apartment rentals from which Cyprus Real Estate investors could profit. The rental industry will also benefit from the five major universities located in North Cyprus. These universities all saw increases in their student population, which means there will be an increased need for accommodations (especially since the amount of campus-based student accommodation is limited). This presents very promising residential and commercial investment opportunities for Cyprus Real Estate investors. Another fortunate aspect of buying Cyprus properties is that many Cypriots speak English as a second language. Moreover, since all of the solicitors and property agencies have English-speaking staff, there's very little likelihood that you'll experience any communication problems during business transactions. Yet another favourable aspect is that, as a result of Britain's occupation of Cyprus up until the 1960s, Cyprus' legal system closely resembles the UK's legal system. There are, however, two differences that you should know about: 1) As a non-resident of Cyprus you are limited to owning

only one piece of property on the island, although this restriction may quite possibly be lifted in the future, and 2) in the event that you do purchase a brand new Cyprus property, you will most likely not receive your title deeds for up to five years after the project has been completed. There are a couple of reasons for this delay and they are detailed below.

Number of new constructions



Graph 2.2 Numbers of New Constructions in North Cyprus (2001-2005)

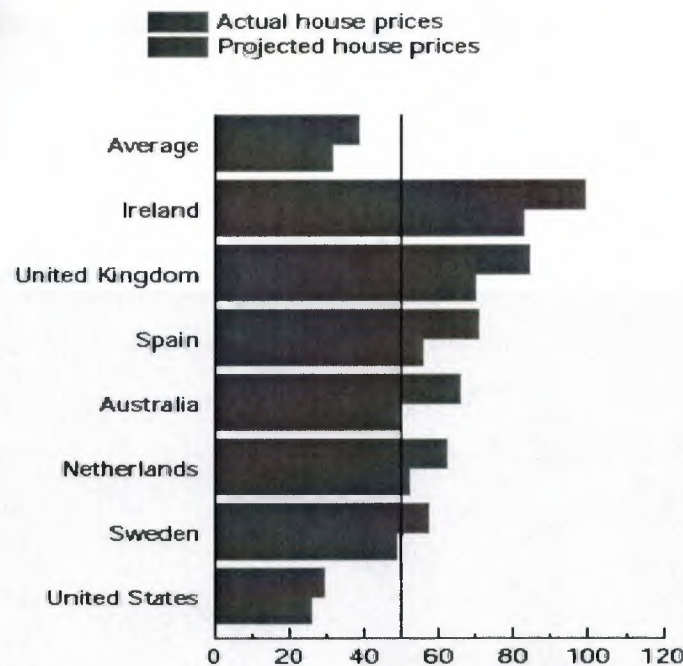
Sources: TRNC; State Planning Organization.

Graph 2.2 shows the number of new constructions in rural and urban areas between 2001-2005. 9Until 2003 new rural constructions were more than the urban constructions but after 2003 urban constructions increased rapidly and number of rural constructions decreased.

Between 2001 and 2005, the construction companies constructed 3494 houses, 990 flats, 109 shops. (TRNC; State Planning Organization)

Current House Price Boom

(1997–2003; cumulative growth rate; constant prices)



Graph 2.3 Cumulative price changes in same countries

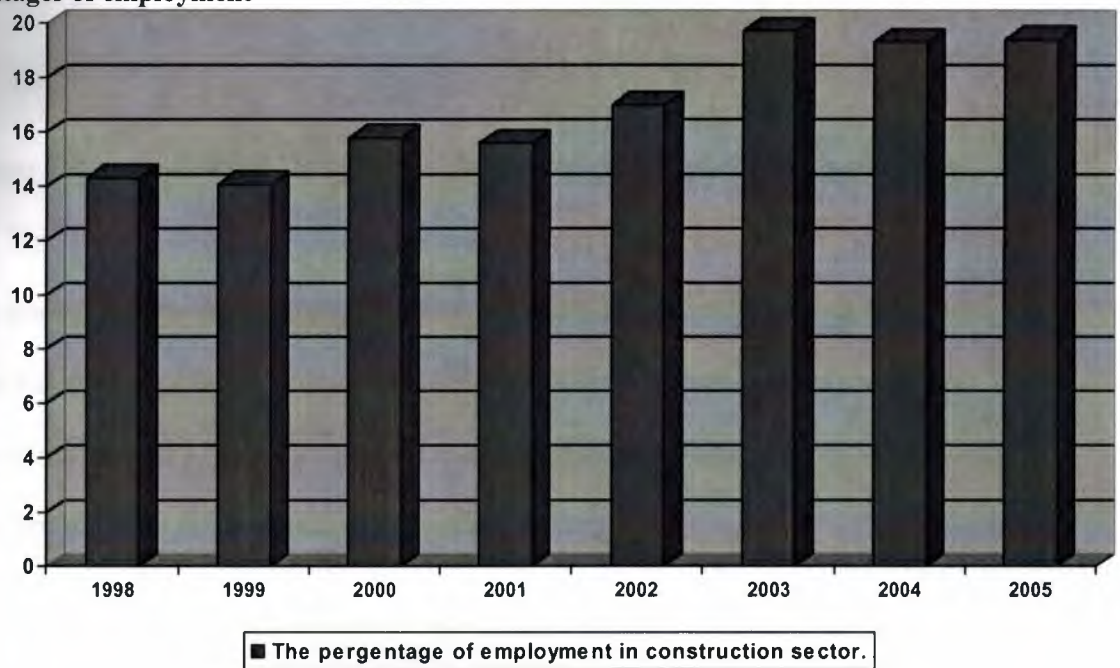
Sources: Haver Analytics; IMF, *International Financial Statistics*;

National sources; OECD; and IMF staff calculations.

Graph 3 shows the price changes in some countries between 1997-2003. For all countries there was a higher growth rate of actual prices than projected prices. The reason of increase in the prices can be explained by the increasing demand. Because of availability of finance, credits, people prefer to buy and live in their own houses. In UK one hundred years ago only about 10 percent of the population lived in houses they owned, but today the ratio rise to 70 percent of the population (Harrington, 2005:124).

In 2001, the Northern Cyprus political situation changed then the new cause affected the property price directly. Between 2001 and 2003 the property prices increased 35 percentage and after 2003 the price changed 25 percentages. (Protire Construction and Architecture Ltd., 2007).

Percentages of employment



Graph 2.4 Construction Sector; Distribution of Gross Domestic Product

Sources: TRNC; State Planning Organization.

The importance of construction sector is not limited with the economic growth. Construction sector also created higher employment especially after 2001. This has positive effect on employment rate and on overall economy.

2.3 Theoretical Framework; Reasons of Buying House from North Cyprus

There are an endless number of reasons to buy Cyprus Properties, not the least of which is Cyprus' location. Its located half way between the UK and Dubai so when you purchase Cyprus Properties you not only get a great investment, but you also get a convenient vacation home as well. Cyprus is a safe and scenic island with an ideal climate, changing seasons, fresh air, friendly people, and a sense of culture and history.

There are demand and supply factors that affect the property market (Ong and Chew, 1996). This study focuses on demand booming caused by foreigners. It tries to found out which reasons are more important for foreigners on choosing north Cyprus. Because Cyprus has special political condition it is not possible to support the study with any other scientific study. These factors used to analyse housing demand boom in Northern Cyprus but they can not be useful for any other country.

