

PROPERTY MATTERS



Colin Guanaria is a founding partner of the estate agents Bonnin Sanso with his partner Juan Torres they have been operating for over 27 years and have 4 offices in Menorca, Mahon, Ciutadella, Es Castell and Mercadal, and another office in Cala Millor, Mallorca.

In the coming issues of the new Roqueta he will be writing on the current property market trends, changes in laws effecting property sales and purchase and answering your general questions. He cannot comment on specific individual cases but will cover any topics you the readers may have. Just email them to the editor at www.roquetamagazine.net/contact.

Q.HOW IS THE MARKET AT THE MOMENT?

A. 2015 saw much more activity and we enter 2016 with cautious optimism that the increase will continue. However there is a large stock of properties for sale, we have over 3.900 and it is estimated that there are over 6.000 across the whole Island. This includes bank repossessions that are still coming to the market. Buyers still expect to be able to negotiate against the asking price. Our opinion is that we will not see prices rise during 2016. Of course there are always exceptions, quality front line villas, special rural properties are always in demand and there are limited properties available.

Q.IS IT A GOOD TIME TO BUY?

A. Yes it is. For the reasons already outlined and the strength of the UK pound (at the time of going to press £1 pound buys 1.24 Euros).2016 is a buyers market.

Q.WHO ARE THE MAIN BUYERS?

A. The local Spanish market is flat and mainland Spanish buyers are just slowly returning. The Spanish economy is doing well (3% increase) but unemployment remains high (21%). UK buyers are active and as tourism from UK increases we will see more new buyers entering the market as they see Menorca as a safe, secure Island for their investment. High taxes on second homes in France, troubles in the Greek Islands and unrest in Turkey will only help our property market. An important trend over the last 2 years has been a significant increase in French buyers, mainly for mid to upper end properties. We expect the French market to increase during 2016.

The purchase of holiday homes still greatly outnumbers purchases for permanent living.

Q.IS IT COMPLICATED TO BUY A PROPERTY IN MENORCA?

A. The process is simple provided you take professional advice. Always use a qualified estate agent (API). Always use a qualified lawyer (abogado) and as necessary a qualified fiscal adviser (gestoria). We have lists of all these professionals available from our Mahon office.

A recent case reported in the Diario Menorca highlighted the dangers of not using qualified advisers who are members of their appropriate professional bodies. They will have professional indemnity insurance, separate accounts for client's funds. The case involved a "so called estate agent" in Es Castell who had appropriated client funds. The police are currently investigating the fraud.

Many of the listed professionals are English speaking and you will have no problems with translations of the documentation required for a sale/purchase.

In future months I will go into detailed information of the full process of buying a property in Menorca and the costs involved as well considering future Capital Gains Tax implications and inheritance tax planning.

Q.CAN WE BUY A PLOT OF LAND AND BUILD A NEW PROPERTY.

A. Until the elections of May 2015 the simple answer was yes and many buyers had opted for this course of action. Now with the new regional government of the autonomous region of the Balearics and the new government in Menorca it is not so simple. Everyone is waiting for final confirmation that only those plots that can be connected to mains drainage can be built on. The vast majority of Menorca is on septic tanks. At the time of going to press no final decision has been made. Check with your agent or lawyer before buying a plot!

Also effected by proposed changes in the laws are conversions and extensions to rural properties. Again we all await final decisions so check with your agent or lawyer.

Next month I will explain in detail the costs of selling a property in Menorca including the Town Hall plusvalia tax and the paperwork you will have to provide to your agent/lawyer prior to the sale.