



# COSTA BRAVA

## REAL ESTATE MARKET Q3 & Q4 2012

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**Tom Maidment**  
Director Lucas Fox in the Costa Brava

### Costa Brava Real Estate Market: Summary

Costa Brava continues to be an attractive location for luxury real estate investors in Spain but it could be argued that it still lacks the international recognition of other coastal areas of the Spanish mainland or the Balearic islands. With easy access to Barcelona city and its international airport, and with exclusive properties scattered along a pristine and largely unspoilt coastline, luxury property investors are increasingly attracted by the area and its long-term investment potential.

This is reflected in the 2012 Lucas Fox sales results and all indications are that 2013 will see increased investment in the area, above all at the luxury end of the market. Throughout 2012, interest amongst northern European and Russian buyers continued to rise,

peaking in the 3rd and 4th quarters of the year.

“After a sluggish opening quarter to 2012, enquiries and sales peaked in the second half of the year,” commented Tom Maidment, Director of Lucas Fox in the Costa Brava. “This can be attributed to a number of micro and macro economic factors, not least a tangible increase in buyer confidence following assurances from the European Central Bank over the future of the Eurozone. This, combined with a general feeling amongst investors that prices were nearing the bottom of the market and an increased willingness amongst vendors to negotiate on price, saw a sudden increase in transactions in the latter stages of 2012.

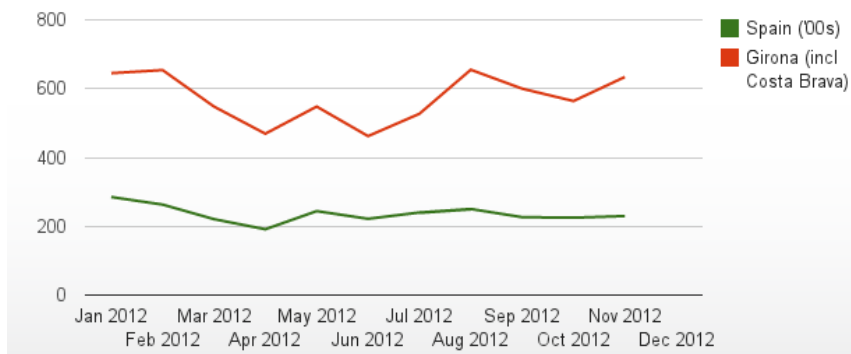
“At the higher end of the market, we saw a level of movement not seen

since the start of the current economic downturn in 2007.”

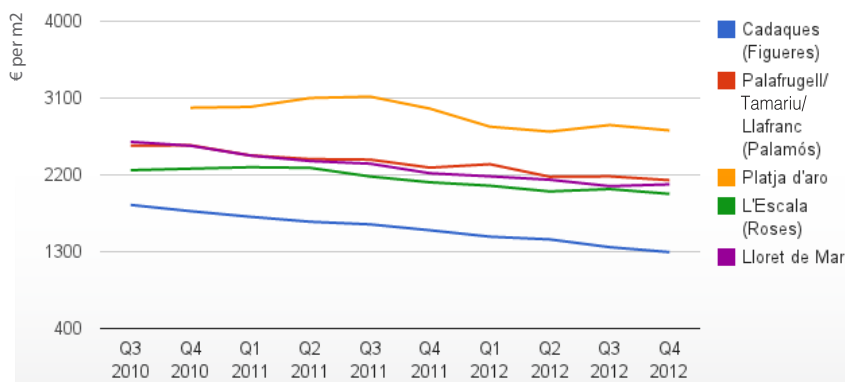
### Costa Brava Property Sales Transactions

Costa Brava property sales transactions were well above the national average throughout 2012 with a pronounced level of trading between July to September. This is consistent with annual trends in the coastal property market which see an increased number of buyers visiting the area in the summer months and a rise in the number of property sales transactions taking place between July and the early-late Autumn.

Since the start of the economic downturn and increasingly in the past couple of years, buyers have demonstrated greater caution when committing to property purchases in Spain. The same applies in the Costa Brava where the decision making process is now considerably longer than in previous years with buyers often making several visits to the region and viewing a greater number of properties



Property Sales Transactions for Girona, Spain 2011 – 2012 which includes the Costa Brava region / Source: ine.es



Average Sales Prices for Costa Brava properties (selected areas): Q3 2010 – Q4 2012 / Source: idealista.com

than previously before reaching a decision. Value has become a key driver with buyers keen to ensure that they can absorb any future depreciation in property values. The average time taken to close a transaction - from offer to completion - has also increased, due in part to the difficulty in obtaining finance from banks.

