



SITGES

REAL ESTATE MARKET Q1 & Q2 2014



LUCAS FOX
INTERNATIONAL PROPERTIES

OVERVIEW

Lucas Fox Sitges has seen continued improvements in the residential property market in the first two quarters of 2014. There is a great deal more confidence amongst buyers, with international buyers responsible for the majority of transactions. Prices are stabilizing and the number of transactions is slowly increasing. The significant change is that sellers are being more realistic and that asking prices are coming down in line with buyers' expectations.

Lucas Fox Sitges has seen more activity in the first two years of

2014 than in the previous two years combined. Sales transactions grew over 50% over 2013, all involving international buyers.

The majority of prime market buyers are looking at Sitges as a second home site, while some are investing in hospitality projects and others are seeking a primary residence. Buyers tend to be aged between 35 and 50 years.

Sitges average sales prices ended the first half of 2014 at €3,008 per m². Gavà average sales prices

remained steady in the first half of 2014, ending the second quarter of 2014 on €2,421 per m². Casteldefells average sales prices rose very slightly in the first quarter of 2014, ending the half-year on €2,793 per m².

Sitges average rental prices have risen slightly each quarter in 2014, ending the half-year on €9.80 per m². Average rentals in Gavà remained steady in the last two quarters at €9.40 per m² while Casteldefells dropped slightly during the winter months to €9.90 per m² by end of the second quarter.

SITGES REAL ESTATE MARKET: SUMMARY

"The Sitges property market has been shaping up well in the first two quarters of 2014," says Rachel Haslam, Director of Lucas Fox Sitges. "The property market has had a real boost since the beginning of the year and we are seeing more serious buyers ready to make a commitment!"

Compared to the first half of 2013, there is a lot more movement in the market. International buyers are aware that now is a very good time to purchase as prices are unlikely to drop any further and there is still limited competition from local buyers," Rachel adds.

THE GLOBAL APPEAL OF SITGES

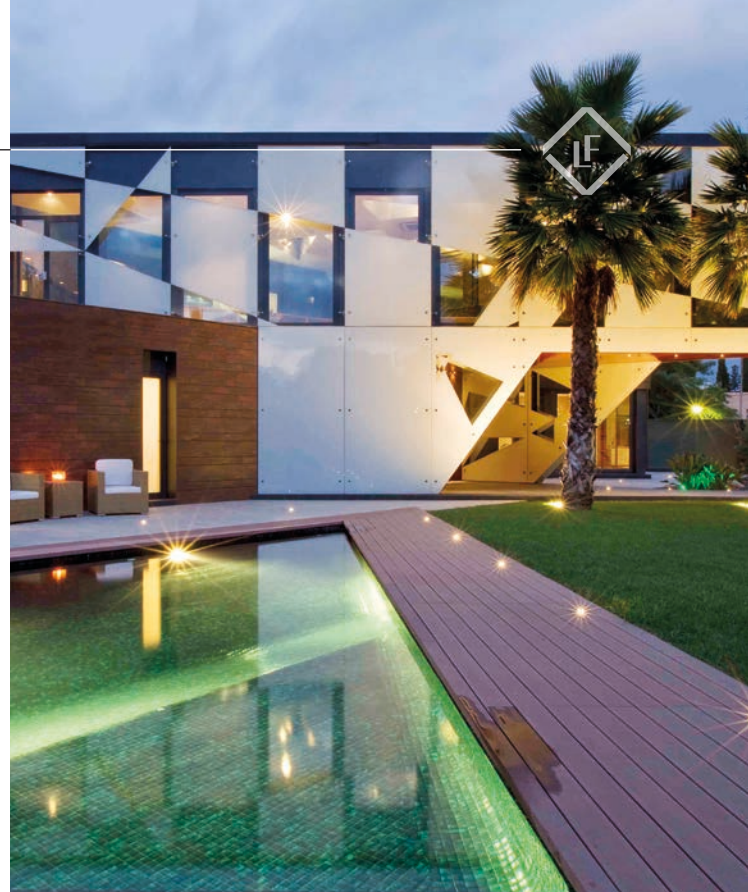
Sitges is a dynamic township, with a cosmopolitan city feel because of its international population and year-round cultural calendar of events. It has a well-invested infrastructure with excellent and frequent public transport to both the airport and Barcelona, good state schools, and four international schools. The beaches are world-famous with safe, clean waters and a promenade of restaurants stretching in front of the shining seas. The wider Sitges area includes 78% of protected parkland, with the most accessible entry point being the stunning Garraf Natural Park. Thanks to Sitges' micro-climate, which gifts the area with more than 300 sunny days a year, the area has a strong economy with year-round visitors, generating an annual tourist level in excess of one million, with the area also hosting over 400 conferences and business meetings annually.

