

The Eyes Are On The Spanish Real Estate Sector.....

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Spanish Real Estate News



BBVA Forecasts Continued Recovery for Real Estate Sector

The Spanish real estate sector closed the first half of the year with a “positive balance” and the fundamentals of the economy indicate that this trend will continue in the second half in a context of price-stability, according to the latest “Spain Real Estate Flash” published by BBVA Research.

The report noted that, based on data from the General Council of Notaries, in the first six months of the year a total of 188,432 home-purchases were carried out, which represents an increase of 7.9% over the same period of 2014. This was due mainly to the increased access to credit, together with low interest rates, growth in employment and the improvement of consumer confidence.

According to BBVA Research, “construction activity has shown significant growth, albeit from relatively low levels,” and the “macroeconomic prospects for the second half of the year will continue to contribute to the sector’s recovery”.

The report also highlights the fact that 17% of the housing transactions carried out in the first three months of the year were made by foreigners, saying that “the sound health of some of the key economies that generate demand for housing in Spain, such as Germany and the United Kingdom, combined with the depreciation of the euro, continue to be major assets for the Spanish real estate market”.

To these two messages of optimism, the report adds that short and medium term forecasts do not imply any “relevant” increases in interest rates so that they expect the stability of the cost of mortgage financing at relatively low levels to continue to play in favour of the recovery of the real estate sector, with the creation of new jobs and restored consumer confidence being vital to the growth in housing transactions in the second half of the year.

In conclusion, El Mundo reported that, according to the document, activity in the Spanish real estate sector will continue to be reinforced by the growth in demand and the gradual absorption of the housing “stock”, which will translate to significant growth at the end of the year, albeit from a relatively low base. As a result, house prices are expected to remain stable, as this increase in demand, together with the reduction of the housing surplus and a certain level of financial stability, will contribute to a gradual recuperation of real estate prices.

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