

**Observatori  
Metropolità  
de l'Habitatge  
de Barcelona**

Barcelona City Council

Barcelona Metropolitan  
Area

Barcelona Provincial  
Council

Catalan Government

with support from the  
Association of Catalan  
Social Housing Policy  
Managers

**Indicators**

# Housing in the Barcelona metropolis in 2019

**SI  
HB  
O**

**06/2020**

Barcelona, June 2020

**Research, authorship and publishing**

Barcelona Metropolitan Housing Observatory team

**Address**

Plaça de la Vila de Gràcia 6, baixos

08012 Barcelona

[info@ohb.cat](mailto:info@ohb.cat)

Follow us at [www.ohb.cat](http://www.ohb.cat) and @OMHBcn



Amb el suport de:



# Index

<b>Introduction.....</b>	<b>1</b>
<b>1. Housing needs: people and households.....</b>	<b>3</b>
<b>2. The housing stock .....</b>	<b>¡Error! Marcador no definido.</b>
<b>3. Construction and rehabilitation.....</b>	<b>8</b>
<b>4. The housing market .....</b>	<b>¡Error! Marcador no definido.</b>
<b>5. Problems with permanance in and access to housing .....</b>	<b>18</b>
<b>Conclusions .....</b>	<b>28</b>
<b>References .....</b>	<b>37</b>



# Introduction

*Housing in the Barcelona Metropolis in 2019* is the third annual report produced by the Barcelona Metropolitan Housing Observatory (BMHO). Like its predecessors, this report consists of a compilation of available sources of information combined with the results of the laboratories developed by the BMHO team. It is based on a succession of datasets that every year increase in scope, and its historical series and tried-and-trusted methodologies allow for rigorous analysis of the dynamics of the residential system of the Barcelona metropolis.

The results are presented here following a thematic structure that we have strived to maintain over all previous editions of the Observatory's annual reports. It is based on the Observatory's system of indicators – go to *visualitzador de dades de l'O-HB* on our website ([www.ohb.cat](http://www.ohb.cat)) – that represents a relatively simple way of accessing information at detailed territorial and temporal scales.

This report consists of five chapters, in addition to an introduction, conclusion, a selection of bibliographical references and an annex illustrating the territorial divisions used in this publication.

In the first chapter we analyse the main dynamics affecting people's residential needs: (i) the evolution of the population and households, (ii) different types of housing tenure and (iii) two sections devoted to, firstly, the difficulties young people face when trying to leave their parental homes and, secondly, the challenge posed by an aging population and the problems many old people have to pay their housing costs. As well as bringing a number of data series up to date, we discuss fresh data not available during the writing previous reports, including (i) a quantification of the number of households based on data from a General Public Census; (ii) types of housing tenure in terms of age groups using as a reference the Metropolitan Living Conditions Statistics; and (iii) emancipation rates in young people based on the *Survey of the Economically Active Population*. Of special significance is the information compiled on

ageing, which represents the main finding of the laboratory *Ageing and housing. The economic and social dimension of residential care: future perspective in the metropolitan area* (Observatori Metropolità de l'Habitatge de Barcelona & Centre d'Estudis Demogràfics, 2019).

The second chapter focusses on the housing stock, a field that requires detailed data if policy is to be carried out successfully but where, unfortunately, there are serious gaps in our knowledge, above all in the Barcelona Metropolitan Area. Here we present the main results, with an updated quantification of both the overall housing stock and the concentration of property ownership in the city of Barcelona as highlighted in the laboratory *Structure and concentration of ownership of housing in the city of Barcelona, 2019* (Observatori Metropolità de l'Habitatge de Barcelona, 2020). Finally, this chapter analyses the energetic efficiency of part of the metropolitan housing stock using fresh information on the certificates awarded by the Catalan Energy Institute.

Chapter three is dedicated to the construction and rehabilitation of housing. In the case of new housing, we use updated information from the Institute of Quantity Surveying and from the building licences awarded in the city of Barcelona. There is a lack of information about rehabilitation, although efforts are being made to collate more comparable and systematic data. Here, we present the most recent information based on planning permissions granted by the Barcelona City Council.

The fourth chapter analyses the dynamics of the housing market. Firstly, it provides up-to-date information on the sale-purchase market based on the number of transactions and the average price of both new and used housing. As well, it explores more fully the profiles of purchasers, that is, whether they are natural people (Spanish or foreign nationals) or legal entities. The analysis of the rental market is based on data on the deposits placed with the Catalan Land Institute (INCASOL),

## Housing in the Barcelona metropolis

which sheds light on the evolution of the number of new contracts and average prices.

The fifth and final chapter focusses on problems of access to and permanence in housing. The point of departure is an update of a historical data series that allows for a comparison of the evolution of household income and prices. This chapter also analyses the theoretical effort required to access housing in the sale-purchase and rental markets in relation to household income and territorial areas. Finally, we discuss data on financial overburden in housing and examine information on evictions.

# ○ 1. Housing needs: people and households

Data on the evolution of the population and the households living in the metropolitan area provide the basis for the annual reports in which the BMHO analyses the city's housing needs. In this edition we incorporate new data on households derived from the *Continuous Household Survey (CHS)* carried out by the Spanish National Statistical Institute (INE). As well, we explore questions concerning under- and over-occupation using data from the Metropolitan Living Conditions Statistics (MLCS) compiled by the Catalan Statistical Institute (Idescat) and the Barcelona Institute of Metropolitan and Regional Studies (IERMB).

Along with these more general trends, this reports also analyses the type of tenure enjoyed by the city's households, with special attention paid to the age of householders using as a reference the MLCS. As will become clear, rental has become the main way in which young people in the city enter the housing market, although this market also contains a significant number of older people.

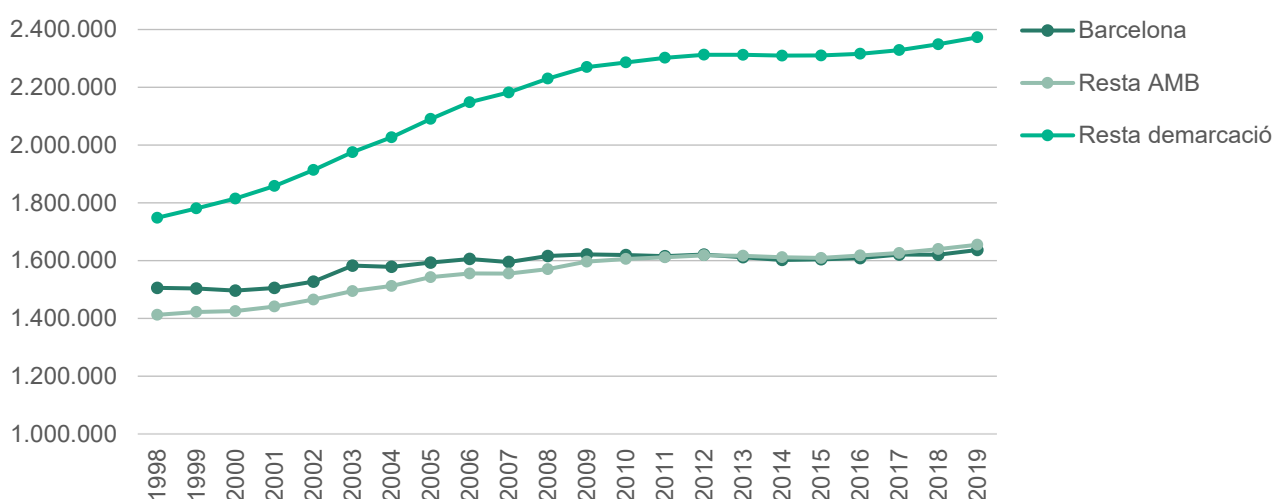
The final two sections focus on moments in life when housing needs – and the related complexities – are most acute: the moment a young person leaves the parental homes (i.e. their emancipation) and old age. Firstly, we use data from a survey of the Economically Active Population (EAP) by the

INE to analyse the evolution of emancipation in young people by age group. Secondly, we look at some of the main results of the laboratory to study the question of ageing and housing: *Ageing and housing. The economic and social dimension of residential care: future perspective in the metropolitan area* (Observatori Metropolità de l'Habitatge de Barcelona & Centre d'Estudis Demogràfics, 2019). Following the structure of the BMHO's system of indicators, the first chapter of the 2018 annual report was devoted to housing needs. Specifically, it centred its analysis on demographic aspects related to the evolution of the population and households, and on residential mobility. In the fifth chapter we return to the question of people's needs in terms of the access to and permanence in housing.

## 1.1. Population growth due to immigration from abroad

The population of the Barcelona metropolis continues to grow and did so at an especially fast rate in 2018 and 2019 (see Figure 1.1), years in which the city's population increased by 1.01% to reach 1,636,762 residents (since 1998 only on four other occasions had the annual rise exceeded 1%).

**Figure 1.1. Evolution of the population by territory, 1998–2019.**



Source: Idescat, General Population Census.

Furthermore, in the 35 municipalities that surround the city of Barcelona – that is, the metropolitan area without Barcelona – there was a similar increase of 0.91% to reach a total population of 1,654,892

inhabitants. Thus, the overall population of the 36 municipalities that make up the Barcelona Metropolitan Area grew by 0.96% to reach a total of 3,291,654 inhabitants. In the rest of the province,



## Housing in the Barcelona metropolis

the population growth was 1.01%, giving a total of 2,372,925 inhabitants. Thus, the overall demographic growth in the whole of the province of Barcelona was 0.98% to give a total population of 5,664,579 inhabitants.

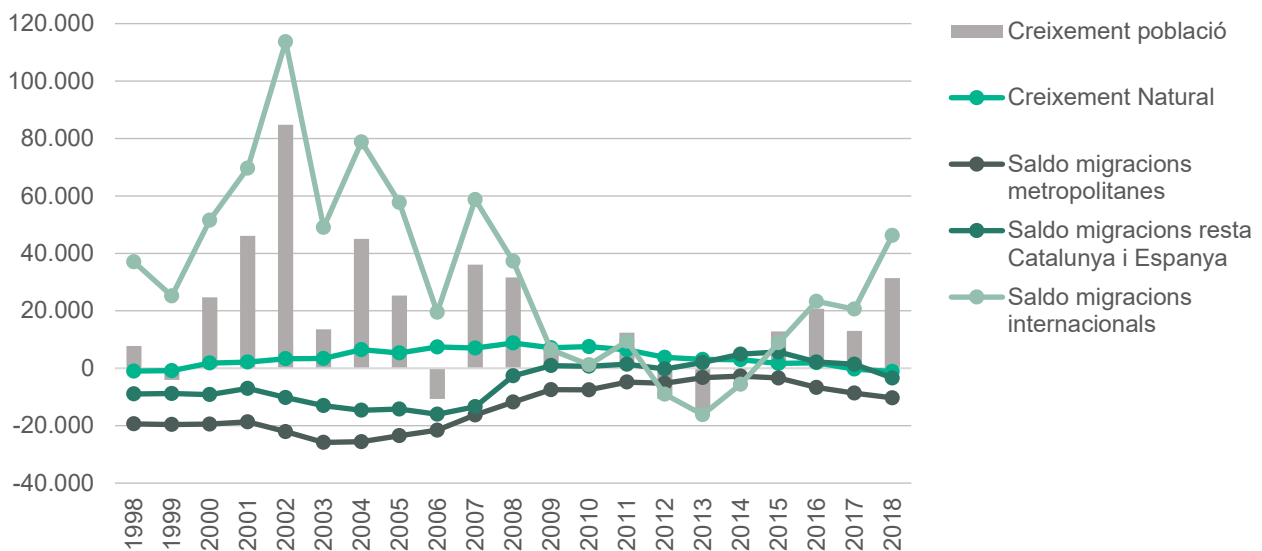
To analyse the reasons behind this evolution in the population of the Barcelona Metropolitan Area it is necessary to separate all the different components of demographic growth. On the one hand, there is natural population growth, that is, the difference between the number of births and deaths, while on the other, there is the exchange in population that takes place with other geographical areas known as the 'migratory balance'.

- In 2018 there was negative natural population growth (see Figure 1.2): 1,142 more deaths than births. This trend is usually fairly balanced – close to 0 – and normally positive. However, it is not one of the indicators that best reflects the general growth in population.

Migrations, on the other hand, are key for understanding the population fluctuations in the context of the Barcelona metropolis. In 2018, the population grew considerably due, above all, to migratory exchanges with other territories (32,528 more people arrived from outside the metropolitan area than departed). However, when looking at the migratory balance it is important to differentiate between the origin and destination of these exchanges as in some cases movements are related to the housing market and in others to work or the return to a person's place of origin.

- Firstly, in 2018 the migratory balance in the 36 municipalities in the metropolitan area and the rest of the province was negative: in all, 10,318 more people departed than arrived. This is the only negative value in the whole data series. Nevertheless, the values from recent years are very different from those obtained at the beginning of the century.

**Figure 1.2. Components of demographic growth in the Barcelona Metropolitan Area, 1998–2018.**



Source: Own work using data from Idescat, General Population Census, and statistics on residential fluctuations and natural migratory movements.

- Secondly, the migratory balance with the rest of Catalonia and Spain: during 2018 3,414 more people departed than arrived, the first time in the past five years that this value is negative.
- Thirdly, the migratory balance with other countries: unlike the two previous statistics (a total of 13,732 more departures), the international indicator is positive with a gain of 46,260 inhabitants. Thus, the figures for 2018 help compensate for the negative balance of

## Housing in the Barcelona metropolis

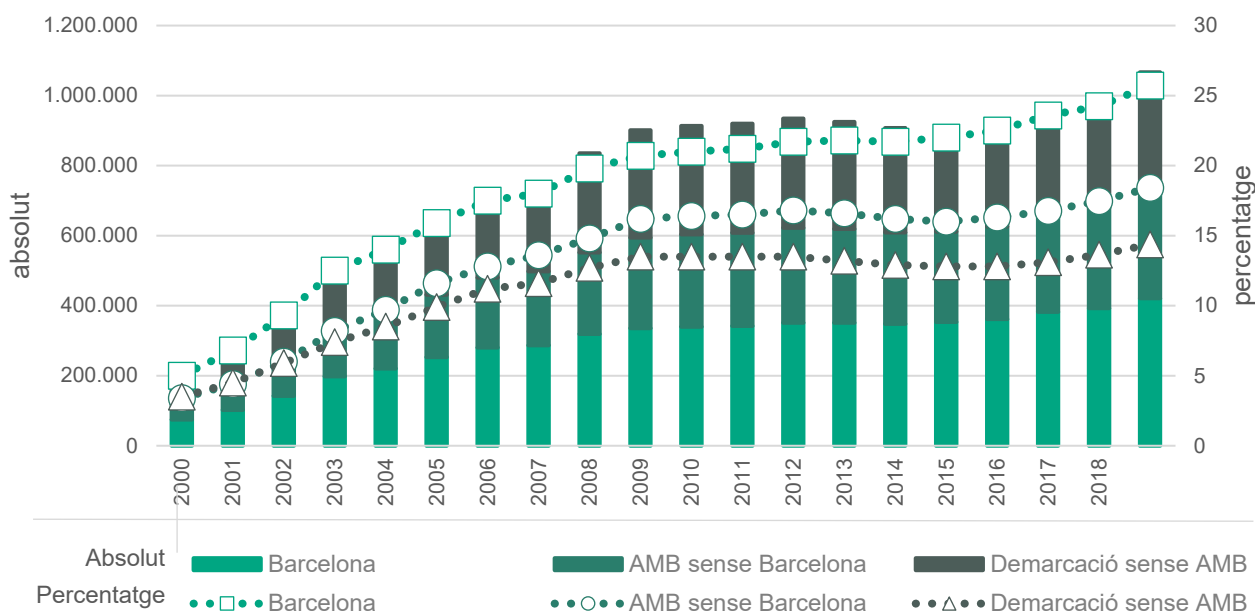
the other indicators (internal migration and natural growth).

As a result of significant international migratory movements, the presence of foreign nationals in the Barcelona metropolis has increased considerably<sup>1</sup> (see Figure 1.3). The years between 2000 and just after the onset of the economic crisis in 2008 were characterised by a steep increase in the arrival of people from abroad. Nevertheless, from the end of the decade onwards this influx slowed and even reversed in some years. But, from 2015 onwards as the economic crisis receded, the foreign-born population once again began to grow significantly in number.

Since 2015, the population of foreign nationals living in the province of Barcelona has grown by 160,691 and by 2019 there were 1,066,754 foreign nationals living in the province as a whole, 18.83% of the total population. However, this figure varies between territorial areas.

- In the city of Barcelona live 420,967 foreign nationals (25.7% of the population).
- In the rest of the Barcelona Metropolitan Area there are 304,724 foreign nationals (18.4%).
- In the rest of the province, there are 341,063 foreign nationals (14.4% of the population).

**Figure 1.3. Number and percentage of the population born abroad by territory, 2000–2019.**



Source: Own work using data from Idescat, General Population Census.

Thus, the population of foreign nationals is greater in the municipality of Barcelona than in the rest of Catalonia. This is anything but a novelty and during the study period Barcelona has always had a large population of foreign nationals. That said, the differences between the situations of Barcelona and the other territorial areas are becoming more marked, above all since 2015, the year in which the city of Barcelona first began to stand out at the head

of list of areas receiving new inhabitants from abroad.

## 1.2. The number of households continues to grow but at a slower rate

<sup>1</sup> According to the statistics on residential fluctuations (2010–2019), the percentage of foreign nationals in the flow of incoming residents is around 95%.

## Housing in the Barcelona metropolis

In 2018 there were 709,079 households in the city of Barcelona and 1,510,166 in the rest of the province, which gives a total of 2,219,245 households in the province as a whole (see Table 1.1). If compared with the previous census (2011), when there were 2,168,605 households, we see that there has been an average annual growth of 0.3%. This is a significant increase, above all given that during this period there was no significant population growth. Nevertheless, this increase in the number of households has slowed notably in recent years: 2.1% growth in 2001–2011, 1.7% in 1991–2010 and 0.9% in 1981–1991.

This deceleration in the growth in number of households is due to a combination of demographic, economic and social factors, of which the following are worth highlighting (Observatori Metropolità de l'Habitatge de Barcelona, 2019).

- Less numerous generations of young people.
- Moderation in the migratory balance with abroad, although, as noted above, in the past two years the trend is towards increased immigration.

- The large number of households that have disappeared due to deaths.
- The evolution in life styles, in which deep-seated structural factors combine with the limits imposed by the labour and housing markets.

These dynamics have been analysed in other annual reports. Here, however, we aim to emphasise life styles and how they are affecting the size of households. It is a complex question in which two main types of processes are pulling in opposite directions.

On the one hand, we need to consider the essential consolidated processes that affect the population structure and how people live together. The number of people per household has fallen for a number of reasons.

- An ageing population in which many old people live alone.
- The fall in the number of children per mother leading to a drop in the average size of households with children.

**Table 1.1. Evolution of households by territories, 1981–2018.**

		1981	1991	2001	2011	2018
Barcelona	Households	-	577,193	594,452	684,078	709,079
	Tcca*	-	-	0.3%	1.4%	0.5%
Province without Barcelona	Households	-	907,261	1,159,880	1,484,527	1,510,166
	Tcca*	-	-	2.5%	2.5%	0.2%
Province	Households	1,358,915	1,484,454	1,754,332	2,168,605	2,219,245
	Tcca*	-	0.9%	1.7%	2.1%	0.3%

\*Annual accumulated growth rate

Source: INE, General Population Census, 1981, 1991, 2001 and 2011; INE, Continued Household Survey, 2018.

- Increase in separations and divorces leading to more single-parent households.
- Increase in number of people living alone at different moments in their lives.

Nevertheless, these structural changes are operating in conjunction with social dynamics that

pull in the opposite direction, that is, they tend to increase the number of people in each household.

- Young people living for longer in their parental homes (see section 1.4).
- Family regrouping due to problems related to the labour and housing markets.

## Housing in the Barcelona metropolis

- Increase in housing shared by unrelated individuals and households.

In many cases, these dynamics became more intense in the years after the onset of the financial crisis in the summer of 2007 and continued during the steep rise in housing prices that began in 2014. In 2011–2018, the number of people per household continued to fall, albeit at a slower rate than in previous periods (see Table 1.2).

The available data does not allow us to discern which part of this moderation is due to (i) a weakening of the impact of structural factors that lead to fewer people per household or to (ii) greater

stress in the labour and housing markets that has the opposite effect on the number of people per household. Nevertheless, certain data suggest that the changes occurring are probably attributable to both sides of this equation, as the evolution in the under- and over-occupation rates indicates<sup>2</sup>.

- The rate of under-occupation calculates the proportion of inhabitants that live in housing in which the number of available rooms is greater than the number of necessary rooms<sup>3</sup>. **Between 2017 and 2018 the under-occupation rate in the Barcelona Metropolitan Area fell from 75.1% to 71.4%.**

**Table 1.2 Evolution of average number of people per household by territory, 1981–2018.**

		1981	1991	2001	2011	2018
Barcelona	People per household	-	2.85	2.53	2.36	2.24
	Tcca*	-	-	-1.2%	-0.7%	-0.7%
Province without Barcelona	People per household	-	3.32	2.85	2.63	2.56
	Tcca*	-	-	-1.5%	-0.8%	-0.4%
Province	People per household	3.40	3.14	2.74	2.55	2.46
	Tcca*	-	-0.8%	-1.3%	-0.7%	-0.5%

\* Annual accumulated growth rate

Source: INE, General Population Census, 1981, 1991, 2001 and 2011; INE, Continued Household Survey, 2018.

- The over-occupation rate calculates the proportion of people living in housing in which there are not enough rooms given the number of occupants<sup>4</sup>. Between 2017 and 2018 the over-occupation rate in the Barcelona Metropolitan Area grew from 6.8% to 8.5%.

Thus, over approximately the past decade the rhythm in the growth of households – despite falling – is still positive. The main factors explaining this evolution are demographic, economic and social.

As a result, overall, the average number of people per household has continued to fall but less sharply. In future reports we will monitor the evolution of the types of households and how the limitations imposed by the labour and housing markets are having an impact on people's life styles.

