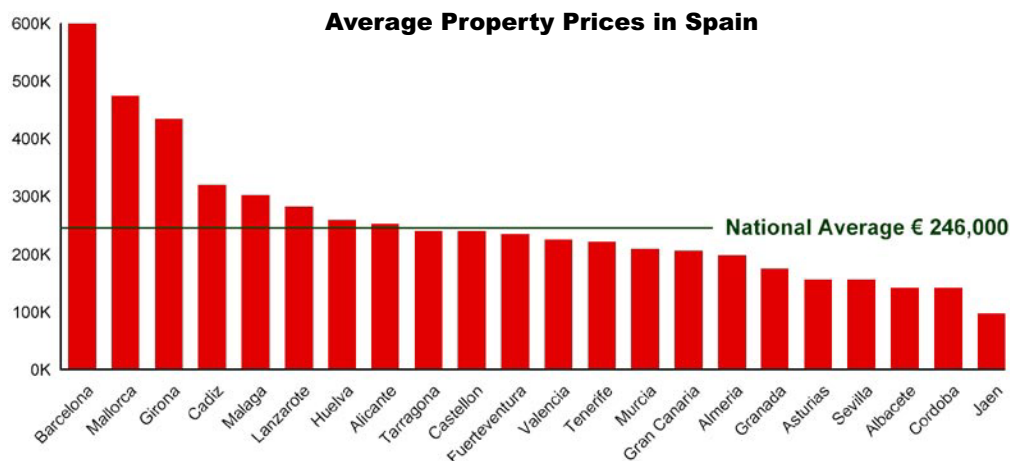


2007 summary of what visitors searched for on Kyero.com and trends in the Spanish property market



## Top province and coastline

Malaga and the Costa del Sol battled it out with Granada and the Costa Tropical for top province and coastline. Even though Malaga province gained in popularity, Granada held on as the top province but with a reduced lead over Malaga.

Focusing purely on property on the coast, the Costa del Sol reigned supreme with Granada's Costa Tropical trailing in third place.

This trend is understandable as 2007 saw the opening of an expanded motorway network, effectively joining the Costa del Sol to its eastern neighbour, the Costa Tropical.

This brings much of the Costa Tropical within a one-hour drive to Malaga airport which is, itself, currently being expanded to almost double its original capacity.

Costa del Sol buyers also pushed west in 2007, past Gibraltar to Huelva province, boosting average prices there by a massive 27% in just 12 months. Strangely, they bypassed Cadiz province with average asking prices there falling by 14%.



## Inland Spain

Visitors flocked to the Town of Tortosa in Tarragona - 15km inland from the Costa Dorada. They also favoured inland village, Cortez de Baza - physically located in Granada province but 95km from the Almeria coast.

The most popular towns on Kyero.com during 2007 were inland locations where authentic Spanish living and lower prices are the main attractions. The top provinces all have coastlines and so offer the opportunity for both inland and coastal living.

Turning to the most popular regions, again they all boast impressive stretches of coastline, except Aragon in 4th place which is entirely land-locked.

The move inland and the search for country living is confirmed by the type of property visitors searched for - country houses were the most popular with apartments in 5th place. Overall, people showed particular interest in 3 bed villas with a swimming pool, and were prepared to spend a maximum of €150,000. Incredibly, properties like this do exist in Spain, although what actually constitutes a villa is open to a wide variety of interpretations.

## Hot Locations!

### Hottest Costas

1. Costa del Sol
2. Costa Blanca
3. Costa Tropical
4. Costa Calida
5. Costa Valencia

### Hottest Towns

1. Tortosa, Tarragona
2. Cortes de Baza, Granada
3. Torrecilla de Alcaniz, Teruel
4. Sax, Alicante
5. Martos, Jaen

### Hottest Provinces

1. Granada
2. Alicante
3. Malaga
4. Tarragona
5. Valencia

### Hottest Regions

1. Andalucia
2. Valencia
3. Cataluna
4. Aragon
5. Murcia

## The Islands

In general, moderate drops in average price were recorded on both the Balearic and Canary islands. Tenerife, however, bucked this trend and saw a respectable 7.5% increase in price during 2007.

### What property?

The individual property most frequently viewed was an isolated plot of rural land with no planning permission for just €5,000. Similarly, in second place is a rural plot for €15,000 with a stone barn.

There's a massive jump in price to the third placed property, a 2 bed, 2 bath apartment in Mijas Costa on the Costa del Sol for €292,000. In fourth place we're back to a ruined town house for €21,000, 15km off the coast of Almeria. In fifth place, we see a moderately priced 3 bed, 3 bath villa on the Costa Blanca.

Visitors showed interest in the whole range of property, whether they are on the coast or inland, cheap or expensive, ready to move in or completely uninhabitable. However, one thing all these popular properties share is that they're within 100 miles of an international airport.