2.3.1 Cost and Standard of Living

Northern Cyprus is one of the European countries; the advantage of northern Cyprus is that the price of constructions is cheaper than the other European countries, also cheaper than the southern side of Cyprus.

Life generally in Northern side is cheaper also than the other European countries including Southern side of the island; Life costs average is suitable and even cheaper than the countries that surrounding Northern Cyprus except Turkey.

2.3.2 House Property Prices Expected Appreciation in Value

Some years ago, no body was interested of northern Cyprus, because the politics problems with the Southern side of the island, when the southern Cyprus join the EU. Also because of the people of Northern Cyprus accepted the UN solution for the island, people start to be interested in investing and even buy some houses in the northern side, the political problem seemed to be solved soon, and the future of the island seemed to be good. Also the house prices of South Cyprus can increase the house demand by foreigners of Northern Cyprus.

2.3.3 Community Life

Northern Cyprus government was so helpful for the foreign investors to invest and buy some construction, the taxes was generally low taxes, The government protected the investors too by law, which can made the investors feel comfortable about investing in this side of the island. The law is based on UK Law. Cyprus enjoys a very low crime rate in comparison with other Competitive Mediterranean countries. Vehicles drive on the left.

2.3.4 Natural Environment

Northern Cyprus is a unique place for clean beaches, it has some of the longest and cleanest beaches in the world, which made it a chance for the nature scientist and good place for sport of diving, the location is strategic also, its in the middles of the Mediterranean sea between Asia Europe and Africa which made it near to every body wants to visit it, the land full of historical places, and many nations and different histories

passed in this island, which made it a unique place also for tourism of history, climate and weather is the best when we compare with the countries around, and unique in the world, normal weather in the winter, and nice hot in the summer time.

2.3.5 Rules and Regulations

Rules and regulations can also affect the choice of foreigners. Foreigners look for easy way of buying house. They don't like too much bureaucracy during the process of buying house in North Cyprus.

2.3.6 Safety

Most of the people who buy houses in Cyprus are old people, looking for clean fresh air, safety quite place, which they can find in northern side of Cyprus,

2.3.7 Financial Services

Northern side of Cyprus contains most of the banks of turkey and some local banks, which offer most of the new ways of finance in the world, like western union and monogrammed, people from all around the world will have no problem in using their money by the banks here, and most of the supermarkets and shopping centres accept the foreign money like dollars and euros...etc

2.3.8 Political Environment

Annan plan was a plan to solve the political problem between northern side and southern side of Cyprus, the plan was most accepted by people of the northern side of Cyprus, that

proved that people of the north is a peaceful people and looking for peace, it gave a good idea to the world about the people, and proved that there is no restricted people in the north of Cyprus looking for a war again. Annan Plan show that can be a solution of Cyprus problem after the Annan plan the Turkish land values increase directly because Turkish people who want buy new houses choose the Turkish titled land and the constructions on Turkish land increase the constructors choose the building the houses for the foreigners house on the Greek lands. Also Annan plan show land is very important for the solution.

SECTION III

THEORETICAL FRAMEWORK

3.1 Introduction

This section illustrates the theoretical framework of “What are the variables affecting housing demand in Northern Cyprus amongst non-Turkish Cypriot nationals between 2001 and 2005?”

3.2 Theoretical framework

The figure 3.1 illustrates the theoretical framework that has been derived from the literature review carried out in section II. The framework is adopted for the proposed study subject to some changes that may occur during the early investigations of the actual study.

Figure 3.1 Theoretical Framework of Public Sector Employees Motivation

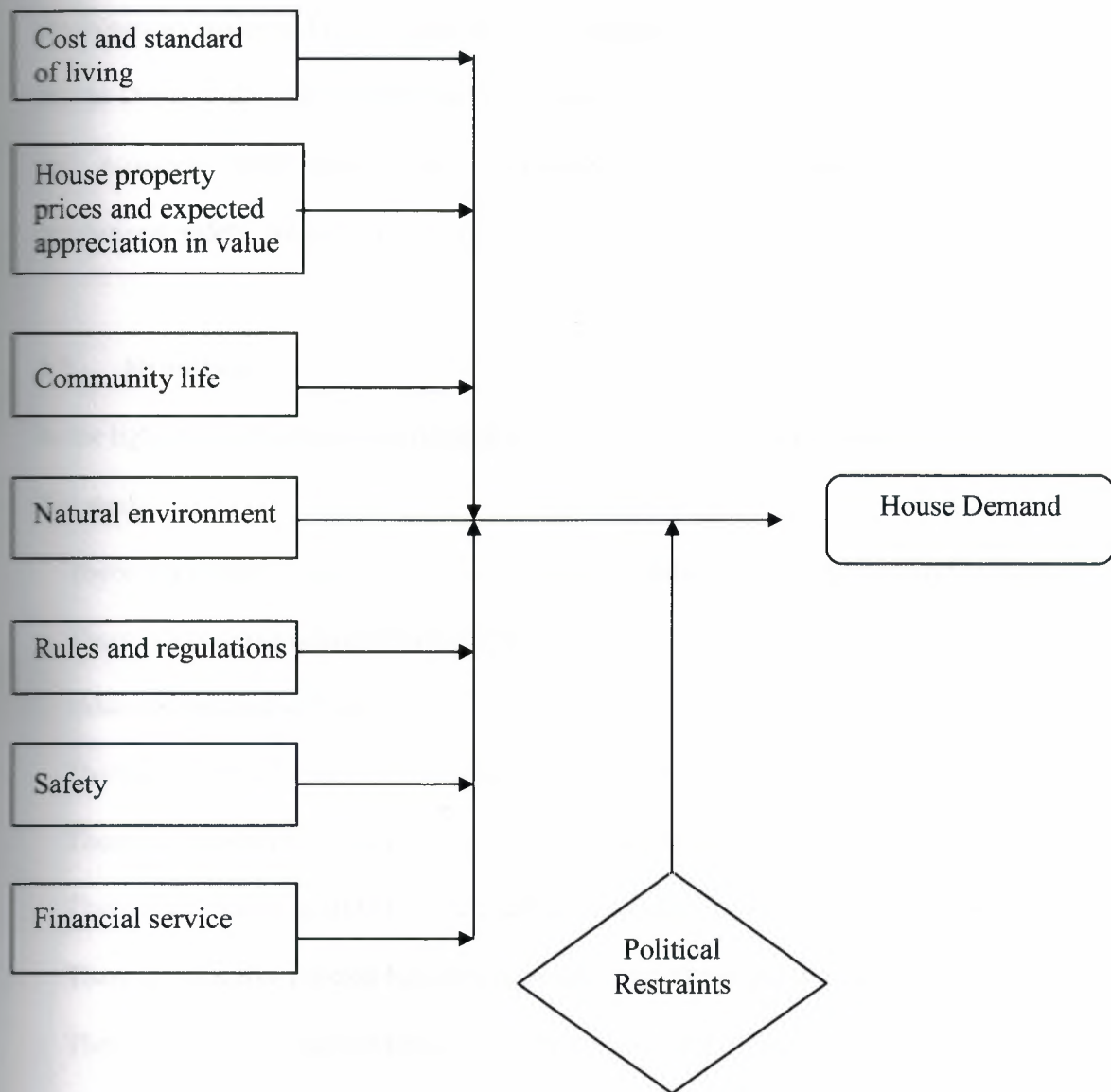


Figure 3.1

Figure 3.1 depicts that demand of house is linked to Cost and standard of living, House property prices and expected appreciation in value, Community life, Natural environment, Rules and regulations, Safety, Financial service, political environment.