## 1.3. 'The rental generation': the number of rentals increases

<sup>2</sup> Source: Idescat and IERMB, Metropolitan statistics on living conditions, 2016/2017 i 2017/2018

<sup>3</sup> To calculate the minimum number of rooms required for a correct living space, the EU-SILC methodology establishes the following criteria: one room per couple per household, one for all single people over 18 years old, one for every two people of the same sex in the age range 12–17 anys, one for each person between the ages of 12 and 17 not included in the previous categories, and one for every two children less than 12 years old.

A room is considered to be a closed space with a ceiling that is at least 2-m high over most of its surface area, and has a surface area at least 4 m<sup>2</sup>, as well as a shape that allows for the placing of an adult-sized bed. This definition of a room includes bedrooms, living rooms, offices, service rooms, and other spaces that fulfil these criteria. Kitchens counts as rooms if they have a surface area of over 4 m<sup>2</sup> but bathrooms, toilets, corridors, terraces, halls and pantries are excluded.

<sup>4</sup> See previous note.

## and extends to more periods of life

The evolution of housing tenure has been analysed in our recent annual reports. It is evident that during the past decade – i.e. more or less from the end of the 1996–2007 construction boom – there has been an increase in the number of households living in rental property throughout all of the Barcelona metropolis. The **most recent data indicate that this trend towards more rental accommodation is continuing** (see Table 1.3). Thus, according to the statistics of the Metropolitan Living Condition survey, in 2018:

- In the city of Barcelona 38.2% of households live in rental accommodation (31.2% with rents at market prices and 7.1% with rents below

market prices), while 40.9% live in property without mortgages (owner-occupied) and 17.6% in mortgaged property.

- In the rest of the metropolitan area, 22% of households rent their dwellings (19.3% at market prices, 2.7% below market prices), while 48.1% live in property without mortgages and 26.6% in mortgaged property.
- Overall in the Barcelona Metropolitan Area, 30.4% of households rent property (25.4% at market prices, 4.9% below market prices), while 44.4% live in property with no mortgages and 21.9% in mortgaged property.

**Table 1.3. Housing tenure by territory, 2016–2018.**

	Barcelona		BMA without Barcelona		Total BMA	
	2016/2017	2017/2018	2016/2017	2017/2018	2016/2017	2017/2018
Property without mortgage	43.6%	40.9%	48.3%	48.1%	45.8%	44.4%
Property with mortgage	17.7%	17.6%	28.4%	26.6%	22.9%	21.9%
Rent at market price	29.1%	31.2%	17.1%	19.3%	23.3%	25.4%
Rent below market price	5.9%	7.1%	2.9%	2.7%	4.5%	4.9%
Subtotal rent	35.0%	38.2%	20.0%	22.0%	27.8%	30.4%
Donation	3.7%	3.2%	3.2%	3.4%	3.5%	3.3%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Idescat and IERMB, Metropolitan Living Conditions Statistics.

The increase in the number of households that rent their dwellings is one of the main structural changes that has occurred in the metropolitan – and Spanish – residential systems over the past decade. As analysed in other reports, this change represents a halt to the trend for more owner-occupiers that has operated over at least the past 50 years. Logically, renting is a good option for younger households, i.e. for those who have only recently entered the housing market. However, renting is also coming to be significant amongst households headed by older adults (see Figure 1.4). In the Barcelona Metropolitan Area in 2017–2018:

- In all, 71.5% of households headed by young people of 16–34 years old pay rent (63.5% at market prices and 8% below market prices).
- Amongst households headed by people of 35–44 years old, renting is still the commonest type of tenure, reaching 47% (42.3% at market prices and 4.7% below market prices).
- Amongst households headed by people aged 45–64, owner-occupancy is still the most frequent type of tenure. Nevertheless, 26.5% of households – a quarter – rent their dwelling (24.1% at market prices and 2.5% below market prices).

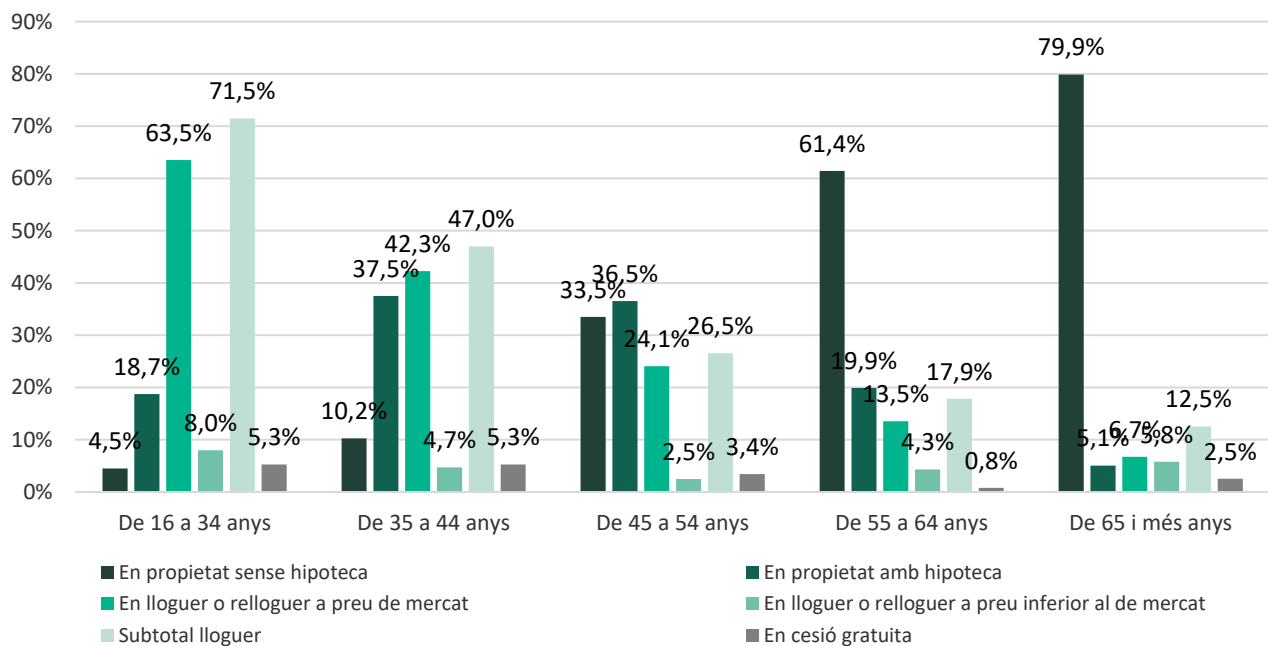
## Housing in the Barcelona metropolis

- Finally, of households headed by a person of 65 years old or over only 12.5% pay rent (6.7% at market prices and 5.8% below market prices).

To conclude, the trend begun over a decade ago for an increase in the number of households paying rent has continued in Barcelona and the rest of the

metropolitan area. Today, **renting is the commonest way of accessing housing in households headed by both young people and people aged 35–44**, which indicates that in many cases living in rented property is becoming a more typical choice – be it voluntarily or forced by circumstances – during a much greater part of people’s lifespans.

**Figure 1.4. Housing tenure by age of household head in Barcelona Metropolitan Area , 2017–2018.**



Source: Idescat and IERMB, Metropolitan Living Conditions Statistics. 2017–2018.

### 1.4. The growing delay in leaving the parental home

In this annual report we highlight three dynamic processes affecting young people and housing. Firstly, after almost two decades of declines in the number of young people, in the past three years numbers have increased. Secondly, the delay in leaving the parental home still persists, even though the worst of the economic recession is now behind us. Finally, renting is now by far the commonest type of housing tenure, as seen above. In the next section we explore more closely the first two of these dynamics.

As was analysed in previous reports, since the turn of the century the number of young people living in Barcelona has begun to decline due principally to combination of two factors: a generational structure with fewer adolescents entering young adulthood, and a deceleration since the 2008 crisis in the arrival of immigrants – who tend to be young people – from abroad (Observatori Metropolità de l’Habitatge de Barcelona, 2018).

According to the census, in 2019 there were 712,604 young people (16–34 years old) in the metropolitan area (21.65% of the population). Viewed from a long-term perspective and, above all, in comparison with figures from the early and mid-2000s, currently the number of young people is at one of its lowest point in the past two decades.



## Housing in the Barcelona metropolis

Despite this, changes have occurred in recent years, above all in Barcelona, due chiefly to the rise in international immigration (a very young sector of population). For the third successive year in 2019 the number of young people in the Barcelona Metropolitan Area increased: between 2016 and 2019 the population of 16–34 year olds grew by 21,335 people (3.1%), above all in the past year (15,756). This increase was especially noteworthy in the city of Barcelona where during these three years 16,170 (4.5%) more young people were counted, whilst in the rest of the municipalities in the metropolitan area the growth was of just 5,165 people (1.5%).

In terms of home-leaving, the indicators studied by the Active Population Survey do not show any improvements over the past two decades (see Figure 1.5):

- The percentage of young people of 20–24 years old that have left the parental home has declined from 16.7% in 2007–2008 to 14.8% in 2012–2013 and, finally, to 12.4% in 2018–2019.
- The percentage of people aged 25–29 that have left home fell from 53.1% in 2007–2008 to 51.4% in 2012–2013 and, finally, to 50.5% in 2018–2019.

**In both periods of recession and economic growth the age at which young people leave their parental homes continues to rise.** There are two main causes: the delay in entering the labour market and labour conditions, and the great financial effort required to access housing. These requirements are analysed later on in this report in the section dedicated to residential problems. Along with the delay in entering the labour market, there is also growing precariousness in this market, as underlined by the *Survey of Catalan Young People*. When young people do finally find a job, their salaries are lower than those of young people in 2000; contracts are generally now less secure and part-time work has proliferated (Serracant, 2018).

- Conversely, the percentage of people aged 30–34 who have managed to leave the parental home increased slightly from 77.3% in 2007–2008 to 77.8% in 2012–2013, and finally, to 79% in 2018–2019.

**Figure 1.5. Percentage of young people who have left their parental homes by age groups in the province of Barcelona, 2007–2019.**



Source: Own work based on the Survey of the Active Population (EPA). 2007 and 2019.

## 1.5. Co-habiting and housing costs in old age: the horizon in 2038

In 2019, the Barcelona Metropolitan Housing Observatory team worked on a line of research focussing on the issue of old age and housing. One of the results was the laboratory *Old age and housing. The economic and social dimension of old people living alone: perspectives for the future in the metropolitan area* (Observatori Metropolità de l'Habitatge de Barcelona & Centre d'Estudis Demogràfics, 2019) produced in collaboration with the Centre for Demographic Studies. The aim of this laboratory was to produce a diagnosis of the situation under mid- and long-term scenarios relating to the year 2038. Here we present some of the results of this work.

Table 1.4 indicates that the population of the over-65 year olds in the Metropolitan Area of Influence<sup>5</sup> will grow by 47.2% in the years 2018–2038, whilst the population as a whole will only rise by 10.2%. Thus, the proportion of those we refer to as ‘old people’ in the population will grow from 18.8% to 25.2%.

These data underline the fact that old people will no longer simply be another group of people requiring

special attention but will, rather, play a key role in the population, so public social policy will have to embrace the essential premise that the object of its work will very often be people of the third age.

**Table 1.4. Population of people 65 years old and over and total population by territory, 2018–2038.**

	2018			2038			Variation 2018–2038	
	65 and over	Total	% total	65 and over	Total	% total	65 and over	Total
Barcelona	348,990	1,620,343	21.5%	426,198	1,673,767	25.5%	22.1%	3.3%
Rest of metropolitan area	294,357	1,639,925	17.9%	448,202	1,825,285	24.6%	52.3%	11.3%
Rest of metropolitan area of influence	269,707	1,585,560	17.0%	469,843	1,841,561	25.5%	74.2%	16.1%
Whole metropolitan area of influence	913,054	4,845,828	18.8%	1,344,243	5,340,613	25.2%	47.2%	10.2%

Source: Barcelona Metropolitan Housing Observatory, Laboratory *Old age and housing*

Clear differences in ageing processes emerge at different territorial scales. In the Metropolitan Area of Influence, **the concerns raised by an ageing population have tended to become most apparent in the main population centres, above all in the city of Barcelona. However, the perspectives for the coming years indicate that the percentage of old people will rise throughout Catalonia.** In 2018, old people represented 21.5% of the population of the city of Barcelona but only 17% in the rest of the metropolitan area and 17% in the rest of the Metropolitan Area of Influence. Nevertheless, by

2038 it is anticipated that old people will represent 25.5% of the city’s population, a figure that is remarkable in itself but which is mirrored in other territorial areas: 24.6% increase in the rest of the metropolitan area and 25.5% in the rest of the Metropolitan Area of Influence.

These preliminary data demonstrate the numerical importance of third-age citizens both today and in the immediate future. Despite this, we must bear in mind that old people are a heterogenous group that should not be treated as a single uniform entity. To study this diversity, the laboratory developed by the Barcelona Metropolitan Housing Observatory on old

<sup>5</sup> In this section the territorial area of reference is not the province of Barcelona but, rather, the ‘Metropolitan Area of Influence’, one of the eight planning areas defined in Catalonia.



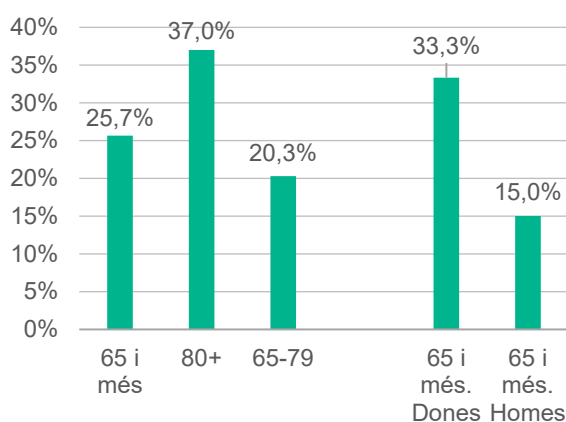
## Housing in the Barcelona metropolis

age and housing takes into consideration various different elements of this group using residential autonomy as a basis. Here we discuss some of the main results of this work in terms of two different dimensions: ways of co-habiting and old people's ability to afford housing.

In terms of co-habiting, in 2018 65.4% of the population aged over 65 in the Metropolitan Area of Influence lived as a couple, 25.7% in single-person households and, finally, 4% in residential homes. Logically, with greater age, situations of fragility in the family increase as residential autonomy decreases. Thus, whilst 20.3% of the population aged 65–79 live in single-person households, 37% of all people over 80 live alone (see Figure 1.6).

Far more third-age women than men live alone: 33.3% vs. 15% in the case of people aged 65 or over.

**Figure 1.6. Population of people aged 65 or over in single-person housing by age and sex in the Metropolitan Area of Influence, 2018 (% of total population in each age group).**

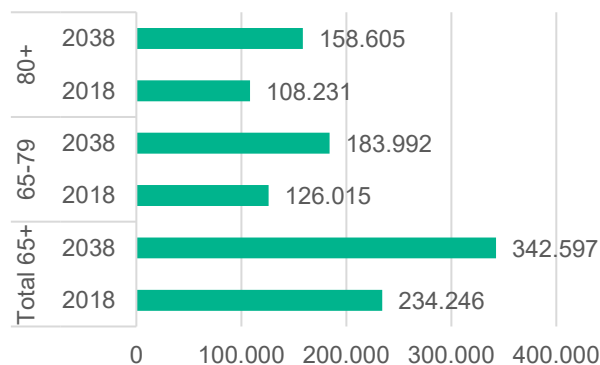


Source: Barcelona Metropolitan Housing Observatory, Laboratory *Old age and housing*.

Thus, in a context of the gradual ageing of the population, more and more older people will live alone and in the most extreme cases the demand for specialised services will increase as this demographic sector grows. As a reference, the forecasts for 2038 indicate that 342,597 people aged 65 or over will live in single-person households, of which 158,605 will be 80 or over, the same as the total population of the municipalities of

Santa Coloma de Gramenet and Sant Adrià del Besòs (see Figure 1.7).

**Figure 1.7. Population of people aged 65 or over in single-person households by age in the metropolitan area of influence, 2018–2038.**

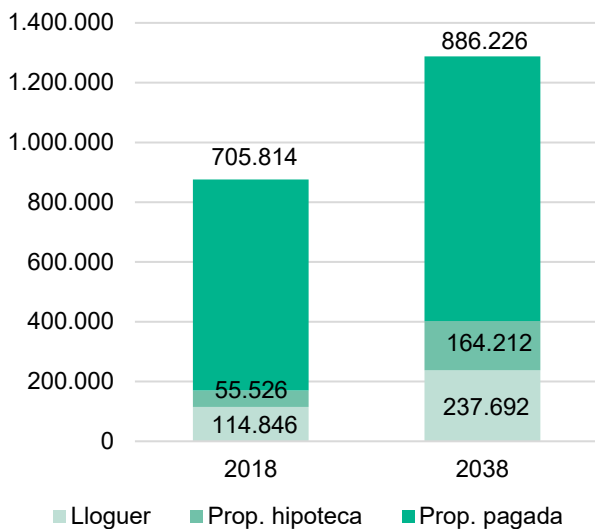
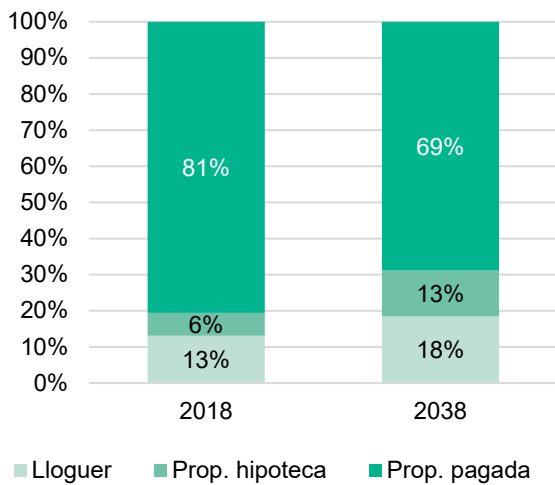


Source: Barcelona Metropolitan Housing Observatory, Laboratory *Old age and housing*.

Foreseeable changes in housing tenure will greatly affect total housing costs and, in turn, will have a severe impact on old people's ability to pay for housing. Forecasts anticipate **that the preponderance of third-age owner-occupants will give way by 2038 to a situation in which more and more old people have arrears in housing payments or, above all, live in rented accommodation.** Specifically, whilst in 2018 the relative share of old people living in their own properties, in mortgaged properties or paying rent was, respectively, 81%-6%-13%, in 2028 the likely proportions will be 69%-13%-18% (see Figure 1.8). In absolute terms, this will mean that the number of old people who will be paying a mortgage or rent will rise from 170,372 to 401,904.

These changes in the type of tenure will mean that **the costs of housing will be ever more polarised between those who have no or very little housing costs and those who are still paying a mortgage or rent** (Donat, 2020). As a result, the economic capacity of this latter group will be key in determining the material well-being of many old people.

**Figure 1.8. Population aged 65 or over by type of tenure in the Metropolitan Area of Influence, 2018–2038.**



Source: Barcelona Metropolitan Housing Observatory, Laboratory *Old age and housing*.

As discussed in other annual reports, a reference indicator for assessing the economic capacity of households is the so-called ‘overburden rate’, which consists of a calculation of the percentage of the population who spend 40% or more of their incomes on housing costs. Currently, the overburden rate amongst old people in the metropolitan area of influence is quite low, just 5.7%. This is due chiefly, as we have seen above, to the fact that a large majority of old people are owner-occupiers and so only have to pay for utilities and other services.

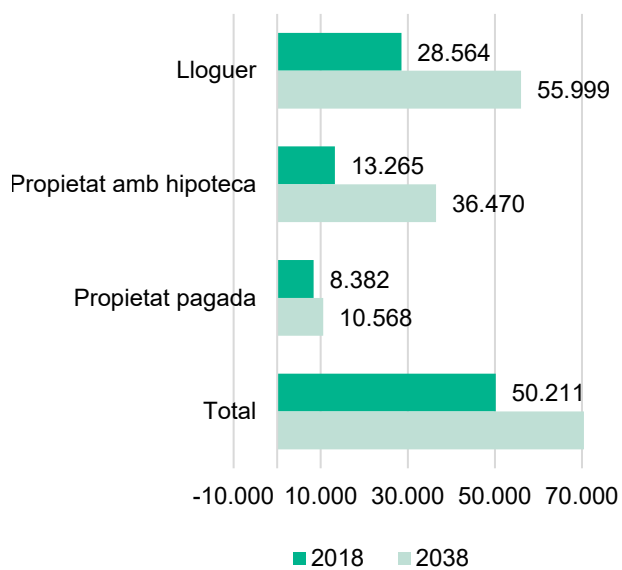
However, forecasts indicate that in coming decades the percentage of owner-occupiers will decline and the number of people still paying mortgages or rent will rise. As a consequence, the percentage of the population suffering from housing overburden may increase notably. For example, if we apply the effects of forecasted changes in tenure and the increase in the number of people aged 65 or over, **by 2038 the number of people with housing overburdens will double** (see Figure 1.9) and amongst people aged 65 or over in the metropolitan area of influence will rise from 50,211 in 2018 to 103,037 in 2038. The principal rise (for the reasons we have just examined) will take place amongst old people still paying a mortgage – an increase from 13,265 in 2018 to 36,470 in 2038 – and, above all, amongst those paying rent – a predicted rise from 28,564 in 2018 to 55,999 in 2038.