### Provinces Gaining Popularity

1. Malaga
2. Granada
3. Jaen
4. Tarragona
5. Zaragoza

### Provinces Losing Popularity

1. Almeria
2. Alicante
3. Murcia
4. Albacete
5. Castellon

### Biggest Average Price Gains

Huelva, from €187,000 to €257,500, gain of **27.4%**  
Asturias, from €120,200 to €161,986, gain of **25.8%**  
Girona, from €380,000 to €472,500, gain of **19.6%**  
Sevilla, from €149,900 to €173,441, gain of **13.6%**  
Tenerife, from €203,000 to €219,500, gain of **7.5%**

### Biggest Average Price Losses

Cadiz, from €315,195 to €276,470, loss of **14.0%**  
Fuerteventura, from €247,500 to €226,750, loss of **9.2%**  
Lanzarote, from €284,950 to €264,500, loss of **7.7%**  
Mallorca, from €475,500 to €450,000, loss of **5.7%**  
Gran Canaria, from €233,000 to €222,400, loss of **4.8%**

### Hottest Property Types

1. Country House 27%
2. Town House 23%
3. Villa 18%
4. Land 8%
5. Apartment 7%

### Typical Property

3 bed Villa with pool, €150,000

### Hottest Properties

1. Land for sale in Tortosa €5,000



2. Finca for sale in Torrecilla de Alcaniz €15,000



3. Apartment for sale in Mijas Costa €292,000 - 2 beds, 2 baths, pool



4. Town house for sale in Murtas €21,000 - 4 beds



5. Villa for sale in Denia €185,000 - 3 beds, 3 baths, pool



## 2007 Summary

In 2006, 158 Billion Euros changed hands between buyers and sellers of property in Spain. The early indications are that 2007 will see a slight drop in that volume - by between 0.5 and 1%.

The resales market totalled 91 Billion Euros and off-plan property, the remaining 67 Billion Euros. 90% of property in Spain is purchased by Spanish nationals.

Foreign purchasers spent 4.5 Billion Euros on off-plan property and 11.5 Billion Euros on resale property - totalling 16 Billion, or 10% of the total property market.

In Alicante province, however, foreigners accounted for almost 25% of all off-plan purchases and, in Malaga, Murcia and Valencia, 16%, 16% and 15% respectively.

In total, a little over 900,000 properties changed hands in Spain in 2006 and, even though the amount of money being spent dropped slightly by 0.5% in the first quarter of 2007, the number of transactions fell by 8%.

The likely discrepancy between these two figures is that the government is succeeding in gradually whittling away at buyers and sellers colluding to under-declare the true sales price of a property. However, it is still common practice to pay for part of a property in cash - sometimes as much as 30% of the true property value.

Even though it looks like fewer property transactions will occur in 2007 than in 2006, the total value of those transactions will likely show a smaller decrease because more money is now 'on the table' and notarised. It's important to note that this probably doesn't indicate that sales values are increasing - just that more of the transaction value is being declared.

Surprisingly, the volume of resales decreased by 13% in the first quarter of 2007, compared to 2006 with sales of newly built properties actually increasing slightly.

Despite the almost constant talk of a property price crash in Spain in 2007 and despite the credit crunch being experienced throughout Europe and the US, Spain's property market seems to be faring better than expected.

Property prices remained flat throughout 2007 - representing a small decrease in real value - certainly less than 5%. The fears of a wholesale drop of 30% in price seems unfounded and, even with property developers keen to service their debt on unsold developments, 2007 did not witness any large scale discounting.

Overall, 2007 saw Spain's property market weathering the credit crunch at least as well as it's European neighbours and the prospect of it continuing to do so in 2008 is good.

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## Methodology

Kyero.com records the asking prices of almost 90,000 properties from 800 estate agents throughout Spain. Visitor activity on Kyero.com is used to gauge the popularity of individual properties, locations and property types.

In early 2005, Kyero.com created the only independent and statistically accurate benchmark of property pricing in Spain. Average property prices are derived from the advertised property prices on Kyero.com.

Properties where the freehold is not for sale are excluded. This excludes rentals, leasehold properties and fractional ownership properties. Properties where the number of bedrooms entered is unreliable are also excluded - as are properties with unusually high or low prices

A median calculation is used because it is more representative of a group of prices than is the more common mean calculation. Median is simply the middle number in any group of figures - it is widely accepted as more meaningful because it is less sensitive to a few, unusually large or small numbers in the group.

## About Kyero.com

Based in the south of Spain, Kyero.com is the largest single collection of properties and estate agents in Spain. It's a free and impartial resource for buyers because it's not funded by commission on property sales or property rentals and is not affiliated with any promoter, property developer or estate agent.

Kyero.com won the 2007 CNBC award for Best Property Portal in Spain and it was voted Best International Property Portal at the 2007 CNBC Awards. It publishes the only independent Spanish property price index and it's a member of the Association of International Property Professionals.



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