House Demand divided to seven parts; cost and standard of living, house property prices and expected appreciation value, community life, natural environment, rules and regulations, safety, financial environment. Each of them affects house demand.

3.3 Hypotheses

In the light of the theoretical illustrated in figure 3.1. The following hypotheses are set for this study.

- There is a positive relation between cost and standard of living and demand of house
- There is a positive relation between house property prices and expected appreciation in value and demand of house.
- There is a positive relation between community life and demand of house.
- There is a positive relation between natural environment and demand of house.
- There is a positive relation between rules and regulations and demand of house.
- There is a positive relation between rules and regulations and demand of house.
- There is a positive relation between safety and demand of house.
- There is a positive relation between financial service and demand of house.

3.4 Conclusion

This section included a theoretical model for “What are the variables affecting housing demand in Northern Cyprus amongst non-Turkish Cypriot nationals between 2001 and 2005?” explanation of model components and relevant hypotheses.

SECTION IV

METHODOLOGY

4.1 Introduction

This section included sources of information, the study setting, the purpose of study, the types of investigation, the extent of researcher interference, the time horizon for study, the unit of analysis and sampling methods.

4.2 Sources of information

4.2.1 Theoretical sources (secondary data)

Theoretical sources of information are scanned and classified from, past articles, text books, journals which included factors affecting house demand. The study will only consider previous research carried out within the past seven years except the previous finding that are regarded as classic on the topic area.

4.2.2 Empirical sources (primary data)

Empirical data is collected from who have got a house amongst non-Turkish Cypriot nationals in Northern Cyprus. Data collection method of study was a questionnaire designed for the purpose of this study. I have also listened to them and recorded their different and interesting ideas about why they chose Northern Cyprus for housing investment. When I met them, I got different and useful ways to understand their ideas. In Northern Cyprus, property sector's real conditions are very different than general or main

theoretical sources. Northern Cyprus has a special and different situation than other countries. In my opinion, Northern Cyprus can be called “Close for foreign politicians but open for foreign people”. After 2001, the situation of Cyprus as a whole has changed and affected the house boom.

The measuring instrument (the questionnaire) used for the purposes of this study was designed in two parts. The first part comprised demographic questions to identify the ethnic background, country of origin, reasons of investment in housing in Northern Cyprus and other family characteristics of the individuals interviewed. The second part comprised 27 attitude statements measured on a 5-point Likert scale varying from “1” as “I fully disagree” to “5” as “I fully agree”. The 27 attitude statements represented 8 title groupings as listed below:

- Cost and standards of living
- House Property Prices Expected Appreciation in Value
- Community Life
- Natural Environment
- Rules and regulations
- Safety
- Political Environment
- Financial Service

4.3 Methodology

4.3.1 The purpose of the study

Purpose of study is a descriptive study, investigating the variables affecting house demand in Northern Cyprus because, it is undertaken in order to ascertain and be to describe the characteristics of variables of interest in a situation. I will use the past articles, interested books, internet and government archives.

4.3.2 The type of investigation

My type of investigation is a correlation study. I am interested in delineating important ways to understand the factors variables. When the researcher is interested in delineating the important variables associated with the problem, the study is called a correlation study (Sekaran, 2003).

4.3.3 The extend of researcher interference

The extend of researcher interference of my study is minimal. Because, a correctional study is conducted in the natural environment of the organization with minimum interference by the researcher with the normal flow work. (Sekeran, 2003)

4.3.4 The study setting

My study setting is field study (non contrived).because I went to non –Turkish Cypriots and correlational studies done.

4.3.5 The time horizon for the study

The time horizon is cross sectional study .because, a study can be done in which data are gathered just once, perhaps over period of days or weeks or months, in order to answer a research question. Such studies are called one-shot or cross-sectional studies. (Sekaran, 2003)

4.3.6 The unit of analysis

The unit of analysis is described as the “individual” (Sekaran, 2003). The problem statement focuses on what motivates in general, the individuals who are non-Turkish Cypriots in Northern Cyprus.

4.3.7 Sampling methods

Area sampling was used where Northern Cyprus was divided into five districts of Lefkoşa, Mağusa, Girne, Güzelyurt and İskele as described by the State Planning Office. Due to time limits and lack of relevant population data, it was not possible to carry out a random probability sampling for each area described. Therefore, it was attempted to interview as many respondents as possible within the targeted areas. As a result, 402 non-Turkish Cypriot nationals were interviewed. These were 32 from Güzelyurt, 170 from Girne, 70 from İskele, 100 from Mağusa and 30 from Lefkoşa. In total, 402 individuals were interviewed out of a population of 12,000.

4.4 Instrument validity and reliability

SPSS software package was used to collect and analyse data. Instrument reliability was evaluated by using Cronbach's coefficient alpha. The overall coefficient of alpha for the questionnaire carried out was .763. This table 4.1 was depicted as reliable in social research (Sekaran, 2003); see below:

Case Processing Summary

		N	%
Cases	Valid	402	100.0
	Excluded(a)	0	.0
	Total	402	100.0

A List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.783	33

The modified instrument was also pre-tested on targeted respondents and opinions from expert lecturers in the field of economics were taken before finalising the instrument as valid in content.

4.5 Conclusion

This section described the research methodology for that study. Sources of data and data collection and sampling methods have been discussed. The following section depicts the finding of the finding of the empirical investigations.

SECTION V

FINDINGS

5.1 Introduction

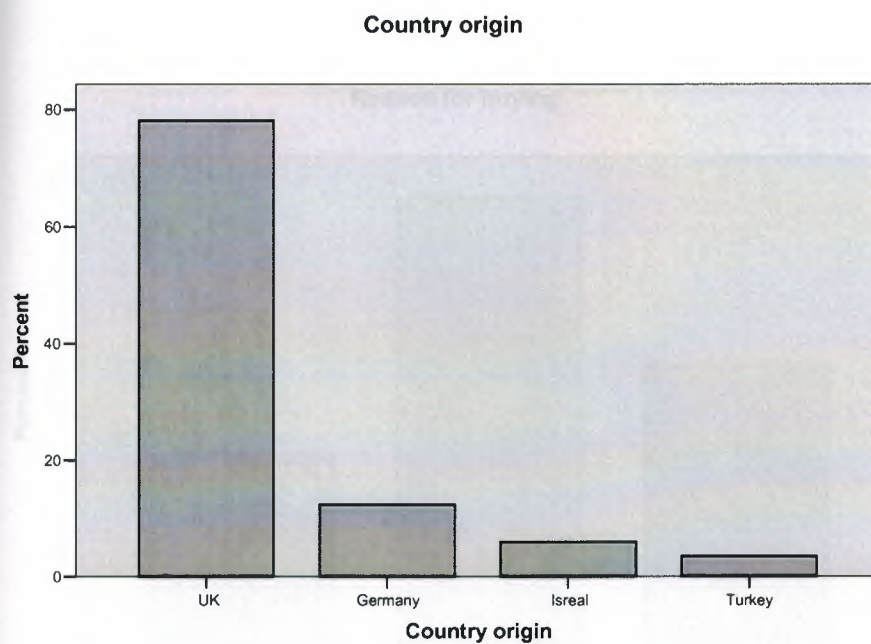
This section includes the findings and conclusion, which explain the result and findings of the study.

