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Housing in the Barcelona Metropolitan Area in 2021. Between COVID- 19 and the inflationary crisis

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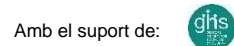
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Executive summary

The increase in purchase-sale transactions in 2021 and the slowing down in the first quarter of 2022

In 2021 there was a notable increase in the number of purchase-sale transactions of dwellings in the Barcelona metropolis. In the City of Barcelona, 16,526 such operations were registered in 2021 (46.9% more than the previous year), while in the rest of the Barcelona Metropolitan Area there were 18,554 registered operations (27.8% more) and, finally, in the rest of the province of Barcelona, 32,150 (39.4% more). Thus, overall, the number of such operations carried out in the whole province not only exceeded pre-COVID levels but also reached the highest figure for the last 15 years (66,355 in 2007).

However, in the first quarter of 2022 there was a fall in the number of transactions in the City of Barcelona, while in the rest of the Barcelona Metropolitan Area figures were relatively constant. There were also appreciable falls in operations in the rest of the province. Nevertheless, in inter-annual terms the trend is still positive and if a comparison is made with the first quarter of 2019 – that is, obviating the effects of the COVID-19 pandemic – then the number of transactions in the first quarter of 2022 was still on the increase.

In terms of demand, it is important to highlight the fact that in 2021 most purchasers in the Barcelona metropolis were Spanish nationals (71.6% in Barcelona, 82.7% in the BMA excluding Barcelona and 83.7% in the rest of the province), whilst the contribution of legal entities (14.2% in Barcelona, 8.2% in the rest of the BMA, 9.2% in the rest of the province) and foreign nationals (14.2% in Barcelona, 8.2% in the rest of the BMA, 9.2% in the rest of the province) was far less important.

The average price of purchase-sale transactions of used properties were relatively stable in 2021 but increased in the first quarter of 2022.

The average price of purchase-sale transactions of used properties (numerically the commonest operation) in the City of Barcelona increased slightly by 0.4% to reach 4,084,1 €/m². In the rest of the Barcelona Metropolitan Area and province there was a moderate increase by 2.1 and 2.7%, which situated average prices at 2,662.3 €/m² and 1,978.6 €/m², respectively.

The average price of purchase-sale transactions of new dwellings in the City of Barcelona fell by 11.8% in 2021 to 4,365.8 €/m². Conversely, in the rest of the Metropolitan Area there was an increase of 3.1% to an average price of 3,187 €/m², and in the rest of the province an increase of 7.4% to an average price of 2,177.8 €/m².

The most recent data available (first quarter of 2022) indicate that the average price of a purchase-sale transaction of a used dwelling has increased significantly, above all in the City of Barcelona. The evolution of this data should be studied closely in the coming quarters to see whether this upwards trend continues or a downturn occurs in a context, it should be recalled, of great geopolitical uncertainty in Europe and high inflation rates, with more interest rate increases on the horizon.

Growth in the demand for rentals, and the fall in the rental properties on offer in 2021 but stabilisation in the first quarter of 2022

In 2021 the demand for rental accommodation increased at the same time as the number of available rental properties fell to pre-pandemic levels. This increase in demand led to a rise in the number of contracts signed, as data on the deposits placed with INCASOL show. In 2021, 57,158 new contracts were signed in the City of Barcelona, 41.4% more than in 2020, a year marked by the pandemic and restrictions on movements. In the rest of the Barcelona Metropolitan Area a total of 28,503 deposits were placed, 18.6% more than in the previous year. Finally, in the rest of the province, 42,720 deposits were placed, an increase of 12.9% over the previous year.

The most recent data (first quarter of 2022) show that the number of available rental properties has stabilised, which could suggest that the fluctuations provoked by the pandemic and its aftermath are ending.

It is worth noting that during the time the so-called Rent Control Law was in force in Catalonia (September 2020 – April 2022) there was no fall in the number of rental contracts.

The fall in the average price of rents in 2021 and the increase in the first quarter of 2022

In terms of prices, in 2021 there was an increase in the average price of rental accommodation in the City of Barcelona and the rest of the Metropolitan Area, whilst in the rest of the province prices remained relatively stable. Nevertheless, the average price renters are willing to pay did not increase in 2021 in either the City of Barcelona or the rest of the Metropolitan Area.

Finally, the average price of signed rental contracts fell notably in 2021, above all in the City of Barcelona. The average price dropped to 918.8 €, 4.8% lower than in the previous year. In the rest of the Metropolitan Area, the price dropped to 774.1 € (2.6% lower) and in the rest of the province to 634.4 € (2.3% lower) in 2021.

However, during the first quarter of 2022 there was an increase in the average rental price throughout, rising to 965.4 € in the City of Barcelona, an increase of 6.6% compared to the same quarter in the previous year. The respective increases were 778 € (2.4% interannual increase) in the rest of the Metropolitan Area and 648.1% (2.7% interannual increase) in the rest of the province.

The increasing separation between household incomes and average housing costs slowed down in 2021

In 2021 the separation between household incomes and average housing costs slowed a little. Thus, whilst the average income rose slightly by 2.3% (following the overall trend in economic activities), the average price of rents and purchase-sale transactions of new dwellings fell in both Catalonia and the City of Barcelona, as seen above. Used housing prices increased in line with the rise in incomes.

Despite this overall improvement, the tendency over the past two decades is very different as housing costs have become increasingly distanced from the prices households can afford to pay. Thus, in 2000–2021 the average personal income in the City of Barcelona rose by 60.7% whilst the average price of a purchase-sale transactions of new dwellings increased by 145.1% (a 2.4-fold increase), used dwellings by 153.1% (2.5-fold increase) and rents by 125.1% (2.1-fold increase). This trend is not limited to the capital and is mirrored in the rest of Catalonia: whilst the average personal income in Catalonia rose by 49.6%, the average price of a new dwelling rose

by 154.8% (3.1-fold increase), used dwellings by 108.8% (2.2-fold increase) and rents by 98.9% (2-fold increase).

Difficulties in finding housing: a metropolitan problem

Currently, and in the absence of any financial support, almost half of the households headed by young people (18–34 years old) in the Barcelona metropolis (45.3%) can only afford an average-priced home in half of the province's municipalities and are excluded from the other half. This means that in 115 of the 243 municipalities in the province of Barcelona for which data is available for average rents, as well as in the 10 districts of the City of Barcelona, a household with an annual income of 25,000 € is excluded from the housing market as it would have to pay over 30% of its income on a dwelling with an average-priced rent.

Residential exclusion: the number of legal evictions falls but the number of housing emergencies rises

The evictions carried out as a result of non-compliance with the Urban Rental Law (URL) represent the majority of evictions in Catalonia and 80% of all evictions in the province of Barcelona.

Between the first quarters of 2013 and 2022 there has been a fall in the number of court-ordered evictions, from 3,322 in 2013 to 1,684 in 2021.

In 2021, the number of cases referred to the emergency housing boards reflects a rise in the number of serious cases of residential exclusion. Despite not reaching the levels of 2021, given the current grave inflation crisis the effects of evictions on lower-income households will be notable.

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Introduction

Residential systems are heavily influenced by external factors that are not strictly related to housing. Thus, 2020, as was highlighted in the previous annual report, was the COVID-19 year, with all its attendant health, economic and social repercussions. It was also the year in which to help cope with the social impact of the crisis various extraordinary measures were unfurled in a number of different spheres including housing, while public spending programmes at various different administrative levels were increased to offset the social consequences of the pandemic (Sender et al., 2021).

In macro-economic terms, 2021 was the year in which the COVID-19 economic crisis began to abate but also saw the beginning of a highly significant inflationary trend (European Commission, 2022).

In 2021 the Catalan GDP grew by 5.8% without reaching the pre-COVID levels of 2019. As reported in numerous studies, the effects of the pandemic were clearly noted in the global economy's supply chains, which are still suffering the consequences. This fact, along with the speculative nature of international markets, has led to a significant rise in prices in general and in certain construction materials in particular. For example, whilst the price of concrete did not alter significantly in 2021, those of steel and copper increased by 40–50% and wood by 20–30% (Fontana, 2022).

To this inflationary crisis (which largely affected supplies), it is necessary to add more recently the effects of the Russian invasion of Ukraine on 24 February 2022 on energy and other prices. Overall, at the end of 2021, the index of consumer prices in Catalonia rose by 6.1%

Logically, these price rises have altered the monetary policies of the European Central Bank, with an increase in interest rates on the horizon, and has led rapidly to a change in the reference rates on mortgages. As discussed below, in 2021 this incipient change in monetary policies, which continued in 2022, did not lead to any substantial slowing down of the market, which is still in general terms going through a period of economic recovery.

All these overriding dynamics combine to exert pressure on the more limited sphere of housing, which, nevertheless, has a longer-term, more inherent problem that has been characterised as a global crisis in access to housing (Gabriel & Painter, 2020; Housing Europe Observatory, 2022). This has had serious consequences on the price households have to pay to find proper housing, which, in the final analysis and in combination with other factors, is leading to an increase in and diversification of situations of residential exclusion.

These are thus the main factors to be taken into account when analysing the evolution of the residential system in the Barcelona metropolis in 2021, which is the aim of this work. After this introduction, this document has three further chapters leading to a series of conclusions. The first chapter describes the main indicators used to analyse the housing market, both purchase-sale transactions and rental agreements. It is important to remember that, apart from indicators from other sources, this chapter is based on indicators of rental supply and demand generated by the Barcelona Metropolitan Housing Observatory (BMHO). The second chapter analyses the evolution of the crisis of access to housing in the Barcelona metropolis using a historical data series covering 22 years, which provides an excellent overview of the problem. The third chapter looks at some of the main social consequences of this crisis of access via an analysis of residential exclusion and the ever-increasing role this process plays in social exclusion, and the issues surrounding forced evictions and emergency housing entities. The final chapter includes a number of conclusions that sum up the main tendencies analysed in this work.



Before entering into the body of this study, it is worth briefly describing the three territorial levels used in order to situate those less familiar with this region (Appendix 1): (1) the municipality of the City of Barcelona, (2) the Barcelona Metropolitan Area (BMA) covering 36 municipalities (Barcelona + 35 others), and (3) the province of Barcelona, consisting of 311 municipalities (BMA + 275 surrounding municipalities). In this work, these three regions together constitute the Barcelona metropolis. As well, in some places in this work detailed data are given that refer to the 10 districts of the City of Barcelona.



○ 1. The housing market



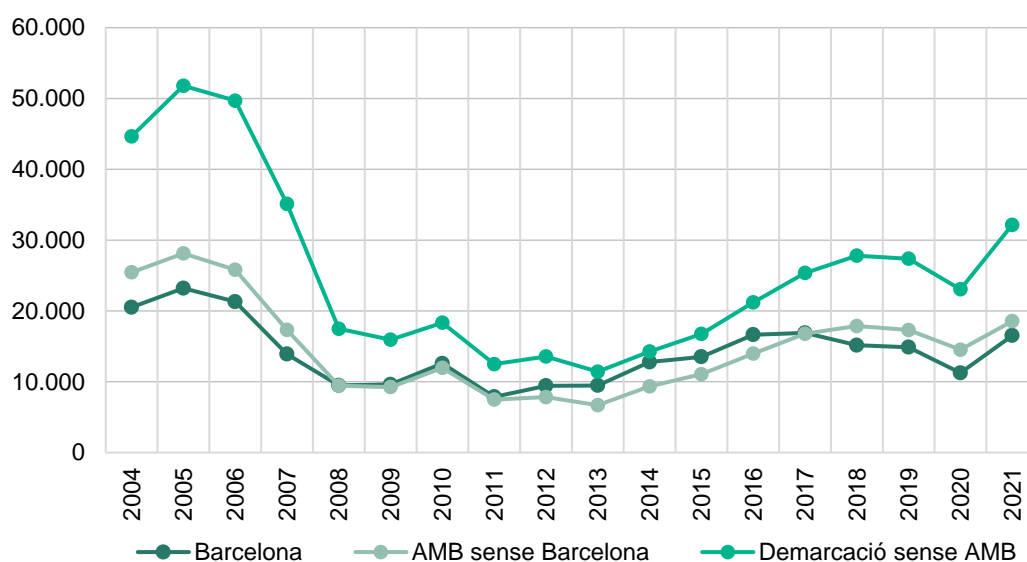
The post-pandemic transition and the onset of the inflationary crisis in 2021 have both greatly affected the evolution of the housing market and led to a long cycle of price increases (European Commission, 2022). Given this context, in both the Barcelona metropolis and Catalonia in general in September 2020 – April 2022 a system aimed at regulating the price of rents, as we discuss below, came into operation. This first chapter thus examines the main indicators that permit us analyse the evolution of both the rental and purchase-sale markets in the Barcelona metropolis. As well, exceptionally, we look at how some of these indicators are behaving in the first quarter of 2022.