SITGES PROPERTY SALES PRICES

Sitges average sales prices ended the first half of 2014 at €3,008 per m². In the final quarter of 2014, Sitges average property prices dropped below the Barcelona average, and have remained lower throughout 2014. The first two quarters of 2014 have been fairly steady, with no further price drops.

Gavà average sales prices remained steady in the first half of 2014, ending the second quarter of 2014 on €2,421 per m².

Casteldefells average sales prices rose very slightly in the first quarter of 2014, ending the half-year on €2,793 per m².

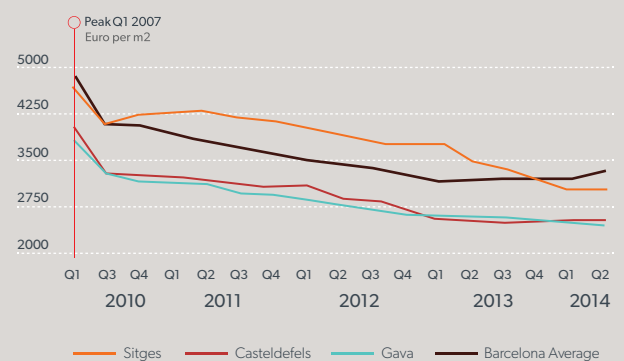


"COMPARED TO THE FIRST HALF OF 2013, THERE IS A LOT MORE MOVEMENT IN THE MARKET. INTERNATIONAL BUYERS ARE AWARE THAT NOW IS A VERY GOOD TIME TO PURCHASE AS PRICES ARE UNLIKELY TO DROP ANY FURTHER"



Rachel Haslam
Director Lucas Fox Sitges

SITGES AVERAGE SALES PRICES, PEAK (Q1 2007) AND Q3 2010 - Q2 2014 / Source: Idealista.com





SITGES RENTAL MARKET

Sitges average rental prices have risen slightly each quarter in 2014, ending the half-year on €9.80 per m². Average rentals in Gavà remained steady in the last two quarters at €9.40 per m² while Casteldefells dropped slightly during the winter months to €9.90 per m² by end of the second quarter.

SITGES PRIME MARKET PROPERTY

The Sitges prime property market has seen increased activity in 2014, and already so far in 2014 Lucas Fox Sitges have handled over double the number of sales as in the entire previous year.

It is difficult to provide average sales prices for this market as properties sold vary considerably: from multi-hectare land plots with small houses, to sea view apartments, to high quality detached family homes in exclusive urbanizations: each type of property has different qualities and different factors which impact on price.

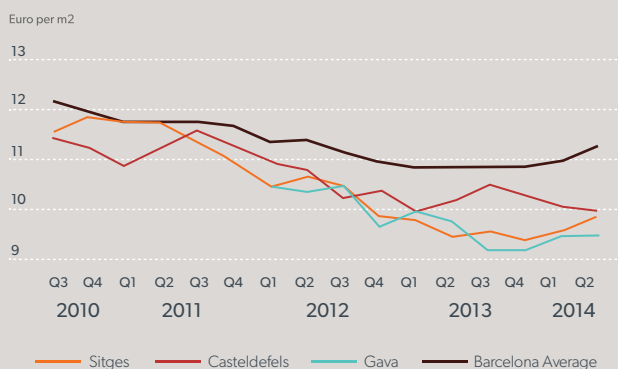
The majority of prime market buyers are looking at Sitges as a second home site, while some are investing in hospitality projects and others are seeking a primary residence. Buyers tend to be aged between 40 and 55 years.

FOREIGN INVESTMENT

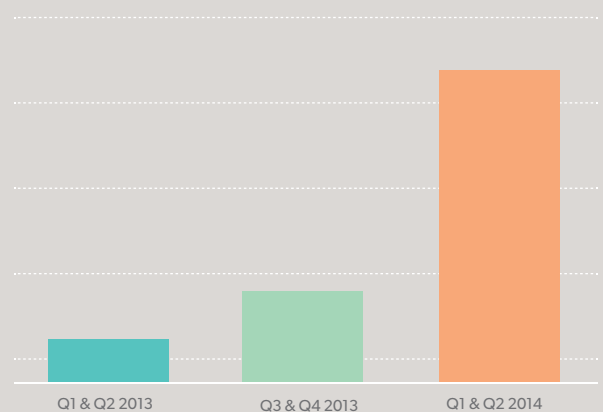
At Lucas Fox, clientele interested in buying in the Sitges area are mainly foreigners, with the bulk split between the UK and Northern Europe, although there is increased interest from Russian and Asian buyers.