5.2 Findings

Findings explain the results of questionnaire with the help of diagram. To analyze the results SPSS software program used. First demographic analysis shown to understand the general structure of sample. Independent variables are also analyzed and compared with the theory.

5.2.1 Demographic findings

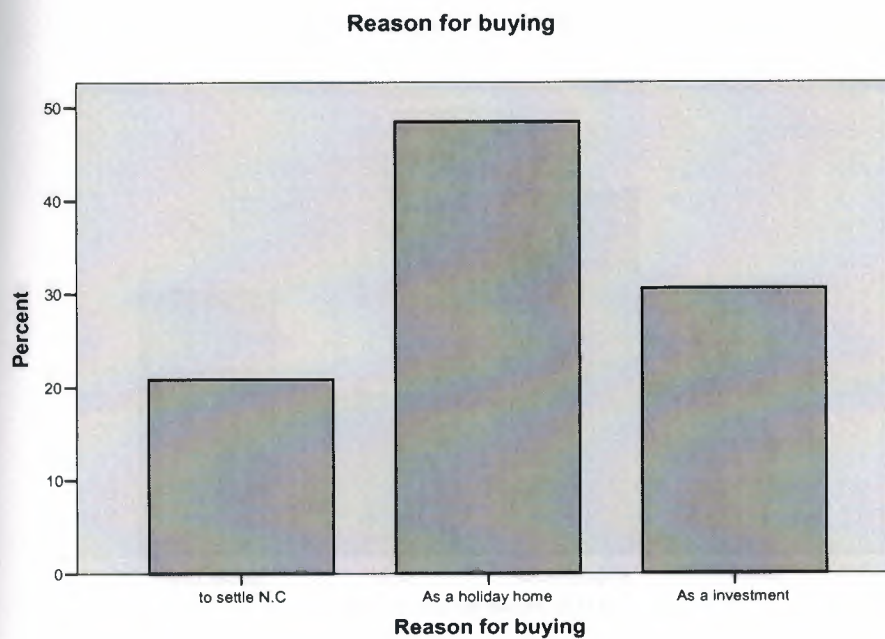
Graph 5.1: Country of origin



Percentage of UK country origin is 78.1 %, Germany 12.4%, Israel 6 %, and Turkey 3.5%.

Major finding: Almost 80% of Non-Turkish Cypriot house buyers in Northern Cyprus are of UK origin.

Graph 5.2: Reason for buying house in Northern Cyprus



The graph above shows the percentages of reason of buying houses in North Cyprus and it is obvious that 48.5 % of people bought house for holiday.

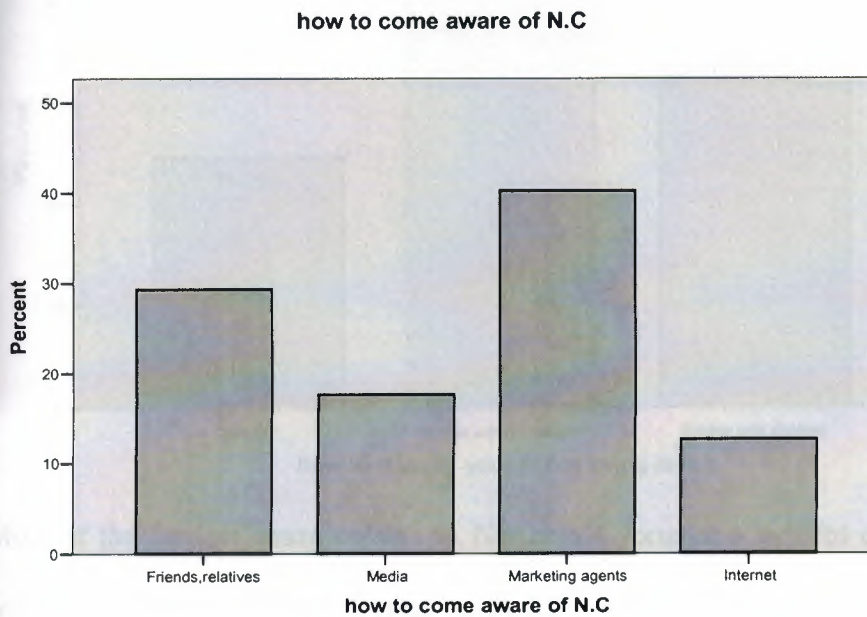
Major findings:

Almost half of the house buyers buy a house in Northern Cyprus as a “holiday home”.

Almost, 70% of the buyers (20.9% for settlement + 48.50% as a holiday home) buy a house in Northern Cyprus for personal/family use.

It is also noteworthy to include that 3 out of 10 buyer’s buy for investment purposes.

Graph 5.3: How came aware of Northern Cyprus

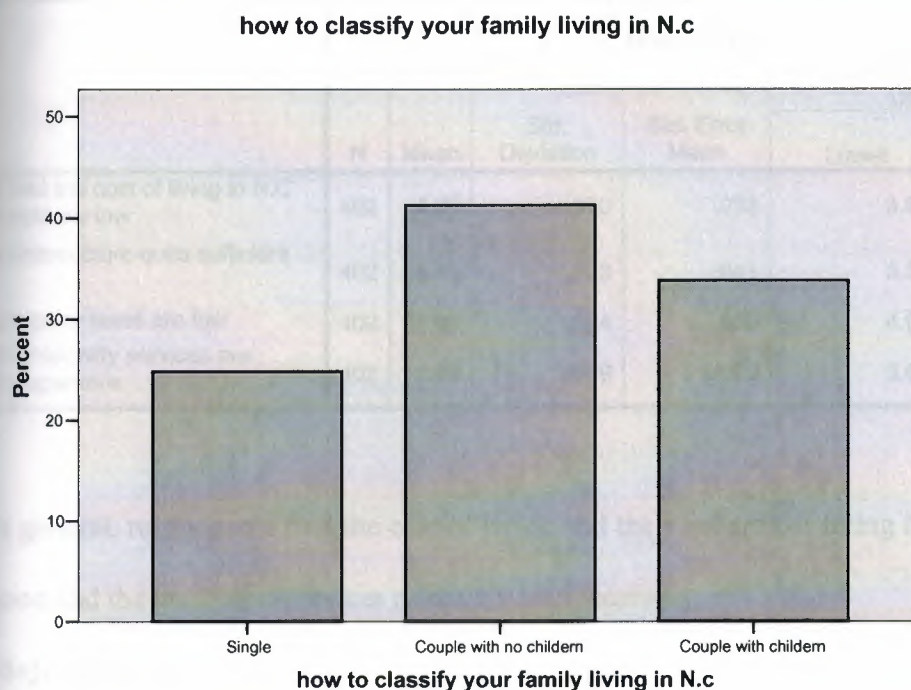


One of the general questions was how to come aware of NC and the results are showing that 40.3 % of the house buyers were become aware by market agents.