1.1. The increase in purchase-sale transactions but with relatively stable average prices

Purchase-sale transactions

After the abovementioned fall in 2020, provoked by the COVID-19 crisis, **in 2021 there was a notable increase in purchase-sale transactions in the Barcelona metropolis**. Indeed, the pandemic halted many people's decisions to buy or sell and gave rise to changes in residential preferences, whose knock-on effect was noted in 2021 in the context of the recovery in employment figures and economic growth. This evolution in the demand for housing, along with improved financial conditions in the first quarters of 2021, are the main factors explaining the growth in purchase-sale transactions, as has occurred in other neighbouring regions (Rodríguez-López, 2022).

Figure 1.1. Housing purchase-sale transactions in the Barcelona metropolis 2004-2021 by territory.



Source: Ministry of Transport, Mobility and Urban Agenda, using data from the General Council of Public Notaries.
Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

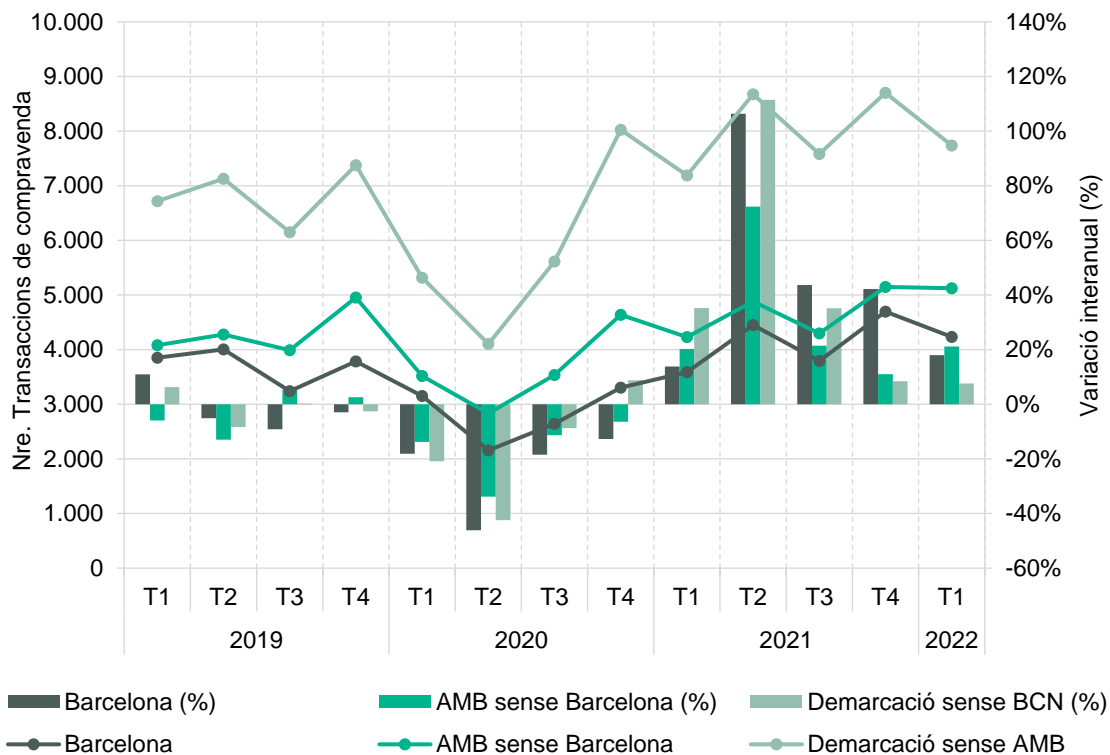
Thus, 16,526 operations were registered in 2021 (46.9% more than in the previous year), 18,554 (27.8% more) in the Barcelona Metropolitan Area and 32,150 (39.4% more) in the rest of the province (Fig. 1). Overall, there were 67,230 housing purchase-sale transactions in the province of Barcelona, 37.7% more than the previous year. The number of operations carried out



throughout the province, therefore, not only exceeded pre-COVID levels but reached its highest level for the past 15 years (66,355 in 2007).

During the first quarter of 2022 there was a decline in the number of transactions in the City of Barcelona whilst the number in the rest of the Barcelona Metropolitan Area remained fairly stable (Fig. 1.2). There were also significant falls in the rest of the province. Nevertheless, the interannual trend is still one of growth and, if we compare with the first quarter of 2019, that is, obviating the effects of the COVID-19 pandemic, the number of transactions during the first quarter of 2022 was above average. These data from the beginning of 2022 show no sign of any slowing down of the market despite the context of the high inflation and the possible increase in interest rates.

Figure 1.2. Purchase-sale transactions in Barcelona metropolis 1st quarter 2019–1st quarter 2022 by territory.



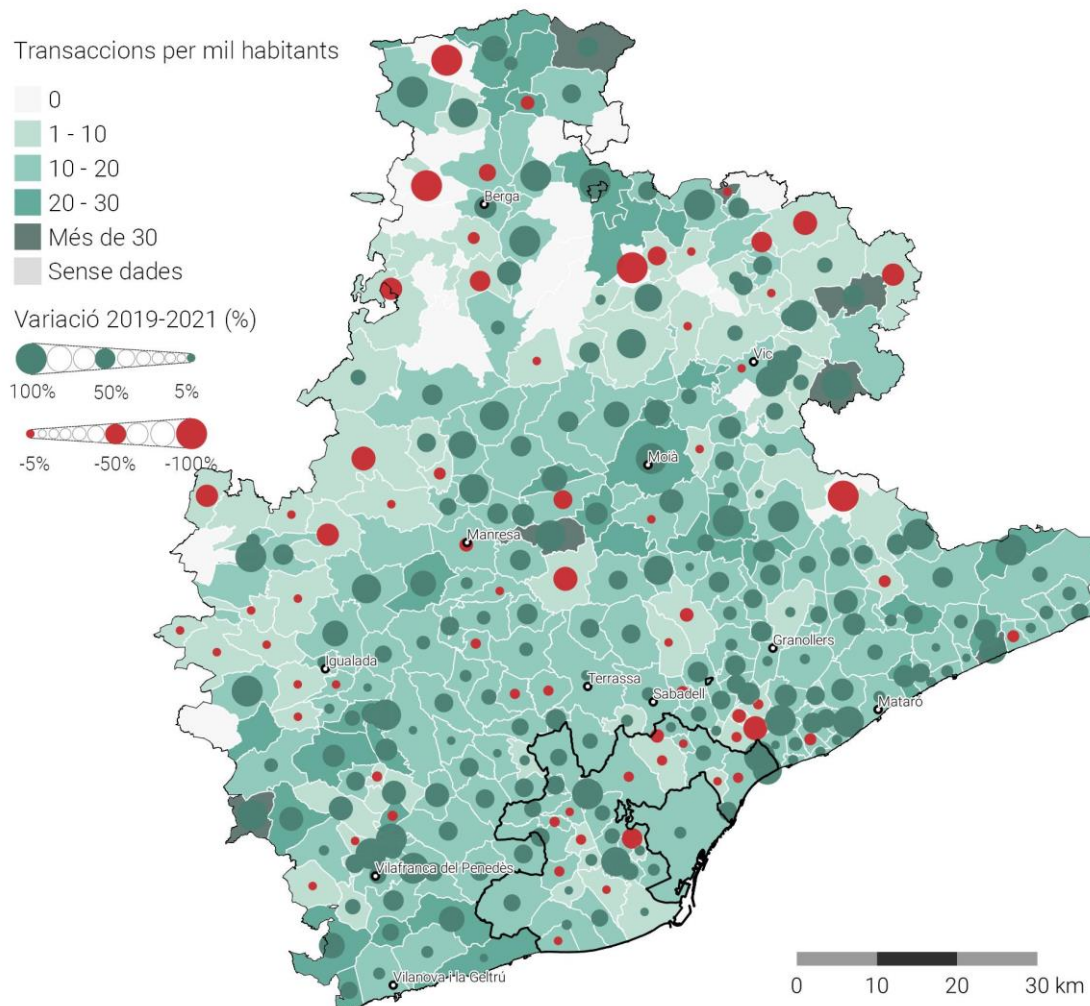
Source: Ministry of Transport, Mobility and Urban Agenda, using data from the General Council of Public Notaries.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

If we study the data in more detail on a territorial basis, the three municipalities with most such transactions in 2021 were Barcelona (16,526), L'Hospitalet de Llobregat (3,335) and Badalona (2,292); and in the rest of the province, Terrassa (3,134), Sabadell (2,800) and Mataró (1,559) (Fig. 1.3). By contrast, an analysis in terms of population size shows that Tiana, El Papiol and Montgat are the municipalities with the most transactions per 1,000 inhabitants in the Barcelona Metropolitan Area (24.9, 19.1 and 16.5), respectively, whilst in the rest of the province other municipalities with significant number of transactions include Tavertet, Sant Sadurn d'Osona and Talamanca (70.8; 52.6 and 45, respectively).



Figure 1.3. Purchase-sale transactions per 1,000 inhabitants. Municipalities in the province of Barcelona 2021 and variation 2019–2021.



Source: *Ministry of Transport, Mobility and Urban Agenda*, using data from the *General Council of Public Notaries* and the *National Statistical Institute*, from the 2021 population census.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

The increase in the number of transactions in 2021 in the province of Barcelona occurred in both new (6,480 transactions, 15.2% rise) and used (60,750, 40.6% rise) housing (Table 1.1). Nevertheless, it was above all the latter sector that stimulated the market, with a quota of 93.7% in Barcelona, 86% in the rest of Barcelona Metropolitan Area and 91.2% in the rest of the province.

In terms of demand, it is important to note that in 2021 the typical profile of a house buyer in the Barcelona metropolis was that of a Spanish national (Fig. 1.4) and that legal entities and foreign nationals were much less active in the market. This has been the pattern in recent years ever since data have been available and accentuated in 2021.

Taule 1.1. Purchase-sale transactions of new and used dwellings 2019–2021 by territories.

Barcelona



	2019		2020		2021	
New	741	5%	767	6.8%	1,039	6.3%
Used	14,139	95%	10,486	93.2%	15,487	93.7%
Total	14,880	100%	11,253	100%	16,526	100%

BMA without Barcelona						
	2019		2020		2021	
New	2,353	13.6%	2,803	19.3%	2,606	14%
Used	14,947	86.4%	11,720	80.7%	15,948	86%
Total	17,300	100%	14,523	100%	18,554	100%

Total BMA						
	2019		2020		2021	
New	3,094	9.6%	3,570	13.9%	3,645	10.4%
Used	29,086	90.4%	22,206	86.1%	31,435	89.6%
Total	32,180	100%	25,776	100%	35,080	100%

Province without BMA						
	2019		2020		2021	
New	1,923	7.0%	2,057	8.9%	2,835	8.8%
Used	25,451	93%	20,999	91.1%	29,315	91.2%
Total	27,374	100%	23,056	100%	32,150	100%

Total province of Barcelona						
	2019		2020		2021	
New	5,017	8.4%	5,627	11.5%	6,480	9.6%
Used	54,537	91.6%	43,205	88.5%	60,750	90.4%
Total	59,554	100%	48,832	100%	67,230	100%

Source: *Ministry of Transport, Mobility and Urban Agenda*, using data from the *General Council of Public Notaries*.
 Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

In the province of Barcelona, 45,928 dwellings were purchased by Spanish nationals, a total that exceeded the 41,098 in 2019, the year before the COVID-19 pandemic. On the other hand, 4,950 dwellings were bought by foreign nationals, fewer than in 2019 when 5,147 were bought. Finally, the drop in legal entities purchasing has been even more significant, as the 6,183 purchases by these type of entities in 2021 are relatively distant from the 8,234 bought two years before.

Figure 1.4. Purchase-sale transactions in the Barcelona metropolis by type of purchaser 2014-2021 by territory.



Source: Secretariat of Housing and Social Inclusion, using data from the Catalan Association of Land Registrars.
 Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

These figures show that the weight of the type of purchaser varied between 2019 and 2021; the number of Spanish nationals increased from a 75.4% share of dwellings bought to 80.5%, while the percentage of foreign nationals fell from 9.4% to 8.7%. Finally, the number of legal entities purchasing dropped from 15.1% to 10.1% as a total of all purchases.

By territory, (Fig. 1.4), the preponderance of Spanish nationals as purchasers has not changed even if their distribution is different. In the City of Barcelona Spanish nationals now represent a smaller percentage of purchasers (71.6% in 2021) **than in the rest of the territory** (82.7% in the BMA without Barcelona, 83.7% in the rest of the province) but still signify the largest proportion of buyers. Conversely, the weight of foreign purchasers (14.2% in Barcelona, 8,2% in the rest of the BMA, 9.2% in the rest of the province) and of legal entities (14.2%, 6.2% and 10.1%) is greater in the City of Barcelona than in the other territorial areas.

