

# Real estate prices in Barcelona top 3,000 euros per square metre

*With prices higher than Madrid and San Sebastian property speculation has made many rich*

## ALEXLEFF

Barcelona is the city with the most expensive housing on the peninsula. At an average of just over 3,000 euros per square metre, the cost of real estate in this metropolis is responsible for many of the country's newly-formed rich, but as in many other major cities, Barcelona's housing costs have risen beyond what many locals can afford. After an increase by 6.2 per cent in the first half year to 3,098 euros per sq m, Barcelona leads Madrid, which went up by 7.5 per cent, by a narrow margin of only around fifteen euros. Then there's San Sebastián, having gone up by only 2.3 per cent leaving housing prices at an average of 2,851 euros per sq m. These statistics were made public yesterday by the *Societat de Taxació*, a firm that calculates real estate appraisals.

In contrast to Barcelona, there are Spanish cities with the lowest property costs, such as Lugo in Galician, and Badajoz and Cáceres, both in the Extremadura region. In each of these locations, home buyers are now spending 1,200 euros per sq m on average.

The highest increases in the last twelve months in provincial capital cities occurred in Girona (19.2 per cent), Toledo (18.7 per cent), Alicante (17.7 per cent), Soria (17.5), Valencia (16.5 per cent), Conca (16 per cent), Almeria (15.9 per cent) and Osca (15.5 per cent). Other areas to experience notable price booms were, more specifically, Barcelona's district of Ciutat Vella, which went up by 40 per cent, and Madrid's Fuencarral-Pardo and Vicálvaro by 35.6 and 30.6 per cent, respectively.



Property in Portal de l'Àngel in Barcelona is the most expensive per square metre in the city / ANDREU PUIG

All things considered, in the past year housing throughout the provinces has gone up in price by an average of 13.8 per cent, compared to 18.8 per cent the year before, according to the appraisal firm. By mid-year housing costed 2,051 euros per sq m on average in provincial

capitals, which means that up till now a house of 100 sq m have been going for 205,100 euros. The rising housing cost — mid-way through this fiscal year it had gone up by 6.2 per cent — has actually slowed down a bit. Prices had increased during the second half of 2002 by an

average of 9.9 per cent, in the first half of 2003 by 8.1 and the second by 7.2 per cent. Housing prices are forecasted to continue to rise in months to follow, but at a slower pace than the current one, *La Societat de Taxació* says, adding that the high demand will persist.

## Rent goes up in Madrid 2.8 per cent and in Barcelona 8.5 per cent

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While the homeowner's market seems to be soaring in Barcelona, rent has sky-rocketed. Prices have risen by 8.5 per cent in the city, compared to 2.8 per cent in Madrid, according to an online realtor *idealista.com*. In just the second half, and in comparison with the three first months of this fiscal year, rent has gone up in the Catalan capital by 3.8 per cent. The city of Madrid has actually seen dips in rent in four of its twenty-one districts, namely Retiro, which dropped by 3 per cent, Tetuán by 1.8, Moncloa by 1.5 and Vicálvaro by 0.9 per cent. This last district has fallen since January by 3.2 per cent. Other neighbourhoods in Madrid have seen their rent prices rise. Notably, Villa-

verde, the lowest priced district, seems to be making a comeback. In the first quarter that area's newest tenants were paying 5.2 per cent more than three months earlier, and they saw a price hike of 12.5 during the half the fiscal year. After Villaverde, other districts in the Spanish capital that went up in rent in the second quarter were Latina (4.2 per cent, or 2,708 euros per sq m), Hortaleza (2.9 per cent, 3,433 euros), Centro (2.7 per cent, 3,675 euros) and San Blas (2.5 per cent, 3,175 euros).

In other neighbouring towns rents dropped. In Aranjuez they went down by 2.2 per cent in the second quarter and 3 per cent by the end of the six months, bringing the rent down to 1,836 per sqm.

On the other hand, in Barcelona the rent market is growing steadily, although the rate during the second quarter was nearly one per cent lower than the previous one. While signs of a slowdown seem to be appearing, *idealista.com* has speculated that rent may go up over 10 per cent by the end of the year. Rent has increased in all the districts in Barcelona in the past quarter, but some were not so swift to rise as the last quarter. Among the districts with the lowest growth were Les Corts (1.4 per cent, 4,074 euros per sq m), Gràcia (2.4 per cent, 3,751 euros) and Sant Martí (2.7 per cent, 3,370). The district with the highest boost was Sant Andreu, up by 8.1 per cent to over 3,000 euros per square metre.

## AUTOMOBILES

### Porsche sales rise

German sports car manufacturer Porsche recorded a turnover of 5,060 million euros in the first ten months of this fiscal year ending on 31 July. This figure represents an increase of 14% compared with the same period last year. The increase in sales is largely down to the commercial success of their new Cayenne model, the first 4x4 to be made by the Stuttgart firm when it was launched in December 2002. So far 31,986 Cayenne's have been sold this fiscal year. During the same period, the company's world sales reached 61,496 cars, a growth rate of 18.2%, although that includes 18,986 911s (down 19%) and 10,490 Boxsters (down 34%). Porsche did not offer figures on their profits, limiting themselves to commenting that profits are up despite development and marketing costs for the new 911 to be launched on 17 July. The company insisted that they would finish the financial year with a rise in both profits and sales, which are expected to reach 75,000 cars.

## AIRTRAVEL

### New record for airport

Barcelona airport at El Prat smashed the record for the number of planes taking off and landing during one single day, when it recorded 960 plane movements on 23 June this year. This new figure breaks the previous record set on 12 April this year with 921 operations. An airport spokesperson said that this new record combined with the number of passengers forecast over the next few days shows "the growth of Barcelona airport."

## TRANSPORT

### Rise in car registration

A total of 219,060 cars were registered in Spain during June of this year, according to the director general of traffic. It was an increase of 33,644 cars or 18.14 per cent, compared to the same period last year. Figures show that 170,873 saloon cars, 32,414 lorries and vans, 13,168 motorbikes, 1,805 tractors, 312 coaches and 488 other types of vehicles were registered during June this year. During the year 1,095,652 vehicles have been registered, which is 157,451 extra compared to the same period last year, an increase of 16.78%.

## POWER

### Gas company seals deal

Gas Natural has signed a deal with Qatargas to buy 2,000 million cubic metres of natural gas annually over the next 20 years. The agreement was signed between the director general of Gas Natural, Carlos Torralba, and the minister of energy and industry of Qatar, Abdullah Bin Hamad Al-Attiyah. The liquid gas that the Spanish company will get will be transported in new boats from the Middle East country.