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## Slowdown signs - Spanish H1 home sales down by 35pct YoY

*Monday, 17 Aug, 2009*

AFP reported that sales of homes in Spain plunged by 34.9% YoY in the first half of 2009 from the same period in 2008.

National Statistics Institute said that for the month of June, sales fell by 25.5% YoY from last year, a slowdown in the rate of decline from May, when they dropped 32.2%. INE did not issue the total number of transactions for the first 6 months, but listed June's tally as 35,372.

It may be noted that Spain's economy entered recession at the end of 2008 as the global financial crisis hastened a correction that was already underway in the construction sector, the driver of more than a decade of economic growth.

A study by Spain's second largest bank BBVA last month said the property sector has yet to hit the worst of the crisis. It predicted prices for homes in Spain would fall nearly 30% between 2008 and 2011 before they start to recover.

Previously released figures showed that in the first quarter, the number of foreign buyers fell 23.3% to 5,036. But in terms of the value of the properties, the fall was even more severe. Foreigners paid EUR 947.9 million for properties in Spain during the period, down from EUR 2.351 billion or about 60% from the same period in 2008.

(Sourced from AFP)

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