

Spanish market remains stable with demand up from foreign buyers Q1 2016

24/03/2016

Spanish News



British buyers have contributed the most to a steady growth in overseas-buyers demand for property in Spain as the housing market remains stable.

According to figures from the College of Property Registrars more than-one in 10 properties sold in Spain is now bought by a foreign buyer,-including expats and non-residents.

Foreign demand as a percentage of the market was 13% last year,-fractionally down from 13.5% the year before and foreigners bought-46,000 homes in Spain last year, 12,000 in the last quarter alone.

Overall foreign demand was up 11% last year, and 12% in the last quarter, whilst local demand grew-by only 7% in the last quarter.

British buyers were once again the biggest group of buyers by a large margin with 9,956 acquisitions-last year, some 21% of foreign demand last year, followed by the French with 4,116 or 9%, and the-Germans with 3,445 or 7%.

'The big story from last year's foreign sales figures was the 81% increase in British demand-compared to the year before. The British are clearly back to being the dominant force in foreign-demand, though not yet as dominant as they

were in the boom years,' Stucklin explained.

'Low Spanish property prices, down around 50% from the peak, plus a stronger Pound are no doubt-fuelling British demand,' he said but pointed out that fears of the UK leaving the European Union-following the forthcoming referendum vote in June creating uncertainty about the UK's future in-Europe, and a weaker Pound in the short term, could encourage British buyers to sit on the sidelines-for the next few months.

'So don't be surprised if British demand is significantly down in the first quarter of this year when the-figures come out,' he added.

At the other end of the scale Russian demand was hammered last year, down 43%, thanks to serious-economic problems at home pushing the Rouble down around 16% in the last year, and 50% in the-last 3 years, leaving many Russians much poorer.

Although the market is recovering in Spain there are still signs that pries and sales are up and down.-The latest data from property portal Idealista shows that the average prices of a home in Spain fell-by 0.9% in February to €1,583 per square meter.-

Only two of Spain's regions registered increases in the average price of property with the Canary-Islands up 1.5% and the Balearic Islands up 0.3%. In Galicia the prices remained stable, while the-biggest declines registered were those for La Rioja with a decline of 2.8%, Murcia down 2.2% and-Castilla y León down 1.8%.

The Basque Country remains the most expensive region for second hand housing, with an average-price per square metre of €2,550, followed by Madrid at €2,371 and the Balearic Islands at €1,900.

In contrast, the regions with the most affordable housing in February were Extremadura at €955 per-square meter, Castilla-La Mancha at €968 and Murcia at €1,057.

But the residential real estate market is regarded as stable. The latest index from the Housing-Department shows house prices rose 1.8% last year, the first time this index has finished a year in-positive territory since 2007.

While the latest index from appraisal company Tinsa shows average national prices were up 2.7%-over 12 months, and by 6.1% on the coast, and 2.5% on the Balearic Islands and Canary Islands.