

## Spanish Bank BBVA Is Bullish On The Real Estate Market

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Company News



A recent report by BBVA, Spain's second biggest bank, underlines the continued optimism in the market. The report states that 2014 was the year the Spanish housing market bottomed out, and 2015 is the year that recovery will finally get underway. The bank cites several reasons for this including increased home sales with property purchases increasing in November by 25,200 transactions, 15.3 per cent more than a year ago.-

There has also been a fall in the number of unemployed and growing consumer confidence, as well as an increase in household income.

A drop in interest rates also continues to boost the recovery of demand fundamentals. In November, the mortgage interest rate associated with new purchases was 2.72 per cent, 0.15 points lower than the previous month, and almost a point lower than at the start of 2012. Coupled with falling house prices, that means improving housing affordability.

BBVA also notes improving confidence in the housing sector. In year-on-year terms, the index closed the year with a rise of 17.2 per cent compared with the close of 2013 and there was also an increase in building activity.

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