Major finding:

The house market in Northern Cyprus is heavily marketed as the 30% of the respondents became aware of Northern Cyprus through friends and relatives while the remaining 70% were made aware through the media, marketing agents and the Internet.

Graph 5.4: How to classify your family living in Northern Cyprus



Most of the foreign house owners in Northern Cyprus at a percent of 41.3 live couple with no children in Northern Cyprus and 33.8 % of them live as a couple with children.

Major finding:

Almost 75% of house buyers lived in couples as families.

5.2.2 Attitude statements measured on 5-point Likert Scale as below:

I fully disagree	I disagree	I neither agree or disagree	I agree	I fully agree
1	2	3	4	5

Table 5.1: Cost and standards of living

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
I find the cost of living in N.C relatively low	402	4.00	.670	.033	3.93	4.06
infrastructure quite sufficient	402	3.45	.823	.041	3.37	3.53
property taxes are low	402	4.08	.604	.030	4.02	4.14
Municipality services are inexpensive	402	3.69	.509	.025	3.64	3.74

In general, respondents find the cost of living and the standards of living in NC relatively good and the municipal services relatively inexpensive.

Major finding:

Non-Turkish Nationals buying a house in NC find the cost of living and the standards of living in NC relatively good and the municipal services inexpensive.

Table 5.2: House property prices and expected appreciation in value

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
my house relatively low to similar country	402	3.99	.514	.026	3.94	4.04
I find the fees involved in buying a house lower relative to other parts of the world	402	3.94	.721	.036	3.86	4.01
market price of my house to appreciate over the years	402	4.09	.695	.035	4.02	4.16

Respondents agreed that the current house prices are relatively low when compared with other countries and the fees involved in buying a house are low. They also agreed that house property prices in NC will appreciate in value in the future.

Major finding:

Non-Turkish Nationals buying a house in NC see the fees involved in buying a house as low and they expect the future value of their houses to appreciate in value.

Table 5.3: Community life in Northern Cyprus

One-Sample Test

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
welcome people from other countries coming to settle	402	4.50	.625	.031	4.44	4.56
good shopping for daily needs	402	4.47	.670	.033	4.40	4.53
offers opportunities for developing hobbies and other personal interest	402	3.37	.756	.038	3.29	3.44

Respondents strongly agreed that the Turkish Cypriots constitute a friendly community and NC offers good services for the shopping of their daily needs. However, they slightly agreed that NC offers opportunities for hobbies and other personal interests.

Major finding:

Non-Turkish Nationals buying a house in NC see the Turkish Cypriot community as friendly and shopping services for daily needs very sufficient. However, they find NC, somehow, insufficient for developing personal interests and hobbies.

Table 5.4: Natural environment

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
the weather in Cyprus is fine for me	402	4.56	.527	.026	4.51	4.61
Cyprus less polluted than my expectation	402	4.07	.670	.033	4.01	4.14
traffic and noise levels are at a minimum	402	3.99	.674	.034	3.92	4.06

Respondents agreed that NC has a good weather and is less polluted to their expectations. However, they were less happy with traffic noise levels although they agreed that such noise is still at a minimum.

Major finding:

Non-Turkish Nationals buying a house in NC find the weather and the pollution levels quite good to their expectations although they were less happy with the traffic noise levels.

Table 5.5: Rules and regulations

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
procedures at governmental offices are simple to understand	402	4.00	.489	.024	3.96	4.05
rules and regulations for house owners are simple and easy to follow	402	3.87	.703	.035	3.80	3.94
legal process make it easy to purchase and keep a house in N.C	402	3.09	.726	.036	3.02	3.16

Respondents agreed that the rules and regulations in government offices are simple to understand and regulations for house buyers are easy to follow. They slightly agreed less on the legal processes making easy to purchase and buy a house.

Major finding:

Non-Turkish Nationals buying a house in NC agree that the legal processes are easy to follow in purchasing and keeping a house.

Graph 10: Safety

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
citizens are safe environment to live	402	4.11	.558	.028	4.06	4.17
crime rate in N.C relatively low	402	4.10	.634	.032	4.03	4.16
Police in Northern Cyprus is friendly and quick to response	402	3.47	.796	.040	3.39	3.55
am not concerned with traffic safety in N.C	402	3.74	.655	.033	3.67	3.80

Respondents agree NC is a safe environment to live in and the crime rates are low. However, they slightly less agree on the friendliness and the response rate of the police. Respondents were also slightly concerned with traffic safety.

Major finding:

Non-Turkish Nationals buying a house in NC agree that NC poses a safe environment to live in and the crime rates are low. However, they, somehow, find the police less friendly and slower to response. They are also slightly concerned over traffic safety.

Table 11: Political Environment

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
The political tension between the two peoples of Cyprus does not give me any concern for safety of my family and property	402	3.38	.649	.032	3.32	3.44
Non existence of direct flights and other political and economical sanctions on N.C do not stop me from owning a house in N.C	402	3.64	.604	.030	3.59	3.70
The Annan plan was a primary factor in my decision to buy a house in N.C	402	4.48	.644	.032	4.41	4.54
The expected future of northern Cyprus in EU was a primary factor in my decision to buy a house in N.C	402	4.48	.566	.028	4.42	4.54

Respondents are, somehow, concerned over the political tension between the two communities living on the island and the non-existence of the direct flights. However, they over agree that Annan Plan and the future of NC was a major factor in their decision to buy a house in NC.

Major finding:

Non-Turkish Nationals buying a house in NC are slightly concerned with the political tension between the two communities living in NC and also with the non-existence of direct flights. Their decision to buy a house in NC is strongly influenced by the Annan Plan and the expected future of NC in EU.

Tables 12: Financial services

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
Easy transfer money to and from N.C	402	3.95	.675	.034	3.88	4.01
Bank in N.C provides a variety of opportunities for both savers and investors	402	3.95	.644	.032	3.89	4.02
Available housing loan are sufficient	402	3.87	.708	.035	3.80	3.94

Respondents, somehow, find international money transfers and the local opportunities for savers are good. However, they slightly less agreed on the sufficiency of local housing loans available.

Major finding: Non-Turkish Nationals buying a house in NC somehow agree that international money transfers and the local opportunities for savers are good. However, they slightly less agreed on the sufficiency of local housing loans available.

5.2.3 Cross tabs of Reasons of buying House in NC for Country Origin

Cross tab is an analyse that can be used for to see the frequency distribution of two variables. It is important to see for example the frequency distribution of reason of house buying in NC according to country origins.

Table 5.9: Country origin and classify family

Country origin * how to classify your family living in N.C Cross tabulation

Count		how to classify your family living in N.C			Total
		Single	Couple with no children	Couple with children	
Country origin	UK	83	124	107	314
	Germany	9	31	10	50
	Israel	8	9	7	24
	Turkey	0	2	12	14
Total		100	166	136	402

People from Israel who bought house from Northern Cyprus mostly prefers to live couple with no children as a percent of 37.5. As a contrast Turkish people prefer to live couple

with their children. 85.7% Israel citizens prefers to live single mostly. Germany citizens mostly 62% prefers to live couple with no children.

