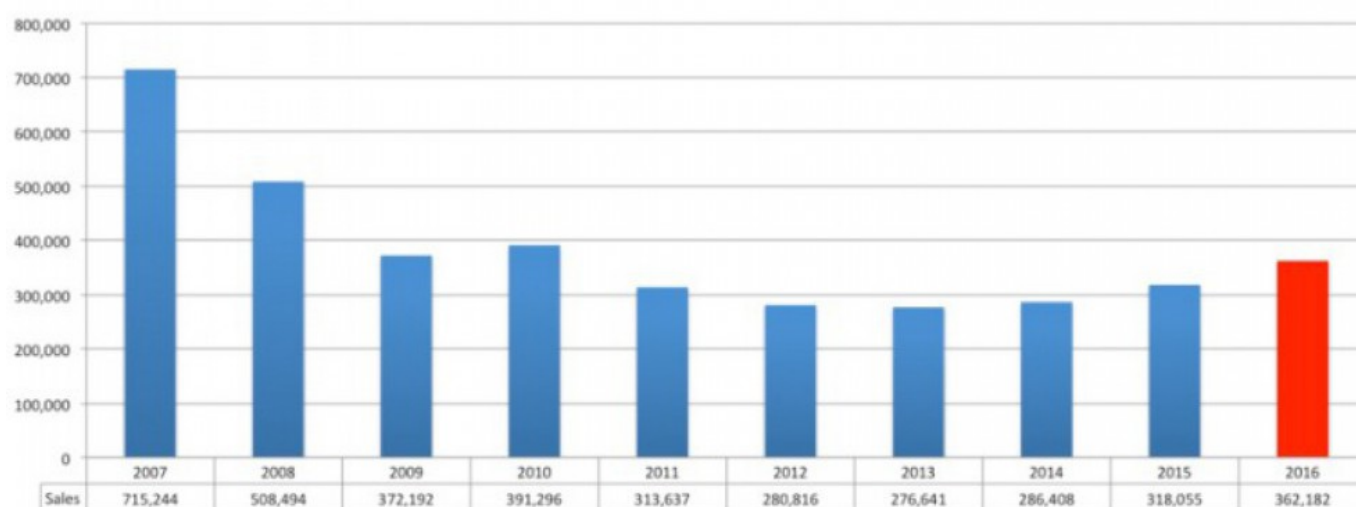


Final Figures Released Show Spanish property market expands 14% in 2016

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Spanish News



Spanish property market expands 14% in 2016

The final sales figures for last year from the National Institute of Statistics (INE) show the market expanded 14% in 2016, the biggest increase since the run up to the last boom.

There were 362,182 home sales inscribed in the Spanish property register in 2016 (403,866 if you include subsidised housing) an increase of 14% for the year, and up 7% to 26,778 in December.

As you can see from the chart above, the market has expanded for the last three years after bottoming out in 2013. And the next chart illustrates how the recovery has posted two consecutive years of double-digit growth.

But despite the recent improvement in sales, the market is still 50% smaller by volume than it was in the peak boom year of 2007. What would be a normal level of sales for a country the size of Spain? Somewhere between the two.

It was a relatively good year for new home sales, which only declined 3% in the year. That was a huge improvement after

almost a decade of double-digit declines. 2016 was the year that new home sales declines petered out and expected that new home sales will increase next year for the first time in more than a-decade.

BY REGION

Sales exploded in the-Balearics, up 31%, but rose by just 5% in Malaga (Costa del Sol) and-Murcia, well below the national average. That is probably due to Brexit depressing-British demand in those regions, where British buyers have long been the biggest foreign market.

Sales were also strong in-Barcelona, up 24%, driven in part by strong international demand from an increasingly diversified global market led by the Chinese.

What does it all mean? Firstly, it shows there is a real and sustained recovery in home sales (albeit from a low base), though some areas are doing much better than others.-Secondly, there is room for more growth, as the market is still smaller than it should be considering the population size and housing stock. Thirdly, small investors are moving-out of cash and deposits and into property, and this trend will probably continue in 2017. So 2016 was a year of positive news for the market in terms of sales, and 2017 should-be more of the same assuming no nasty shocks. However, there are plenty of potential nasty shocks lurking around the world today. Fingers crossed.

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Ref: Spanish Property Insight