

THE WALL STREET JOURNAL.

Spain's Top Cities Show Signs of Housing Recovery

Construction Sector Is Poised to Revive in 2015 as Barcelona, Madrid Improve; Elsewhere, Weakness Continues

Spain's residential real-estate recovery is a tale of two cities: Madrid and Barcelona.

Barcelona is the only city in Spain to post an annual increase in home prices during 2014. Prices in the city rose 2.8%, with some neighborhoods gaining as much as 8%.

Madrid, too, has fared better than most. While it hasn't enjoyed price gains, Madrid's...