

:: February ::



### **Briton's Still Looking To Sunny Spain**

Pessimists writing about the Spanish property market have questioned the strength of the market many times in the last couple of years, following a period of unprecedented boom. Some have seen the subsequent market slowdown as the prelude to a crash. Others have seen it simply as a necessary correction which has prevented an overheating of the market, in which case the prelude is one to a period of more measured, steady growth.

This latter synopsis is certainly the view of Off Plan International, for whom a spokesman said this week: "Rather than people investing and wanting their return back quickly, a lot of people are buying in a more educated way."

Such an "educated" approach means, in this case, taking a long-term view of the market. Such a view regards occasional price falls as simply a feature of the cycles that are part and parcel of any sector of economic activity.

Furthermore, prices appear not to be falling anymore: While Home Move noted today that capital economics had noticed price falls in Spain (plus a number of other countries, including the UK), property portal Kyero.com found that this recent trend reversed in September, with Spanish prices up by 1.4 per cent in the month. Martin Dell, managing director of the site, told equitypropertyportfolios.co.uk: "Although buyers are still concerned about the possibility of a price crash, our data indicates that the market bottomed-out during late 2006 and early 2007."

One factor which has kept the Spanish property industry booming and may continue to help buy-to-let investors, is the continued attractions of sun, sand and surf. This has particularly been the case thanks to Britain's constant shower of a summer, which has seen various companies involved in the overseas property markets experience a surge in interest in owning bricks and mortar somewhere that rains less.

The latest company to do so is Yorkshire Bank, which announced today that its research has shown that 43 per cent of UK adults would like to buy a home somewhere sunny, with Spain the (literally) hot favourite, accounting for 45 per cent of the total. At 66 per cent, better weather was the most commonly cited lifestyle reason for those wanting to buy overseas.

While 31 per cent said they would like to find a place in which to retire far from the stygian gloom of British winter days, 32 per cent said they would look to buy as a long-term investment. Thus, while the appeal of living full or part-time on the Iberian Peninsula continues to rise, the belief that buying-to-let in Spain still holds the promise of good returns remains a major factor in the continued popularity of the country.