



## BARCELONA

We all know there's real pain in Spain, with its glut of one million new homes fuelling its recession and unemployment levels the highest in the European Union.

However, it's not all bad news for those renting or hoping to buy in Barcelona, Spain's fashionable city with its beguiling mix of beaches, art and nightlife.

The latest figures reveal the city has dropped from the most expensive to the third most expensive place for property in Spain (San Sebastian has regained its top slot) after year-on-year appreciation since the 1992 Olympics and thousands of foreign buyers.

Prices have fallen 30 per cent in the past 18 months, according to Rita Fryer of The Property Finders. "It's a fantastic time to buy, and you don't need to rush as prices won't bottom out until the end of 2009," she says. "But don't expect the sorts of bargains which can be found on the Costas. There simply isn't the supply."

She says that this year has been a great year for holiday lets, and that nine per cent yields are possible with the right property. The website [www.holiday-rentals.co.uk](http://www.holiday-rentals.co.uk) concurs, reporting an average daily rate of £85

for most of the year. Its star performers are two-bed, two-bath apartments in the old town or Cuitat Vella – the Barri Gòtic is prime (but the rental licences you need there are not being given at the moment), plus the Born and Barceloneta, as well as more upmarket Eixample and Gracia.

"Holiday lets are better than residential – where landlords aren't protected by Spanish law so they face abuse from tenants. But if you do choose residential, it's best to rent to expats in the upmarket areas of Sarrià, Pedralbes and Bonanova, or near the international schools in easily commutable areas such as Turo Park," says Fry. "You'll need a budget of €800,000 [£690K] but you'll get something that was €1 million [£862K] a year ago. Expect five per cent yields."

At the lower end of the market, look to Les Corts for a €340,000-£425,000 three-bed flat you can rent to locals.

While English-speaking agents are easy to find, bargain-hunters should contact Spanish banks for distressed properties: Caja Madrid ([www.cajamadrid.es](http://www.cajamadrid.es)) and Bancaja ([www.bancaja.es](http://www.bancaja.es)) are among those offering apartments for less than £200,000.

## ON THE MARKET IN BARCELONA



Where Cuitat Vella.

Price €800,000 (€690K).

This three-bed, two-bath apartment will rent for €2,900 a month long-term or as a £128-a-night tourist let.

Contact Property Finders: 0034 972 624557; [www.thepropertyfinders.com](http://www.thepropertyfinders.com).

Below The view over Barcelona from Gaudi's Parc Güell

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