It is worth noting that the ratio between income (mainly pensions) and housing costs (essentially, mortgage repayments, rents and utility bills) will remain relatively constant. By contrast, if the tendency noted over recent years for an increase in housing costs above the average rise in income continues (Observatori Metropolità de l’Habitatge de Barcelona, 2019), people’s purchasing power will be seriously limited, above all amongst those who live in rental accommodation paying market prices. To put it another way, **in the coming decades the advantages of the system of pensions could be negatively affected or even annulled by the efforts required of our old people – increasingly less of a minority – to pay for housing.**

**Figure 1.9. Population aged 65 or over with housing overburden due to housing costs by**

## Housing in the Barcelona metropolis

### type of tenure in the metropolitan area of influence , 2018–2038.



## ○ 2. The housing stock

Knowledge of the housing stock is essential for analysing the situation of this sector and for orientating the actions of the agents and administrations working in this field. Unfortunately, available sources lack information on key aspects such as the number of dwellings available in the Barcelona Metropolitan Area, the structure of property ownership, and the energetic efficiency of the housing stock. In collaboration with the public administrations, the Barcelona Metropolitan Housing Observatory is working to fill these gaps in available knowledge.

This chapter has three sections that aim to fill these gaps in our knowledge of this question. The first presents the results of the estimate of the total housing stock in the city of Barcelona as of 2019. The second uses up-to-date data from 2019 to analyse the structure of property ownership and its evolution over the past year. Finally, the third section looks at data compiled on energetic certificates awarded in the Barcelona metropolis using information published by the Catalan Energy Institute.

### 2.1. 2019 – a year of stability in the housing stock in Barcelona

One of the most relevant pieces of information for analysing the residential system and guiding public policy is the total housing stock and its evolution over time. Although seemingly a relatively basic piece of information, to date it has never been calculated in a consistent fashion. The main data and methodologies referring to the housing stock are as follows:

- Information from population censuses. In the 2018 housing report information from the 2011 census was compared to other sources and concluded that more dwellings had been counted than truly existed (Observatori Metropolità de l'Habitatge de Barcelona, 2019) (see Figure 2.1). Thus, given this over-estimate, the number of empty dwellings in the

2011 census was in fact far higher than the true figure, as has been shown by other studies<sup>6</sup>.

- The annual updates produced by the Spanish Ministry of Construction of the censuses produced by the Spanish autonomous communities and provinces. For the reasons given above, this figure is not ideal, although the method for updating the data – despite the difficulties in gathering information – could be used at other territorial scales. However, to do so, intensive monitoring – amongst other actions – of the information-gathering processes will be necessary.
- The estimate of the city's housing stock performed by the BMHO<sup>7</sup>. To compensate for the information gaps mentioned above, the Barcelona Metropolitan Housing Observatory is working in this field and as a result data for the total housing stock in the city of Barcelona are now available for the years 2018 and 2019 (see Figure 2.1): **in 2019 this stock consisted of 780,775 units, 0.2% more than in 2018 (779,159 units)<sup>8</sup>**. This estimate of the housing stock enables us to improve our knowledge of other aspects of this issue such as the structure of ownership, as we shall see in the following section.

**Figure 2.1. Housing stock in the city of Barcelona based on a number of sources.**

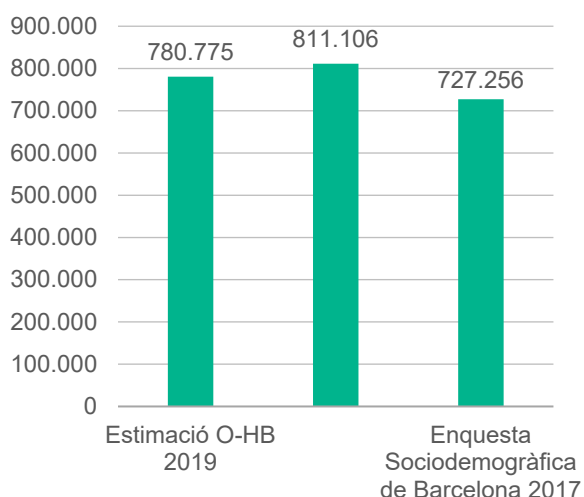
---

<sup>6</sup> Census of empty housing units in the city of Barcelona, <https://ajuntament.barcelona.cat/dretsocials/ca/bones-practiques-socials/cens-dhabitatges-buits-de-la-ciutat-de-barcelona> (accessed 16/06/2020).

<sup>7</sup> The methodology used consists of purging data from property registers and comparing it with other sources. For more details, see the laboratory *Property structure and concentration*.

<sup>8</sup> Due to methodological improvements, the data from 2018 are slightly different from those published in the previous report.

## Housing in the Barcelona metropolis



Source: Barcelona Metropolitan Housing Observatory using data from the property register, energy certificates, property taxes and the register of tourist accommodation; INE, Population and Housing Census 2011; Barcelona City Council, Barcelona Sociodemographic Survey 2017.

The importance of having reliable information on the housing stock is reflected in issues that are highly relevant to the housing sector such as how to calculate the number of empty housing units and how to describe the structure of property ownership, to name but two significant issues. The Barcelona Metropolitan Housing Observatory is working to gather, treat and purge various sources of information to be able to continue to provide accurate reports in this field.

## 2.2. Barcelona: a fragmented property ownership structure with a predominance of natural-person owners but a rise in legal entities as owners

The past housing report includes unpublished data on the structure of property ownership in the city of Barcelona in 2018 (Observatori Metropolità de l'Habitatge de Barcelona, 2019). These data are reviewed in this report and updated for 2019 and form part of the laboratory *Housing structure and concentration in the city Barcelona. 2019*

(Observatori Metropolità de l'Habitatge de Barcelona, 2020)<sup>9</sup>.

To begin, it is important to note that the basic idea behind these reports has not changed as during 2019 no significant changes were observed. **The structure of property ownership in the Barcelona housing stock is characterised by a notable predominance of natural persons** or, in other words, individual owners. Nevertheless, **in the past year the housing owned by legal entities is the sector that has most grown in relation to the overall stock** (see Table 2.1).

We can break down housing ownership in Barcelona in 2019 in the following way:

- 658,006 dwellings owned by natural persons representing 84.3% of the city's total housing stock, an increase of 0.2% over the figure for 2018. However, it must be born in mind that this increase is due above all to the classification of housing units that in 2018 were placed in the category 'no data' rather than to any real increase in the number of housing units.
- 88,761 units owned by legal entities (11.4%). This is the category that has most grown (4.3%) and in just one year 3,692 units have been added.
- 2,775 units owned by non-profit entities (0.4%), a growth in the past year of 60 units (2.2%).
- 1,197 units owned by religious institutions (0.2%), a fall of 12 units over the past year.

In terms of the concentration of ownership, **this sector is still very fragmented due to the presence of many small owners**: in 2019, each owner possessed on average 1.5 housing units.

Table 2.2 shows that, the public administrations owned most units per entity (406.7), followed by religious entities (7.2) and non-profit entities (7). In fourth place are the 14,045 legal entities that own

<sup>9</sup> To study ownership we have used data on municipal property taxes (IBI) that includes information on owners. Usually, the taxpayer is also the owner but there are exceptions whereby the

payment of the IBI is the responsibility of a usufructuary, concessionary or leaseholder.

## Housing in the Barcelona metropolis

on average 6.3 housing units, followed by housing collectives (5.3). Finally, natural persons own on average 1.3 units.

**Table 2.1. Housing units by type of owner in Barcelona, 2018–2019**

Type of owner	2018	2019	Absolute variation	Variation %	%total	
					2018	2019
Public administration	12,368	12,609	241	1.9%	1.6%	1.6%
Natural persons	656,752	658,006	1,254	0.2%	84.3%	84.3%
Legal entities	85,176	88,839	3,663	4.3%	10.9%	11.4%
Non-profit entities	2,608	2,697	89	3.4%	0.3%	0.3%
Religious institutions	1,209	1,197	-12	-1.0%	0.2%	0.2%
Housing collectives	3,114	3,220	106	3.4%	0.4%	0.4%
Others	531	400	-131	-24.7%	0.1%	0.1%
No data	17,401	13,807	-3,594	-20.7%	2.2%	1.8%
<b>TOTAL</b>	<b>779,159</b>	<b>780,775</b>	<b>1,616</b>	<b>0.2%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Barcelona Metropolitan Housing Observatory using data from General Land Register Directorate, the BCN open data service (<https://opendata-ajuntament.barcelona.cat>), the Catalan Institute of Energy's register of energy certificates, and the municipal property register supplied by Barcelona City Council.

**Table 2.2. Type of owner and number of housing units in Barcelona, 2019.**

Type of owner	Owners		Housing units		Average housing units per owner
	Number	%/total	Number	%/total	
Public administration	31	0.0%	12,609	1.6%	406.7
Natural persons	499,635	97.0%	658,006	84.3%	1.3
Legal entities	14,057	2.7%	88,839	11.4%	6.3
Non-profit entities	386	0.1%	2,697	0.3%	7
Religious institutions	166	0.0%	1,197	0.2%	7.2
Housing collectives	604	0.1%	3,220	0.4%	5.3
Others	99	0.0%	400	0.1%	4
No data	-	-	13,807	1.8%	-
<b>TOTAL</b>	<b>514,978</b>	<b>100.0%</b>	<b>780,775</b>	<b>100.0%</b>	<b>1.5</b>

Source: Barcelona Metropolitan Housing Observatory using data from General Land Register Directorate, the BCN open data service (<https://opendata-ajuntament.barcelona.cat>), the Catalan Institute of Energy's register of energy certificates and the municipal property register supplied by Barcelona City Council.

Thus far we have analysed the evolution of the structure of property ownership in light of the changes that have taken place amongst the main types of owners. We can observe that in the overall housing stock natural persons as owners predominate but that there has been an increase in the number of legal entities owning properties, although this increase has had little impact on the structure of the most significant types of ownership.

- 12,609 housing units owned by public administrations (1.6%), an increase in 2019 by 241 units (1.9%).
- 3,220 units owned by housing collectives (0.4%) with an increase in 2019 of 106 units.

To evaluate more precisely the transformations taking place in property ownership in the city of

Barcelona we have carried out a complementary analysis to that performed above. Here, we look at not the changes in type of owner but, instead, the housing units that changed between different types of owner and between the same type of owner.

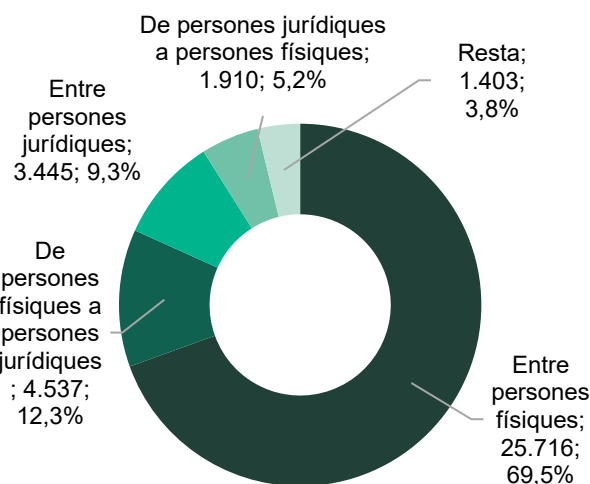
Initial data reveals the intensity of changes in ownership taking place in the city: between 2018 and 2019, 37,011 housing units changed hands in the city of Barcelona, a figure that represents 3.7% of the whole residential housing stock. These changes in ownership are distributed as follows (see Figure 2.2):

- Of the 37,011 changes in ownership of housing units, 69.5% took place between natural persons.
- 12.3% of changes took place between properties that in 2018 were owned by natural persons but in 2019 were owned by legal entities.
- 9.3% of changes took place between two legal entities.
- 5.2% of changes took place between properties that in 2018 were owned by legal entities and in 2019 were owned by a natural person.
- The remaining 3.8% were changes taking place between other types of owners.

After these changes in ownership, 74.7% of the housing units that changed hands in 2018–2019 ended up being owned by a natural person and 21.6% by a legal entity. These figures contrast with the ownership structure described above whereby 84.3% of units are owned by natural persons and 11.4% by legal entities. This reinforces the idea that the housing stock owned by legal entities in the city is on the rise.

Despite these significant short-term changes, the overall change in the structure of ownership in the city in 2018–2019 has been slight. The main conclusion to be drawn from these data is that in a city in which natural persons still predominate as owners, ownership by legal entities is on the up and gaining ground to the detriment of natural persons.

**Figure 2.2. Housing units that have changed ownership in the land register by type of changes, 2018–2019.**



Source: Barcelona Metropolitan Housing Observatory using data from General Land Register Directorate, the BCN open data service (<https://opendata-ajuntament.barcelona.cat>), the Catalan Institute of Energy's register of energy certificates and the municipal property register supplied by Barcelona City Council.

### 2.3. Energy efficiency of the housing stock based on housing energetic certificates

As is well known, one of the main challenges in the field of housing is energy efficiency. Here we use data on energy certifications published by the Catalan Institute of Energy to gain an overview of this question. Note that the information on energy certificates only began to be compiled in 2013 but, despite not referring to the whole housing stock, is increasingly providing valuable information on an important part of the sector.

According to the most recent data (March 2020; see Figure 2.3):

- In the city of Barcelona 235,038 certificates were applied for in 2019, an increase of 58.3% over the first data available to the Barcelona Metropolitan Housing Observatory team dating from January 2017.

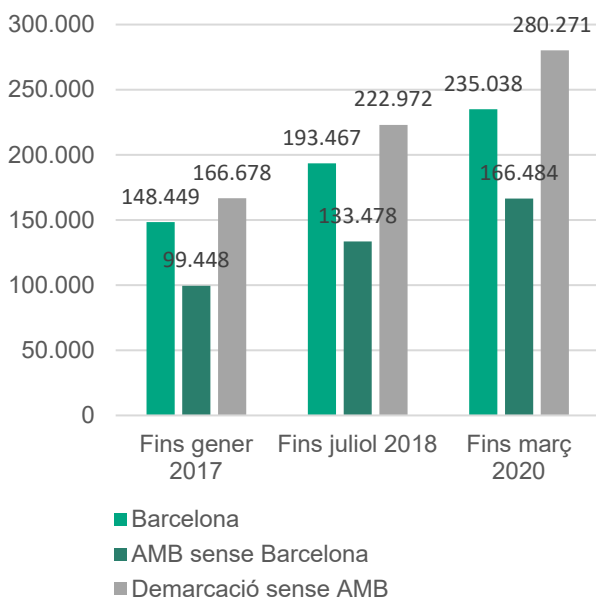


## Housing in the Barcelona metropolis

- In the remaining 35 municipalities in the metropolitan area, 166,484 certificates were applied for, an increase of 67.4%.
- In the Barcelona Metropolitan Area as a whole, the respective figures were 401,522 certificates and an increase of 62%.
- In the rest of the province of Barcelona, the respective figures were 280,271 certificates and an increase of 68.2%.
- Finally, in the whole of the province of Barcelona, the respective figures were 681,793 certificates and an increase of 64.5% over January 2017.

Almost all the certificates correspond to used housing (99.5% in the 36 municipalities in the metropolitan area and 99.3% in the 311 municipalities in the whole province).

**Figure 2.3. Applications for energy efficiency certificates for housing by territory, 2017–2020. (accumulated data from January 2013).**



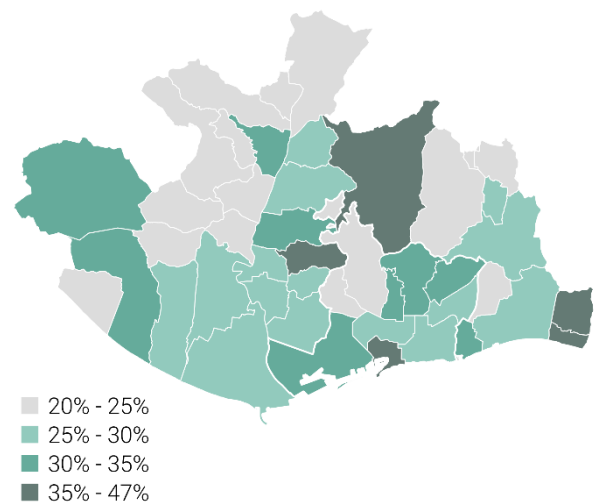
Source: Own work using data from the Catalan Energy Institute (ICAEN).

Almost a third of all used housing (29.4% in the metropolitan area (and 30% in the province) had low energetic qualifications (F or G).

In terms of territories (see Figure 2.4):

- The municipalities with most F or G certificates were Begues (47%), Torrelles de Llobregat (42.7%), Corbera de Llobregat (42.2%), the district of Ciutat Vella in Barcelona (37.4%), and the municipality of El Papiol (35.1%)
- At the other end of the spectrum, the municipalities with fewest F or G certificates were La Palma de Cervelló (20.6%), Badia del Vallès (20.8%), Sant Cugat del Vallès (21.1%), Montgat (21.5%) and Sant Feliu de Llobregat (22%).

**Figure 2.4. Percentage of F and G certificates out of the total number of certificates in municipalities in the Barcelona Metropolitan Area and districts in the city of Barcelona, January 2017–March 2020.**



Source: Own work using data from the Catalan Energy Institute (ICAEN).

These figures reveal the **continued and notable increase in the number of energy efficiency certificates** awarded in the **Barcelona metropolis**, which are confirmed by the most recent data from March 2020. This increase has occurred throughout most of Catalonia.

Housing in the Barcelona metropolis

Nevertheless, the results of the certificates show that **almost a third of dwellings still receive the lowest qualifications** (F or G).

# ○ 3. Construction and rehabilitation

In this chapter we examine the most significant data on new housing construction and rehabilitation. However, it should be noted that, as commented in previous reports, there is a lack of systematic, continuous and relatively homogenous information on rehabilitation for the municipalities in the Barcelona metropolis (Observatori Metropolità de l'Habitatge de Barcelona, 2018, 2019). To resolve this gap in the information in the future all the implicated parties must work together in a more coordinated fashion.

Taking into account these considerations, the first section focusses on the construction of new housing units based on three sources of information: the first two – the site surveys and planning permissions issued before and the completion certificates issued after construction – are provided by the Institute of Surveying and Technical Architecture and published on the website of the Urban Agenda and Territory Secretariat. The third source is the building permits issued by the Barcelona City Council viewable on the website of its Department of Statistics. In this latter case, this information evidently only refers to the city of Barcelona. The second section contains information on reforms and conversions collated from licences issued by Barcelona City Council.

### 3.1. Residential construction at one of its peaks in the past decades

As is well known, **after the last housing boom (1996–2007) the amount of housing construction in the Barcelona metropolis plummeted to minimum levels in 2012–2013 (depending on the area in question). Since then, in terms of site surveys performed, the construction of new housing has increased every year. In 2019, however, there was a moderate fall in building in the city of Barcelona, an even more notable decline in the rest of the metropolitan area but a significant increase in the rest of the province<sup>10</sup>.** Nevertheless, information pertaining only to permits granted in the

city of Barcelona indicates an upturn in building activity (see Figures 3.1, 3.2 and 3.3).

- In 2019 in the city of Barcelona 1,931 site surveys were performed, 12% fewer than in the previous year but 291.7% more than in 2012, the lowest figure for the past decade. In 2019 3,860 permissions were issued for new constructions, 27.8% more than in the previous year.
- In the remaining 35 municipalities in the Barcelona Metropolitan Area, 4,126 site surveys were performed in 2019, 16.1% fewer than in 2018 but 684.4% more than in 2013, the lowest point in the data series.
- In all 36 municipalities in the Barcelona Metropolitan Area 6,057 site surveys were performed in 2019, 14.9% fewer than in the previous year but 395.3% more than in 2013.
- In the rest of the province of Barcelona 5,029 site surveys were performed 2019, 16.2% more than in the previous year and 611.3% more than in 2013.
- Overall, in the 311 municipalities in the province of Barcelona, 11,086 site surveys were performed in 2019, 3.1% fewer than the previous year but 474.4% more than 2013.

If we analyse the rhythm of housing construction using as a reference completion certificates, an increase in recent years becomes apparent. However, this data series probably also includes buildings begun during the building boom that were not finished until 2010 or 2011 (see Figures 3.1, 3.2 and 3.3).

- In 2019 in the city of Barcelona 1,069 completion certificates were issued, 14.5% fewer than in 2018 but 92.6% more than in 2014, the minimum for the past decade.

---

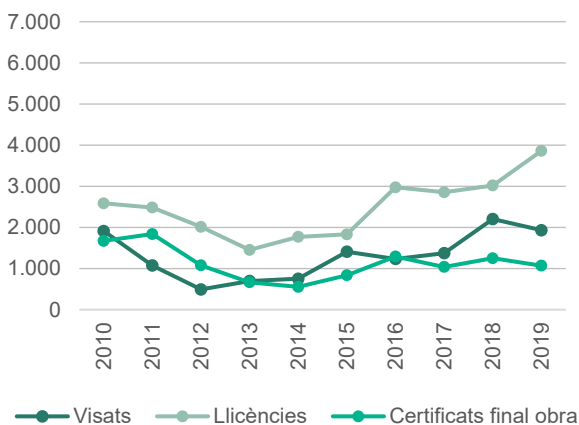
<sup>10</sup> It is important to remember that analytically the study area of the Barcelona metropolis is divided into three smaller zones: the city of Barcelona, the rest of the metropolitan area (35

municipalities) and the rest of the province of Barcelona (275 municipalities).

## Housing in the Barcelona metropolis

- In the rest of the 35 municipalities in the Barcelona Metropolitan Area 3,100 completion certificates were issued in 2019, 38% more than in the previous year but 392.1% more than in 2015, the lowest point of the data series.
- Overall in the 36 municipalities in the Barcelona Metropolitan Area 4,169 completion certificates were issued, 19.2% more than in the previous year and 184.4% more than in 2015.
- In the rest of the province of Barcelona 2,649 completion certificates were issued in 2019, 25.3% more than the previous year and 213.9% more than in 2015.
- Overall, in the 311 municipalities in the province, 6,818 completion certificates were issued 2019, 21.5% more than in the previous year and 195.2% more than in 2015.