Despite these differences, the evolution in 2019–2021 is similar in all territories, as in the City of Barcelona, the rest of the BMA and the rest of the province the number of dwellings acquired by Spanish nationals increased, while the number purchased by foreign nationals fell slightly and the number bought by legal entities dropped considerably.

Household savings, combined with current uncertainties and favourable financial conditions, as mentioned above, are two of the main factors explaining the increase in demand by natural persons in 2021. Yet, some of these factors will have had a different effect on demand when analysed for other groups of purchasers. These data will have to be monitored, above all in light of the new uncertainties provoked by the abovementioned rise in inflation and increase in interest rates.

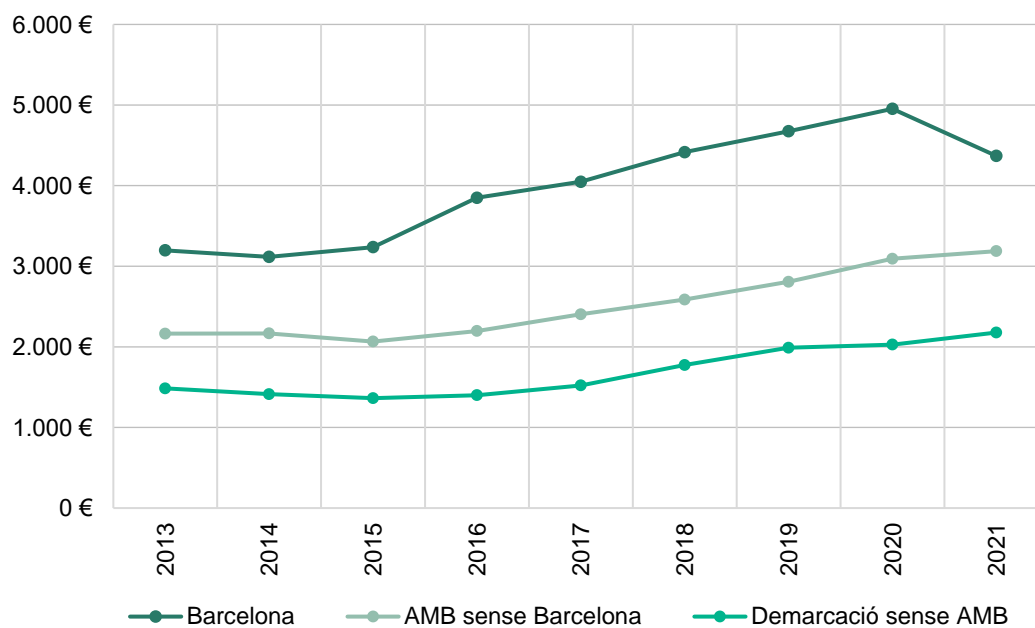
Average purchase-sale prices

In terms of prices, it is important to differentiate between the purchase of new and used dwellings. In the former the data have to be interpreted bearing in mind that the market quota is, as mentioned above, relatively small and so any fluctuations that occur therein are more likely to be related to the specific characteristics of the housing purchased rather than to any generalised trend. That said, the **average price of new dwellings in the City of Barcelona fell by 11.8% in 2021 to 4,365.8 €/m²** (Fig. 1.5). **By contrast, in the rest of the BMA there was a rise of 3.1% in prices that left the average prices at 3,187 €/m², and in the rest of the province a rise of 7.4% to an average price of 2,177,8 €/m².**

The evolution of the prices of used dwellings was similar to the trends noted in 2020 (Fig. 6). Thus, in the City of Barcelona there was a small rise of 0.4% in the average price to 4,084.1 €/m². In the rest of the BMA and the province there were modest price rises of 2.1% and 2.7%, respectively, to give average prices of 2,662.3 €/m² and 1,978.6 €/m².

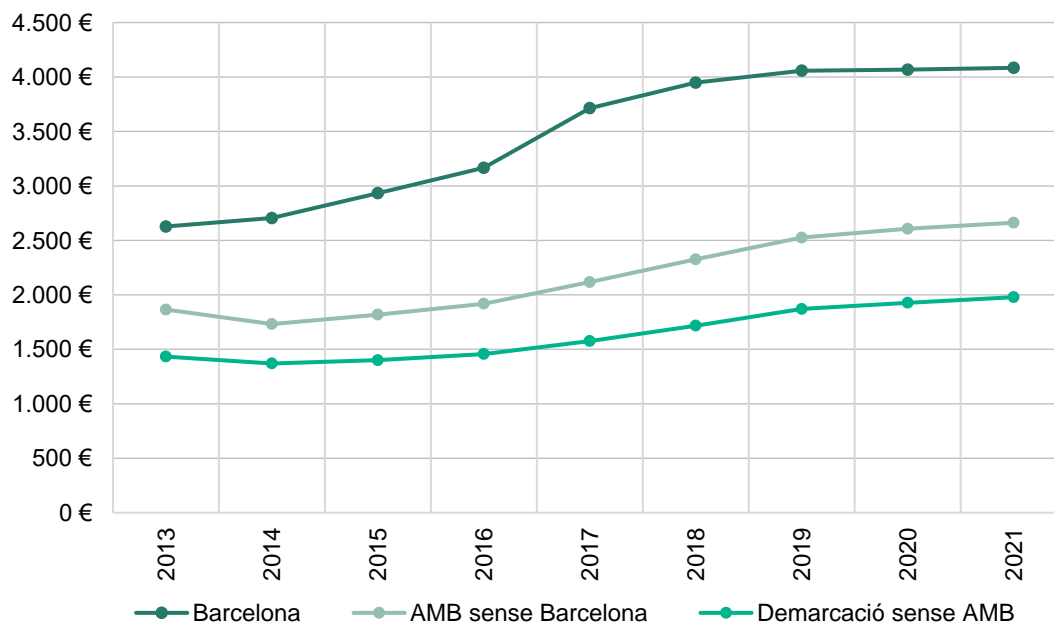
It is still important to bear in mind that inflation in 2021 was higher (the index of consumer prices in Catalonia rose by 6.1%), so in real terms prices in fact stabilised and even dropped in the case of the average prices of purchase-sale transactions of used dwellings.

Figure 1.5. Average price of new dwellings in the Barcelona metropolis (€/m² built) 2014–2021 by territory.



Source: Secretariat of Housing and Social Inclusion, using data from the Catalan Association of Land Registrars. Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

Figure 1.6 Average price of used dwellings in the Barcelona metropolis (€/m² built) 2014–2021 by territory.



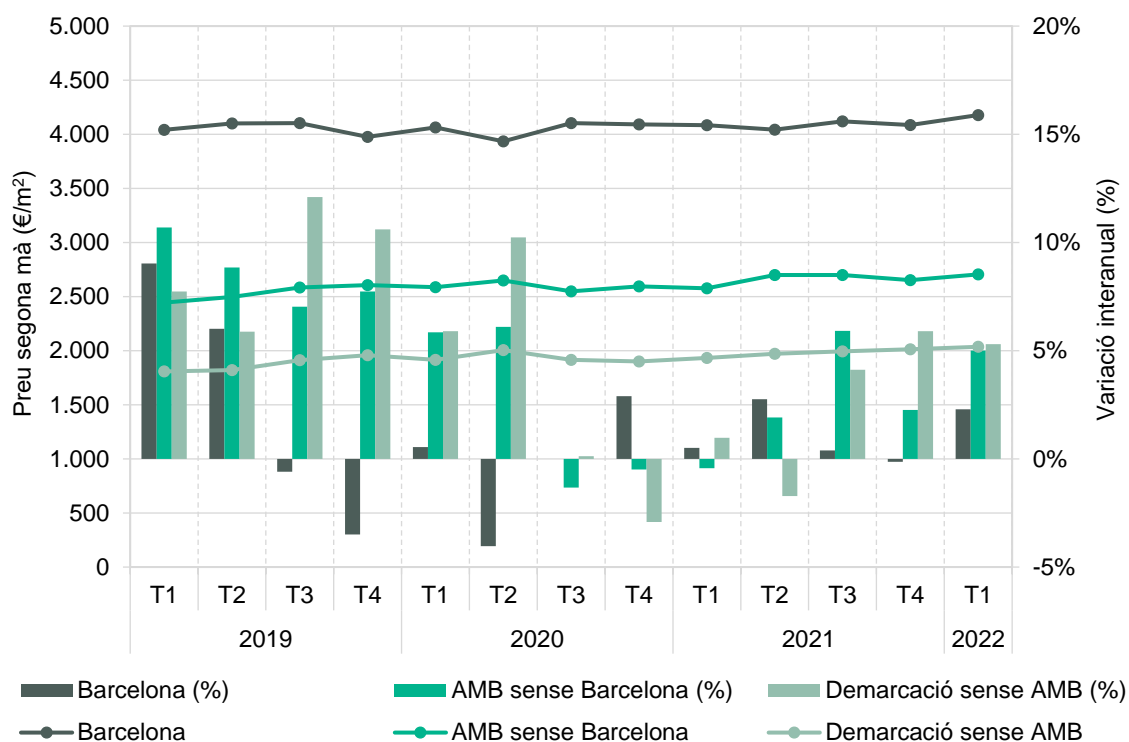
Source: Secretariat of Housing and Social Inclusion, using data from the Catalan Association of Land Registrars. Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

The data from the first quarter of 2022 show that the average price of a used dwelling has begun to rise quite steeply, above all in the City of Barcelona (Fig. 1.7). The evolution of these data should be monitored over the coming quarters to check whether the upwards trend continues or, conversely, prices begin to fall due to the uncertainty regarding the European geopolitical context,



the high inflation rate and the forthcoming rise in interest rates (Housing Europe Observatory, 2022).

Figure 1.7. Average price of used dwellings in the Barcelona metropolis (€/m² built). 1st quarter 2019–1st quarter 2022. By territory.



Source: Secretariat of Housing and Social Inclusion, using data from the Catalan Association of Land Registrars.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

A more detailed analysis reveals that in 2021 in the whole Barcelona Metropolitan Area used dwellings were most expensive in the districts of Sarrià-Sant Gervasi (5,989 €/m²), Les Corts (4,698 €/m²) and L'Eixample (4,611 €/m²) (Fig. 1.8), whilst in the rest of the province the most expensive housing was in Sitges (4,244 €/m²), Alella (3,419 €/m²) and Vilassar de Mar (3,231 €/m²).

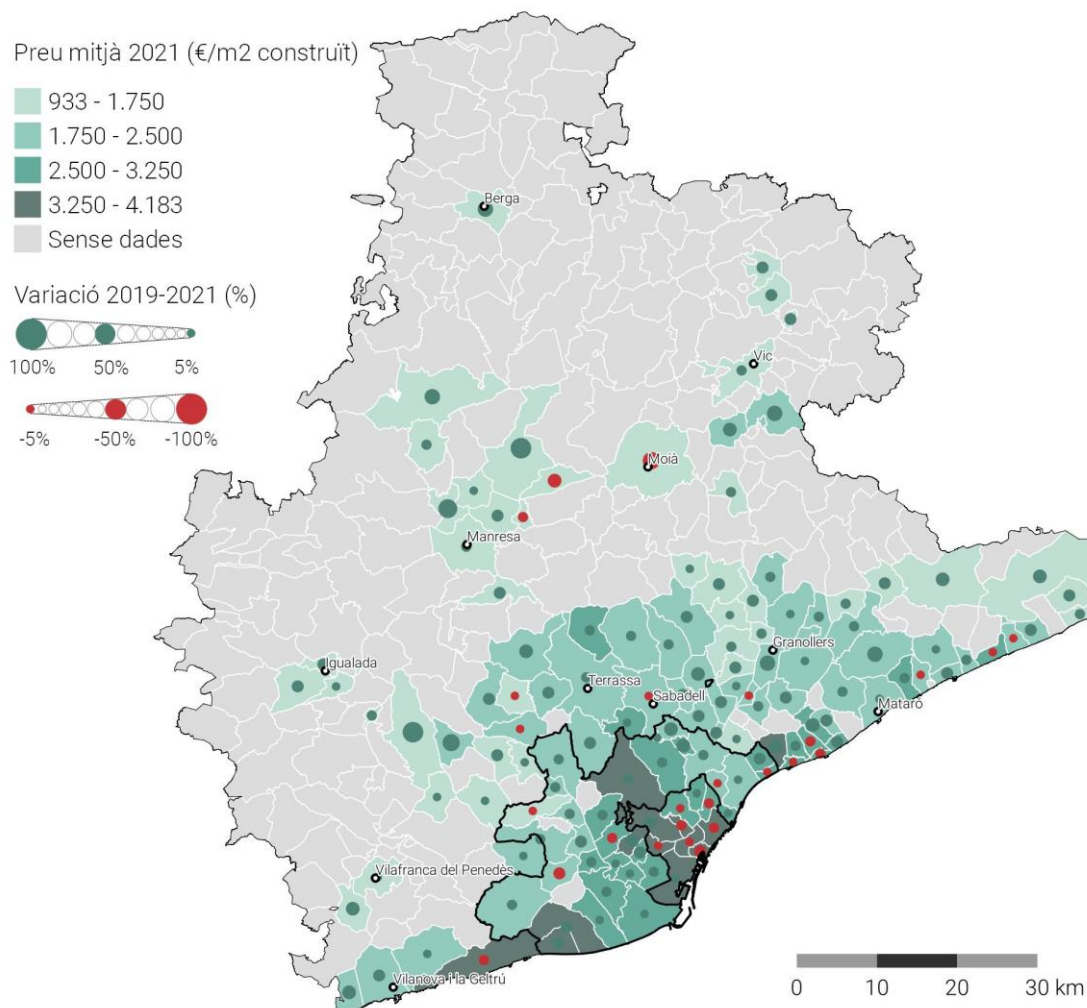
At the other end of the scale, the areas with the lowest prices in 2021 were Badia del Vallès (1,437 €/m²), Corbera de Llobregat (1,675 €/m²) and Torrelles de Llobregat (1,847 €/m²) in the Barcelona Metropolitan Area, and Santa Margarida de Montbui (933 €/m²), Manlleu (940 €/m²) and Vilanova del Camí (996 €/m²) in the rest of the province.