As a total people who bought house from Northern Cyprus mostly 41.3% prefers to live couple with no children.

Table 5.10: Country origin and reason for buying a house

Country origin * Reason for buying Cross tabulation

Count

		Reason for buying			Total
		to settle N.C	As a holiday home	As investment	
Country origin	UK	57	174	83	314
	Germany	24	19	7	50
	Israel	0	2	22	24
	Turkey	3	0	11	14
Total		84	195	123	402

This table is an interesting table that shows the differences of reasons of buying house in North Cyprus according to country origin. United Kingdom citizens mostly prefer to buy house from Northern Cyprus as a holiday home. The most important reason for Germany citizens seems to be as to settle Northern Cyprus. 91.7% of Israel citizens who bought house from Northern Cyprus bought as an investment. Turkish people are mostly bought for investment. 0% of Israel citizens thinking to settle Northern Cyprus. 0% Turkish citizens bought as a holiday house.

Table 5.11: Country origin and how to come aware of Northern Cyprus

Country origin * how to come aware of N.C Cross tabulation

Count

		how to come aware of N.C				Total
		Friends, relatives	Media	Marketing agents	Internet	
Country origin	UK	98	51	135	30	314
	Germany	9	8	15	18	50
	Israel	8	2	11	3	24
	Turkey	3	10	1	0	14
Total		118	71	162	51	402

43% United Kingdom citizens come to aware of Northern Cyprus by marketing agents. Only 9.6% of United Kingdom citizens aware by internet. Most important way of getting aware of Northern Cyprus for Germany citizens is internet with 36% and second important ways marketing agents.

· The cross tab results show us a different separation between country origin and factors combination. This result help to understand the main variables affecting the house demand and situations.

5.3 Conclusion

This section has revealed the findings from the empirical investigations of this report. The next section will be the concluding part that will include a summary of the theoretical findings, answer to be objectives/questions set at the beginning of the project limitations and suggestions for further research and final concluding remarks.

SECTION VI

CONCLUSIONS

6.1 Introduction

This section the study report through reporting major theoretical and empirical findings. Study objectives/questions are answered with general conclusions. Study limitations and recommendations for further research are also discussed.

6.2 Summary of theoretical findings

The theoretical findings carried out in section II of this report relevant that:

- 6.2.1** Ever since Cypriots from the Turkish Republic of North Cyprus (TRNC) voted in favour of the Annan Plan and the peaceful reunification of Cyprus in 2004, Cyprus Real Estate in North Cyprus has been booming. The real estate boom has also been bolstered by EU aid to Cyprus and an increase in foreign direct investment.
- 6.2.2** Mediterranean destination created by all this focus is causing an even greater increase in the number of tourists visiting the region (and it's already been on the rise for the last five years). Increased tourism will serve to intensify the demand for short-term villa and apartment rentals from which Cyprus Real Estate investors could profit.
- 6.2.3** In 2001, the Northern Cyprus political situation changed then the new cause affected the property price directly. 2001 between 2003 the property prices increased 35 percentage and after 2003 the price changed 25 percentages.

- 6.2.4 Between 2001 and 2005, the construction companies constructed 3494 houses, 990 flats, 109 shops.

6.3 Summary of the empirical findings

The major findings resulting from the empirical investigations of this study are given below:

- 6.3.1 Almost 80% of Non-Turkish Cypriot house buyers in Northern Cyprus are of UK origin.
- 6.3.2 Almost half of the house buyers buy a house in Northern Cyprus as a “holiday as home”.
- 6.3.3 Almost, 70% of the buyers (20.9% for settlement + 48.50% as a holiday home) buy a house in Northern Cyprus for personal/family use. It is also noteworthy to include that 3 out of 10 buyer’s buy for investment purposes.
- 6.3.4 The house market in Northern Cyprus is heavily marketed as the 30% of the respondents became aware of Northern Cyprus through friends and relatives while the remaining 70% were made aware through the media, marketing agents and the Internet.
- 6.3.5 Almost 75% of house buyers lived in couples as families.
- 6.3.6 Non-Turkish Nationals buying a house in NC find the cost of living and the standards of living in NC relatively good and the municipal services inexpensive.
- 6.3.7 Non-Turkish Nationals buying a house in NC see the fees involved in buying a house as low and they expect the future value of their houses to appreciate in value.

- 6.3.8 Non-Turkish Nationals buying a house in NC see the Turkish Cypriot community as friendly and shopping services for daily needs very sufficient. However, they find NC, somehow, insufficient for developing personal interests and hobbies.
- 6.3.9 Non-Turkish Nationals buying a house in NC find the weather and the pollution levels quite good to their expectations although they were less happy with the traffic noise levels.
- 6.3.10 Non-Turkish Nationals buying a house in NC slightly agree that the legal processes are easy to follow in purchasing and keeping a house.
- 6.3.11 Non-Turkish Nationals buying a house in NC agree that NC poses a safe environment to live in and the crime rates are low. However, they, somehow, find the police less friendly and slower to response. They are also slightly concerned over traffic safety.
- 6.3.12 Non-Turkish Nationals buying a house in NC are slightly concerned with the political tension between the two communities living in NC and also with the non-existence of direct flights. Their decision to buy a house in NC is strongly influenced by the Annan Plan and the expected future of NC in EU.

6.4 Answers to questions formulated for the project

6.4.1 What are the special factors behind the boom in property sales in northern Cyprus between the 2001 and 2005?

The factors of property boom in property sector are cost and standards of living, house property price and expected appreciation value, community life, natural environment, safety, political restraints, financial services and rules and regulations. But also the Northern Cyprus situation created a new house demand factors; these are Annan plan and expected future value. These variables are special for Northern Cyprus.

6.4.2 What are the rate of increase in property price between 2001-and 2005?

The rate of increase in property price is totally 80 percentages. (Protüre Construction and architecture Ltd., 2007). The rate of increase in property until 2003 was 35 percentages but after Annan plan was 45 percentages.

6.4.3 What are the construction sector growth in economy between 2001 and 2005?

The construction sector growth is changeable but in 2003 the construction sector share reached to its highest level (5%). In 2005 the share of construction sector was not as high as the other sectors (3.6%). The growth rate of this sector has an important effect on housing demand or we can say that housing demand boom affected positively the growth of construction sector. Housing demand boom has a role on economic growth of North Cyprus.

6.4.4 What is the role of Annan plan in the property boom?

Annan Plan show that can be a solution of Cyprus problem after the Annan plan the Turkish land values increase directly because Turkish people who want buy

new houses choose the Turkish titled land and the constructions on Turkish land increase the constructors choose the building the houses for the foreigners house on the Greek lands. Also Annan plan show land is very important for the solution. But for non Turkish Cypriot nationals is advantage. Because of the Turkish lands owner started to sell their land which was Greek land before 1974. These lands have got good location in Northern Cyprus and the non Turkish Cypriot never find lands and houses less than North Cyprus property prices.