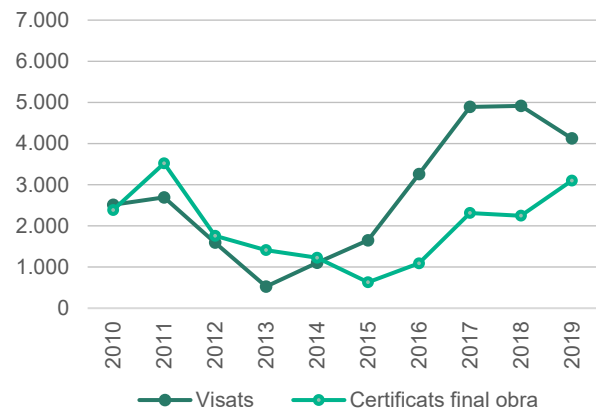
**Figure 3.1. Residential construction. Site surveys, planning permissions and completion certificates in Barcelona, 2010–2019.**



Source: Urban Habitat and Territory Secretariat based on the number of site surveys and completion licences issued by the Association of Surveyors and Technical Architects; Department of Statistics, Barcelona City Council, new licences.

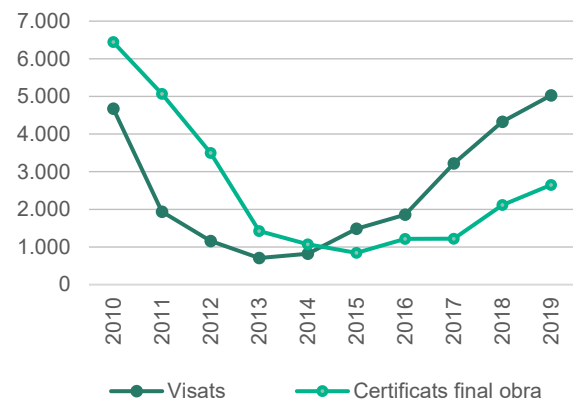
**Figure 3.2. Residential construction. Site surveys, planning permissions and completion certificates in Barcelona Metropolitan Area without Barcelona, 2010–2019.**

**certificates in Barcelona Metropolitan Area without Barcelona, 2010–2019.**



Source: Urban Habitat and Territory Secretariat based on the number of site surveys and completion licences issued by the Association of Surveyors and Technical Architects.

**Figure 3.3. Residential construction. Site surveys, planning permissions and completion certificates in province of Barcelona without Barcelona, 2010–2019.**

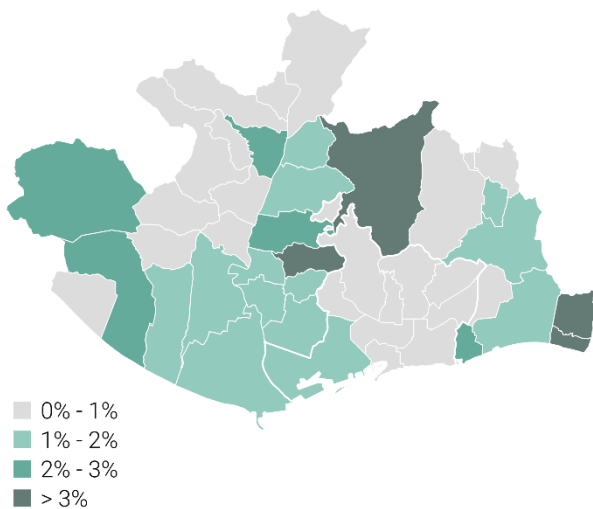


Source: Urban Habitat and Territory Secretariat based on the number of licences and completion licences issued by the Association of Surveyors and Technical Architects.

Taking as a reference the housing units issued with a completion certificate, in the period 2017–2019 averages of 0.7, 1.6 and 0.8 per 1,000 inhabitants were attained for, respectively, the city of Barcelona, the rest of the metropolitan area and the rest of the province. As shown in Figure 3.4, the five municipalities with most completion certificates per 1,000 inhabitants in 2017–2019 were Sant Just Desvern (12.8), Sant Cugat del Vallès (4.2), Tiana (3.8), Montgat

(3.6) and Begues (2.7), whilst those with fewest were Badia del Vallès (0), Sant Climent de Llobregat (0), Sant Andreu de la Barca (0.1), La Palma de Cervelló (0.1) and Santa Coloma de Cervelló (0.1).

**Figure 3.4. Average number of completion certificates per 1,000 inhabitants in municipalities in the Barcelona Metropolitan Area and city districts, 2017–2019.**



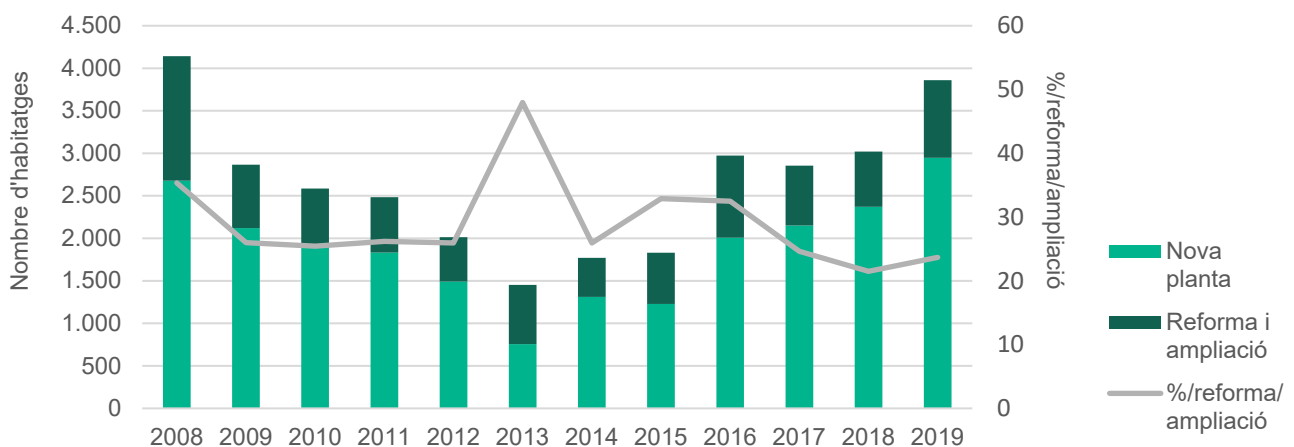
Source: Urban Habitat and Territory Secretariat based on the number of licences and completion licences issued by the Institute of Surveying and Technical Architecture.

## 3.2. Rehabilitation in Barcelona according to the number of major works permits issued

Unfortunately, there is a dearth of information regarding housing rehabilitation in the metropolitan area. Nevertheless, information on the permissions granted for major building work published by Barcelona City Council’s Department of Statistics allows us to distinguish between new constructions and reforms and extensions but lack sufficient detail on rehabilitations. Bearing in mind these limitations, the available data indicate that in 2019 planning permission was granted for 3,860 housing projects, 27.8% more than in the previous year and the highest number in the past decade. Of these projects, 2,946 (76.3%) were for new buildings and 914 (23.7%) for reforms or extensions (see Figure 3.5).

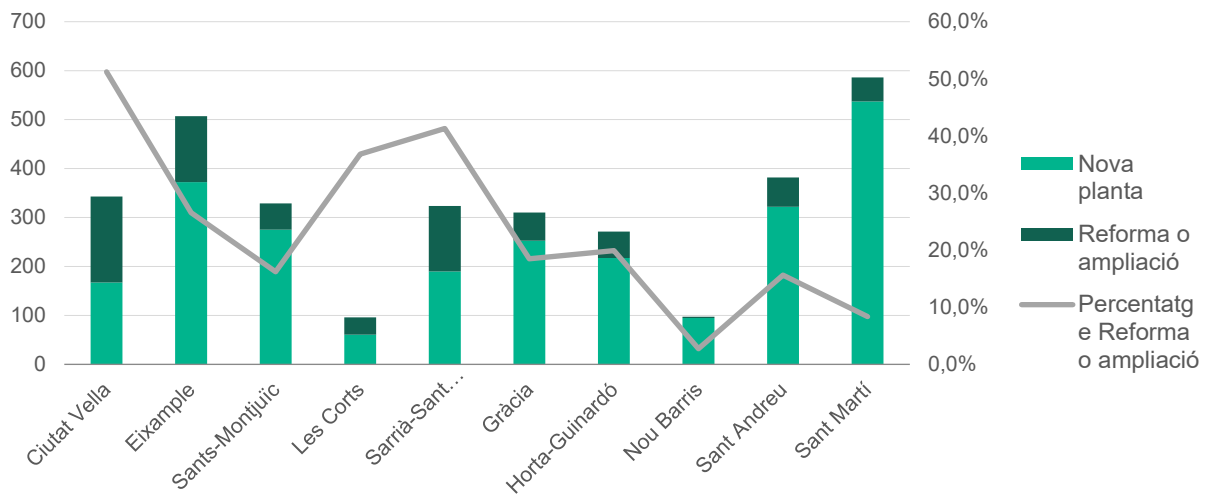
By districts, on average most reform projects were authorised for Ciutat Vella (176), L’Eixample (135) and Sarrià-Sant Gervasi (134) in the past three years, followed by Sant Andreu (60), Gràcia (57), Horta-Guinardó (54), Sants-Montjuïc (53), Sant Martí (49), Les Corts (35) and Nou Barris (3) (see Figure 3.6).

**Figure 3.5. Building projects with permits for major work by type of project in Barcelona, 2008–2019.**



Source: Urban Ecology Unit, Barcelona City Council.

**Figure 3.6. Average number of building projects with permits for major work by type of project in districts in the city of Barcelona, 2017–2019.**



Source: Urban Ecology Unit, Barcelona City Council.

Based on information used in this chapter, it is fair to say that, firstly, the new residential construction sector is at one of its most active moments in the past decade, albeit still far from the levels attained during the most recent construction boom (Observatori Metropolità de l'Habitatge de Barcelona, 2019). However, it is more difficult to make a similarly robust diagnosis of the amount of rehabilitation carried out in the same period. Another conclusion is that the **lack of public,**

**systemised sources of information hinders any attempt to study the rehabilitation work carried out in the Barcelona metropolis.** Data on permissions granted by Barcelona City Council afford information on reforms and extensions of major work but still only provide a partial view of activity in this sector. At the Barcelona Metropolitan Housing Observatory we are working on how to access this information for other municipalities.

# ○ 4. The housing market



This fourth chapter of this report is devoted to the housing market and contains a revision of the historical series compiled by the Barcelona Metropolitan Housing Observatory (BMHO) in recent years that provides up-to-date information on housing prices (both sale-purchase and rents). We have used all available data sources, including those from the Spanish Ministry of Transport, Mobility and Urban Agenda and the Urban Habitat and Territory Secretariat of the Catalan Government, to provide breakdowns at these two territorial levels. For Catalonia, we use as areas of reference the city of Barcelona, the rest of the Barcelona Metropolitan Area and the rest of the province of Barcelona; as well, wherever possible, we analyse data at municipal and district levels.

This chapter has four sections. Firstly, we distinguish between the sale-purchase of new and of used housing, both in terms of the number of transactions and average prices. Secondly, we look at the type of purchaser, of interest to various institutional actors within a context of growing financialisation of the metropolitan residential system. Finally, in the third and fourth chapters we examine the rental market, initially via an analysis of new contracts with deposits placed with INCASOL and then in terms of average prices.

## 4.1. The slight fall in the number of transactions and the stabilisation of sale-purchase prices

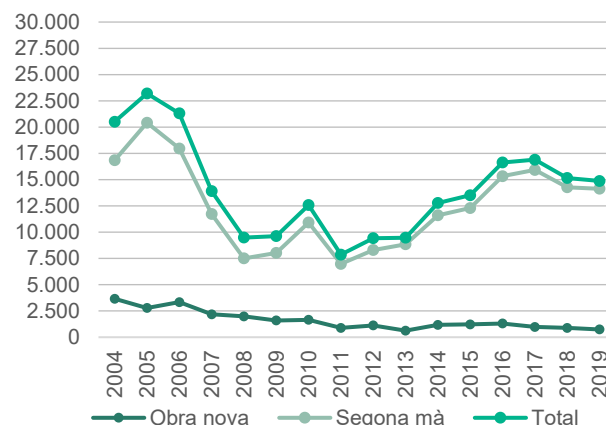
### Sale-purchase transactions

In 2019 there was a **slight fall in the number of sale-purchase operations in the Barcelona metropolis**, a reflection of a trend that began in the city of Barcelona **in 2018 (where the fall was more severe) and extended in 2019 into the other territorial units**. This slowing down occurred after a period of 5–6 years marked by continued increases in the number of sale-purchase operations (see Figures 4.1, 4.2 and 4.3).

- In the city of Barcelona a total of 14,871 sale-purchase operations were completed in 2019, 1.9% fewer than in the previous year.

- In the rest of the Barcelona Metropolitan Area, there were 17,728 sale-purchase operations, 3.3% fewer than in the previous year.
- Overall, thus, throughout the metropolitan area there were 32,158 sale-purchase transactions, 2.6% fewer than in 2018.
- In the rest of the province of Barcelona 27,318 sale-purchase operations were completed in 2019, 1.8% fewer than in the previous year.
- In the whole of the province of Barcelona 59,476 sale-purchase transactions were recorded in 2019, 2.2% fewer than in the previous year.

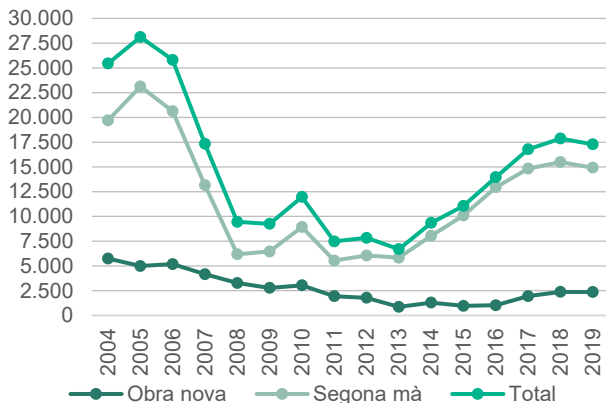
**Figure 4.1. Sale-purchase transactions in Barcelona, 2004–2019.**



Source: Ministry of Transport, Mobility and Urban Agenda using data from the Spanish General Council of Notaries.

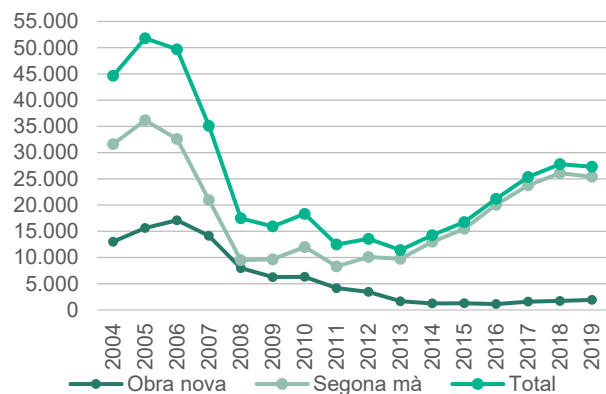
Amongst the sale-purchase operations there was a clear predominance of transactions involving used housing. Nevertheless, differences by territory also exist and if we focus on the last few years it is notable that the balance in favour of new housing transactions was higher in the metropolitan area (without the city of Barcelona) than in the other territorial areas (see Figure 4.4)

**Figure 4.2. Sale-purchase transactions in the Barcelona Metropolitan Area without Barcelona, 2004–2019.**



Source: Ministry of Transport, Mobility and Urban Agenda using data from the Spanish General Council of Notaries.

**Figure 4.3. Sale-purchase transactions in the province of Barcelona without the Barcelona Metropolitan Area, 2004–2019.**



Source: Ministry of Transport, Mobility and Urban Agenda using data from the Spanish General Council of Notaries.

- In the city of Barcelona in 2019 14,131 sale-purchase transactions of used housing were completed (95%) but only 740 of new housing (5%).
- In the metropolitan area without Barcelona in 2019 there were 14,926 sale-purchase operations of used housing (86.3%) and 2,361 of new housing (13.7%). This is the territory with the most new housing sale-purchase operations and where this type of transaction has most grown in recent years. In 2019 the

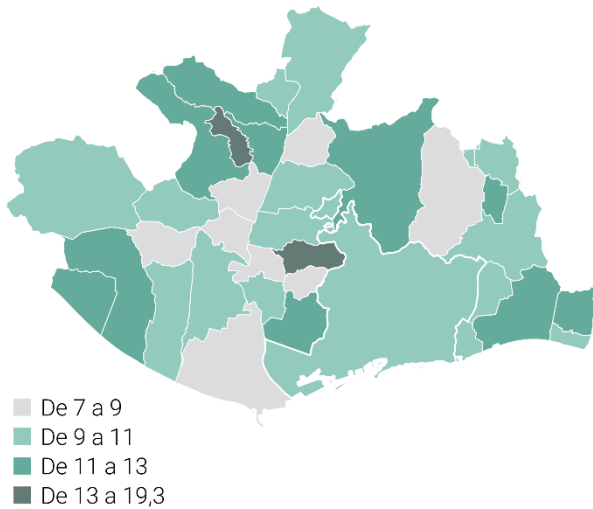
sale-purchase of new housing continued to grow slightly, whereas used housing transactions fell.

- Overall in the 36 municipalities in the metropolitan area in 2019 there were 29,057 sale-purchase transactions of used housing (90.4%) and 3,101 of new housing (9.6%).
- The province of Barcelona without the metropolitan area was where there were most sale-purchase operations in 2019: 25,389 of used housing (92.9%) and 1,929 of new housing (7.1%).
- Overall, thus, in the 311 municipalities in the province of Barcelona in 2019 there were 54,446 transactions involving used housing (91.5%) and 5,030 involving new housing (8.5%).

At a more detailed territorial scale, the municipality of Sant Just Desvern stands out given that in the years 2017–2019 an average of 19.3 sale-purchase operations per 1,000 inhabitants were finalised every year. This municipality was followed at some distance by those of La Palma de Cervelló (13.4 operations per 1,000 inhabitants), Sant Cugat del Vallès (12.3), Tiana (12.3) and Pallejà (12.2), whilst at the other end of the scale, in 2017–2019 the fewest operations were recorded in Santa Coloma de Cervelló (7.2 per 1,000 inhabitants), El Papiol (7.3), Sant Joan Despí (7.7), Sant Climent de Llobregat (8.1) and El Prat de Llobregat (8.1).

**Figure 4.4. Average number of sale-purchase transactions per 1,000 inhabitants in**

**municipalities in the Barcelona Metropolitan Area, 2017–2019.**



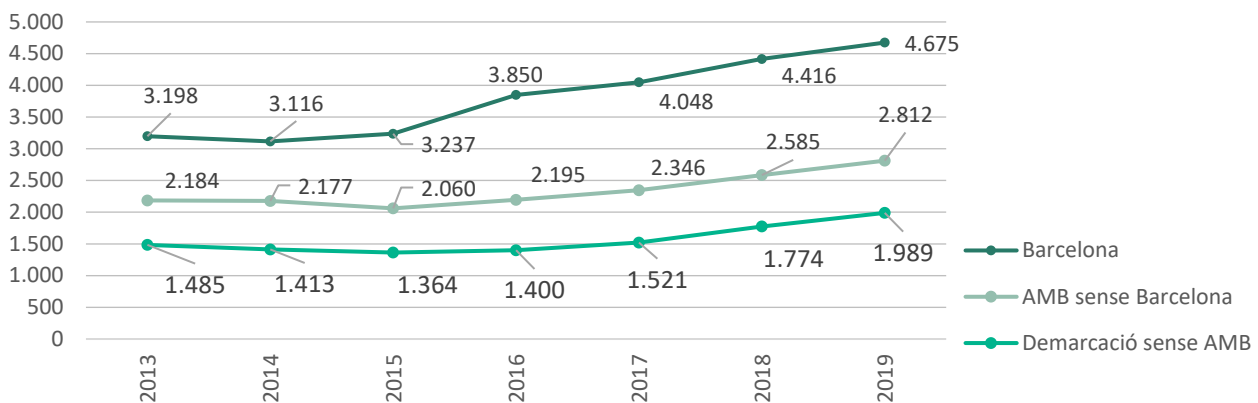
Source: Own work using data from: Ministry of Transport, Mobility and Urban Agenda using data from the Spanish General Council of Notaries; INE, General Population Census.

**Average sale-purchase prices of new housing**

The average sale-purchase prices of new housing continued to rise in 2019, albeit at a slightly less intense rhythm than in the previous year. Thus, there have been 4–5 years of continued price rises in this type of housing (see Figures 4.5 and 4.6).

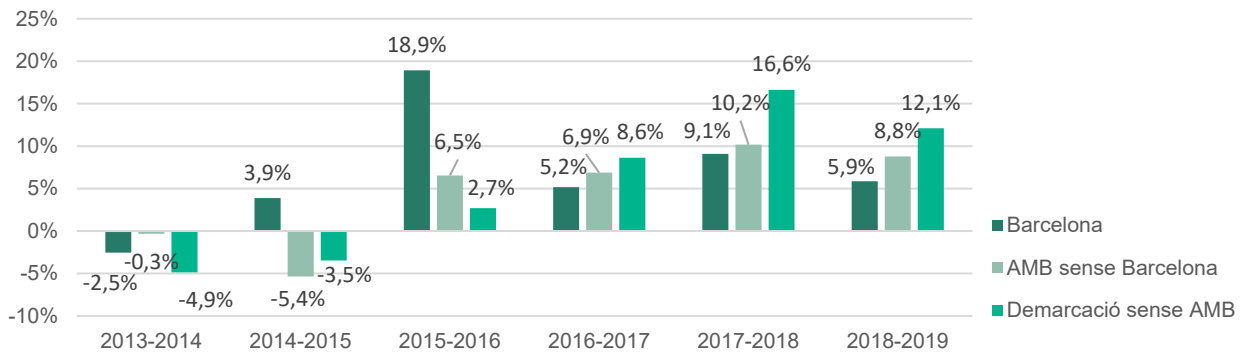
- In the city of Barcelona the average price of new housing in 2019 was 4,675 €/m<sup>2</sup>, 5.9% higher than in the previous year. In the past five years there has been an accumulated price rise of 50%.
- In the metropolitan area without Barcelona, the average price of new housing in 2019 was 2,812 €/m<sup>2</sup>, 8.8% higher than in the previous year, which gives an accumulated rise of 36.5% over the past four years.
- In the whole metropolitan area, the average price of new housing in 2019 was 3,321 €/m<sup>2</sup>, 7.9% above the price from 2018, an accumulated rise over five years of 31.5%.
- The province of Barcelona without the metropolitan area the average price of new housing in 2019 was 1,989 €/m<sup>2</sup>, 12.1% higher than in the previous year. This represents an accumulated rise of 45.9% over the past four years.
- In the whole of the province of Barcelona, the average price of new housing in 2019 was 2,632.9 €/m<sup>2</sup>, 8.2% higher than in the previous year, an accumulated rise of 40.6% over the past five years.

