

Looking Beyond Christmas to 2017

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Spanish Real Estate News



Finally, a stable government is in place in Spain, with Prime Minister Mariano Rajoy firmly in the saddle. So things look good for Spain yet again, which is good news for you if you're looking to buy property in Spain online in 2017.

Real estate construction is back in full swing in Spain, 8 years after the property market crash. Investments are flowing in after many years of inactivity and there is a real estate boom in the cities of Madrid, Barcelona and Valencia.

There is a huge demand for homes and apartments from the middle classes in all cities in Spain, including in the industrially-powerful regions such as the Basque Country. All of the uncertainty of the past 9 months, during which there wasn't a government in place in the country, have melted away.

In fact, property investment accounted for about 35 percent of the €22 billion foreign investment that has come into the country in 2016. This is great news indeed. Already, the real estate activity is 80 times higher than it was in 2014, which is an amazing development.

The market has been encouraged by the increasing presence of overseas investors. In fact, foreign investors completely dominate the real estate sector in Spain. Local investors and real estate developers play second fiddle to them.

The 2008 financial crisis was a brutal one for many homeowners in Spain, and nobody has forgotten it as yet. It knocked

off 40-percent off the home prices.

But since then, the market has staged a smart recovery and we are not far off from the peak 2007 home prices. Spain has been helped by strong economic recovery and growth in employment generation. This has created a strong demand for newly built-housing.

Madrid, the capital of Spain, has been the most impressive performer, ranking fourth in the 2016 list of the top European cities-from the point of view of real estate developers and investors, compiled by PwC.

Madrid also ranks 9th-in a global survey conducted by EY of the best cities for property investment.

CBRE, a top property consultant, expects a demand for at least 180,000 new units a year over the next 10 years in Madrid.-Despite being a world class city, Madrid is surprisingly affordable compared to London and Paris.

Spanish property price rises set to gain momentum between now and 2020 with Acuña forecasting an annual rate of increase of around 5 per cent by 2018

That, at least, is the opinion of R.R. Acuña & Asociados in their 20th annual statistical analysis of the real estate market-in this country. The firm states that in Spain as a whole prices will have risen by 2.3% by 31st December this year, and-that within two years that rate of increase will have gone up to a healthy 5%, where it will remain until the end of the-decade.

In other words, after almost a decade of risky volatility, residential property could represent a sound investment between-now and the year 2020, especially in a climate where bank deposit accounts yield extremely low interest.-

The market is seen as being healthiest Spain's largest metropolitan areas and on the Costas, where most jobs are likely-to be created and economic growth is most probable.-

Acuña also predict that the increase in demand will be especially relevant in the area of new builds, where sales have-plummeted over the last few years and are expected to total no more than 82,000 in 2016. Now, however, in zones-where the market is expanding, the stock of new housing has practically run dry, and construction is expected to-increase to meet demand.

Certainly, Britain's decision to leave the European Union through the Brexit referendum wasn't a positive decision for the second-home market in Spain, where Britons are the biggest buyers.

But the impact hasn't been as high as it was earlier feared to be. Britons continue to be big buyers of Spanish property, especially-in Costa del Sol, Andalusia and the Canary Islands. This should be positive news for you if you have a-property for sale in-Spain.

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