

## PROPERTY MARKET UPDATE

Written by spanishpropertyshop

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As a surveyor in Spain I am able to witness what is truly going on in the property market (at least from Castellon to Murcia including the popular Costa Blanca towns and inland areas) so here is my 'man on the ground' assessment for the end of 2010, based on real sales and real buyer /vendor trends.

**Sales:-** The most reputable and typically well established estate agents have proved to survive the crisis. It seems that those agents that jumped on the band wagon during the boom, have fallen off it just as quickly and it clearly takes a professional and ethical approach to stay in business through economic ups and downs. Survivors report to be quite busy in recent months and this is not just agent hype. I have personally witnessed that there are still buyers out there, though all are seeking and generally getting bargains and many are focused on Costa Blanca towns such as Javea and Moraira.

**Popular property:-** The 2009 trends of preferred property types have continued through 2010. Inland rustic casitas and older townhouses requiring renovation (once very popular) are generally avoided, as are off-plan developments and part finished new builds (though it is worth bearing in mind that with such a shortage of interest, there are some exceptional deals to be had in these categories, including rent before you buy options). Buyers are generally opting for established villas or quality apartments in good urbanised locations nearer to the coast. As there are plenty of these properties on the market, serious buyers (especially the deposit ready cash type) are able to strike a good deal. I would personally have no qualms about investing in Spanish property now.

**Outlook:-** The remaining months of 2010 are set to see a continued flow of bargain hunters, such that it is possible that some buyer competition may return in an effort to secure the best value property examples. I witnessed a 3 bedrooled villa on a 950m<sup>2</sup> plot, with no significant structural issues and walking distance from the beach at Moraira sell for just €200k in September. That is exceptional but nonetheless does happen, so don't rule any areas out just because you assume them to be pricey.

Unfortunately for vendors of average or substandard properties in mediocre locations, even severe price slashing might not secure a buyer and hence sitting out the downturn might be a better policy than selling out too cheap.

**Buyer Types:-** The typical northern European buyer is retired or within a few years of retirement (an ever growing sector). Compared to 5 years ago, very few families are currently able to move to Spain. The oversight by many Spanish developers that astute retiring couples and native buyers have never dreamed of owning a grey fronted small apartment with no terraces, has meant that such properties sit empty in most Spanish towns and villages. They are equally of little use to the occasional family that might start a new life here.

**Deal making:-** British vendors could until very recently accept lower prices due to the weaker pound (though slight recovery has occurred), negotiating tensions are typically high! Often vendors are quite justified in sticking to their reduced price, and not making further concessions even when defects are present. Unfortunately for the vendors there is however fierce competition, most buyers have other options and a bad vendor attitude will quickly loose a sale.

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If you are selling, try to approach the task leaving any personal issues aside. You may face financial difficulties, have suffered a bereavement, ill health or relationship breakdown, but you will have to understand that this simply sends 'desperate' positive signals to the astute buyer and they may well insult you with their first offer. On the other hand if you are a buyer in a strong cash position, don't lose the perfect property for the sake of being too greedy. Some advertised prices are already good 'no offers' deals and actually reflect the current market and condition.

It's important however not to be blinkered by price alone, not all low priced properties make investment sense and there are many seriously defective properties, or examples with illegal extensions or other legal discrepancies. In the current market, there is no excuse for buying the wrong property in Spain and all buyers should stick to the common sense purchasing rules of good location whilst having the legal and structural issues independently checked by professionals, even when a property seems to be a giveaway.

A free 15 page property buyer's guide is available through my website.

NB:- Information for advice purposes only. Proper legal and safety procedures should be followed for all property purchases and building works.

Information provided by Mark Paddon BSc Hons Building Surveying. MCIQB, Structural Surveys, purchase and defects advice throughout Castellon - Valencia- Alicante – Murcia

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[www.surveysspain.com](http://www.surveysspain.com)

T: 962807247 M: 653733066

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