If we examine the evolution of the average prices of used dwellings in 2019 (pre-COVID) and 2021, the highest rises in the Barcelona Metropolitan Area were in Ripollet (19%), Barberà del Vallès (15.2%) and Sant Just Desvern (15.1%), and in the rest of the province in Sallent (46%), Piera (41.8%) and Sant Joan de Vilatorrada (32.6%).

Conversely, the biggest falls in average prices in the Barcelona Metropolitan Area in this period were in Torrelles de Llobregat (-12.2%), the district of Ciutat Vella (-10.7%) and Sant Feliu de Llobregat (-7.5%), and in the rest of the province in Moià (-28.8%), Artés (-15.4%) and Navarres (-10%).



Figure 1.8. Average price of used dwellings (€/m² built). Municipalities in the province of Barcelona and districts in the City of Barcelona. 2021 and variation 2019–2021.



Source: Secretariat of Housing and Social Inclusion, using data from the Catalan Association of Land Registrars.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

Overall, in 2021 and in the first quarter of 2022 the number of purchase-sale transactions increased notably to reach their highest levels since the previous housing boom (1996–2007). This increase in the number of transactions was driven above all by the used housing market and by Spanish nationals who as purchasers increased in number in relation to foreign nationals and legal entities. Prices followed a similar trend in 2020, with a tendency to stagnate in the City of Barcelona and increase moderately throughout the rest of the metropolis.

1.2. The growth in the demand for rental accommodation, the fall in the rental stock, and the drop in average prices

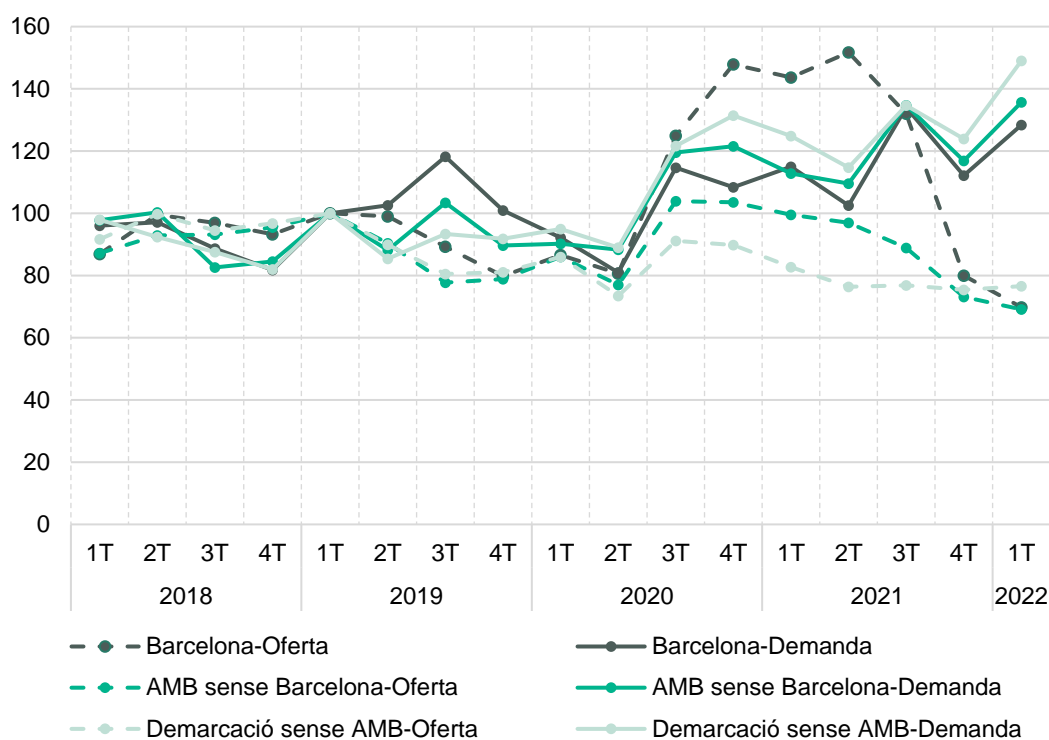
The notable increase in the demand for rental accommodation and the return of the housing stock to pre-COVID levels



The 2020 COVID-19 outbreak and the restrictions on movements led to a clear fall in the demand for housing during the first quarters of the year and a significant increase in the amount of primary dwellings for rent, above all in the City of Barcelona (Fig. 1.9). As reported by other studies, this evolution during the worst of the pandemic was related chiefly to the move from tourist rentals to more conventional rentals, as well as the drop in both international and local demand (Sender et al., 2021). Nevertheless, in **2021 the demand for rental accommodation increased and the amount of rental housing evened out to reach pre-pandemic values** (Fig. 1.9).

In terms of demand, the quarterly figures show a number of highs and lows, although overall throughout the territory rental levels were much higher in 2021 than in the previous year. The most recent data (1st quarter 2022) reveal a spike in demand that has taken it to the highest level for which data are available (Observatori Metropolità de l'Habitatge de Barcelona, 2022).

Figure 1.9. Evolution of the rental housing stock and demand for rental accommodation in the Barcelona metropolis. 1st quarter 2018–1st quarter 2022. By territory.



Source: BMHO, from data from the *Habitacleia* portal.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

This growth in the demand for rental dwellings can be explained by both international- and local-scale factors that led to a decline in demand due to the restriction and uncertainties provoked by the previous year's COVID-19 pandemic (Rodríguez-López, 2022; Sender et al., 2021). As we will see later on, in the case of local demand, easy access to the purchase-sale market – despite favourable financial conditions – was still beyond the reach of many low-income families and most young people. Thus, in this context many opted to rent.

During the first three quarters of 2021 the number of rental properties for primary occupation on the market remained high and reached pre-pandemic levels in the fourth quarter of the year in parallel with the relaxing of the sanitary emergency (Fig. 1.9).

During the period the so-called Rent Control Law was in force in Catalonia¹ (September 2020 – April 2022), the number of dwellings for rent increased due mainly to the factors mentioned above. Taking into consideration all these factors, a number of different studies have concluded that during this rent regulation no fall in rents occurred (Bosch & López, 2022; Jofre-Monseny et al., 2022), although recently some studies have been published that in some respects reach somewhat contradictory conclusions (Monràs & García-Montalvo, 2022). These studies examine a relatively short period of time in which this law was in force and indicate that current systems for regulating rents, more flexible but more complex than those applied in the twentieth century, should be contextualised using objective data.

The changes that occurred in the amount of dwellings for rent in the fourth quarter in 2021 was more pronounced in the City of Barcelona and the rest of the Barcelona Metropolitan Area than in the rest of the province. This can be linked to the marked upturn in holiday rents associated with tourism that affected above all the centre of the city. Nevertheless, the return to pre-COVID levels of rental housing stock can be explained by the notable increase in rental accommodation as primary residences, which is reflected in the signing of new rental contracts.

The most recent data (corresponding to the first quarter of 2022) show that the offer of rental accommodation has stabilised, which suggests that the modifications linked to the changes (described above) triggered by the pandemic have come to an end. That said, this possible stabilisation in the supply will have to be confirmed by the data published quarterly by the Barcelona Metropolitan Housing Observatory based on data provided by the web portal of the group *Adevinta*².

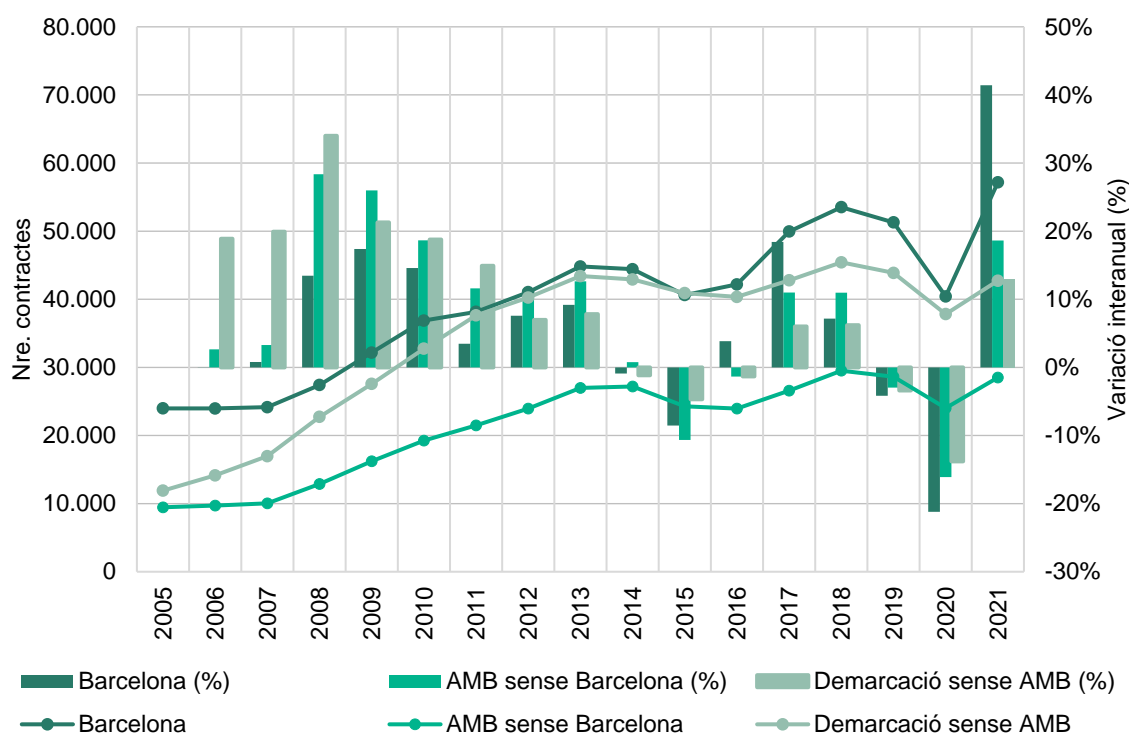
The increase in the number of rental contracts

As highlighted in the previous section, one of the main trends in the rental market in 2021 was the increase in the demand for rental dwellings. This increase in demand has led to a rise in the number of contracts signed as the data on rental deposits in the INCASOL database show (Fig. 1.10). In 2021, 57,158 new rental contracts were signed in the City of Barcelona, 41.4% more than in 2020, the year of the pandemic and restrictions on personal mobility. In the rest of the Metropolitan Area in 2021 28,503 deposits were placed with INCASOL, 18.6% more than in the previous year. Finally, in the rest of the province there were 42,720 contracts signed, an increase of 12.9%. Thus, it is clear that there was a generalised increase in the number of rental contracts signed in the Barcelona conurbation, above all in the City of Barcelona, where a new historical record was beaten in 2021. Overall in the province of Barcelona, in 2021 128,381 rental contracts were signed, 25.5% more than in the previous year.

Figure 1.10. Rental contracts in the Barcelona metropolis by territory 2005–2021.

¹ Law 11/2020, 18 September, containing urgent measures aimed at containing the prices rental housing contracts modifying Law 18/2007, Law 24/2015 and law 4/2016, on the protection of the right to housing.