**Figure 4.5. Average sale-purchase price of new housing (€/m<sup>2</sup>) by territory, 2013-2019.**



Source: Urban Habitat and Territory Secretariat using data from the Spanish General Council of Notaries.

**Figure 4.6. Variation in the average sale-purchase price of new housing (%) by territory, 2013-2019.**



Source: Urban Habitat and Territory Secretariat using data from the Association of Land Registrars.

### Average sale-purchase prices of used housing

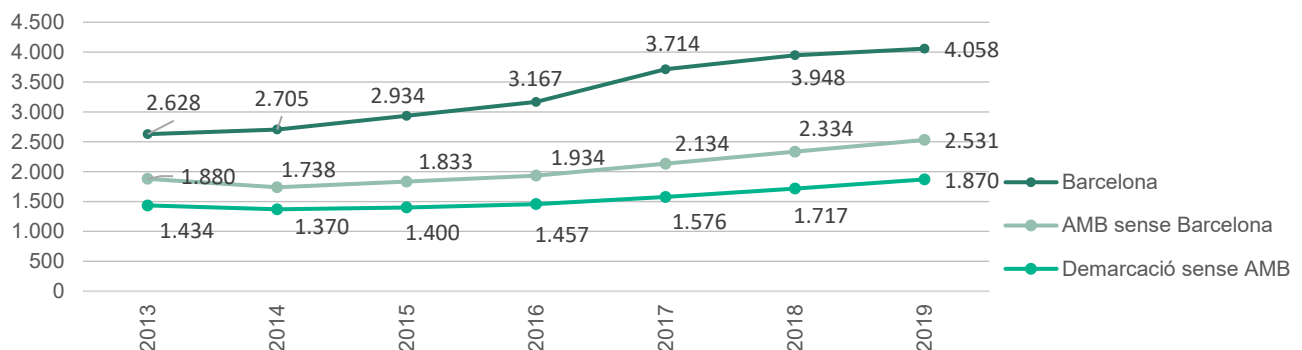
**Prices in the used housing market continued to rise in 2019, although the rhythm of growth was more moderate than in the previous year, above all in the city of Barcelona, and to a lesser extent in the other territorial areas.** This means that the city of Barcelona has accumulated six consecutive years of price rises and the other territorial areas five consecutive rises (see Figures 4.7 and 4.8).

- In the city of Barcelona the average price of used housing in 2019 was 4,058 €/m<sup>2</sup>, 2.8% higher than in the previous year, which represents an accumulated rise of 54.4% over five years.
- In the metropolitan area without Barcelona, the average price of used housing in 2019 was

2,530.6 €/m<sup>2</sup>, 8.4% more than in the previous year. This represents an accumulated rise of 41.1% over the past four years.

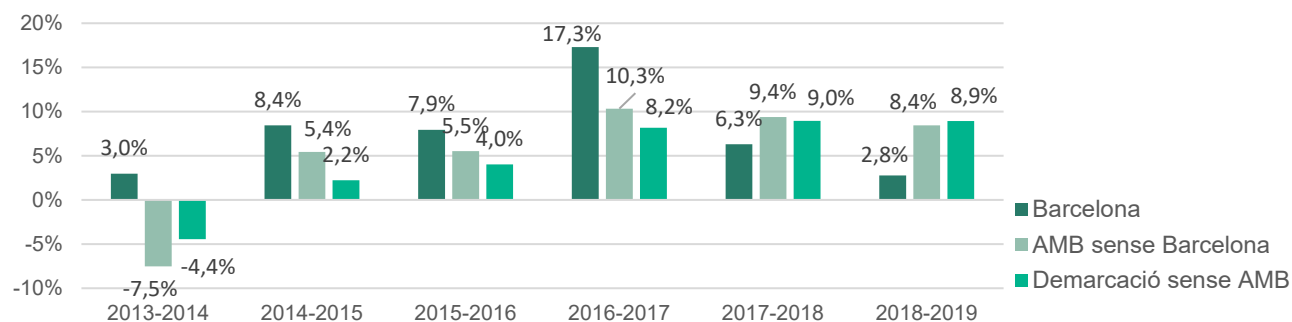
- In the whole metropolitan area, the average price of used housing in 2019 was 3,290.6 €/m<sup>2</sup>, 5.3% more than in the previous year, an accumulated rise of 41.1% in five years.
- The province of Barcelona without the metropolitan area the average price in 2019 was 1,870.2 €/m<sup>2</sup>, 8.9% more than in the previous year, an accumulated rise of 36.5% over the past four years.
- In the province of Barcelona, the average price of used housing 2019 was 2,487.7 €/m<sup>2</sup>, 5.8% more than in the previous year. Over five years this amounts to an increase of 29.9%.

**Figure 4.7. Average sale-purchase price of used housing (€/m<sup>2</sup>) by territory, 2013–2019.**



Source: Urban Habitat and Territory Secretariat using data from the Association of Land Registrars.

**Figure 4.8. Variation in the average sale-purchase price of used housing (%) by territory, 2013-2019.**



Source: Urban Habitat and Territory Secretariat using data from the Association of Land Registrars.

## 4.2. Purchaser profiles: the predominance of Spanish natural persons continues

The sale-purchase transactions registered with the Association of Property Registrars and published by the Urban Habitat and Territory Secretariat allow us to analyse the profiles of the purchasers of housing. This information distinguishes between (i) Spanish nationals, (ii) foreign nationals and (iii) legal entities<sup>11</sup>, and between three different territorial areas: (i) the city of Barcelona, (ii) the rest of the metropolitan area (35 municipalities) and (iii) the rest of the province of Barcelona.

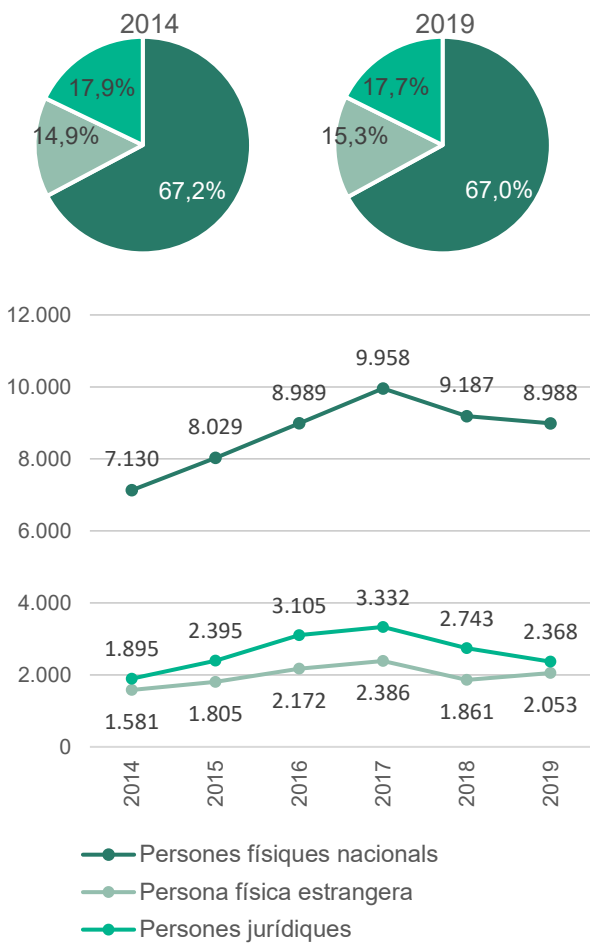
In the city of Barcelona in 2014 Spanish nationals purchased 7,130 dwellings, foreign nationals 1,581 and legal entities 1,895, a relative share of 67.2%-14.9%-17.9% (see Figure 4.10). In 2017 the highest number of transactions was reached, respectively: 9,958-2,386-3,332. Since then there have been two years with moderate falls in transactions: in 2019 Spanish nationals bought 8,988 dwellings, foreign nationals 2,053 and legal entities 2,368. The distribution in 2019 was 67%-15.3%-17.7%, which is very similar to that of 2014.

In the rest of the metropolitan area (35 municipalities), the predominance of Spanish nationals as purchasers is even greater than in the city of Barcelona. Nevertheless, in recent years the number of foreign nationals and legal entities buying property has grown: in 2014 Spanish nationals bought 6,038 dwellings, foreign nationals 644 and legal entities 797, a relative share of 80.7%-8.6%-10.7% (see Figure 4.11). In 2019, Spanish nationals bought 11,959 dwellings, foreign nationals 1,415 and legal entities 2,142, giving a distribution of 77.1%-9.1%-13.8%.

<sup>11</sup> The data on transactions used in the previous section originating from the Spanish General Council of Notaries and published by the Ministry of Transport, Mobility and Urban Agendadiffer from the data used in this section, originating from the Association of Land Registrars and published by the Urban Habitat and Territory Secretariat. Although both sources relate to sale-purchase transactions, the signing of contracts before a notary and the registration of the transaction take place at

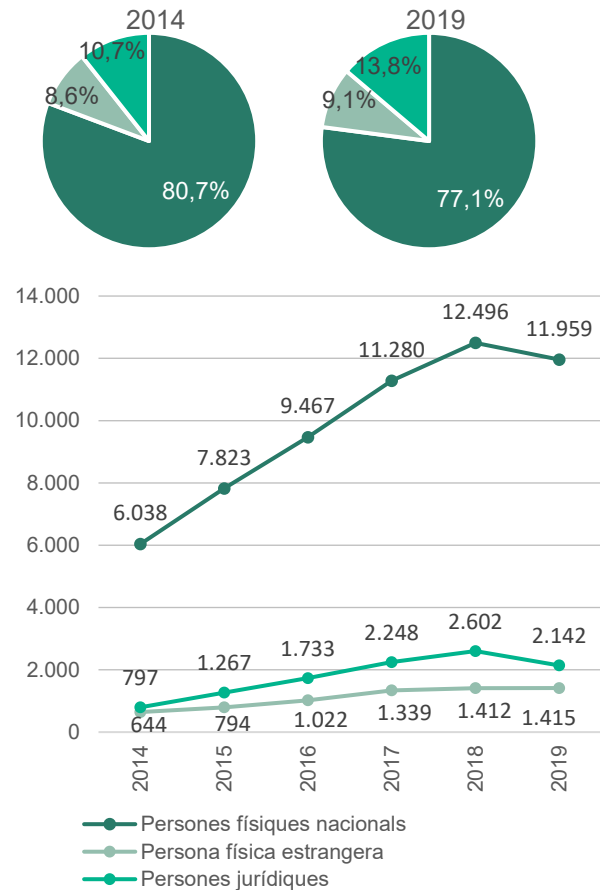
different moments in time (differences of months). In general, the statistical series produced by the land registrars report fewer transactions each year. The Barcelona Metropolitan Housing Observatory team uses data from the transactions of the Spanish General Council of Notaries, although the separation by type of purchaser is only available from the data provided by the Association of Land Registrars.

**Figure 4.10. Sale-purchase transactions by type of purchaser in Barcelona, 2014–2019.**



Source: Urban Habitat and Territory Secretariat using data from the Association of Land Registrars.

**Figure 4.11. Sale-purchase transactions by type of purchaser in the Barcelona Metropolitan Area without Barcelona, 2014–2019.**



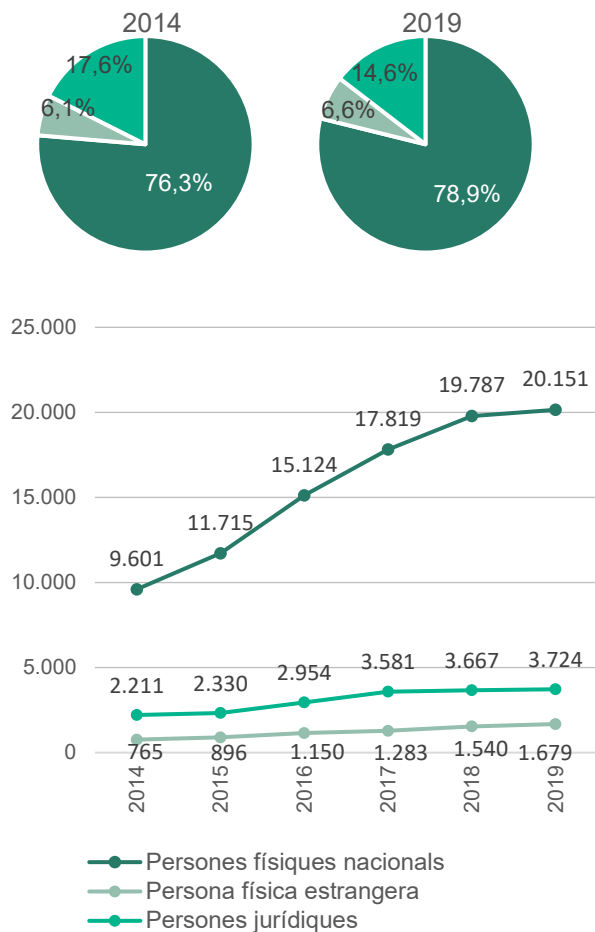
Source: Urban Habitat and Territory Secretariat using data from the Association of Land Registrars.

In the rest of the province of Barcelona (i.e. excluding the municipalities in the Barcelona Metropolitan Area), the predominance of Spanish nationals in sale-purchase transactions is even more marked. This is the only one of the three territorial areas in which the relative importance of this type of purchaser has increased to the detriment of legal entities.

In 2014 Spanish nationals bought 9,601 dwellings, foreign nationals 765 and legal entities 2,211, which gives a relative distribution of 76.3%-6.1%-17.6% (see Figure 4.12). In 2019 Spanish nationals bought 20,151 dwellings, foreign nationals 1,679 and legal entities 3,724, which gives a distribution of 78.9%-6.6%-14.6%.



**Figure 4.12. Sale-purchase transactions by type of purchaser in the province of Barcelona without the Barcelona Metropolitan Area, 2014-2019.**



Source: Urban Habitat and Territory Secretariat using data from the Association of Land Registrars.

The most frequent type of purchasers of housing in Barcelona are Spanish nationals, followed (in this order) by legal entities and foreign nationals. In recent years, all three type of purchasers have begun to buy more properties but at different rates depending on the territorial area in question. For example, in the city of Barcelona and the rest of the metropolitan area, the rise in purchases by legal entities has been more notable than purchases by foreign nationals and, above all, Spanish nationals. As a result, legal entities have gained a greater foothold in the market. In the rest of the province, purchases by Spanish nationals have grown more than those made by legal entities and foreign

nationals and have increased their relative share of the market.

### 4.3. The slight fall in the number of rental contracts

In 2019 there was a slight fall in the number of rental contracts signed in the study area (see Figure 4.13). This is only the second time in the past 15 years that the annual number of contracts placed with INCASOL has fallen in the past 15 years. The cycle of continued growth originating in 2006 only ever previously faltered in the years 2014–2015. Data from the coming quarters will show whether the figures from 2019 represent the beginning of a change in tendency or merely a slowing down of the overall long-term tendency for the number of rental contracts to increase. Here, we provide the most relevant details for the different territorial areas for 2019.

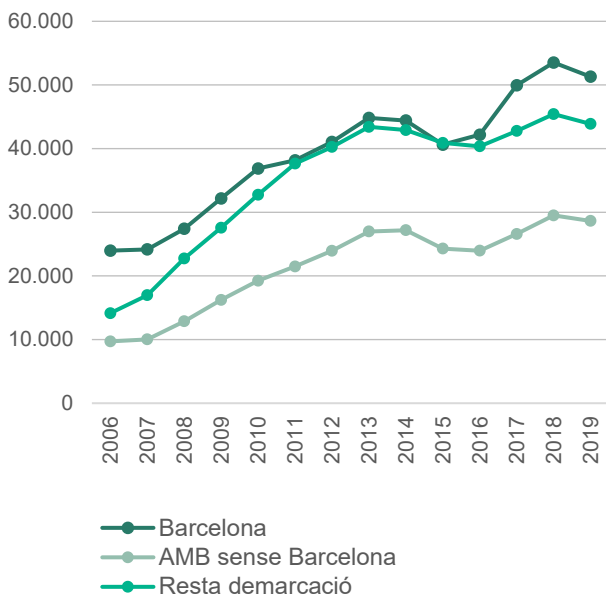
- In Barcelona 51,294 rental contracts were signed, 4.2% fewer than in the previous year.
- In the rest of the metropolitan area, 28,637 rental contracts were signed, 3.0% fewer than in 2018.
- In the Barcelona Metropolitan Area 79,931 contracts were signed, a decrease of 3.7%.
- In the rest of the province, 43,879 contracts were signed, 3.4% fewer than in the previous year.
- In the whole of the province of Barcelona, 123,810 contracts were signed, a decrease of 3.6%.

Within the overall context, it is notable that the relative importance of rental contracts varies between the different territorial areas (see Figure 4.14). Thus, in 2019 the city of Barcelona – where traditionally there are relatively more rental contracts – maintained its leading position and there were 31.3 rental contracts per 1,000 inhabitants. In the rest of the municipalities in the metropolitan area there were 17.3 contracts per 1,000 inhabitants, giving an overall figure for the whole Barcelona Metropolitan Area of 24.3 contracts per 1,000

## Housing in the Barcelona metropolis

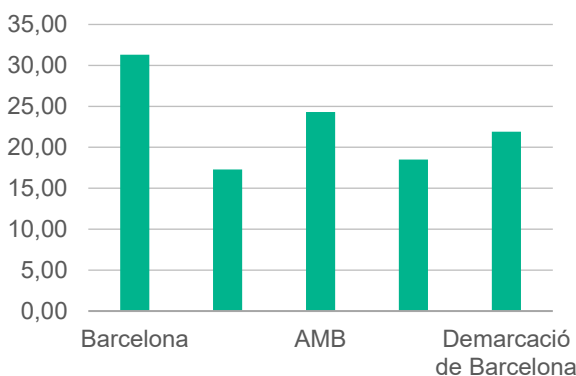
inhabitants. In the rest of the province, 18.5 contracts per 1,000 inhabitants were registered, giving a total of 21.9 contracts per 1,000 inhabitants for the whole of the province of Barcelona.

**Figure 4.13. Rental contracts by territory, 2006–2019.**



Source: Urban Habitat and Territory Secretariat using data from deposits placed with INCASOL.

**Figure 4.14: Rental contracts per 1,000 inhabitants by territory, 2019.**

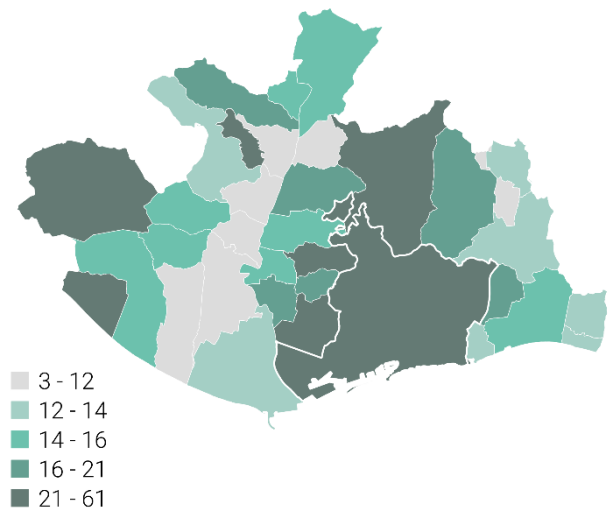


Source: Urban Habitat and Territory Secretariat using data from deposits placed with INCASOL.

At an even more detailed territorial scale, in 2019 Begues was the municipality with most rental contracts per 1,000 inhabitants (61.1), followed at a distance by Barcelona (31.3) and Sant Cugat del

Vallès (24.5). At the other end of the scale, we find Badia del Vallès with 2.7 contracts per 1,000 inhabitants, El Papiol with 9.7 and Santa Coloma de Cervelló with 10.1 (see Figure 4.15).

**Figure 4.15. Rental contracts per 1,000 inhabitants in municipalities in the Barcelona Metropolitan Area, 2019.**



Source: Urban Habitat and Territory Secretariat using data from deposits placed with INCASOL.

**In the Barcelona metropolis, where the distribution of the number of contracts varies significantly between territories, there has been a tendency towards a stagnation in the number of contracts.** In future reports, we will examine using fresh data whether the peak in the number of contracts has been reached or whether the 2019 figures merely represent a short-term deceleration as occurred in the years 2015 and 2016.

## 4.4. The moderation in the rate of growth of rental prices

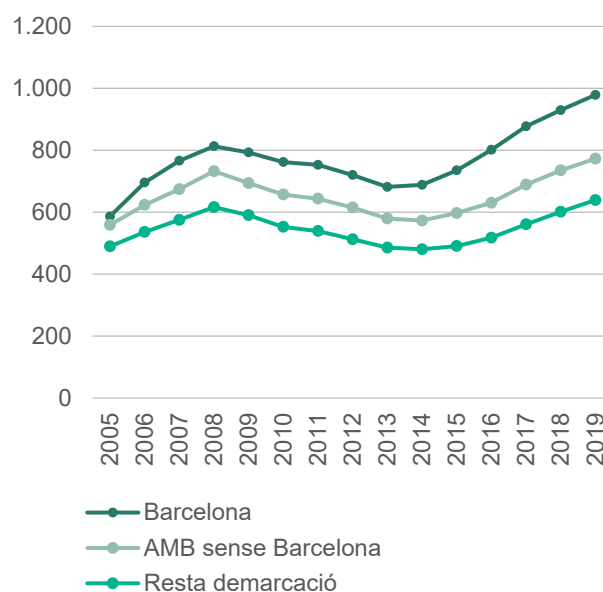
In 2019 the average rent price continued to grow throughout the Barcelona metropolis, although the increase was more moderate than in the previous year. **Thus, there have now been two successive years with increasingly less significant rises in rental prices. However, the overall balance for the past six years of increases show average rents to be at their highest ever point in almost all the Barcelona metropolis since data became available** (see Figures 4.16 and 4.17).