6.4.5 What are the characteristics of buyers of property?

- United Kingdom citizens mostly prefer to buy house from Northern Cyprus as a holiday home. The most important reason for Germany citizens seems to be as to settle Northern Cyprus. 91.7% of Israel citizens who bought house from Northern Cyprus bought as an investment. Turkish people are mostly bought for investment. 0% of Israel citizens thinking to settle Northern Cyprus. 0% Turkish citizens bought as a holiday house.
- 43% United Kingdom citizens come to aware of Northern Cyprus by marketing agents. Only 9.6% of United Kingdom citizens aware by internet. Most important way of getting aware of Northern Cyprus for Germany citizens is internet with 36% and second important ways marketing agents.
- People from Israel who bought house from Northern Cyprus mostly prefers to live couple with no children as a percent of 37.5. As a contrast Turkish people prefer to live couple with their children. 85.7% Israel citizens prefers to live single mostly. Germany citizens mostly 62% prefers to live couple with no children.

- As a total people who bought house from Northern Cyprus mostly 41.3% prefers to live couple with no children.

6.5 Main conclusions and overall implications

Property sector in Northern Cyprus are one of the largest growing sectors. After 2001 the property sales increased, in other word, because of some variables was changed and the foreign countries started to invest Northern Cyprus. These factors are: the cost of living Northern Cyprus relatively low, property taxes in Northern Cyprus are low, expect the market price of their house to appreciate over the years, Turkish Cypriots welcome people from other countries coming to settle in Northern Cyprus, the weather in Northern Cyprus is fine for them, Northern Cyprus offers its citizens a safe environment to live in, the expected future value and expected future of Northern Cyprus in E.U.

Cyprus is island and the biggest sector must be a tourism and construction because the foreign citizens wait a stability of Cyprus problem .because the Annan plan show us the foreign buyers wait a peace for settle or invest to Northern Cyprus.

This investigation found some needs for growth more the property sales and values because non Turkish Cypriot nationals slightly less agreed on the sufficiency of local housing loans available, Non-Turkish Nationals buying a house in NC are slightly concerned with the political tension between the two communities living in NC and also with the non-existence of direct flights, They are also slightly concerned over traffic safety, they find NC, somehow, insufficient for developing personal interests and hobbies, Respondents were also slightly concerned with traffic safety. If we find a way for solve these problem more foreign welcome Northern Cyprus.

Major finding shows us that, the sector of property is growing up fast and steadily, by searching we find that German and people from UK owns most of the customers percentage for now, until now we cant enter other countries as a new markets for NC, maybe because of the political restraints, other problem that the high traffic and small streets made the traffic lines seemed to be danger for the foreigners , this problem can be solved by short term plan, but its hard to solve the political problem between the both sides of Cyprus, which do not allow the customers to feel safe for their families and property, non existence of direct flights is other problem that cannot be solve in a short term plan.

This was all the problems that NC faces for now, if this problems can be solved soon, then NC have no problems at all to attract new markets for the property sector, construction boom will be continued and more non Turkish Cypriots nationals may come to settle in NC, or buy a holiday house or future investments.

6.6 Limitations and recommendations for further research

This study aimed to investigate 402 non Turkish Cypriot nationals in NC, how ever, all of them responded friendly to the research, therefore it is recommended that this research could be a helping point for understand our property sector and the problems of this sector, and the results interest the future of properties sector in NC.

6.7 Conclusion

This final section has depicted the theoretical results, answered to study questions and discussed the implications of the findings; recommendations for further research were also made.

VARIABLES AFFECTING HOUSING DEMAND IN NORTHERN CYPRUS AMONGST NON-TURKISH CYPRIOT NATIONALS BETWEEN 2001 AND 2005

Spring 2007

This is a survey carried out as part of my graduation project for a degree in Business Administration at the Near East University. The aim is to identify the variables affecting the housing demand in Northern Cyprus amongst non-Turkish Cypriot Nationals between the years 2001 and 2005. Your responses will be kept in strict confidence.

Thank you for your kind co-operation.

Kutay Canateş

Final Year Business Administration Student
Near East University

SECTION 1: Personal Details of Respondent

Do you own a house in Northern Cyprus?

Yes ☐ No ☐

(If no, terminate the interview)

If yes, when did you buy a house in Northern Cyprus?

Pre-2001 ☐ Between 2001 and 2005 ☐ After 2005 ☐

Gender: Male ☐ Female ☐

How do you classify your country of origin?

UK ☐ Germany ☐ Israel ☐ Turkey ☐ Other Please specify

How do you classify your national origin?

British ☐ German ☐ Israeli ☐

Turkish ☐ Turkish Cypriot returning homeland ☐ Other (Please specify)

How would you classify your reason for buying a house in Northern Cyprus?

To settle in Northern Cyprus ☐ As a holiday home ☐ As future investment ☐

How did you come aware of Northern Cyprus?

Friends, relatives ☐ Media ☐ Marketing agents ☐ Internet ☐

How do you classify your family living in Northern Cyprus?

Single ☐ Couple with no children ☐ Couple with children ☐

Empty nester ☐ Other (please specify)

SECTION II: Factors affecting housing demand in Northern Cyprus

Please complete this section by ranking your responses to the attitude statements given using the scale below:

I fully disagree	I disagree	I neither agree or disagree	I agree	I fully agree
1	2	3	4	5

1. Costs and standards of living in Northern Cyprus

1. I find the cost of living in Northern Cyprus relatively low.
2. I find the infrastructure in Northern Cyprus (roads, hospitals, municipal services, etc.) quite sufficient.
3. Property taxes in Northern Cyprus are low.
4. Municipality services are inexpensive.

1	2	3	4	5

2. House property prices and expected appreciation in value

1. I find the price I paid for my house relatively low to similar locations in other parts of the world.
2. I find the property taxes and other fees involved in buying a house lower relative to other parts of the world.
3. I expect the market price of my house to appreciate over the years.

1	2	3	4	5

3. Community life in Northern Cyprus

1. Turkish Cypriots welcome people from other countries coming to settle in Northern Cyprus.
2. Northern Cyprus is good for shopping for daily needs.
3. Northern Cyprus offers opportunities for developing hobbies, and other personal interests.

1	2	3	4	5

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4. **Natural environment**

1. The weather in Cyprus is fine for me.
2. I find Cyprus less polluted than my expectations.
3. Traffic and noise levels are at a minimum.

1	2	3	4	5

5. **Rules and regulations**

1. Procedures at governmental offices are simple to understand.
2. Rules and regulations for house owners are simple and easy to follow.
3. Legal processes make it easy to purchase and keep a house in Northern Cyprus.

1	2	3	4	5

6. **Safety**

1. Northern Cyprus offers its citizens a safe environment to live in.
2. I find the crime rate in Northern Cyprus relatively low.
3. Police in Northern Cyprus is friendly and quick to response.
4. I am not concerned with traffic safety in Northern Cyprus.

1	2	3	4	5

7. **Political environment**

1. The political tension between the two peoples of Cyprus does not give me any concern for the safety of my family and property.
2. Non-existence of direct-flights and other political and economical sanctions on Northern Cyprus do not stop me from owning a house in Northern Cyprus.
3. The Annan plan was a primary factor in my decision to buy a house in Northern Cyprus.
4. The expected future of Northern Cyprus in EU was a primary factor in my decision to buy a house in Northern Cyprus.