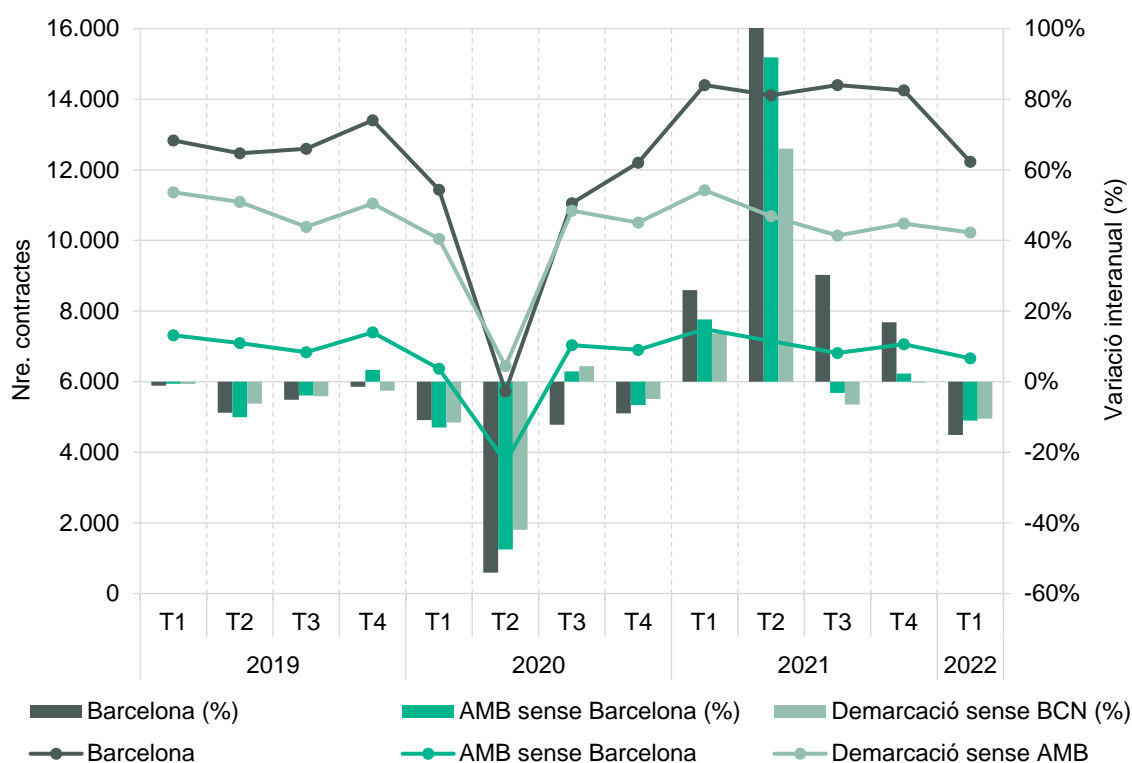
² www.ohb.cat



Source: Secretariat of Housing and Social Inclusion based on data corresponding to rental deposits placed with INCASOL. Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

The data for the first quarter of 2022 indicate a fall in the previously very high number of new rental contracts throughout the Barcelona metropolis (Fig. 1.11). In total 12,227 such contracts were signed, 15.1% fewer than in the first quarter of the previous year; in the rest of the BMA 6,663 (11% fewer) and in the rest of the province 10,226 (10.5% fewer) contracts were signed. This change in the trend pushed the number of new contracts back to below pre-pandemic values. The evolution of this indicator must be monitored since the data on the volume of the demand for rental accommodation (see above) show an upturn that could manifest itself in new rental contracts in the coming quarters.

Figure 1.11. Rental contracts in the Barcelona metropolis by territory. 1st quarter 2019–1st quarter 2022.

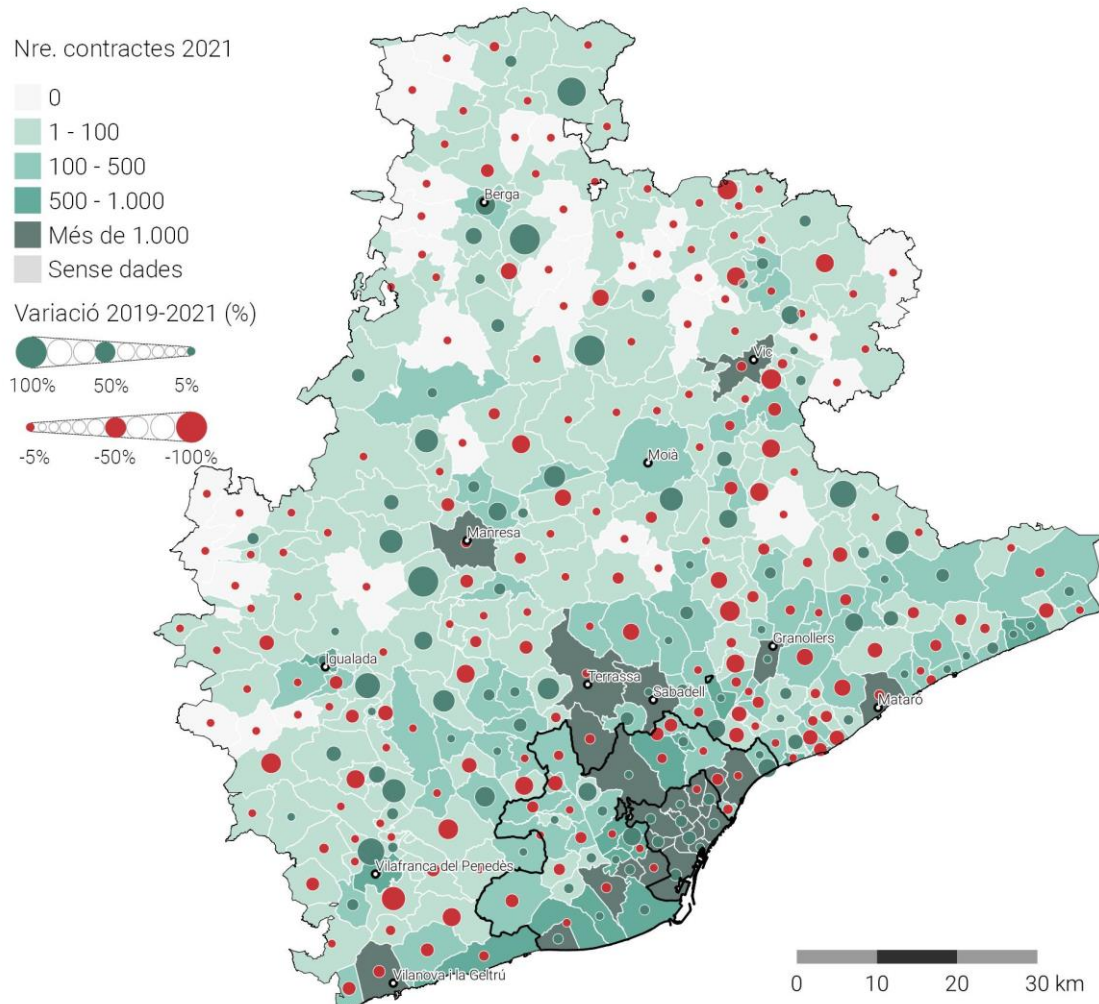


Source: Secretariat of Housing and Social Inclusion based on data corresponding to rental deposits placed with INCASOL. Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

If we look at the figures in greater detail, the territories with the most contracts in 2021 were the districts of L'Eixample (12,688) and Sant Martí (6,204) in Barcelona, and the municipality of L'Hospitalet de Llobregat (6,118) (Fig. 1.12). At the other end of the scale, there are 15 municipalities, all outside the Barcelona Metropolitan Area, where no rental contracts were signed in 2021. Nevertheless, in **2019–2021 the 34 municipalities with the greatest percentage growth in the number of rental properties were all outside the Barcelona Metropolitan Area, which underlines dynamism of this sector during this period coinciding with the pandemic.**



Figure 1.12. Rental contracts. Municipalities in the province of Barcelona and districts in the City of Barcelona. 2021 and variation 2019–2021.



Source: Secretariat of Housing and Social Inclusion based on the deposits placed with INCASOL and, INE, based on the population census.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

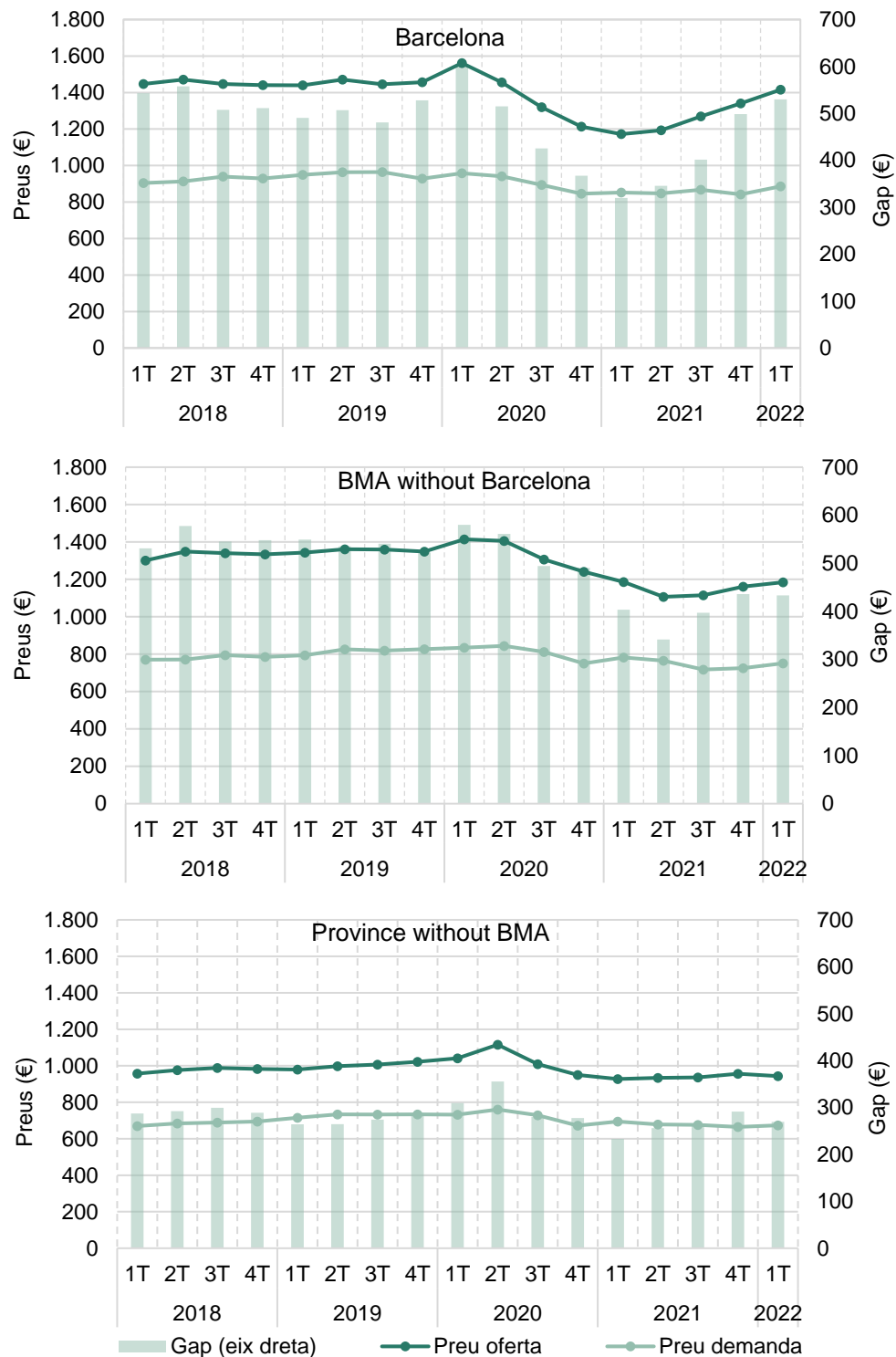
The fall in average rental prices

This analysis of the average rental prices draws on information about the supply, demand and, ultimately, the average rental prices in signed contracts. As will be seen, this analysis is based on different moments in time and different agents and properties, and the following must be taken into account: the price the owner wants to charge, the price the renter is prepared to pay, and, finally, the price enshrined in the contract that is eventually signed.

In 2021 there was an increase in the average prices of accommodation offered on the web portals *Fotocasa* and *Habitaclia* in the City of Barcelona and the rest of the Barcelona Metropolitan Area, while in the rest of the province prices remained relatively stable (Fig. 1.13). This evolution can be explained in all likelihood by owners hoping to charge more and to the post-pandemic increase in demand, as discussed above.



Figure 1.13. Average gap in the price of supply and demand of rental properties in the Barcelona metropolis (€). 1st quarter 2018–1st quarter 2022.