## Housing in the Barcelona metropolis

- In Barcelona, the average rent is 978.81 €/month, 5.3% higher than in the previous year and with an accumulated increase of 37.5% since 2014.
- In the rest of the Barcelona Metropolitan Area, the average rent is 772.9 €/month, 5.1% more than in the previous year, representing an accumulated growth of 29.8% since the low point in 2014.
- Overall in the Barcelona Metropolitan Area the average rent is 905.0 €/month, 5.2% more than in the previous year, with an accumulated rise of 35.4% since 2014.
- In the rest of the province the average rent is 639.0 €/month, 6.2% more than in 2018, representing an accumulated rise of 28.4% since 2014.
- Finally, the average rent for the whole of the province of Barcelona is 810.7 €/month, 5.5% above the average for the previous year. This represents an accumulated growth of 33.8% since the lowest point in 2014.

**Figure 4.16. Average rental price (€/month) by territory, 2005–2019.**



Source: Urban Habitat and Territory Secretariat using data from deposits placed with INCASOL

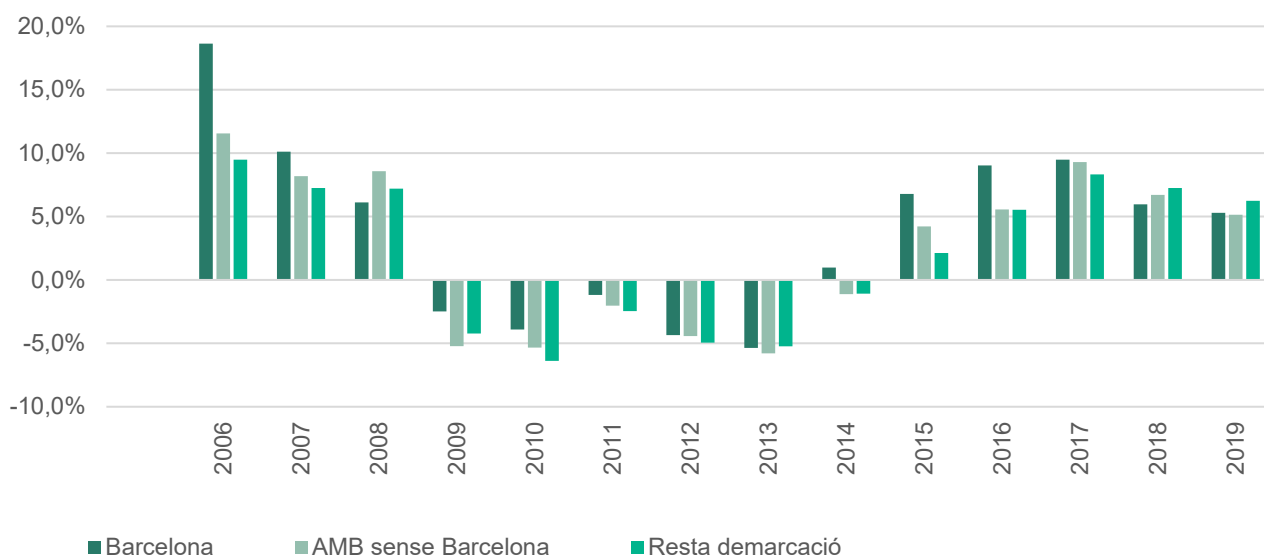
Although this accumulated growth has left the average rent at its highest ever levels, **it is worth noting that for the second consecutive year the interannual increase has been lower, above all in the city of Barcelona.** The growth in 2017 was 9.5%, 6.0% in 2018 and 5.3% in 2019 (see Figure 4.17). Similarly, in the rest of the Barcelona Metropolitan Area average rents rose by 9.3% in 2017, 6.7% in 2018 and 5.1% in 2019. Finally, in the rest of the province the growth in prices was more moderate and the average rise in rents has fallen by one percentage point in recent years: from 8.3% in 2017 to 7.2% in 2018 and to 6.2% in 2019.

At a more detailed territorial scale, we see that in 2019 the highest average rent was, as in 2018, in the district of Sarrià-Sant Gervasi (1,316.57 €/month), followed by Les Corts (1,156.95 €/month), the municipality of Sant Cugat del Vallès (1,134.23 €/month), the district of L'Eixample (1,093.70 €/month) and the municipality of de Sant Just Desvern (1,092.02 €/month) (see Figure 4.18). At the other end of the scale, the lowest rents are in Badia del Vallès (271.86 €/month), Santa Coloma de Gramenet (614.78 €/month), Montcada i Reixac (636.95 €/month), Sant Andreu de la Barca (639.08 €/month) and Ripollet (644.56 €/month). Nou Barris,

## Housing in the Barcelona metropolis

with an average monthly rent of 704.52 € is once again the cheapest district for renting in the city of Barcelona.

**Figure 4.17: Variation in the average rent (in %) by territory, 2006–2019.**



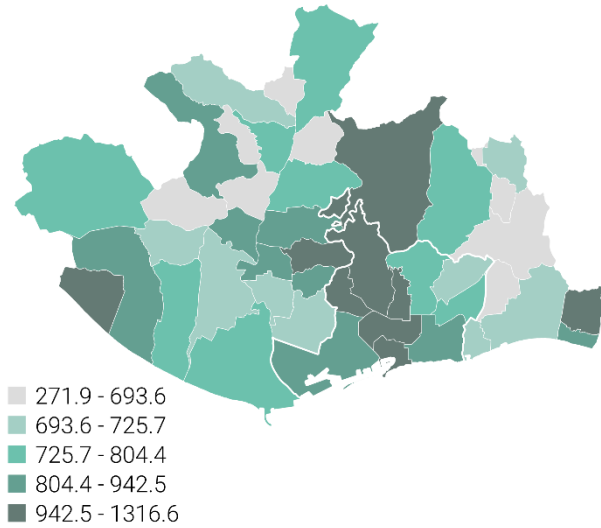
Source: Urban Habitat and Territory Secretariat using data from deposits placed with INCASOL

If we examine the evolution of average rents starting from their lowest point in recent years, the five places where rents have increased most are all districts in the city of Barcelona (see Figure 4.19): Ciutat Vella is in first position (47.9%), followed by Sant Martí (47.0%), Gràcia (42.1%), Nou Barris (41.1%) and Horta-Guinardó (41.0%). The municipality in the Barcelona Metropolitan Area where rents have risen most is Sant Feliu de Llobregat (39.9%). At the other end of the scale, the places with the smallest increases are the municipalities of Begues (8.0%), El Papiol (17.9%), Torrelles de Llobregat (18.1%), La Palma de Cervelló (20.7%) and Sant Climent de Llobregat (22.9%).

To summarise, over the past 5–6 years there has been a notable increase in the price of average rents throughout the Barcelona metropolis. Overall, the Barcelona Metropolitan Area has seen an increase of 35.4% leaving the average rent at €905. Despite these increases, in 2019 there was a certain moderation in the rhythm of growth, which, together with the deceleration noted in 2018, could

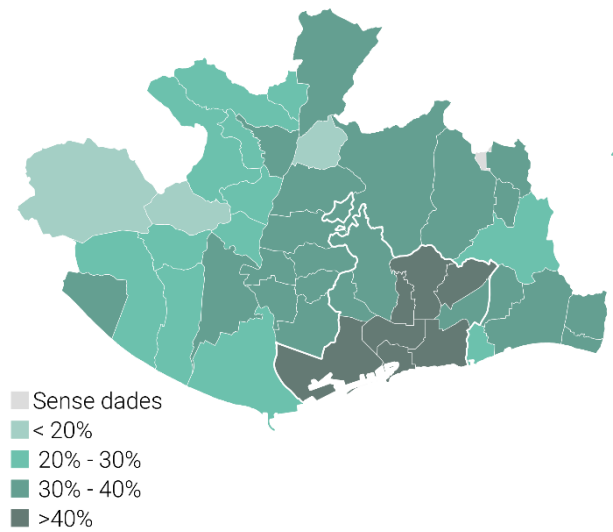
mean that the era characterised by an inflationary tendency in rents is drawing to a close.

**Figure 4.18. Average monthly rent (€/month) in municipalities in the Barcelona Metropolitan Area and districts of the city of Barcelona, 2019.**



Source: Urban Habitat and Territory Secretariat using data from deposits placed with INCASOL

**Metropolitan Area and districts of the city of Barcelona, 2014–2019.**



Source: Urban Habitat and Territory Secretariat using data from deposits placed with INCASOL.

**Figure 4.19: Variation in the average monthly rent (in %) in municipalities in the Barcelona**

# ○ 5. Problems of permanence in and access to housing

In line with the structure of previous reports, this fifth chapter is devoted to analysing the main problems faced by metropolitan residents when it comes to satisfying their basic residential needs. As can be deduced, the evolution of the market described above, characterised by notable increases in average housing prices, has led to a generalised worsening in the access to and permanence in housing. Here, we use the up-to-date statistical series compiled by the Barcelona Metropolitan Housing Observatory team to analyse these problems more thoroughly.

This chapter is structured in four sections. In the first, we examine the evolution of average prices (see above) in relation to household income to illustrate the increasing gap between these two indices. In the second section, we present data regarding the efforts that households have to make to access average-priced housing (sale-purchase and rent) and look in detail at territorial differences and variations in household income. In the third section, the focus moves to the difficulties people in housing have in remaining in their homes in the event of having difficulties in meeting rental or mortgage payments. Finally, the fourth section analyses information pertaining to evictions carried out in the Barcelona metropolis.

### 5.1. The gap between household income and housing prices persists

As often has been remarked, the growing gap between household income and the price of housing is the origin of the notable and growing difficulties many people are having today regarding access to and permanence in housing. In the past annual report we used a statistical series beginning in 2000 to compare the evolution in the city of Barcelona and Catalonia of the Net Family Income (NFI) per inhabitant and the average price of new and used housing, and rents. As discussed earlier, this methodology has been developed by the Barcelona

Metropolitan Housing Observatory team as a means of compensating for an enormously significant gap in our knowledge on this subject.

This report includes up-to-date information on average prices – presented in the previous chapter – and personal income. Using as a baseline an index of 100, in this chapter we compare fluctuations over time in a number of variables including personal income. The available information on the NFI has been improved in two ways. Firstly, for the period 2000–2017 we have used the most recent data provided by Idescat after a revision carried out in 2019. Secondly, in order to extend the data series to 2019, we have estimated people's personal income for 2018 and 2019<sup>12</sup>. This methodological decision means that, logically, data will have to be amended every time our estimates are replaced by official figures. Nevertheless, we do not anticipate that the official data will deviate greatly from our estimates; if this is not the case, it will be taken into account in the respective annual reports.

Focussing on results, Figures 5.1 and 5.2 show that the gap between incomes and average housing prices continued to exist in 2019 in both the city of Barcelona and the whole of Catalonia. In the former area, whilst people's average income increased by 2.7% between 2018 and 2019, average prices – as we saw in the previous chapter – increased by 5.9%, 2.8% and 5.3% in the new and used housing, and rents, respectively<sup>13</sup>. Thus, if we consider the whole of the period 2000–2019, whilst the average personal income of people living in Barcelona increased by 66.9%, the average sale-purchase prices of new and used housing, and of rents, rose, respectively, by 162.2%, 151.5% and 139.7%, that is, to 2.4-, 2.3- and 2.1-times the prices at the beginning of the period.

Far from being a phenomenon limited to the city of Barcelona, the dynamic described above is repeated throughout Catalonia. Even though the average income of Catalan people increased by 2.8% between 2018 and 2019, the average prices

---

<sup>12</sup> To estimate the Net Family Income per person, we applied a percentage variation to the official figures provided by Idescat for 2017. This variation was obtained using estimations for the Net Family Available Income produced by the Barcelona Provincial Council that are updated as of 2019.

<sup>13</sup> Figures 5.1 and 5.2 use the average overall rent rather than the rent per square metre – as in the previous chapter – as a reference price. This is due to the fact that the price per square metre is not available for Catalonia and so to be able to compare Barcelona and Catalonia we have opted to use the overall rent price.

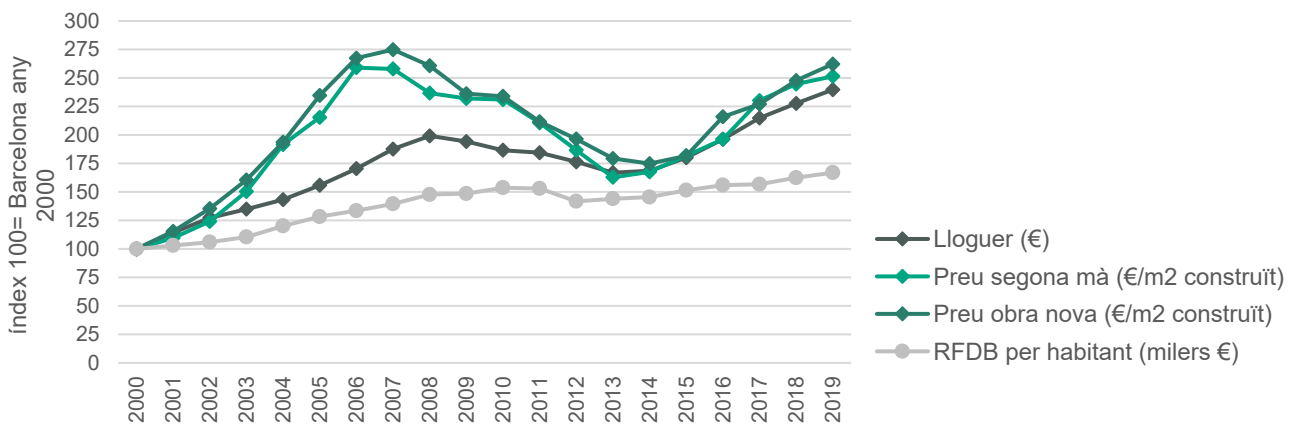
## Housing in the Barcelona metropolis

of new and used housing, and rents increased at much higher rates: 9.9%, 5.0% and 5.3%, respectively.

During the whole study period (2000–2019), the average income per person grew by 55% as the average prices of housing rose by 140.2%, 103.7% and 102%. In other words, **the average prices of**

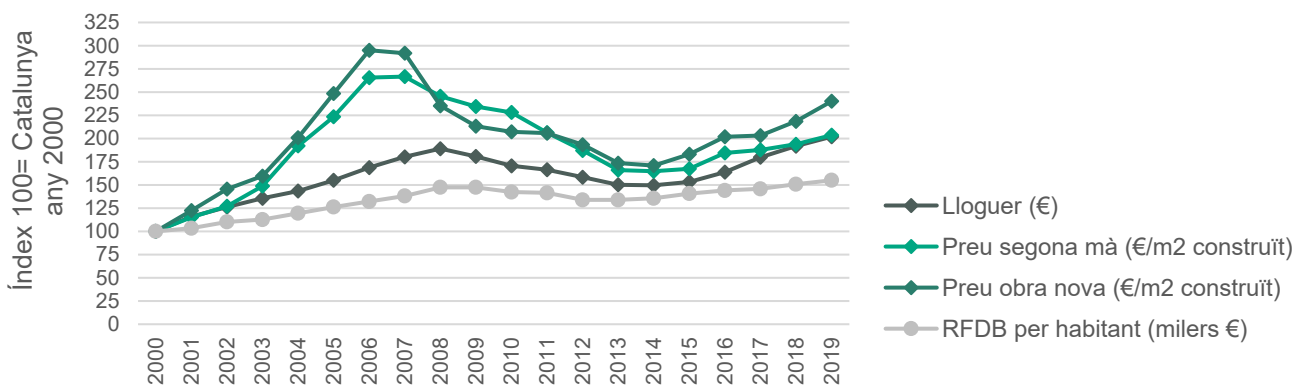
**new and used housing, and rents have risen, respectively, 2.5, 1.9 and 1.9 times more than people's incomes.**

**Figure 5.1. Evolution of the Net Family Income and average housing prices in Barcelona, 2000–2019. (2000 = 100)**



Source: Own work using data on Net Family Income (NFI) per inhabitant 2000–2017 (Idescat) and estimates for 2018–2019 based on variations in the Net Family Income produced by the Barcelona Provincial Council; average rental prices, Habitat and Urban Improvement Secretariat using data on rent deposits placed with INCASOL; average sale-purchase price 2000-2013: Habitat and Urban Improvement Secretariat; average sale-purchase price 2013–2018: Habitat and Urban Improvement Secretariat using data from Association of Property Registrars.

**Figure 5.2. Evolution of the Net Family Income and average housing prices in Catalonia, 2000–2018 (2000=100).**



Source: Own work using data on Net Family Income (NFI) per inhabitant 2000–2017 (Idescat) and estimates for 2018–2019 based on variations in the Net Family Income produced by the Barcelona Provincial Council; average rental prices, Habitat and Urban Improvement Secretariat using data on rent deposits placed with INCASOL; average sale-purchase price 2000-2013: Habitat and Urban Improvement Secretariat; average sale-purchase price 2013–2018: Habitat and Urban Improvement Secretariat using data from Association of Property Registrars.

The very notable difference between the evolution of people’s incomes and average housing prices is not constant since there have been various phases linked to economic cycles and fluctuations in the housing sector: in 2000–2007 coinciding with the previous housing boom, in the years 2007–2013 marked by a crash in prices and severe economic recession, and, finally, in 2013–2019 characterised by economic recovery and price rises. In our previous report we carried out a more detailed analysis of these phases, which we need not repeat here. Nevertheless, its main conclusion is confirmed by the data presented here.

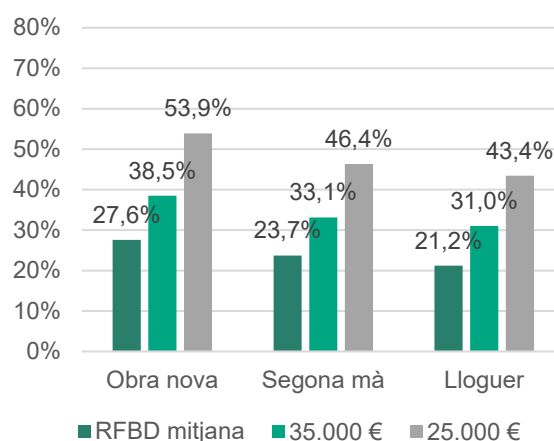
**Increases in average housing prices are generally more severe than falls in prices during recessions, which means that in the long term prices will always tend to rise. Furthermore, this rise in prices, which is never accompanied by any increase in personal income, always rises proportionally more.** If we look on housing simply as an investment, these market dynamics and data ratify what is well known in this sector: housing to a greater or lesser degree offers good investment prospects in the long term. However, if we regard housing as a basic necessity the data reveal what is undoubtedly one of the most pressing problems of the residential sector: the fact that the gap between average income and average housing prices continues to widen.

## 5.2. The difficulties in accessing housing: a metropolitan problem

The growing separation between income and average housing prices highlighted above manifests itself in the efforts households have to make to access housing. Together with these two variables (income and housing prices), financial conditions also play a part – in the case of the sale-purchase market – and so are incorporated into the calculations undertaken in this section. In the past two annual reports, we have underlined the importance of the evolution of the effort required to access housing. Here, we focus only on the year 2019 and explore in more detail different situations as determined by levels of household income.

In the Barcelona Metropolitan Area in 2019 a household with an average estimated annual income of €48,859 could access an average-priced dwelling without exceeding the 30% threshold of income spent on housing (see Figure 5.3). This average household would have to spend 27.6% of its income on new housing, 23.7% on used housing, or 21.2% on rent. This is, however, only a theoretical exercise relating average prices and incomes that does not always correspond to what is a far more complex reality.

**Figure 5.3. Theoretical effort required to access housing in the Barcelona Metropolitan Area, 2019.**



Source: Own work using data from the Urban Habitat and Territory Secretariat, the Association of Property Registrars and the rental deposits placed with INCASOL; Bank of Spain interest rates; Spanish Mortgage Association, Access Indicators. Note: the following assumptions have been made when calculating the mortgage rates during the first year: relationship loan/value = 80%, overall interest rates for all house loans of more than three years (2019 = 1.93%), the average mortgage length according to the Spanish Mortgage Association (2019, 23.6 years).

## Housing in the Barcelona metropolis

By taking as a reference household incomes of €25,000 and €35,000, which are more consistent with the type of people who have housing or require housing, we can calculate the effort required by these households if they aim to buy new or used housing or rent in the Barcelona Metropolitan Area. Thus, a household with an income of €35,000 would have to devote 38.5% of its income to the purchase of a new dwelling, far above its theoretical possibilities. Furthermore, to buy a used dwelling or to rent this household would still have to exceed the 30% threshold and spend, 33.1% or 31%, respectively.

