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Spanish market is desperately fishing for buyers abroad

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The collapse of the property market in Spain has left the economy in such deadlock that the main “actors” have in recent weeks been sitting at the same table to agree new solutions to the crisis.

Government, developers and banks are drawing a common strategy in an attempt to promote the Spanish property market abroad. UK and German home buyers are in the spotlight. We will see in the UK more and more properties in Spain being advertised.

The attitude of the Spanish Government is the usual one: to encourage buyers investing in property, especially now that banks’ balance sheets are negatively affected by the property crisis. Government and the banks are still in their own particular honeymoon.

The Government has said that the private problem will not be transferred to the public treasury, as it happened in Ireland - It is unlikely to happen in Spain.

Vacation destiny

Developers highlight that Spain is a vacation destiny and, for that reason, homebuyers will still come. But, from our perspective, to be a vacation destination does not guarantee home buyers but rather holiday makers. In that case, the rental market will be the first option since buying a property involves a lot of costs on top of the purchasing price.

Legal framework

The commitment of the Spanish Government is to implement a legal framework in order to give more legal security to foreign home buyers. This move must be welcomed by those UK buyers who are still waiting for their own situation to be regulated, some being victims of Spanish property fraud over recent years. From The Spanish Brick perspective, if the Spanish Government regulates their situation, it will very difficult to build trust in future buyers whilst thousands of Britons are still crying out for justice.

Also, the matter of a strong rental market should be implemented by a law that favours both owners and landlords.

CONCLUSIONS

1) The Spanish property crisis is an internal problem that Government and banks want to relieve with foreign buyers and investors. UK buyers – beware and do not be misled by commercial messages!

2) Now, more than ever, buyers need to be given the correct picture of what is going on in the Spanish property market in order not to regret their decisions in a couple of years time. It is likely that prices will dramatically drop in the next couple of years and the property stock is massive so your dream coastal home is not at stake. If you are ready to buy now, buy now. If you are not sure or you expect cheaper prices, we would advise you to wait for better bargains.

To sell the property stock is a must and apparently the only solution that banks and developers want to accept. Nobody talks yet about demolishing toxic assets... not yet!

Article courtesy of The Spanish Brick, see [Spanish property news](#)

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