

# The British are still coming!

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The market may have undergone a period of readjustment, but the latest figures show that British buyers are continuing their love affair with Spain.

According to the most recent report from the Land Registrars' Association, Spanish property sales involving British buyers declined by 11% in the first quarter, but they were still the biggest national group by far.

More than 1,960 Spanish home sales involved a British buyer, down 11% on the same time last year, and 10 per cent below the ten-year average. The British share of the foreign market fell to 9.1% down from a high of 21.9% in Q1 of 2016. Nevertheless, the British still had the biggest market share, ahead of Germany in second place with 6.8pc.

British demand for property in Spain is holding up surprisingly well compared to other countries in the period after Brexit and the pandemic, and it will be interesting to see what impact, if any, a Labour government back home has on British demand for property in Spain. Overall, the Spanish property market enjoyed a soft landing in 2023 after an extraordinary boom that followed in the wake of the pandemic.

At the recent UK election, the Labour party under Sir Keir Starmer won two thirds of seats and a massive majority on the back of one fifth of the eligible vote. If Labour remain true to their election manifesto, taxes will have to go up significantly to pay for the party's vision of a bigger state, net zero, reward client groups, and satisfy the emotional

desire of left wing voters to see wealth redistributed.

If Labour goes hard after private wealth and raises taxes, you would expect that to drive more British buyers to Spain. Bond markets can turn their back on the government like they did on Liz Truss, but taxpayers have to pay and if higher taxes in the UK start to bite, an increasing number of wealthy people will vote with their feet. Spain is obviously an attractive destination as France is in the middle of political turmoil. With the hard Left in government, nobody will invest in France for the near future. Rich people are already leaving before the hard Left get a chance to impose their promised 'Exit Tax' to trap wealth in the country.

Mark Stücklin from the Spanish Property Index comments, "Barcelona is already full of French entrepreneurs and tax refugees who like living in a pleasant city just one hour from France by train. I expect there will now be a surge in French tax refugees heading for Barcelona, and an increase in British tax refugees heading for the Spanish coasts and islands, including some who might otherwise have gone to France. British and French buyers are already the first and third biggest group of foreign buyers respectively, so an increase in buyers from both countries would have a big impact on the Spanish property market".

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