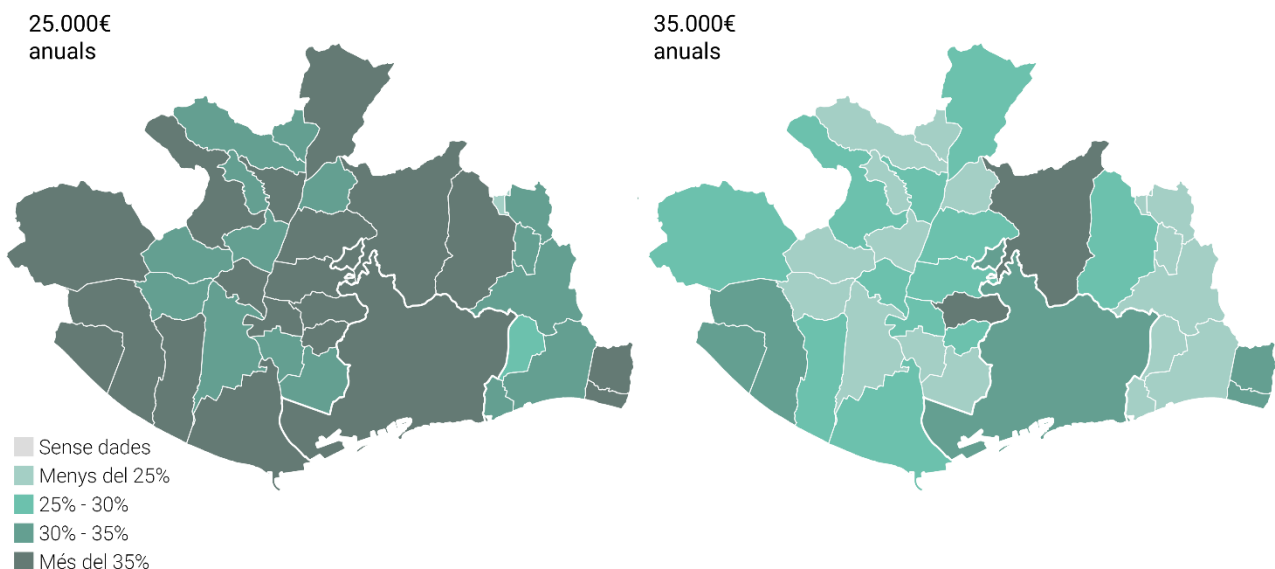
This inaccessibility, logically, is more severe in a household with an annual income of €25,000. In this case, it would have to spend an equivalent of 53.9% of its income on a new dwelling, 46.4% on used housing or 43.4% on a rental contract

**These data thus illustrate how difficult it is for many households to access housing, although**

**there are significant territorial variations.** Figure 5.4 shows the theoretical effort required to access housing in all the municipalities of the metropolitan area and the districts of the city of Barcelona.

Thus, **a household with an annual income of €35,000 could only afford an average rent in three out of 10 districts in the city but in 30 out of 35 municipalities in the rest of the Barcelona Metropolitan Area.** Or, put another way, this household would be excluded from the market in seven city districts and in five municipalities. The areas where this household would have to make the least financial sacrifices are Badia del Vallès, Santa Coloma de Gramenet (21.1%), Montcada i Reixac (21.8%), Sant Andreu de la Barca (21.9%) and Ripollet (22.1%), whilst at the other end of the scale, it would require most effort in the districts of Sarrià-Sant Gervasi (45.1%) and Les Corts (39.7%), in the municipality of Sant Cugat del Vallès (38.9%), the district of L'Eixample (37.5%) and the municipality of Sant Just Desvern (37.4%).

**Figure 5.4. Theoretical effort required to access rental housing according to household income in municipalities in the Barcelona Metropolitan Area and districts of the city of Barcelona, 2019.**



Source: Own work using data from the Urban Habitat and Territory Secretariat and data on the rent deposits placed with INCASOL

**A household with an annual income of €25,000 has far fewer possibilities of accessing housing as it could not afford housing in any city district and only in two of the remaining 35**

**municipalities in the metropolitan area.** Least effort would be required in Badia del Vallès, Santa Coloma de Gramenet (29.5%), Montcada i Reixac (30.6%), Sant Andreu de la Barca (30.7%) and Ripollet (30.9%), and most in the districts of Sarrià-



Sant Gervasi (63.2%) and Les Corts (55.5%) in Barcelona, the municipality of Sant Cugat del Vallès (54.4%), the district of L'Eixample (52.5%) and the municipality of Sant Just Desvern (52.4%).

In terms of the effort required to access housing, there is wide range of different circumstances due not only to different income and price brackets and variations at municipal and district levels but also to below-market-price valuations at territorial level that lower the theoretical effort required to access housing. A more detailed analysis of this issue will be possible if and when the Barcelona Metropolitan Housing Observatory team has at its disposal more detailed information – currently not available – on price fluctuations in sale-purchase transactions and rental contracts. Despite this lack of data, the figures presented here reflect the difficulties in accessing housing in the Barcelona metropolis more faithfully than if the analysis was based purely on a figure for average household income.

### 5.3. The overburden in housing costs

In the previous section we saw how the widening gap between household income and average housing costs is affecting the access to housing. In this section, we focus on people who have found a dwelling but who have to face up to costs that represent an increasingly large part of their incomes. To do so, we use as a reference the overburden rate, which calculates the percentage of people who live in households that spend more than 40% of their income on housing costs (rent or mortgage payments, and utility bills).

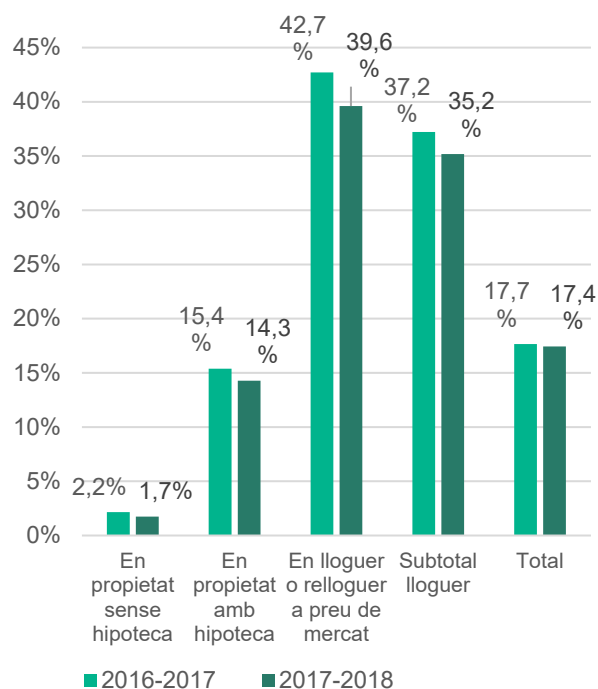
This threshold was established by the EU-SILC (*The European Union Statistics on Income and Living Conditions*) published by Eurostat as a comparison between member states. For Spain, the source of information is the *Living Conditions Survey* (LCS), which provides results for individual autonomous communities. Fortunately, for the Barcelona Metropolitan Area results on a more detailed scale are available for the city of Barcelona and the rest of the metropolitan area that are coherent with the official statistics mentioned above. These results were obtained by the Metropolitan Living Conditions Statistics (MLCS), which can be consulted for 2016–2017 and 2017–2018.

Nevertheless, we have modified the methodology used by the EU-SILC to calculate the overburden rate. As explained in other reports, in households paying a mortgage, the EU-SILC overburden rate does not include the amortisation of the loan (i.e. it only counts the interest) as part of the cost as it considers it to be an investment. However, if we aim to highlight the difficulties people face in terms of paying their living costs, it is more accurate to consider all the costs included in mortgage repayments. Thus, in this analysis of the subject we have redefined the overburden rate to include both the interest and amortisation of the initial loan.

The following consists of the results of the study of the overburden rate undertaken as part of the past two editions of the MLCS (2016–2017 and 2017–2018), which separates the city of Barcelona from the rest of the metropolitan area. It is worth remarking, though, that the main conclusion reached by the previous report is still valid, that is, **the overburden rate is most severe amongst households paying rent.**

In Barcelona in 2017–2018 the overburden rate amongst the population in general was 17.4%, whilst in those paying rent it was much higher, reaching 35.2% (39.6% paying rent at market prices) (see Figure 5.5). By contrast, in households paying mortgages, this rate falls to 14.3% and in the case of owner-occupiers (i.e. those that only have to pay utility bills) the rate is just 1.7%. In all cases, the overburden rate has fallen slightly compared to the previous year.

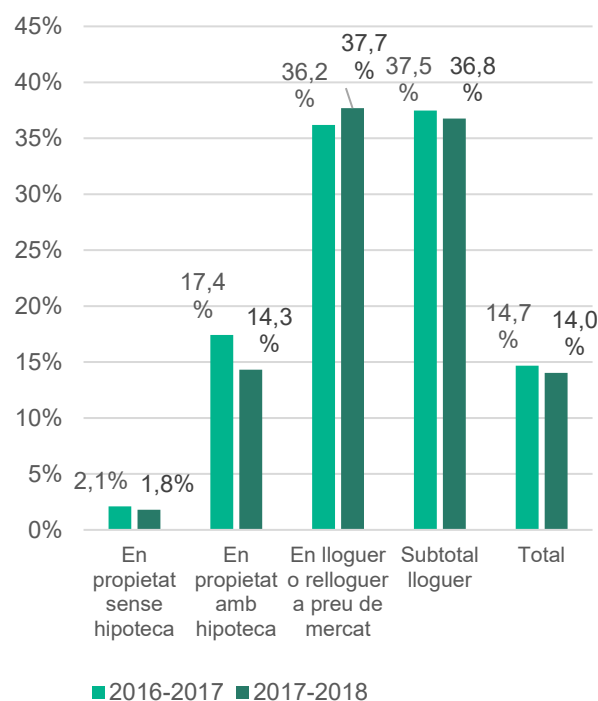
**Figure 5.5. Housing overburden rate by type of tenure in Barcelona, 2016–2018.**



Source: Idescat and ERMB, Metropolitan Living Conditions Statistics (MLCS).

In the rest of the Barcelona Metropolitan Area in 2017–2018 the overburden rate was 14% (see Figure 5.6), with, once again, rent payers the most affected at 36.8% (37.7% for those paying rents at market prices). Amongst those repaying a mortgage, the rate was 14.3% whilst those not paying a mortgage it was 1.8%. The total overburden rate and the rate for owner-occupiers over time has slowed, whereas the rate for renters has slightly increased.

**Figure 5.6. Housing overburden rate by type of tenure in the Barcelona Metropolitan Area without Barcelona, 2016–2018.**



Source: Idescat and ERMB, Metropolitan Living Conditions Statistics (MLCS).

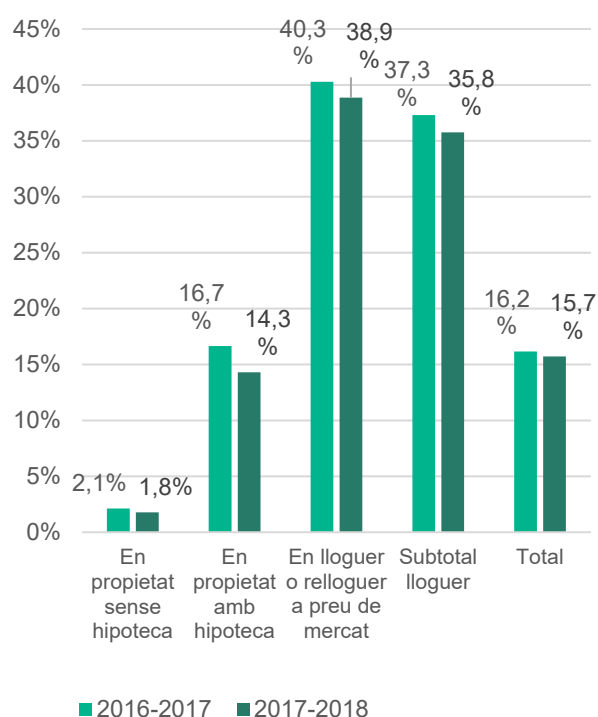
**If we compare the results for Barcelona with those for the rest of the metropolitan area we observe that the overburden rates for owner-occupiers and renters tend to even out, due above all to the increase in the overburden rate for rent-payers in the 35 municipalities surrounding the city of Barcelona.** It may seem contradictory that the total overburden rate is so different between these two territorial areas (17.4% in Barcelona and 14% in the rest of the metropolitan area). This is due to the fact that the percentage of households living in rental property in Barcelona (which suffer a higher overburden rate) is greater than in the rest of the metropolitan area where owner-occupier households (in which the overburden rate is much lower) are numerically more significant<sup>14</sup>.

As a result of this combination of results, in the 36 municipalities in the Barcelona Metropolitan Area

<sup>14</sup> See Chapter 1 for details of the number of households that pay rent or are owner-occupiers in each territorial area.

the overburden rate is 15.7% (see Figure 5.7). Amongst those who pay rent, however, the rate is 35.8% (38.9% for those paying rents at market prices), whilst for those who are repaying a mortgage it is 14.3% and for owner-occupiers without mortgages it is just 1.8%. All these overburden rates have slightly fallen in the past year.

**Figure 5.7. Housing overburden rates by type of tenure in the whole of the Barcelona Metropolitan Area, 2016–2018.**



Source: Idescat and ERMB, Metropolitan Living Conditions Statistics (MLCS).

To summarise, the data on the overburden rate presented here allow us to confirm the main conclusion drawn in the previous report, that is, this rate is much higher amongst those who rent their dwellings than amongst home-owners. **Over the past year there has been a slight fall in the overburden rate for all types of tenure in all territorial areas, the only exception being amongst people paying rent at market prices in the 35 municipalities surrounding the city of Barcelona, where the rate has increased.** The overburden rates in the municipalities in the area

around Barcelona turn out to be very similar for all types of tenure to those in the city centre.

## 5.4. Evictions: a slow but steady decrease in number mainly related to rental payments

As we have seen in previous reports, the processes of residential exclusion are not simply the product of the most recent economic crisis but are also an inherent part of structural factors such as the dualisation of the labour market, the management of migratory movements, and the deficit in social housing that affect the whole sector. To all these factors we now need to add the growing separation between household incomes and the average price of housing (discussed above).

Situations of residential exclusion are highly diverse in origin and intensity. Here, we look at data from the General Council of the Spanish Judiciary regarding possible evictions and, specifically, evictions that have been executed.

**In 2019 the number of evictions carried out in the Barcelona metropolis continued to fall. Even so, the total number is still high in both Barcelona and in the rest of the metropolitan area and the rest of the province of Barcelona (see Figure 5.8).**

- In Barcelona in 2019 2,125 evictions (1.30 per 1,000 inhabitants) were performed, 10.8% fewer than the previous year and 35.8% fewer than in 2013, the year the statistical series began.
- In the rest of the metropolitan area, 2,067 were practiced in 2019 (1.25 per 1,000 inhabitants), 6.4% fewer than the previous year and 31.2% fewer than in 2013.
- In the rest of the province of Barcelona in 2019 4,232 evictions (1.78 per 1,000 inhabitants) were performed, 6.8% fewer than the previous year but only 11.9% fewer than in 2013.

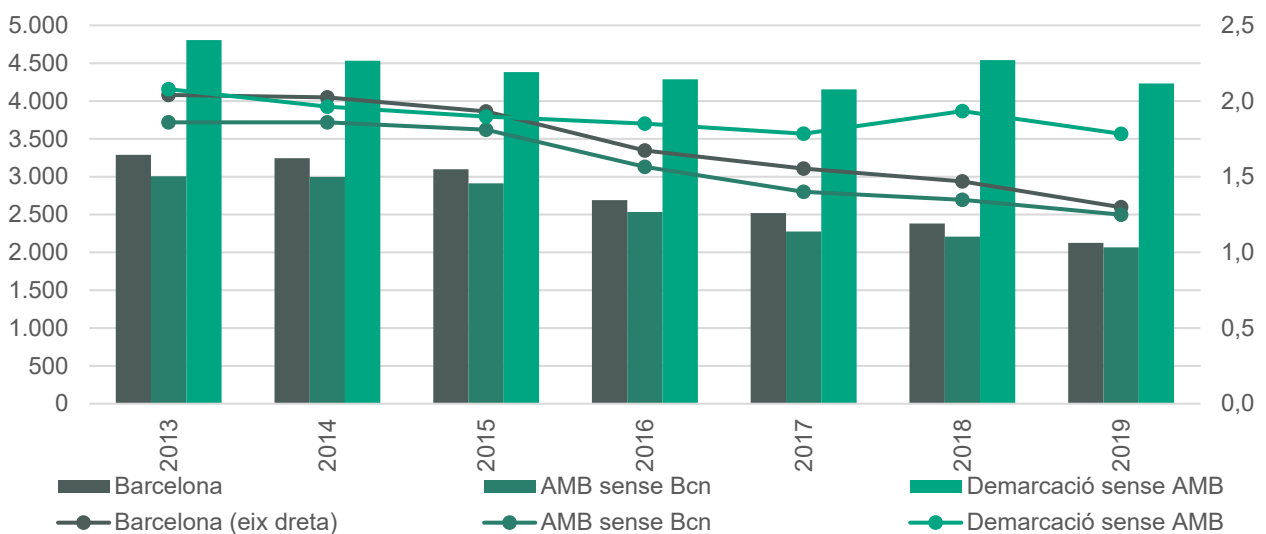
**Of all the evictions recognised by the General Council of the Spanish Judiciary, the majority correspond to sentences related to the Law of Urban Rents, that is, to rental accommodation. This is also the situation in most of the other territorial areas, above all in the city of Barcelona (see Figure 5.9).**

- In the city of Barcelona in 2019, 80.6% of evictions were from rented housing, the commonest type of eviction. Nevertheless, the relative importance of rental evictions has fallen since 2013, when they totalled 84.2% of all evictions.
- In the rest of the metropolitan area, the relative importance of evictions from rented housing

reached 66.1% in 2019, a percentage that is slightly lower than the 70.8% in 2013.

- In the rest of the province of Barcelona, evictions from rented housing in 2019 were still predominant, albeit lower than in the other territorial areas: 65.4%. Compared to 2013, when rental evictions were 67.2%, there has been a slight decrease.

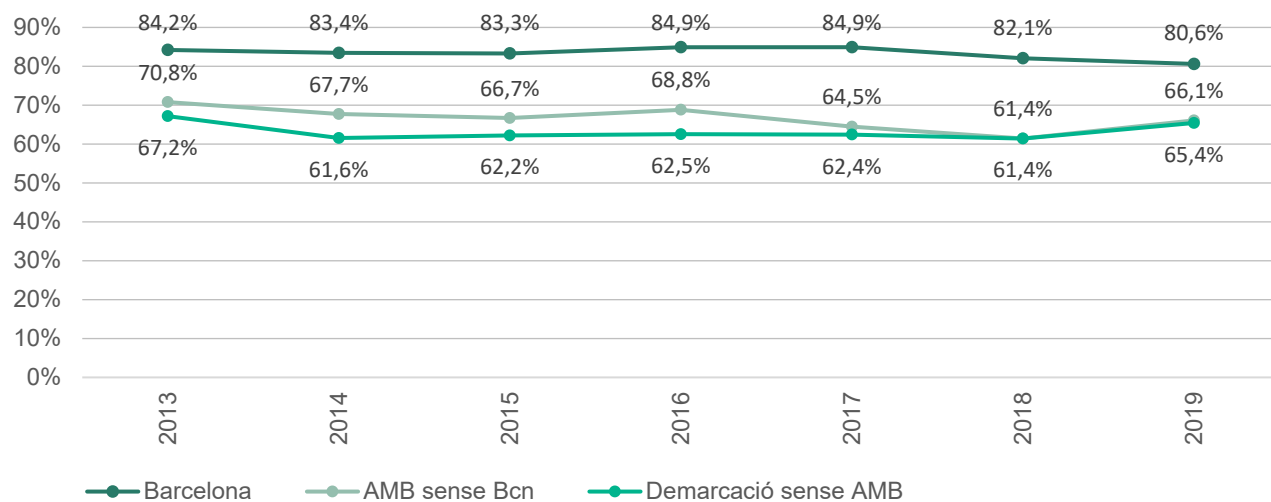
**Figure 5.8. Executed evictions by territory, 2013–2019.**



Source: General Council of the Spanish Judiciary.

## Housing in the Barcelona metropolis

**Figure 5.9. Executed rental evictions (as a % of all evictions) by territory, 2013–2019.**



Source: General Council of the Spanish Judiciary.

To conclude, despite the continuous fall in the number of evictions executed (according to the data produced by the General Council of the Spanish Judiciary), a relatively high number of evictions are still being performed every year: 2,125 in Barcelona, 2,067 in the rest of the metropolitan area and 4,232

in the rest of the province. It is in the province of Barcelona without the Barcelona Metropolitan Area where the number of evictions has fallen least and where their relative importance is greatest. In general, most evictions are from rented housing, above all in the city of Barcelona, where they reach 80.6%. In the rest of the Barcelona metropolis the number of such evictions is around 66%.

# ○ Conclusions

In this final section we present the main conclusions of this report on housing in the Barcelona metropolis in 2019. It should be remembered that these annual reports aim to analyse the key dynamics occurring the field of housing during the past year in the Barcelona metropolis, which includes the updating wherever necessary of the content of previous reports. The Barcelona Metropolitan Housing Observatory team uses all the available statistical information and complements this data with their laboratories that help fill any gaps detected in the available data.

### 1. Housing needs: people and households

**In the past year the population growth has accelerated due to an increase in migrations from abroad.**

After a decade with generally moderate population growth, the years 2018–2019 were characterised by accelerated demographic growth due principally to migratory exchanges with abroad.

The population of city of Barcelona increased by 1.01% to reach 1,636,762 inhabitants. In the 35 municipalities surrounding Barcelona, that is, the metropolitan area without Barcelona, there was a similarly relevant growth of 0.91%. In this area the population is 1,654,892 people, so the total population of the 36 municipalities in the Barcelona Metropolitan Area has grown by 0.96% and is now home to 3,291,654 people. In the rest of the province, the increase was 1.01% to reach a figure of 2,372,925 inhabitants. Thus, the overall growth in the whole of the province of Barcelona was 0.98%, which takes its total population to 5,664,579 people.

**The number of households continued to grow but at a more moderate rate than in previous decades.**

In 2018 there were 709,079 households in the city of Barcelona and 1,510,166 in the rest of the province, giving a total of 2,219,245 for the whole province. If we compare these figures with the 2011 census (2,168,605 households in the whole province), we observe that there has been an average annual demographic growth of 0.3%. This represents a significant rise, above all if we consider

that in this period (2011–2018) there were no sudden population increases. Indeed, the rhythm of growth has moderated notably compared to previous periods: 2.1% in 2001–2011, 1.7% in 1991–2001 and 0.9% in 1981–1991.