"Our client base continues to be made up of a mixture of nationalities from all over the world," explains Rachel Haslam, Director of Lucas Fox Sitges. *"If the budget allows, most buyers prefer a sea view whether it be an apartment or villa. For those on a smaller budget, a great alternative is a detached villa in one of the residential areas in the hills a ten-minute drive from Sitges. Many foreigners either relocate or buy second homes in these areas."*

SITGES AVERAGE RENTAL PRICES, PEAK (Q1 2007) AND Q3 2010 - Q2 2014 / Source: Idealista.com



SITGES PRIME MARKET SALES VOLUME, Q1&2 2013 - Q1&2 2014 / Source: Lucas Fox sales data

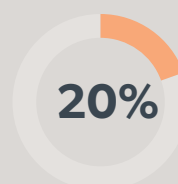


SITGES PRIME MARKET BUYER MOTIVATIONS, 2013 - Q2 2014

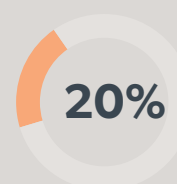
Source: Lucas Fox sales data



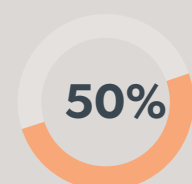
Unknown



Investment



Secondary / holiday home



Primary Residence



There is a mixture of buyers either wanting to settle here or have a second home that they can use for a couple of months of the year with the added possibility of letting their property to foreign tourists as Sitges is very much in demand."

LUCAS FOX ANALYSIS AND PREDICTIONS

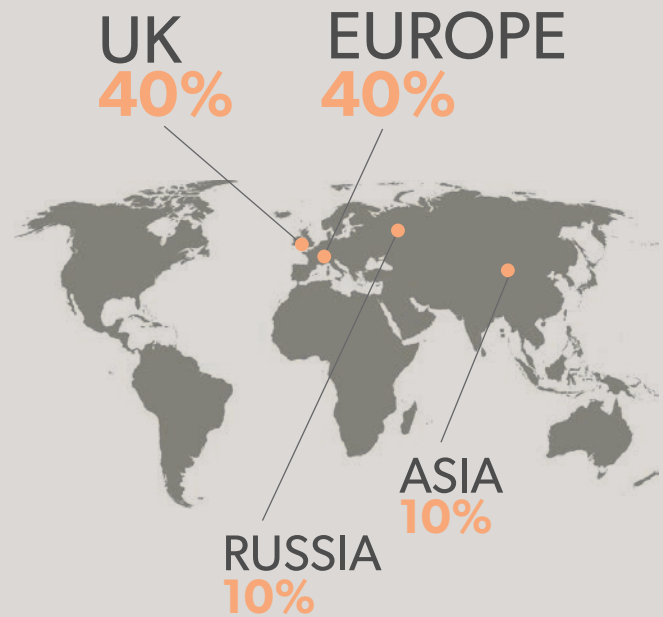
"The best areas to invest are prime areas in Sitges itself or the surrounding areas where prices have dropped a great deal from their peak in 2007," explains Rachel. "In Castelldefels and Gavà, clients are generally looking for large villas a few steps from the beach or in the more exclusive residential areas of Montemar, Bellamar and Rat Penat which have stupendous sea views.

We make a concerted effort to ensure our vendors advertise their properties at realistic prices, and if there is not much interest we gently persuade them to adjust their prices. We believe that in the second half of 2014, prices will have stabilized and as we continue to get more interest from buyers in this area, they will after a couple of years eventually begin to rise again.

In terms of opportunities for investors, if the buyer is willing, a light renovation project is always a good investment providing the sales price allows for this. Any property that can be let to tourists is a sure thing as this always provides the possibility to make a reasonable income year round," concludes Rachel.

SITGES PRIME MARKET BUYERS: COUNTRY/REGION OF ORIGIN 2013 - Q2 2014

Source: Lucas Fox sales data



LUCAS FOX
INTERNATIONAL PROPERTIES

MORE INFORMATION:

If you are interested in knowing more about the property market in this region, please contact Lucas Fox on:

E: info@lucasfox.com

T: +34 933 562 989



Rachel Haslam
Director Lucas Fox Sitges

