

Costa del Crash! Spain's property prices set to slump 50pc with British holiday homes on coasts 'worst hit'

- Up to 2million properties languishing on the market that cannot be sold
- 400,000 Britons either live in Spain or own a holiday home
- Experts warn house prices may not begin to recover for up to 15 years

By [Becky Evans](#)

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Hundreds of thousands of Britons living in Spain or with holiday homes there risk being the worst hit as property prices continue to plummet.

Analysts warn values could slump by another 50 per cent in the crisis-hit nation, with the biggest falls in coastal areas full of apartments and villas owned by those from the UK.

The slide threatens to be so bad that swathes of half-built or unsold holiday homes along the Mediterranean coast will simply have to be demolished as no-one wants them, even at rock-bottom prices.



Hit: Costa Malaga has always been a popular destination for British tourists but house prices are falling rapidly



Plummet: House prices in Marbella have already fallen 50 per cent

The warning came from RR de Acuna & Asociados, one of the country's leading economic consultancies. It predicts the relentless gloom could stretch more than a decade – even up to 15 years – with falls of up to 50 per cent along the coast where around 400,000 Britons live or own homes.

Group vice-president Fernando Rodriguez de Acuna said: 'The market is broken.

'In places like Castellon [near Valencia], where over-development was mad, banks are not financing anything and there is a high probability these properties will never be sold. They will have to be knocked down.

THE PROPERTY CRASH IN NUMBERS



- Spanish bank Santander slashed house prices by **60 per cent** to clear backlog
- **800,000** houses are still on the market
- **250,000** are currently being built
- **300,000** homes have been foreclosed
- House prices in some areas not expected to recover for **15 years**
- Houses in Marbella already fall **50 per cent**

'Banks are offering huge discounts and nobody is calling. Marbella has already fallen by 50 per cent and prices are going down and down.'

The firm's latest analysis suggests the total decline from peak to trough could end up at 75 per cent in some areas.

The downturn has blighted the retirement of Valerie Burch, from Brixham, Devon, who planned to sell her seafront duplex apartment in Caleta de Velez, east of Malaga.

It was worth £180,000 in 2008 but has dropped by a third to £120,000 by September. The 72-year-old said: 'I am devastated. I was thinking of selling this year to help me in my retirement but I would never recoup my investment.'

Mr Rodriguez de Acuna said there were almost two million properties waiting to be sold, with 'no progress at all' over the last five years to clear up the backlog.

He expects the crisis to also hit the capital Madrid and major cities like Barcelona, with prices down 30 per cent and no pick-up until 2018.

'There are 800,000 used homes on the market,' he added.

'Developers are sitting on a further 700,000 completed units.

Another 300,000 have been foreclosed and 150,000 are in foreclosure proceedings, and there are another 250,000 still under construction. It's crazy.'

Spain was booming until the credit crunch of 2008, with hundreds of thousands of properties built every year.

But the country has been one of the worst hit by the eurozone crisis and has a shrinking economy with a jobless rate of more than 26 per cent.

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