

End of Year Market Overview Spain

- **Increased movement and sales this Autumn**
- **Price reductions flattening out**
- **No price increases anticipated in 2010**
- **Key areas: Costa Brava, Canaries, Balearics & Barcelona**

December, 2009, Engel & Völkers, the leading international agents specialising in the quality first and second home market sector with 54 offices in Mainland Spain, the Balearics, the Canaries and Andorra, has experienced its toughest year since entering the Spanish residential market in 1999 with a much needed Autumn surge of viewings and sales.

In Spain, the majority of European buyers tend to be German, Swiss, British, French, Scandinavian and Spanish even though the British market, for the moment, seems to have fallen away. Only realistically priced property for the current market conditions is attracting interest and there is still a great deal of negotiation to close sales. However, after a year of price reductions of approximately 15-30%, prices have now stopped falling and the market appears more stable than at the beginning of the year.

Engel & Völkers has opened eight new offices during 2009 in Barcelona (2), Costa Brava (3), Costa Blanca, Andorra and Tenerife. The Costa Brava has performed well this year considering the difficult market conditions especially in the Baix Empordà area which is attracting Spanish, French, Scandinavian, British and Dutch buyers. There, average sale prices are over €1 million in this area for rustic properties “masia” or properties with sea front locations.

Says Marcus von Busse, Managing Director Engel & Völkers for the Spanish Mainland, Canaries, Andorra and Portugal; “Although there is always room for negotiation, we have seen that prices have stopped falling particularly in areas worst hit such as the Costa del Sol where prices fell by up to 30 %.

Now more than ever only properties that are correctly priced and in good locations continue to attract buyers. We are also seeing signs of a recovery in the UK market. This will have a positive impact on the Spanish market in 2010.”

In the Balearics, overall sales of second home holiday residences have dropped by approximately 35% in the last year. However, on Mallorca there has been increased movement in the past two months, specifically from German speaking clients who currently represent over 50% of the buyers. Demand is focused on

prime located, quality property, which is reflected in the fact that the average sale price in the past 12 months is just under €1 million.

Says Daniel Chavarria spokesperson for E&V Mallorca; “Many potential buyers are looking for bargains and those owners that *need* to sell have reduced prices by approximately 15-25% depending on the property and location. However, at least half of our owners will stick to their asking prices.

Some owners have taken their homes off the market completely and are waiting for market recovery and others are more likely to consider renting out their homes to pay the expenses of maintenance etc... and get some return on their property”.

www.engelvoelkers.es and www.engelvoelkers.com/mallorca

What’s on the market? Examples for under €1 million in these areas:

Costa del Sol - Ref: 1143208 – Marbella – Price: €890,000

The contemporary style villa enjoys excellent sea views and a panoramic view to the mountains. It features 4 bedrooms and 3 bathrooms with a constructed area of 320m² on a plot of 1,065 m². The property is located in Nueva Andalucia which is easily accessible with modern amenities nearby. It is also close to the golf courses of Los Naranjos and Las Brisas and the famous yacht harbour Puerto Jose Banús can be reached within a few minutes. The outdoor area has a large terrace and pool area, a covered carport for 2 cars and a bio sauna.

[Additional Property Details](#)

Costa Brava - Ref: W-008V19- Pals – Price: €70,000.

A typical historic house located in the heart of Pals, one of the most attractive medieval villages in the Ampurdan. Solid stone walls, high beamed ceilings, and arches typical of the ancient Catalan stables. Constructed area of 403 m² on a plot of 590m². Features 4 bedrooms and 3 bathrooms. Furthermore, the property has permission to construct a studio over a 3 car garage and a swimming pool.

[Additional Property Details](#)

Mallorca - Ref: 1190046 – Costa de la Calma – Price: €698,000

Attractive, top quality, semi-detached villa in Mediterranean community. Features 2 bedrooms (1 with en suite bathroom & balcony), spacious living & dining area with access to a terrace, fully fitted kitchen, library, A/C & heating, large roof terrace with sea views, community pool & barbecue area. Fast access to Palma which is only 25 minutes drive away.

[Additional Property Details](#)

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Engel & Völkers Company International Background

The Engel & Völkers Group is one of the world's leading real estate companies with offices based around the world. The Company is represented in 39 countries on five continents, with three headquarters based in Hamburg, New York and Hong Kong. The Group is specialised in providing services in all aspects of property transactions. Leasing, sales, consultancy and valuations form the core competences of Engel & Völkers for its private and institutional clients. Engel & Völkers is expanding on the basis of its productive licensing partner system. Its success is due to specialisation in submarkets and the excellent training of all highly-qualified partners and employees, ensuring optimum service quality. Further information: www.engelvoelkers.es; www.engelvoelkers.com/mallorca

Press release