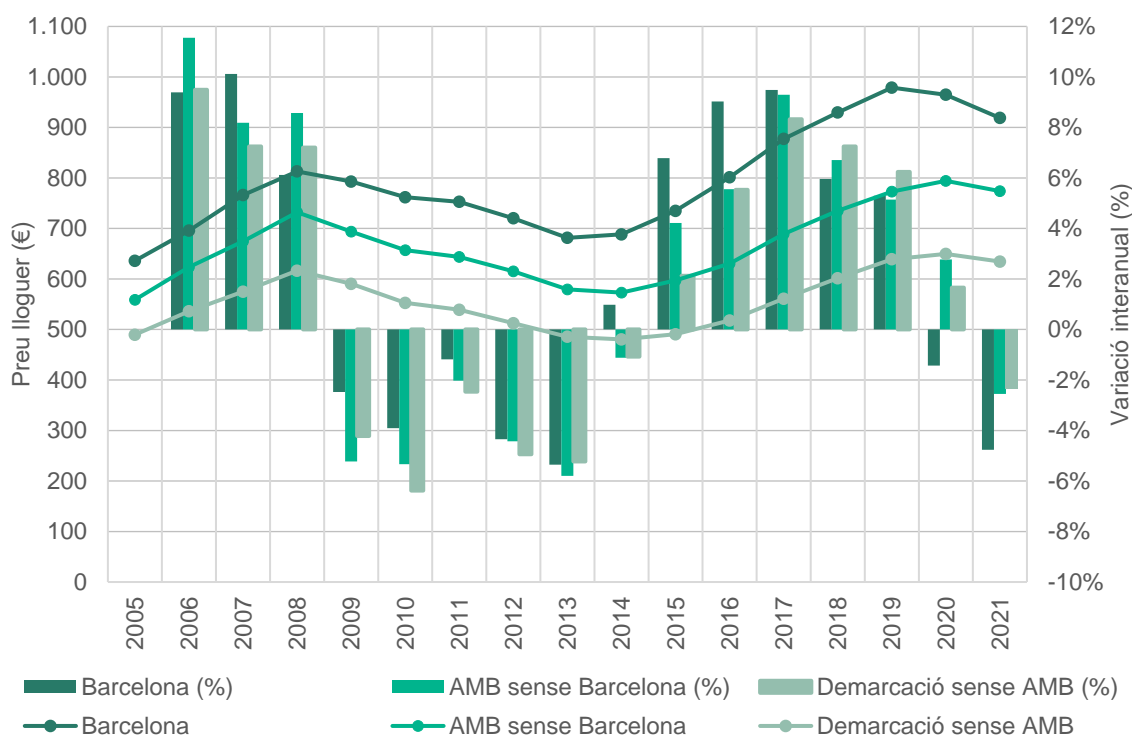
Source: Barcelona Metropolitan Housing Observatory, taken from data from the Habitaclicia certified adverts portal.
 Note: Data can be downloaded in the 'Projects' section. www.ohb.cat



On the other hand, the average price renters were willing to pay did not increase in 2021 either in the City of Barcelona or in the rest of the Barcelona Metropolitan Area (Fig. 1.13). This tightening of renters' budgets suggests that the hopes of property owners were not matched by the possibilities of prospective renters, probably due to the fact that many renters were making a significant sacrifice to enter into the rental market.

Finally, the average price of rental contracts that were signed dropped notably in 2021, above all in the City of Barcelona (Fig. 1.14). The average fell to 918.8 €, 4.8% below the price in 2020. In the rest of the Barcelona Metropolitan Area the fall in the average price was 774.1 € (2.6% lower) and, finally, in the rest of the province, 634.4 € (2.3% lower).

Figure 1.14. Average price of rental contracts in the Barcelona metropolis by territories 2005–2021.



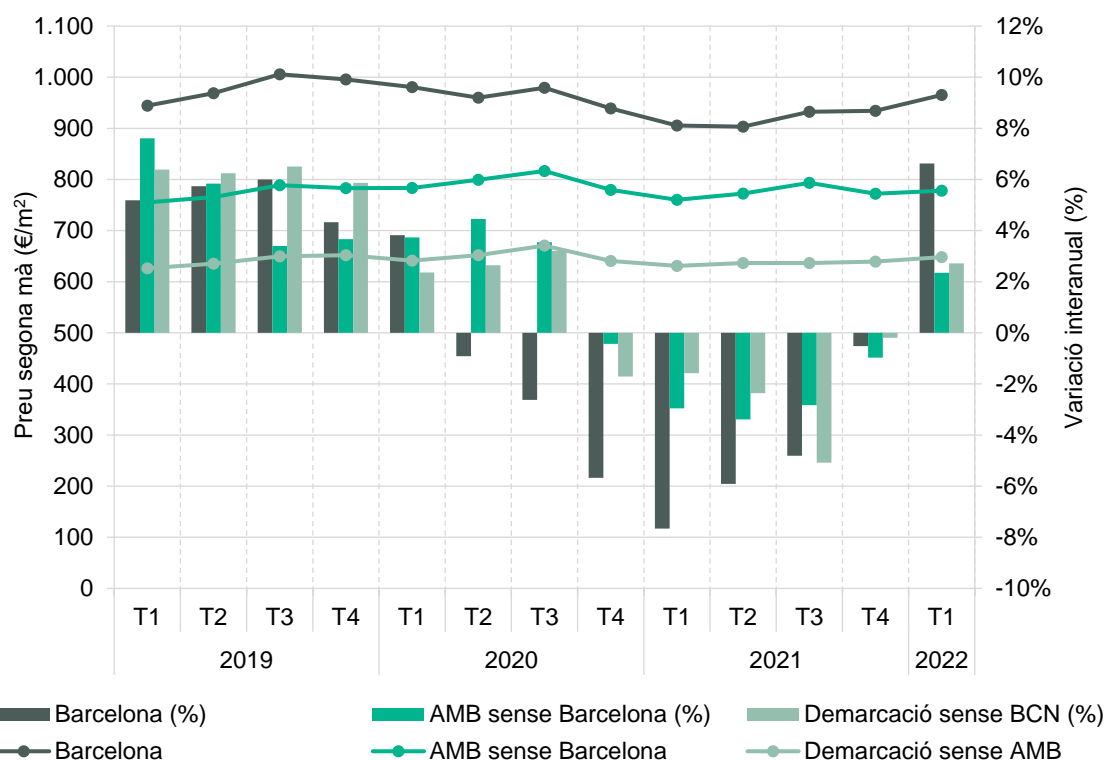
Source: Secretariat of Housing and Social Inclusion based on the deposits placed with INCASOL

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

During the first quarter of 2022, there was, however, an increase in the average rental price in the whole of the territory (Fig. 1.15). The average price in the City of Barcelona rose to 965.4 €, an increase of 6.5% compared to the same quarter in the previous year. In the rest of the Barcelona Metropolitan Area the average price was 778 € (2.4% rise) and, finally, in the rest of the province, 648.1 € (interannual rise of 2.7%)



Figure 1.15. Average rental price in the Barcelona metropolis by territory. 1st quarter 2019–1st quarter 2022.



Source: Secretariat of Housing and Social Inclusion based on the deposits placed with INCASOL

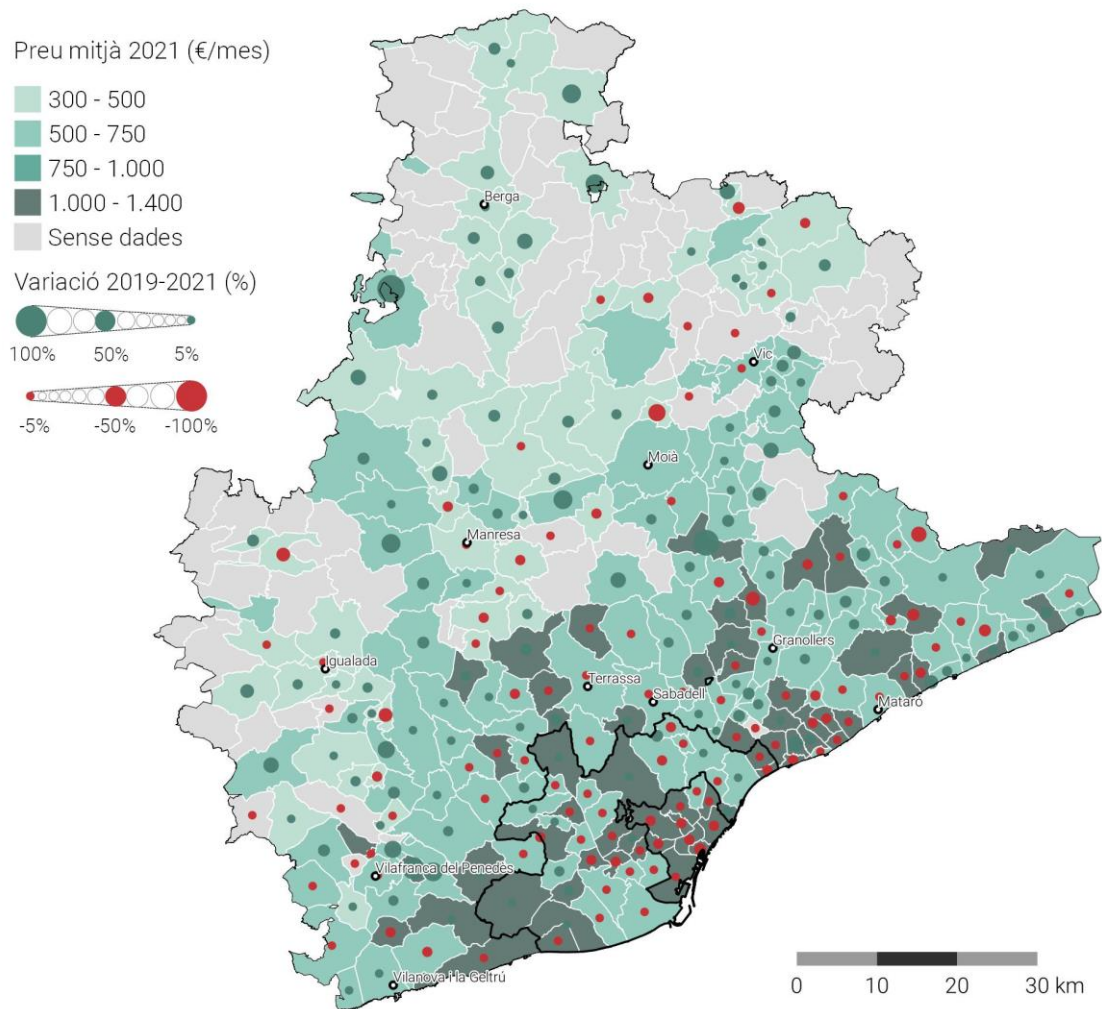
Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

On a more detailed territorial scale, in 2021 the highest average rents were in the municipality of Sant Vicenç de Montalt (1,401.9 €/month) in the county of El Maresme, the district of Sarrià-Sant Gervasi (1,246.4 €/month) and in the municipality of Teià (1,232.1 €/mes), also in El Maresme. At the other extreme, the 118 municipalities with the lowest average rents are all outside the Barcelona Metropolitan Area with the exception of Badia del Vallès (Fig. 1.16). In terms of the evolution of the average rental prices in 2019–2021 (coinciding with the pandemic), in 142 of the 245 municipalities in the province for which data are available prices fell, as they did in all 10 districts in the City of Barcelona. In the 113 remaining municipalities the average rental price increased.

In conclusion, in 2021 the end to the most important restrictions imposed due to the COVID-19 crisis, along with the difficulties in entering the purchase-sale market in the Barcelona metropolis, gave rise to a highly significant increase in the demand for rental accommodation. The main consequence of this dynamic was the increase in the number of rental contracts signed, which, in turn, has had the effect of reducing the number of available rental properties, above all in the City of Barcelona where the amount of available rented accommodation is back to pre-COVID levels. There was a generalised decent in average rental prices in 2021 the City of Barcelona itself.



Figure 1.16. Average monthly rental price (€/month) in municipalities in the province of Barcelona and districts in Barcelona. 2021 and variation 2019–2021.



Source: Secretariat of Housing and Social Inclusion based on the deposits placed with INCASOL

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

○— 2. The crisis in the access to housing

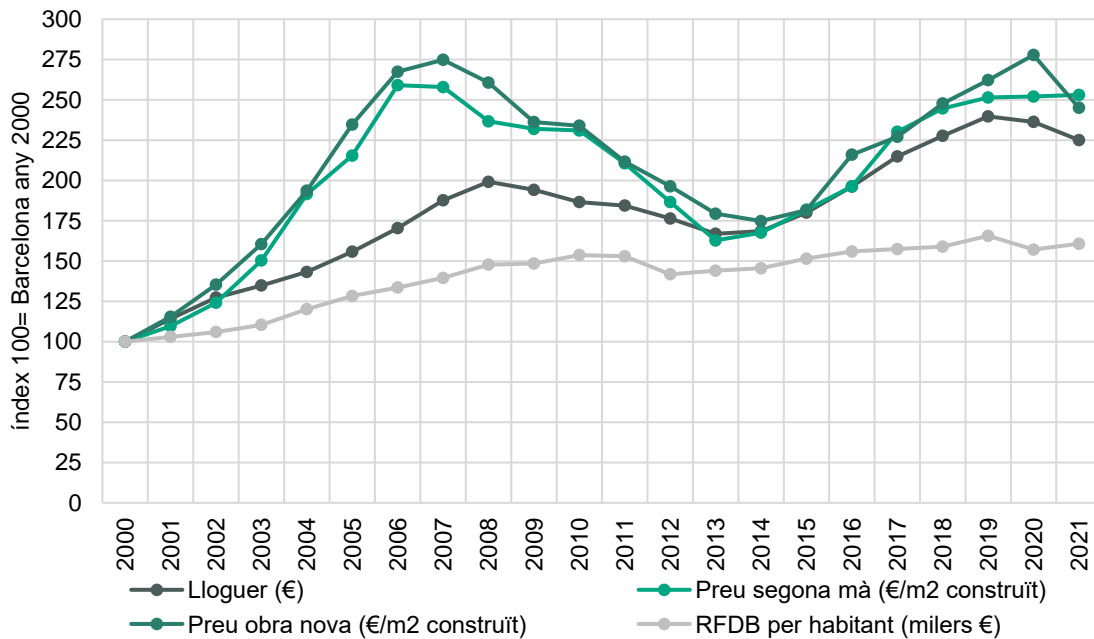


As has been recognised in the annual reports published by the Barcelona Metropolitan Housing Observatory, over the past two decades there has been a constant tendency for household incomes and average housing prices to diverge, in both the purchase of used and new dwellings and in rental prices (Sender et al., 2021). This trend is occurring in many other European cities and parts of the world and is leading to a global crisis in the access to housing (Galster & Lee, 2021; Wetzstein, 2017) with serious repercussions for many people’s standard of living (European Commission, 2022; Housing Europe Observatory, 2022). This crisis is reflected by a number of indicators such as the effort required to access housing, an issue tackled in the following section.