1	2	3	4	5

8. **Financial services**

1. It is easy to transfer money to and from Northern Cyprus.
2. Banks in Cyprus provides a variety of opportunities for both savers and investors.
3. Available housing loans are insufficient.

1	2	3	4	5

Case Processing Summary

Valid	422	(100.0%)
Excluded	0	(.0%)
Total	422	(100.0%)

Count was derived based on the following: 100.000

Missing Statistics

Number of missing values	0
Percentage of missing values	0.0%

APPENDIX B (SPSS OUTPUT)

Variable	Mean	Std. Deviation	N
1.000	1.000	.000	422
2.000	2.000	.000	422
3.000	3.000	.000	422
4.000	4.000	.000	422
5.000	5.000	.000	422
6.000	6.000	.000	422
7.000	7.000	.000	422
8.000	8.000	.000	422
9.000	9.000	.000	422
10.000	10.000	.000	422
11.000	11.000	.000	422
12.000	12.000	.000	422
13.000	13.000	.000	422
14.000	14.000	.000	422
15.000	15.000	.000	422
16.000	16.000	.000	422
17.000	17.000	.000	422
18.000	18.000	.000	422
19.000	19.000	.000	422
20.000	20.000	.000	422
21.000	21.000	.000	422
22.000	22.000	.000	422
23.000	23.000	.000	422
24.000	24.000	.000	422
25.000	25.000	.000	422
26.000	26.000	.000	422
27.000	27.000	.000	422
28.000	28.000	.000	422
29.000	29.000	.000	422
30.000	30.000	.000	422
31.000	31.000	.000	422
32.000	32.000	.000	422
33.000	33.000	.000	422
34.000	34.000	.000	422
35.000	35.000	.000	422
36.000	36.000	.000	422
37.000	37.000	.000	422
38.000	38.000	.000	422
39.000	39.000	.000	422
40.000	40.000	.000	422
41.000	41.000	.000	422
42.000	42.000	.000	422
43.000	43.000	.000	422
44.000	44.000	.000	422
45.000	45.000	.000	422
46.000	46.000	.000	422
47.000	47.000	.000	422
48.000	48.000	.000	422
49.000	49.000	.000	422
50.000	50.000	.000	422
51.000	51.000	.000	422
52.000	52.000	.000	422
53.000	53.000	.000	422
54.000	54.000	.000	422
55.000	55.000	.000	422
56.000	56.000	.000	422
57.000	57.000	.000	422
58.000	58.000	.000	422
59.000	59.000	.000	422
60.000	60.000	.000	422
61.000	61.000	.000	422
62.000	62.000	.000	422
63.000	63.000	.000	422
64.000	64.000	.000	422
65.000	65.000	.000	422
66.000	66.000	.000	422
67.000	67.000	.000	422
68.000	68.000	.000	422
69.000	69.000	.000	422
70.000	70.000	.000	422
71.000	71.000	.000	422
72.000	72.000	.000	422
73.000	73.000	.000	422
74.000	74.000	.000	422
75.000	75.000	.000	422
76.000	76.000	.000	422
77.000	77.000	.000	422
78.000	78.000	.000	422
79.000	79.000	.000	422
80.000	80.000	.000	422
81.000	81.000	.000	422
82.000	82.000	.000	422
83.000	83.000	.000	422
84.000	84.000	.000	422
85.000	85.000	.000	422
86.000	86.000	.000	422
87.000	87.000	.000	422
88.000	88.000	.000	422
89.000	89.000	.000	422
90.000	90.000	.000	422
91.000	91.000	.000	422
92.000	92.000	.000	422
93.000	93.000	.000	422
94.000	94.000	.000	422
95.000	95.000	.000	422
96.000	96.000	.000	422
97.000	97.000	.000	422
98.000	98.000	.000	422
99.000	99.000	.000	422
100.000	100.000	.000	422

Case Processing Summary

		N	%
Cases	Valid	402	100.0
	Excluded(a)	0	.0
	Total	402	100.0

A List wise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.783	33

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
I find the cost of living in N.C relatively low	402	4.00	.670	.033	3.93	4.06
infrastructure quite sufficient	402	3.45	.823	.041	3.37	3.53
property taxes are low	402	4.08	.604	.030	4.02	4.14
Municipality services are inexpensive	402	3.69	.509	.025	3.64	3.74
	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
My house relatively low to similar country	402	3.99	.514	.026	3.94	4.04
I find the fees involved in buying a house lower relative to other parts of the world	402	3.94	.721	.036	3.86	4.01
market price of my house to appreciate over the years	402	4.09	.695	.035	4.02	4.16

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
welcome people from other countries coming to settle	402	4.50	.625	.031	4.44	4.56
good shopping for daily needs	402	4.47	.670	.033	4.40	4.53
offers opportunities for developing hobbies and other personal interest	402	3.37	.756	.038	3.29	3.44

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
the weather in Cyprus is fine for me	402	4.56	.527	.026	4.51	4.61
Cyprus less polluted than my expectation	402	4.07	.670	.033	4.01	4.14
traffic and noise levels are at a minimum	402	3.99	.674	.034	3.92	4.06

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
procedures at governmental offices are simple to understand	402	4.00	.489	.024	3.96	4.05
rules and regulations for house owners are simple and easy to follow	402	3.87	.703	.035	3.80	3.94
legal process make it easy to purchase and keep a house in N.C	402	3.09	.726	.036	3.02	3.16

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
citizens are safe environment to live	402	4.11	.558	.028	4.06	4.17
crime rate in N.C relatively low	402	4.10	.634	.032	4.03	4.16
Police in Northern Cyprus is friendly and quick to response	402	3.47	.796	.040	3.39	3.55
am not concerned with traffic safety in N.C	402	3.74	.655	.033	3.67	3.80

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
The political tension between the two peoples of Cyprus does not give me any concern for safety of my family and property	402	3.38	.649	.032	3.32	3.44
Non existence of direct flights and other political and economical sanctions on N.C do not stop me from owning a house in N.C	402	3.64	.604	.030	3.59	3.70
The Annan plan was a primary factor in my decision to buy a house in N.C	402	4.48	.644	.032	4.41	4.54
The expected future of northern Cyprus in EU was a primary factor in my decision to buy a house in N.C	402	4.48	.566	.028	4.42	4.54

	One-Sample Test					
	N	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference	
					Lower	Upper
Easy transfer money to and from N.C	402	3.95	.675	.034	3.88	4.01
Bank in N.C provides a variety of opportunities for both savers and investors	402	3.95	.644	.032	3.89	4.02
Available housing loan are sufficient	402	3.87	.708	.035	3.80	3.94

		how to classify your family living in N.C			Total
		Single	Couple with no children	Couple with children	
Country origin	UK	83	124	107	314
	Germany	9	31	10	50
	Israel	8	9	7	24
	Turkey	0	2	12	14
Total		100	166	136	402

		how to come aware of N.C				Total
		Friends, relatives	Media	Marketing agents	Internet	
Country origin	UK	98	51	135	30	314
	Germany	9	8	15	18	50
	Israel	8	2	11	3	24
	Turkey	3	10	1	0	14
Total		118	71	162	51	402

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