**‘Generations of tenants’: the amount of people renting continues to increase and renting has become a much commoner life choice.**

The tendency for more household to rent their housing began over a decade ago has continued in both the city of Barcelona and the rest of metropolitan area. In the two-year period 2017–2018:

- In the city of Barcelona 38.2% of households lived in rented accommodation (31.2% at market price and 7.1% at below market price), 40.9% were owner-occupiers without mortgages, and 17.6% had mortgages.
- In the rest of the metropolitan area 22% of households lived in rented accommodation (19.3% at market price and 2.7% at below market price), 48.1% were owner-occupiers without mortgages and 26.6% had mortgages.
- Overall in the whole of the Barcelona Metropolitan Area, 30.4% of households paid rent (25.4% at market price and 4.9% at below market price), 44.4% were owner-occupiers without mortgages and 21.9% had mortgages.

Rental is predominant in households headed by young people and also in people aged 35–44, which indicates that in many cases renting housing is becoming consolidated – be it voluntarily or otherwise – as a good life-style choice. In the Barcelona Metropolitan Area in 2017–2018:

- In all, 71.5% of households headed by a young people of 16–34 years old paid rent (63.5% at market price and 8% at below market price).
- Amongst households headed by people in the 35–44 age range, renting was still the most frequent type of tenure reaching 47% (42.3% at market price and 4.7% at below market price).



## Housing in the Barcelona metropolis

- Amongst households headed by people of 45–64 years old, owner-occupation was still the commonest. Nevertheless, 26.5% of households – a quarter of all this demographic sector – paid rent (24.1% at market price and 2.5% at below market price).
- Finally, in households headed by a person of 65 years old or more, renting only represented 12.5% (6.7% at market price and 5.8% at below market price).

### The persistent delay in leaving the parental home

In periods of both recession and economic growth, young people are increasingly delaying the moment at which they leave their parental homes.

- The number of young people aged 20–24 who have left their parental home fell from 16.7% in 2007–2008 to 14.8% in 2012–2013 and finally to 12.4% in 2018–2019.
- In people aged 25–29 this figure fell from 53.1% in 2007–2008, to 51.4% in 2012–2013 and finally to 50.5% in 2018–2019.
- Finally, in young people aged between 30 and 34, the percentage of people who have left home increased slightly from 77.3% in 2007–2008, to 77.8% in 2012–2013 and finally to 79% in 2018–2019.

There are two main reasons explaining this delay in leaving home: (i) young people are entering the labour market much later and the conditions they find once they have managed to find work; and (ii) the great financial effort required to access housing, be it rented or with a mortgage.

### Forms of co-habiting and the cost of housing in old age: the horizon in 2038.

In the Barcelona area of influence the number of people of the third age will rise from 18.8% to 25.2% of the population in the years 2018–2038. To date, the effects of an ageing population have been greatest in the central part of the metropolis, above all in the city of Barcelona. Nevertheless, figures suggest that this ageing of the population will

spread to the rest of the Barcelona metropolis. Indeed, by 2018 the percentage of third-age people in 2018 was 21.5% but only 17.9% in the rest of the metropolitan area and 17% in the rest of the metropolis. But, in 20 years' time in 2038, it is forecast that the percentage of old people will reach 25.5% in Barcelona, 24.6% in the rest of the metropolitan area and 25.5% in the rest of the metropolis.

Within this context of progressive ageing, a growing percentage of old people will live alone and in the most extreme cases the demand for specialised services will increase proportionally. To give some examples: the forecasts for 2038 indicate that 342,597 people aged 65 or over will live in single-person households, of which 158,605 will be over 80, that is, the equivalent to the combined population of the municipalities of Santa Coloma de Gramenet and Sant Adrià del Besòs.

These projections predict that the predominance of owner-occupiers amongst old people will have ended by 2028 and the situation will be characterised by more owners with rent arrears and more people in rental accommodation. Specifically, whilst in 2018 the distribution of old people amongst owner-occupiers, mortgage payers and tenants was 81%-6%-13%, in 2038 the relative proportion will be 69%-13%-18%.

As a result, the number of people with housing overburdens could increase significantly. For example, if we take current overburden rates and apply only the effects of the foreseeable change in housing tenure and the increase in the over 65s, in 2038 the number of people in a situation of housing overburden will double.

## 2. The housing stock

### A stable housing stock in the city of Barcelona during the past year.

Until recently, the main data and methodologies employed to analyse the housing stock were derived from the censuses and annual updates performed by the Spanish Ministry of Public Works of the census data generated by the Spanish autonomous communities and provinces. Nonetheless, these sources are inadequate when it comes to quantifying the complete housing stock.



The Barcelona Metropolitan Housing Observatory is working to offset these deficiencies and as a result is in a position to provide data for the housing stock in the city of Barcelona for 2018 and 2019. In 2019 the city's housing stock consisted of 780,775 housing units, 0.2% more than in 2018 (779,159 units). We use this estimate of the city's total housing stock to analyse some of the characteristics of this stock such as the ownership structure.

**Barcelona: a fragmented property ownership structure dominated by natural persons as owners but with an increase in legal entities as owners.**

In our previous housing report we discussed the novel results of our analysis of the structure of housing ownership in the city of Barcelona as of 2018. Here, with data updated for 2019, the essential conclusions remain unchanged as no great changes occurred over the past year. The structure of ownership in the housing stock in Barcelona is still characterised by a predominance of private citizens – natural persons – as owners. That said, over the past year, of all the different type of owners legal entities grew the most and gained a more significant percentage of the stock.

The structure of ownership in the housing stock in Barcelona in 2019 can be summarised as follows:

- 658,006 housing units belonging to natural persons, which represent 84.3% of the city's total housing stock. Compared to the previous year, this represents a slight increase of 0.2%.
- 88,761 units owned by legal entities (11.4%). This is the category that grew the most (4.3%) with an increase in just a year of 3,692 units.
- 12,609 units owned by public administrations (1.6%), an increase of 241 units and a growth of 1.9%.
- 3,220 units owned by housing collectives (0.4%), an increase of 106 in 2019.
- 2,775 owned by non-profit entities (0.4%). This group of owners increased their number of properties by 60 units (2.2%) in the past year.

- 1,197 units owned by religious institutions (0.2%), a fall of 12 units over the past year.

**Energetic efficiency of the housing stock based on the award of energetic certificates.**

There has been an intense and sustained increase in the number of energy efficiency certificates awarded in the Barcelona metropolis, confirmed by the most recent figures from March 2020. This increase, furthermore, has occurred across the whole of the study area.

Almost all certificates are for used housing (99.5% in the 36 municipalities in the metropolitan area and 99.3% in the 311 municipalities in the province of Barcelona). Of these used housing units, almost a third (29.4% in the metropolitan area and 30% in the province of Barcelona) possess low energetic classifications (F or G).

### 3. Construction and rehabilitation

**Residential construction is at one of its optimum positions in the past decade.**

As is well known, after the most recent housing boom (1996–2007), the amount of residential construction crashed in the Barcelona metropolis and reached its lowest ebb in the years 2012 and 2013 (according to the region). Since then, based on site surveys performed, the construction of new housing units has increased every year. Despite this, in 2019 there was a moderate downturn in the city of Barcelona and a more severe one in the rest of the metropolitan area, although in the rest of the province the growth in constructed units continued unabated. However, it should be noted that in the case of the city of Barcelona the data corresponding to permissions granted indicates, contradictorily, a notable increase in activity.

- In the city of Barcelona site surveys were performed for 1,931 units in 2019, 12% fewer than the past year but still 291.7% more than in 2012, the year with the lowest figures for the decade. If we look at permits for new constructions, though, we see that 3,860 were

awarded in 2019, 27.8% more than in the previous year.

- In the remaining 35 municipalities in the Barcelona Metropolitan Area, site surveys were performed 4,126 units in 2019, 16.1% fewer than in the previous year but 684.4% more than in 2013, the lowest point in the data series.
- Overall in the 36 municipalities in the Barcelona Metropolitan Area, site surveys were performed for 6,057 units, 14.9% fewer than in the previous year but 395.3% more than in 2013.
- In the rest of the province of Barcelona site surveys were performed for 5,029 units in 2019, 16.2% more than in the previous year and 611.3% more than in 2013.
- Overall, thus, in the 311 municipalities in the whole of the province, site surveys were performed for 11,086 dwellings in 2019, 3.1% fewer than in the previous year but 474.4% more than in 2013.

#### **Rehabilitation in Barcelona based on figures for major building work.**

Unfortunately, there is a notable dearth of information regarding building rehabilitation carried out in the Barcelona metropolis. In the city of Barcelona, on the other hand, data on the major building work licences granted are made public by the City Council's Department of Statistics, which allows us to separate between new constructions and those that are just reforms and extensions. This information, nevertheless, is very general and does not allow us to draw any clear conclusions on the rehabilitation processes being carried out in the city.

Despite these limitations, the data indicate that in 2019 building licences were granted for 3,860 units, 27.8% more than in the previous year and the highest figure this decade. Of these new units, 2,946 (76.3%) are new constructions and 914 (23.7%) are reforms or extensions. The Barcelona Metropolitan Housing Observatory is working to compile similar information for the rest of the municipalities in the metropolitan area.

## **4. The housing market**

### **A slight decrease in transactions and a stabilisation of sale-purchase prices**

In 2019 there was a slight decrease in the number of sale-purchase operations in the metropolis reflecting a more general trend begun in the city of Barcelona in 2018 (in that year there was a more significant decrease) that in 2019 extended to other territorial areas. This deceleration came after a period of 5–6 years marked by continuous increases in the number of sale-purchase transactions.

- In the city of Barcelona 14,871 sale-purchase operations took place in 2019, 1.9% fewer than in the previous year.
- In the rest of the Barcelona Metropolitan Area 17,728 sale-purchase transactions were recorded, 3.3% fewer than in the previous year
- Overall, thus, in the whole of the Barcelona Metropolitan Area there were 32,158 sale-purchase operations, 2.6% fewer than in the previous year.
- In the rest of the province of Barcelona 27,318 sale-purchase operations were registered in 2019, 1.8% fewer than in the previous year.
- Overall in the province of Barcelona 59,476 sale-purchase operations were registered in 2019, 2.2% fewer than in the previous year.

In 2019, the average price of new dwellings continued to increase – albeit at a slower rate than in the previous year – to give 4–5 years of continued growth in prices.

In the city of Barcelona, in 2019 the average price of new housing was 4,675 €/m<sup>2</sup>, 5.9% more than in the previous year. The overall increase over the past five years is 50%.

- In the metropolitan area without Barcelona, the average price of new housing in 2019 was 2,812 €/m<sup>2</sup>, 8.8% more than in the previous year, which gives an accumulated increase of 36.5% over the past four years.

## Housing in the Barcelona metropolis

- In the whole metropolitan area, the average price of new housing in 2019 was 3,321 €/m<sup>2</sup>, 79% more than in the previous year, an accumulated increase of 31.5% over the past five years.
- In the province of Barcelona without the metropolitan area, the average price of new housing in 2019 was 1,989 €/m<sup>2</sup>, 12.1% more than in the previous year. This represents an accumulated increase of 45.9% over the past four years.
- In the whole of the province of Barcelona, the average price of new housing in 2019 was 2,632,9€/m<sup>2</sup>, 8.2% more than in the previous year. This represents an accumulated increase of 40.6% over the past five years.

Average prices also increased in the used housing market in 2019. The rate of growth was less than in the previous year, above all in the city of Barcelona, and also to a certain extent in the other territorial areas. Regardless, this means that there have been six consecutive years with price increases in the city of Barcelona and five in the rest of the territorial areas.

- In the city of Barcelona, the average price of used housing in 2019 was 4,058 €/m<sup>2</sup>, 2.8% more than in the previous year. This represents an accumulated increase over the past five years of 54.4%.
- In the metropolitan area without Barcelona, the average price of used housing in 2019 was 2,530,6 €/m<sup>2</sup>, 84% more than in the previous year, giving an accumulated increase over the past four years of 41.1%.
- In the whole metropolitan area, the average price of used housing in 2019 was 3,290.6 €/m<sup>2</sup>, 5.3% more than in the previous year, an accumulated increase over five years of 41.1%.
- In the province of Barcelona without the metropolitan area, the average price of used housing in 2019 was 1,870.2 €/m<sup>2</sup>, 8.9% more than in the previous year and an accumulated increase over four years of 36.5%.

- In the whole of the province of Barcelona, the average price of used housing in 2019 was 2,487,7 €/m<sup>2</sup>, 5.8% more than in the previous year, an accumulated increase over five years of 29.9%.

### **Profile of purchasers: the predominance of Spanish nationals remains constant.**

The profile of house purchasers in the Barcelona metropolis is characterised by a predominance of Spanish nationals, followed by legal entities and foreign nationals. In recent years, all three types of purchaser have increased in number but at different rates depending on the territorial area.

- In the city of Barcelona the relative percentage of all three types of purchaser did not change in 2019: Spanish nationals bought 8,988 dwellings, legal entities 2,368 and foreign nationals 2,053, a relative share of 67%-15.3%-17.7%. In 2014 this distribution was very similar: 67.2%-14.9%-17.9%.
- In the rest of the metropolitan area, the relative percentage of Spanish nationals in sale-purchase transactions was even higher than in the city of Barcelona, although other types of purchasers have gained ground in recent years. In 2019 Spanish nationals bought 11,959 properties, legal entities 2,142 and foreign nationals 1,415, a relative share of 77.1%-9.1%-13.8%, not dissimilar to the proportion in 2014 of 80.7%-8.6%-10.7%.
- In the rest of the province of Barcelona, the relative percentage of Spanish nationals is even higher. This is the only one of the studied territorial areas in which the percentage of this type of purchaser relative to legal entities increased in 2019. In 2019 Spanish nationals bought 20,151 dwellings, legal entities 3,724 and foreign nationals 1,679, with a relative share of 78.9%-6.6%-14.6%. In 2014 the distribution was 76.3%-6.1%-17.6%

### **A slight decrease in rental contracts.**

**In 2019 there was a slight decrease in the number of rental contracts signed throughout**

**the Barcelona metropolis.** In future reports we will analyse the data in an attempt to determine whether this decline indicates that a peak in the number of contracts signed has been reached or simply that there has been a temporary slowing down in the number of rental contracts signed, as occurred in 2015 and 2016. The most significant figures for 2019 are detailed below.

- In the city of Barcelona 51,294 rental contracts were signed, 4.2% fewer than in the previous year.
- In the rest of the metropolitan area, 28,637 contracts were signed, 3.0% fewer than in the previous year.
- In the whole of the Barcelona Metropolitan Area, 79,931 contracts were signed, 3.7% fewer than in the previous year.
- In the rest of the province, 43,879 contracts were signed, 3.4% fewer than in the previous year.
- In the whole of the province of Barcelona, 123,810 contracts were signed, 3.6% fewer than in the previous year.

#### **Moderation in the rate of growth of rental prices.**

In 2019 average rental prices continued to grow throughout the whole Barcelona metropolis, albeit at a somewhat slower rate than in the previous year. **Thus, there have been two consecutive years with more moderate increases in rental prices, which could indicate that the inflationary trend in rental prices is coming to an end. Nevertheless, the balance of six consecutive years of price increases still leaves average rents throughout practically the whole of the study area at their highest since data have been available.**

- In the city of Barcelona, the average rent in 2019 was 978.81 €/month, 5.3% more than in the previous year, an accumulated increase of 37.5% since 2014.
- In the rest of the metropolitan area, the average rent in 2019 was 772.9 €/month, 5.1% more

than in the previous year, an accumulated increase of 29.8% since its lowest point in 2014.

- In the whole of the Barcelona Metropolitan Area, the average rent in 2019 was 905.0 €/month, 5.2% more than in the previous year, an accumulated increase of 35.4% since 2014.
- In the rest of the province, the average rent in 2019 was 639.0 €/month, 6.2% more than in the previous year, an accumulated increase of 28.4% since 2014.
- Finally, in the whole of the province of Barcelona, the average rent in 2019 was 810.7 €/month, 5.5% more than the price in the previous year. This represents an accumulated growth of 33.8% since its lowest point in 2014.

## 5. Problems with permanence and access to housing

### **The gap between household income and housing prices continues to widen.**

Ever since 2000, average rental prices have increased more during inflationary periods than they have fallen during price recessions, which means that in the long term prices tend to increase. Moreover, this increase in average rents is far greater than the corresponding increase in household income.

- In the city of Barcelona, whilst the average household income increased by 2.7% in 2018 and 2019, average housing prices grew by 5.9%, 2.8% and 5.3% in new and used sale-purchase operations and rental contracts, respectively. Thus, for the years 2000–2019, whilst the average income of the inhabitants of Barcelona increased by 66.9%, the average price of new and used sale-purchase operations and rental contracts increased, respectively, by 162.2%, 151.5% and 139.7%, that is, 2.4-, 2.3- and 2.1-fold increase.

## Housing in the Barcelona metropolis

- Far from being a phenomenon limited to the city of Barcelona, this trend is replicated throughout Catalonia. Thus, although the average personal income in Catalonia in 2018–2019 increased by 2.8%, the average price of new and used housing and rents increased proportionally much more: 9.9%, 5.0% and 5.3%, respectively. In 2000–2019, personal income grew by 55%, whilst there was a rise of 140.2%, 103.7% and 102% in the average price of new and used housing, and rents, respectively. In other words, the prices of new and used housing, and rents, have risen, respectively, 2.5, 1.9 and 1.9 times more than the rise in the personal income of the inhabitants of Catalonia.

If we analyse these trends from the standpoint of housing as an investment, the figures demonstrate – as is known by those who work in this field – that investment in housing is, to a greater or lesser degree, profitable in the long term. If, however, we view housing as a basic need, these data highlight an issue that is probably one of the main problems in our residential system today: the continual widening of the gap between average incomes and the average price of housing.

### **Difficulties in accessing housing: a metropolitan problem**

The growing gap between income and average housing prices is reflected in the efforts that households have to make to enter the housing market.

- In the Barcelona Metropolitan Area in 2019, a household with an average annual gross income of €48,859 could afford an average-priced dwelling without exceeding the 30% household income threshold. In the case of new housing, this average household would have to spend 27.6% of its income, 23.7% in the case of used housing or 21.2% to rent.
- However, if we take as a reference a household with an average annual income of €35,000 we see that new housing would be beyond its possibilities as it would have to spend 38.5% of its income. Likewise, to purchase used housing

it would have to exceed the 30% threshold and spend 33.1% of its income or 31% on rent.

- Finally, a household with an annual income of €25,000 would have to spend 53.9% of this income on new housing, 46.4% on used housing or 43.4% on rent.

At a territorial scale (i.e. in terms of the different municipalities in the metropolitan area and districts of the city of Barcelona), this situation is far more complex as, for example, the case of rented accommodation shows.

- A household with an annual income of €35,000 could afford to rent average-priced accommodation in three of the 10 districts in the city of Barcelona and in 30 of the 35 municipalities in the rest of the Barcelona Metropolitan Area without having to devote over 30% of its income to paying rent.
- Conversely, a household with an annual income of €25,000 could not afford to rent in any district in the city of Barcelona and in only two of the 35 municipalities in the rest of the Barcelona Metropolitan Area.

Nevertheless, the great variety present in the effort required to access housing applies not only to income and differences in average prices at municipal and district levels but also to each different territorial area where housing is valued at below average-market prices in certain areas. This means that the theoretical effort required to access housing may be less in some cases. The Barcelona Metropolitan Housing Observatory team will be able to carry out a full analysis when all the data on sale-purchase transactions and rental contracts is available and organised according to different price bands.

### **Overburden in housing costs**

The housing overburden rate indicates the percentage of the population that live in households that have to spend over 40% of their income on housing costs (mortgage or rent, and utility bills). In the Barcelona metropolis, this rate is much higher in households paying rent than in owner-occupied housing. The overburden rates in the metropolitan

## Housing in the Barcelona metropolis

area in general are similar in all different types of tenure to their counterparts in the city of Barcelona.

- In Barcelona in 2017–2018 the average housing overburden rate was 17.4% but was 35.2% for rental households (39.6% for those renting at market prices). However, for households paying mortgages the rate drops to 14.3% and for those with no mortgage (i.e. the dwelling fully paid for and with just household bills to meet) is only 1.7%.
- In the rest of the Barcelona Metropolitan Area, in 2017–2018, the average housing overburden rate was 14%. However, once again, the rate was higher for renters and reached 36.8% (37.7% for those renting at market prices). The rate for mortgage payers was 14.3% and just 1.8% for those with fully paid-for mortgages.

### **Evictions: a slow but steady decrease dominated by rent-related cases.**

Despite the continuous fall in the number of evictions carried out (as reflected in the statistics provided by the General Council of the Spanish

Judiciary), the figures for 2019 are still high: 2,125 in Barcelona, 2,067 in the rest of the metropolitan area and 4,232 in the rest of the province. The province of Barcelona without the metropolitan area is where the number of evictions has fallen least and where the number of evictions is most significant. In general, most evictions are practiced on rental property, above all in the city of Barcelona where they represent 80.6% of all evictions. In the rest of the study area around 66% of all evictions were rent-related.

# O — References

Fundación Foessa. (2019). Exclusión Estructural e Integración Social. Fundación FOESSA y Cáritas.

Ministerio de Fomento. (2013). Estimación del Parque de Viviendas. Metodología. Ministerio de Fomento.

Observatori Metropolità de l'Habitatge de Barcelona. (2018). L'habitatge a la metròpoli de Barcelona. 2017. O-HB.

Observatori Metropolità de l'Habitatge de Barcelona. (2019). L'habitatge a la metròpoli de Barcelona 2018. O-HB.

Observatori Metropolità de l'Habitatge de Barcelona. (2020). Estructura i concentració de la propietat d'habitatge a la ciutat de Barcelona. 2019. O-HB.

Observatori Metropolità de l'Habitatge de Barcelona i Centre d'Estudis Demogràfics. (2019). Envelliment i habitatge. La dimensió econòmica i socioassistencial de l'autonomia residencial de les persones grans: perspectives de futur a l'àmbit metropolità. O-HB.

Serracant, P. (Ed.). (2018). Enquesta a la joventut de Catalunya 2017. Volum 1. Transicions juvenils. Generalitat de Catalunya. Departament de Treball, Afers Socials i Famílies.





**O-HB**

**Observatori  
Metropolità  
de l'Habitatge  
de Barcelona**