2.1. The growing distance between household income and the average price of housing

In 2020 the gap between household incomes and the average price of housing grew due to a combination of a fall in average income (provoked by the COVID-19 crisis) and price stability (with the exception of rental prices in the City of Barcelona, which fell) (Figs. 2.1 and 2.2).

Figure 2.1. Evolution of the net available family income per person and average housing prices in Barcelona (2000=100). 2000–2021.



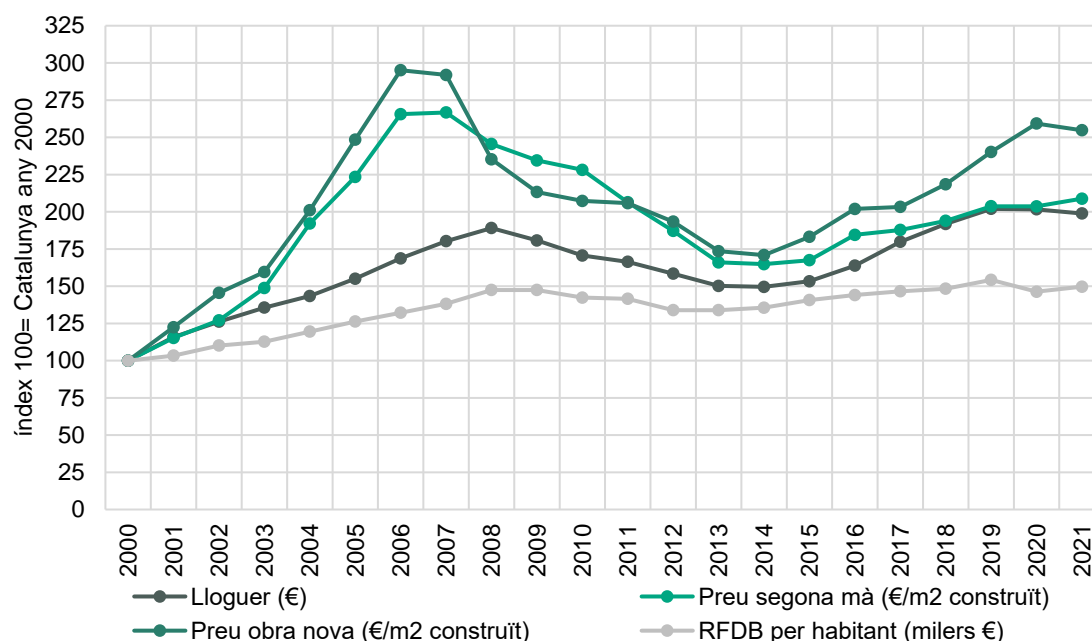
Source: Own work. RFDB: Idescat, 2000–2019 estimate RFDB 2020–21 using data from INE Bank of Spain, Spanish National Accounts; Average rental price: Secretariat of Housing and Social Inclusion using data on deposits placed with INCASOL; Average purchase/sale price: Secretariat of Housing and Social Inclusion 2000–2013 and Secretariat of Housing and Social Inclusion, 2013–2021, using data from Association of Property Registrars.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

In 2021, this gap narrowed slightly: people’s average income rose by 2.3% (following the upturn in economic activity) whilst the average prices of rent and of new housing fell, both in Catalonia and the City of Barcelona, as noted above. In the same period, the cost of used housing increased by a similar degree as people’s net incomes.



Figure 2.2. Evolution of the net available family incomes per person and average housing prices in Catalonia (2000=100). 2000–2021.



Source: Own work. RFDB: Idescat, 2000–2019 estimate RFDB 2020–21 using data from INE Bank of Spain, Spanish National Accounts; Average rental price: Secretariat of Housing and Social Inclusion using data on deposits placed with INCASOL; Average purchase/sale price: Secretariat of Housing and Social Inclusion 2000–2013 and Secretariat of Housing and Social Inclusion, 2013–2021, using data from Association of Property Registrars.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

Despite this general improvement in the relationship between incomes and housing prices that took place in 2021, the long-term tendency over the past two decades is very different as the price of housing has become increasingly distanced from potential purchasers' possibilities. The historical data series compiled by the BMHO shows that in 2020–2021 the average household income in the City of Barcelona rose by 60.7% whilst the average price of new dwellings increased by 145.1% (a 2.4-fold rise), of used property by 153.1% (2.5-fold rise), and of rents by 125.1% (2.1-fold rise). This trend has occurred throughout the rest of Catalonia as well: the average household income rose by 49.6% whilst the average price of new dwellings increased by 154.8% (a 3.1-fold rise), of used property by 108.8% (2.2-fold rise) and of rents by 98.9% (2-fold rise)³.

³ The difference between incomes and average prices published in the 2020 annual report narrowed significantly. This was due in part to changes in the evolution of income and prices in 2021, as discussed above. Nevertheless, the principal cause is related to a methodological change in the way the Net Available Family Income (NAFI) per inhabitant was calculated for the final two years of the data series. From this annual report onwards, this calculation does not rely on the system of indicators produced by the Barcelona Provincial Council (Hermes) but, instead, on data taken from the *Contabilidad Nacional de España* produced by INE and collated by the Bank of Spain. Despite being for the whole of Spain, the historical series of these figures reflects more accurately the evolution of the NAFI data produced by IDESCAT (Catalan Institute of Statistics). According to Hermes, the reference figure for the evolution of the NAFI per inhabitant in the City of Barcelona in 2019–2020 was -15.4%, whilst according to the *Contabilidad Nacional de España* for the whole of Spain it was -5.1%. Additionally, in 2020–2021 the variation in the NAFI per inhabitant was 10.1% and 2.3%, respectively. It is clear thus that the data from *Contabilidad Nacional de España* does not reflect fluctuations as great as those shown by the Hermes estimates.

2.2. The difficulties involved in accessing housing

The growing gap between household incomes and the average price of housing (see above) is reflected in the effort required to access a dwelling. There is a difference between attempting to purchase or to rent as in the former case financial factors (mortgage terms) affect the indicators of access to housing, as discussed below. As well, it is also important to remember that purchasers require savings that exceed the economic capacity of most low-income households, which means that demand is transferred to the rental market.

A number of different indicators can be used to highlight the inherent difficulties in accessing a permanent dwelling. In other reports produced by the Barcelona Metropolitan Housing Observatory the concepts of the *percentage of household income used to pay for housing* and *the rate of burden*, both derived from the Metropolitan Living Conditions Statistics, are used⁴.

Unfortunately, the most recent data refer only to 2020, that is, before the beginning of the inflationary crisis being discussed in this report. Nevertheless, some of the figures can help give context to this situation. For example, in 2020 households in the Barcelona Metropolitan Area paying rent had to devote 38.6% of their income to paying their housing costs including bills. This percentage is very similar to the City of Barcelona (39.3%) and the rest of the Metropolitan Area (37.6%), figures that comfortably exceed the average for the European Union (Sender, et. al, 2021).

The rate of the housing burden indicates the percentage of the population that spend over 40% of their income on housing costs including bills. In 2020 in the Barcelona Metropolitan Area the rate of burden was 35.2% for people in rental accommodation and 14.3% for people paying a mortgage⁵. Thus, it is clear, as other studies have underlined, that renters are faced with greater financial burdens. Nevertheless, in light of the rise in interest rates, we expect the burden for those paying a mortgage to rise notably in the future editions of the Metropolitan Living Conditions Statistics reports.

After this rapid glance at these two indicators, which refer to people already in housing, we now provide more details of the data corresponding to the effort required by people attempting to access housing. Indeed, the theoretical effort required indicates the percentage of the household income that will have to be spent on obtaining an average-priced dwelling. In the case of house purchase, the reference is the first mortgage quote, while for rentals it is the first monthly payment. In general, a threshold of 30% is taken to indicate whether a dwelling is accessible or not. We should always bear in mind that in low-income households spending 30% of income on housing costs will often directly affect the ability to satisfy other basic household necessities.

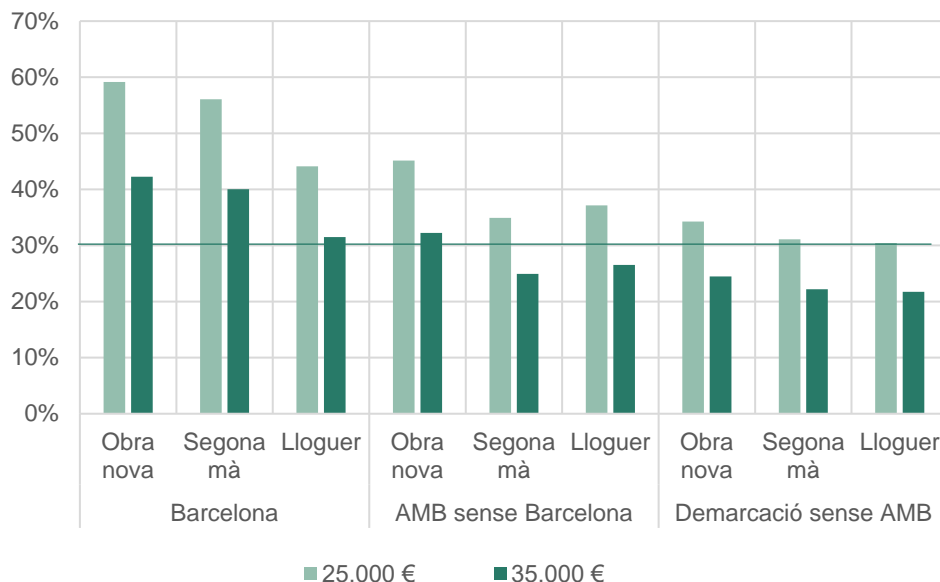
Thus, the data in Figure 2.3 show how a household with an annual income of 25,000 € cannot buy either a new or used property, or even rent a dwelling, in any of the three territories analysed (Barcelona, the rest of the Metropolitan Area, and the rest of the province). In all these situations, these households will have to devote over 30% of their incomes to housing. In the City of Barcelona, where average prices are higher, the theoretical effort reaches 59.1% in the case of new housing, 56.1% in used housing, and 44.1% in the case of an average rent.

⁴ These indicators can be accessed from the portal of the Barcelona Institute of Regional and Metropolitan Studies (IERMB): https://iermbdb.uab.cat/index.php?ap=0&id_cat=247

⁵ Note that to calculate the rate of burden of the people living in housing with mortgages, the BMHO includes as costs both the repayments and the interest. By contrast, European statistics do not take into account the repayments, which they regard as an investment.



Figure 2.3. Theoretical effort need to access housing in the Barcelona metropolis in terms of household incomes by territory in 2021.



Source: Own work. Average price of housing RFDB, Secretariat of Housing and Social Inclusion, using data from Association of Property Registrars; Bank of Spain, using data on interest rates; and the Spanish Mortgage Association using data from Accessibility Indicators. Average price of renting, Secretariat of Housing and Social Inclusion using data on deposits placed with INCASOL

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

Note: the following assumptions have been made for calculating the first-year annual quota: relationship loan/80% value, mortgage interest rates for over three years for available housing taken from all entities (2021, 1.50%) and average mortgage length (2021, 24.6 years).

As a reference, almost half (45.3%) of households headed by young people (18–39 years) in the province of Barcelona have incomes of less than 25,000 € (Fig. 2.4). In other words, given existing conditions half of young households are excluded from accessing housing at market prices in the province of Barcelona if they receive no financial help. That said, support from the family and benefits awarded recently for paying rent can help some of these young people enter the housing market. Unfortunately, the stock of available social housing is too small; its increase would be one of the best mechanisms of ensuring young people have better access to housing in the future (Donat et al., 2021).