### Costa Brava Average Sales Prices

In all the main areas of the Costa Brava, average sales prices fell slightly between Q1 and Q4 2012, according to real estate webportal Idealista. The coastal area of Platja d'Aro reduced the least in price across the year, ending 2012 on €2,721 per square metre, down only €44 per square metre. The areas around Roses, Palamos and Lloret de Mar showed price plateaus for most of the third and fourth quarters of 2012. The northern coastal area of Figueres, which includes the village of Cadaques, recorded the area's lowest average prices, ending

the year with an average of €1,295 per square metre.

The slow-down in property price reductions observed throughout 2012, coupled with the brisk trading and climbing sales transactions in the second half of the year, are strong indicators that prices are bottoming out in the Costa Brava property market. In contrast to the overall Spanish national trend, Costa Brava has seen month-on-month sales trading growth in the latter part of 2012 as buyers show they are unwilling to wait for any further price signal before making their move.

Describing 2012 sales trading for Costa Brava properties, Lucas Fox Director Tom Maidment commented: "We have seen a marked increase in the number of high end residential sales transactions in the second quarter of 2012. Sales have focused primarily on standout

properties in unique and exclusive locations of the Costa Brava.

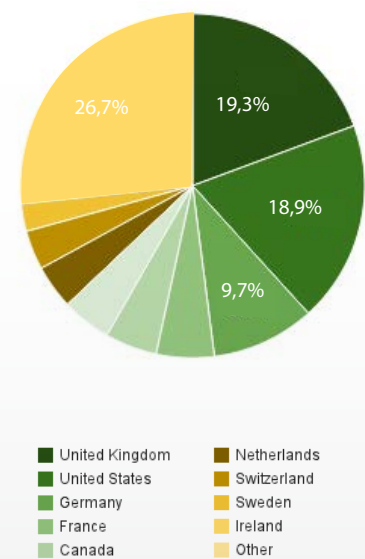
"Exclusive properties in the most desirable locations have attracted buyers looking to take advantage of the current economic climate. Many invest as a lifestyle decision, taking a long-term view of the market. Buyers are also attracted by the potential revenue generated from luxury summer rentals in the area, providing an attractive return on investment whilst property prices remain stagnant."

### Foreign Investment Interest

Foreign residents invested 93.2 million Euros in Catalonian property (which includes the Costa Brava) in the first three quarters of 2012, accounting for 20.6% of all foreign real estate investment across Spain.

Foreign visitors to the Lucas Fox Costa Brava property pages more than doubled (56% increase) over the same period in 2011, demonstrating the strong international interest in properties in the region.

The majority of foreign website visitors viewing Lucas Fox Costa Brava



Foreign website visitors to Lucas Fox Costa Brava property pages: Q3 & Q4 2012 / Source: Google Analytics for Lucas Fox website

properties were from the UK, France, the United States and Germany.

A new high speed rail link now connects Costa Brava to Europe's major cities. The new line, which was initially between Perpignan-Figueres, has been extended to Girona and Barcelona. This new branch enables visitors from across Europe to experience the Costa Brava and opens up many new opportunities for Franco-Spanish tourism

### Lucas Fox Analysis and Predictions for 2013

"Our view is that 2013 promises to be a strong year for the Costa Brava property market", said Tom Maidment, Lucas Fox Director for Costa Brava. "We expect the strong level of trading seen in the second half of 2012 to continue into the New Year as prices begin to level out

and investors increasingly recognise the value of real estate in the Costa Brava compared to other coastal areas of southern Europe. Other factors, such as possible new residency permit laws, unfavourable tax laws in France, and the opening of the high speed rail link from Barcelona to the French border is also likely to stimulate demand for property in the area."

"The Costa Brava has so much to offer and its proximity to Barcelona city with its international airport, and proposed super-yacht marina make it a superbly accessible and attractive destination. The opening of the new high speed rail link at the beginning of 2013 should transform the Costa Brava into the most easily accessible southern Mediterranean holiday destination from many northern European cities, driving more visitors and buyers to the area.

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#### HOUSE / VILLA

**LOCATION:**  
SPAIN » COSTA BRAVA » BEGUR

**LFCB717** | **2.500.000€**



#### FIRST LINE PROPERTY

**LOCATION:**  
SPAIN » COSTA BRAVA » BEGUR

**LFCB737** | **PRICE ON REQUEST**



#### FIRST LINE PROPERTY

**LOCATION:**  
SPAIN » COSTA BRAVA » BEGUR

**LFCB709** | **PRICE ON REQUEST**



#### HOUSE / VILLA

**LOCATION:**  
SPAIN » LLORET » BLANES » TOSSA

**LFCB736** | **1,850,000€**



#### HOUSE / VILLA

**LOCATION:**  
SPAIN » GIRONA » BAIX EMPORDA

**LFCB753** | **2,300,000**



#### LUXURY PROPERTY

**LOCATION:**  
SPAIN » COSTA BRAVA » BEGUR

**LFCB757** | **PRICE ON REQUEST**