

Stability of The Spanish Coastal Housing Market

01/07/2016

Spanish News



For the fourth consecutive year, Tinsa, the Spanish leading independent valuation expert, consulted the network of local appraisers on the current Spanish holiday home market. In Q1 2014, only 4 coastal municipalities, out of about 140 in total, recorded the price increase. A year later the number rose to 35, and this year it went up to 71. More than half of the 136 cities showed a positive change in prices in the first quarter of 2016. In June this year, Tinsa issued a report on the coastal housing market in Spain and they paint the future bright for years to come.

--- According to the Tinsa report, the stabilisation is spreading slowly. Here are some of the most important facts from their review:

- The most dynamic markets with leading recovery are: Costa del Sol, Balearic Islands, Alicante, Canary Islands and around Barcelona with annual growth of more than 5%.
- Among the areas that have not yet completed the adjustment phase include: Castellon, the Cantabrian coast, Menorca and La Palma. Also in decline, although close to the ground, are the coast of Almeria, Huelva, Tarragona and Galicia.
- The forecast for the coming months aims at stabilisation and the areas analysed (58%) show that one third of them will see the prices increase.
- The forecast of price improvement focuses on the entire coast of Valencia, Alicante, Malaga, Palma de Mallorca,

the Canary Islands and San Sebastian, and in some sections of the coast of Girona, Barcelona, Cádiz and Asturias.

- In 2015, the largest number of new building permits approved were in:-

----- Barcelona (1,269),

----- Alicante (1,148, which is 27 times more than in 2014),

----- Torrevieja in Alicante, a coastal town of over 10,000 inhabitants, had 490 homes authorized to be built.

According to the Ministry of Development, this represents an increase of 23% over the previous year. Rounding out the group of permits granted, we have two other municipalities in Alicante:

----- Orihuela (448 permits, up 36% from the previous year),

----- Elche (440 building licences, 140% more than in 2014).

- According to the biggest revival of buying and selling in 2015, these are the areas that stand out: -

----- Leioa (Vizcaya), an increase of 102% over the first quarter 2015,

-----363 purchases in Teguiise (Lanzarote), with a boost of 99% (555 units),

-----An increase of 64% in Casares (Malaga), with 463 units,

-----60% of San Roque (Cádiz), where 850 homes were purchased, and

-----58% increase in Alboraya (Valencia), with 390 units purchased.

- By total volume of buy-sell transactions (units), the coastal municipalities with most activity in 2015, excluding the capital were:

----- Marbella (Malaga) with 4,396 units,

----- Torrevieja (Alicante), 4,356,

----- Orihuela (Alicante), 3,782,

----- Mijas (Malaga), 2,373,

----- Gijón (Asturias), 2,058,

----- Estepona (Málaga), 2,052.

-