



Solmar Estates Costa Blanca C.B.
Ur. Zenia Sol II - Los Dolce 68
Orihuela Costa
03189
Alicante, Spain
t: +(34) 966 116 650
e: info@solmarestates.com
w: <http://www.solmarestates.com>

Property Market Report - Costa Blanca

January 2010

Well here we are at the beginning of another new year and **wow what a year 2009 was** for activity in the Spanish property market here on the Southern Costa Blanca.

I have owned and run Solmar Estates for 5 years now. 2009 was the busiest year by far for interest, enquiries & property sales. The question most clients ask is "*why have you been so busy whilst we are in one of the worst recessions of recent times?*" Now this is a very good question.

Firstly there is a lot less competition as a lot of Spanish estate agents have closed their doors for good. In 2008 more than 50% of all Spanish estate agents situated along the Spanish coastline went out of business. These were companies of all sizes including some of the very biggest who were household names to anybody with even just a passing interest in Spanish property. The agents that have survived this recession have tended to be the privately owned smaller family run businesses such as Solmar Estates. Working first hand with client's everyday has allowed Solmar Estates to adapt very quickly to the changing economic climate.

Secondly to succeed in the current recessionary times you must **A:** understand the market conditions that you are working in and **B:** you must also fully understand your client's requirements & expectations.

Whilst there will always be exceptions the absolute majority of enquiries we receive are for 2 bedroom apartments priced up to 80,000 Euros, 2 & 3 bedroom houses priced up to 120,000 Euros and 3 bedroom detached villas priced up to 200,000 Euros. Identifying these trends has allowed us to source a very good range of quality properties that fit the above criteria. Most of our properties are still priced 35% to 50% **LESS** than they were in the peak price time of late 2006 / early 2007. This means that there are still excellent bargains to be had. However, prices have definitely bottomed out and **in some cases, property asking prices are actually being increased**. A lot of properties are now being sold at the full asking price.

As I write we have just lost a property sale to another agent. A stunning 2 bedroom/2 bathroom bungalow overlooking the communal pool priced at 120,000 Euros. It came up for sale last Thursday. By Saturday it had been viewed numerous times. On Saturday afternoon I had an offer of 115,000 Euros that was rejected by the owner. By Sunday evening I had an offer for the full 120,000 Euros. I was just too late as another agent who also had the property for sale had also received an offer of the full asking price. My clients missed out by hours. **This property sold at the asking price within 4 days**. If, when viewing Spanish property, you see something that you really like you must go for it there and then - and be prepared to pay a fair price.



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Although we firmly believe that prices have bottomed, we are still very much in a price driven market. Properties are so much cheaper here than they were 3 years ago.

However, just because prices are down this does not mean that customer expectations are any less. You certainly cannot adopt a “stack them high sell them cheap” mentality. We are as busy as we ever have been, not just because we have less competition or simply because prices are now more affordable. It is a combination of these factors coupled with the fact that [Solmar Estates offer unrivalled personal customer service. We listen to what our clients tell us, we try to fully understand their requirements](#) and we **ALWAYS** treat clients in a way that we would expect to be treated ourselves.

Enquires and viewings are already at record levels for January, this is usually a very quiet month with most people suffering a post Christmas *hangover*. So 2010 looks to be starting off exactly where 2009 finished. If you are seriously interested in Spanish property do something about it now, as later in the year prices will definitely be starting to rise. **Grab a bargain while you still can.**