

The Telegraph

Expats in Spain struggle to sell properties

Expat home owners in Spain have been warned that they need to reduce the asking price of their homes if they want to make a sale.



A derelict home for sale in Galicia, Spain. The value of resale properties in the country fell by over five per cent in 2010 Photo: saturno dona' / Alamy

By Sean O'Hare

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An annual report on Spanish housing prices by the country's biggest online property listings site [idealista.com](http://www.idealista.com) (<http://www.idealista.com>) has shown that the price of resale housing in Spain fell an average of 5.7 per cent during 2010.

A combination of factors including over-development, high unemployment and a global recession has resulted in house prices in cities such as Barcelona, Madrid and Valencia falling between 14 and 21 per cent since hitting their peaks in 2007.

Figures were drawn from a survey of 496 municipalities across Spain, from which a sample of 185,855 re-sale houses advertised on the listings' database was taken.

Head of [idealista.com](http://www.idealista.com) Fernando Encinar said: "Sellers should apply bigger discounts to the prices they are asking for their homes if they want to achieve a sale, not forgetting that in the coming months banks are likely to be offering more aggressive prices on their property stocks"

It is estimated that the banks' "property stocks" include up to 200,000 homes which will eventually go on sale and further saturate the market.

[Britons lose millions on the Costa homes that never existed \(http://www.telegraph.co.uk/news/worldnews/europe/spain/8199979/Britons-lose-millions-on-the-Costa-homes-that-never-existed.html\)](http://www.telegraph.co.uk/news/worldnews/europe/spain/8199979/Britons-lose-millions-on-the-Costa-homes-that-never-existed.html)

[Connery ordered to pay millions in fraud trial \(http://www.telegraph.co.uk/news/worldnews/europe/spain/8147069/Sir-Sean-Connery-ordered-to-pay-millions-in-investigation-into-Spanish-property-fraud.html\)](http://www.telegraph.co.uk/news/worldnews/europe/spain/8147069/Sir-Sean-Connery-ordered-to-pay-millions-in-investigation-into-Spanish-property-fraud.html)

[Expats fear the arrival of Spain's fast-track demolition \(http://www.telegraph.co.uk/news/worldnews/europe/spain/7696844/Expats-fear-the-arrival-of-Spains-fast-track-demolition.html\)](http://www.telegraph.co.uk/news/worldnews/europe/spain/7696844/Expats-fear-the-arrival-of-Spains-fast-track-demolition.html)

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Certain Spanish regions bucked the trend, including Bilbao which increased its year-on-year price by 3.4 per cent, and San Sebastián by 6.5 per cent. In the latter homeowners can demand up to 4,894 euros per square metre - the highest in Spain.

Other regions up on last year included Palma de Mallorca, which increased by 10.3 per cent, Cadiz by one per cent, León by 0.7 per cent, Oviedo by per cent and Cáceres by 0.1 per cent.

Fernando Encinar, added: "Many people thought that 2010 would be the year when prices would bottom out and there would be an upturn, but this has not been the case. The pace at which prices in most of Spain have been adjusting is proving slower than was expected and in 2011, we will once again find it is going to be a tough year for housing sales.

No official figures exist for how many expats are living in Spain or for how many are heading home. The British Embassy estimates that one million Britons live at least part of the year in Spain. Many of them choose to remain officially living in Britain for tax or pension reasons, so in the eyes of British authorities they have not officially actually left the UK.

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