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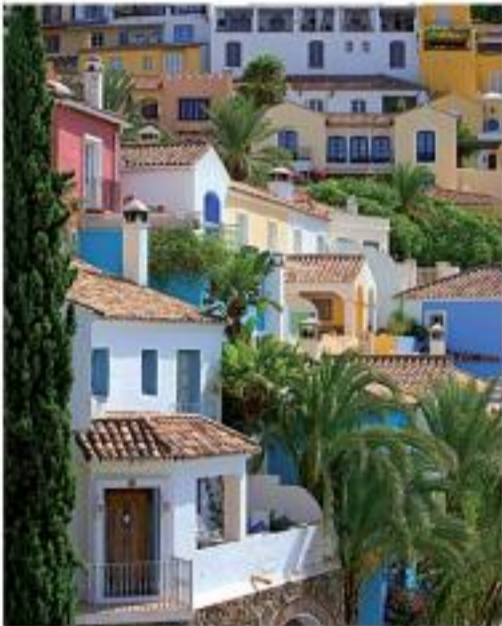
WRITTEN BY IAN YOUNGMAN THURSDAY, 06 JANUARY 2011 01:20

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## Is Spanish real estate on the way back up?



Spanish house prices have been sliding for some time; for those dreaming of a home in the sunshine, now may be the time to buy.

Prices for Spanish property have been falling for some time now, but is the window of bargain prices about to close?

Spanish Prime Minister Jose Luis Zapatero seems to think so, and told U.S. news channel CNBC in September that prices had hit bottom and were on their way back up.

"We have had an extended period of falling house values which has stimulated sales, and if Zapatero's observations are correct, property prices could easily gather strength," said Chris Mercer of Murcia-based estate agents Mercers.

"For those who have a dream of owning a home in the sunshine, now is the time to realise it," he added.

Local sources suggest that arguments to buy now while stocks last is misleading as there at least 700,000 housing units waiting to be sold in Spain, on top of properties that come naturally to market.

"Spain is a very fragmented market which varies from one region to another, even from one town to the next.

Most of Spanish property oversupply is concentrated in the domestic markets, in commuter belts of big cities such as Madrid, Valencia or Seville. On the coast, there are areas with significant oversupply, but after two years with no construction the prime areas are now running out of property to sell. Premium locations like Mallorca are already in short supply. In these areas, prices are poised to steadily rise," said Javier Ballester of Taylor Wimpey Spain.

Stuart Flavell of Connells adds, "House prices in Spain are probably at their lowest and so now is a great time to be a buyer. There is a huge amount of choice, given the downturn in the market and the real need for owners and developers to sell. There are mixed opinions as to whether the Spanish housing market has bottomed out, but indicators suggest the Spanish market has improved and will continue to improve in the medium term."

Kevin Wilkes of the Worldwide Property Group advises, "With careful research it is possible to pick up some superb Spanish property bargains right now."

Official figures from the Ministry of Housing and Institute of National Statistics do show house price rises in some areas for the first time in three years.

By Ian Youngman

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