If we increase the household income threshold to 35,000 €, then the possibilities of accessing housing, logically, improve and households need not devote more than 30% of their incomes to housing and can obtain a new or used house, or rent, throughout almost all of the metropolis, the only exception being the City of Barcelona where, despite their income, these young people would still be excluded from the housing market (Fig. 2.3).

Figure 2.4. Household in terms of income and age of head of household (in%) 2020. Barcelona Metropolitan Area.

	18–39 years	40–65 years	65 years and over	Total
Less than de 9,000 €	11%	6.1%	4.4%	6.5%



9,000–13,999 €	6.8%	6.5%	15.4%	9.2%
14,000–18,999 €	14.1%	7.6%	16.1%	11.4%
19,000–24,999 €	13.4%	10.7%	12%	11.6%
25,000–34,999 €	21%	18%	22.4%	19.9%
35,000 € and more	33.7%	51.1%	29.6%	41.4%
Total	100%	100%	100%	100%

Source: IERMB and IDESCAT, Metropolitan Living Conditions Statistics (MLCS), 2019/2020

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

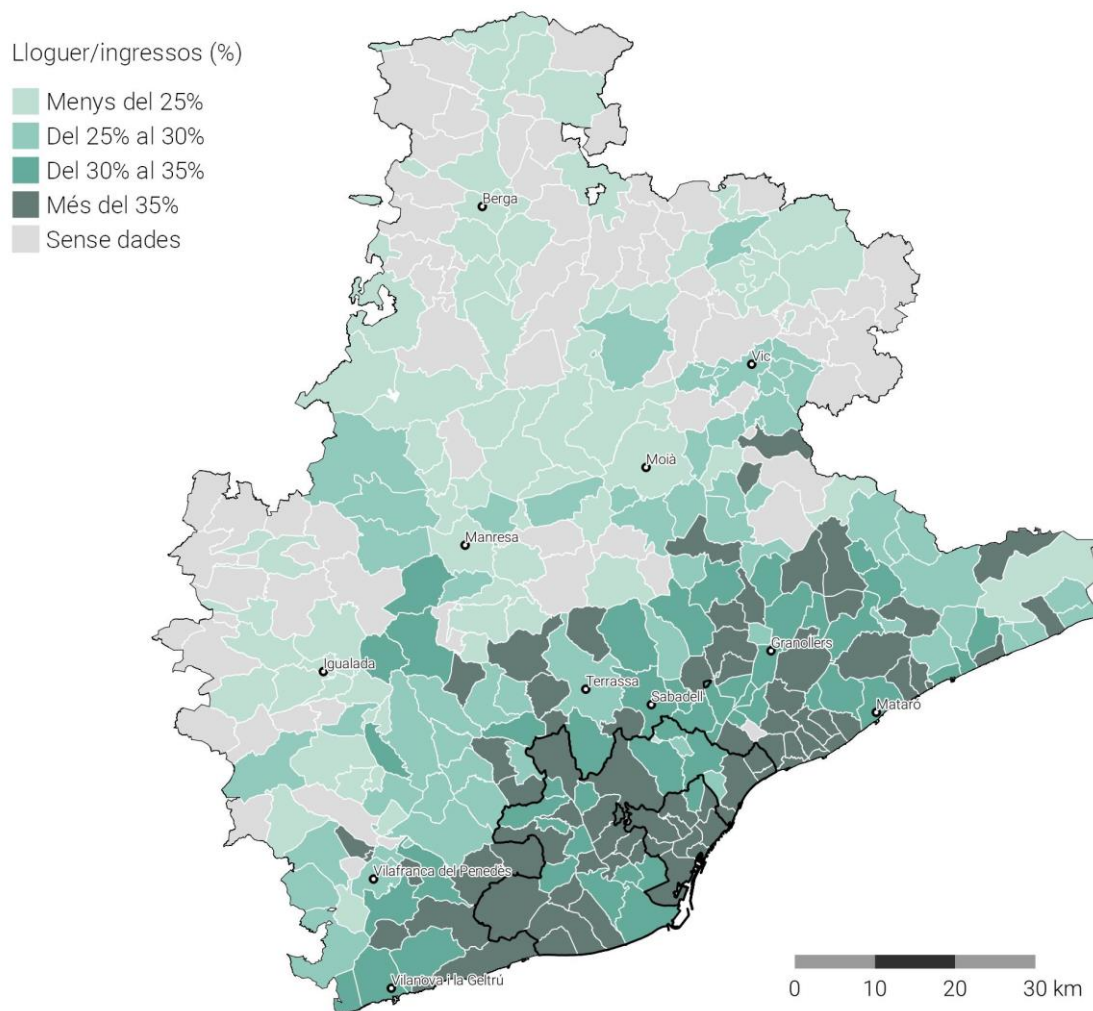
Note: the territorial reference area is the Barcelona Metropolitan Area (Barcelona Metropolitan Area) and not the province of Barcelona. The Barcelona Metropolitan Area is one of the eight territorial planning area in Catalonia and consists of the counties of Barcelonès, Baix Llobregat, Maresme, Vallès Occidental and Vallès Oriental.

The situations described above take as a reference the average prices in each of the analysed territories (Barcelona, rest of the Barcelona Metropolitan Area, and rest of the province). If we look in greater territorial detail notable differences become apparent in the conditions required to access housing in the Metropolitan Area. In 115 of the 243 municipalities for which data are available for average rents, and in the 10 districts in the City of Barcelona, a household with an annual income of 25,000 € is excluded from the market as it would have to devote over 30% of its income to paying an average rent (Fig. 2.5). Given that 45.3% of young households (18-39 years) are below this income threshold, it is fair to say that half of young people in the Barcelona metropolis can only hope to obtain average-priced rental accommodation in half of the municipalities in the province as in the other half they would be excluded.

The municipalities requiring the greatest financial effort are Sant Vicenç de Montalt (66.6%), Teià (58.5%), Alella (57.2%), Sant Cugat del Vallès (56%) and Sant Quirze Safaja (55.7%). It should be noted that in general these are municipalities with a large number of detached houses with on average large surface areas, which ensures that prices are high.



Figure 2.5. Theoretical effort required to access rental accommodation for a household with an annual income of 25,000 €. Municipalities in the province of Barcelona and districts in the City of Barcelona. 2021.



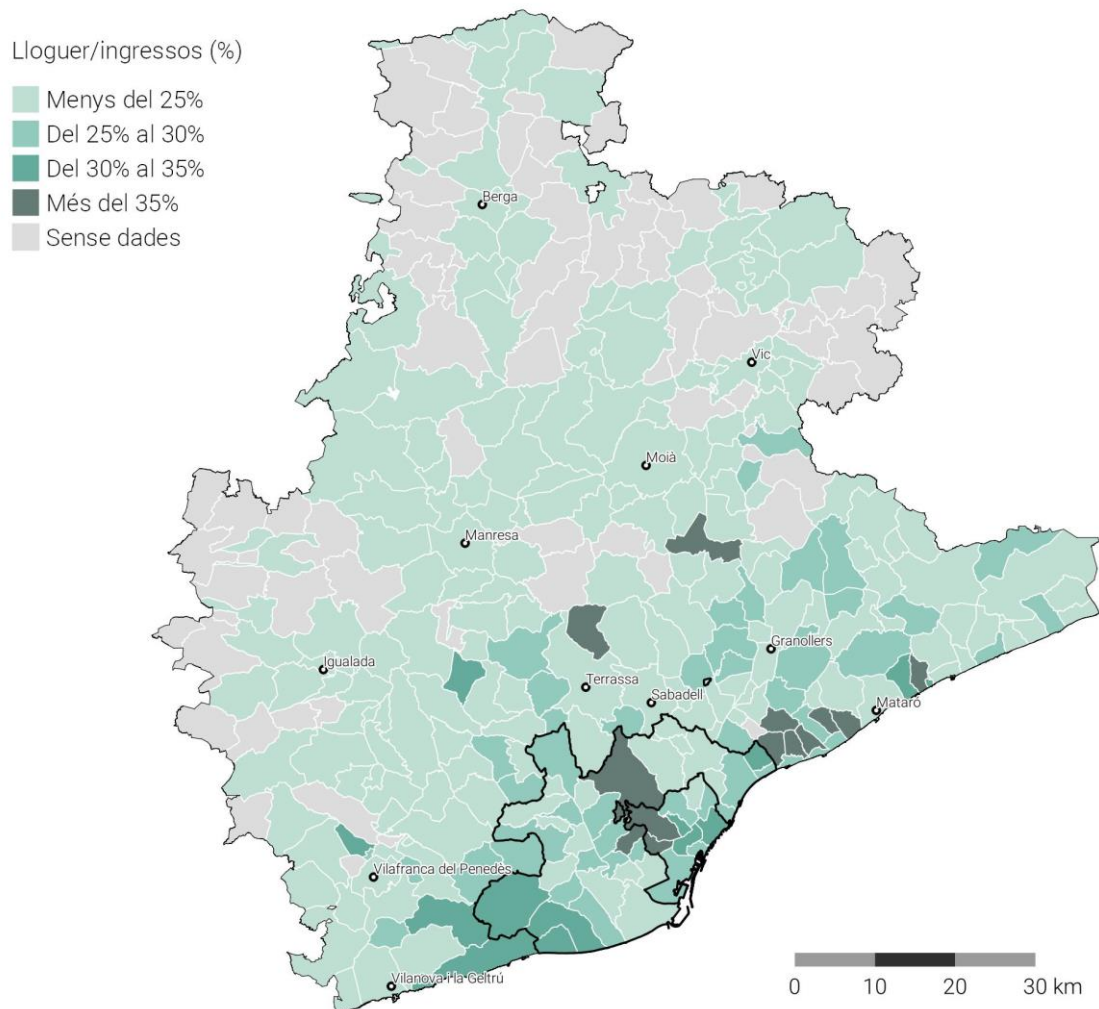
Source: own work. Secretariat of Housing and Social Inclusion, using data on deposits placed with INCASOL.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

If we take as a reference households with annual incomes of 35,000 €, the indicators of the effort required logically improve. Figure 2.6 shows that these households would be excluded from the housing market in only 21 out of 243 municipalities and in only 5 out of 10 districts in the City of Barcelona; as well, in 222 municipalities and the remaining five districts, these households would be able to obtain an average-priced rent by spending less than 30% of their income. That said, it is important to recall that only a third of all households (33.7%) headed by young people (19–39 years) have incomes over 35,000 € (Fig. 2.4).



Figure 2.6. Theoretical effort required to access rental accommodation for a household with an annual income of 35,000 €. Municipalities in the province of Barcelona and districts in the City of Barcelona. 2021.



Source: own work. Secretariat of Housing and Social Inclusion, using data on deposits placed with INCASOL.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

In conclusion, in the current situation young people – at the most active moment of their lives when they are looking to emancipate themselves – are very limited in the search for housing. This is the case, above all, in households headed by young people whose annual income does not exceed 25,000 €, who represent half of all households in this age band. They are thus excluded from the housing market in half of the municipalities in the Barcelona metropolis and in all 10 districts of the City of Barcelona.

As mentioned above, these figures use average prices as a reference. It is clear, nevertheless, how the housing market acts as a filter based on income when choosing a municipality (or district) in which to live, which leads to a segregation in the residential population.

○ 3. The risks behind the rise in residential exclusion

The crisis in the access to housing has a notable impact on the requirements for obtaining proper housing and on the location of the population of the Barcelona metropolis, as outlined above. Another consequence of this crisis is reflected in the issue of residential exclusion. The enormous efforts that homemakers have to make – above all, in low-income households – and other circumstances can lead to the loss of a dwelling. This is the subject of this chapter.

Before analysing the data, it is worth recalling the importance of this issue, which all too often is overlooked despite the resources that have been devoted to housing policies in recent decades (Donat et al., 2021). In the Barcelona metropolis and in Catalonia in general, **housing and jobs are the two main causes of social exclusion** (Fundación Foessa, 2022). Housing-related problems **are the reason behind almost all the cases that are dealt with by charities and other social entities in Catalonia** (Observatori de la Realitat Social. Càritas, 2022).

The cases of residential exclusion are varied and complex, and, despite certain methodological difficulties, in recent years interesting advances in how they can be quantified have been made (Fundación Foessa, 2022; Observatori de la Realitat Social. Càritas, 2022; Porcel et al., 2022). This is a key preliminary stage to the understanding of the problem. Thus, according to the ETHOS categories, currently in Catalonia there are 18,000 people who are homeless or live in shelters or temporary housing, 915,000 people live in insecure housing, and a further 1.3 million live in inadequate housing (Observatori de la Realitat Social. Càritas, 2022). In total, **approximately 2.25 million people, that is, 29% of the Catalan population, live in a situation of residential exclusion, most of whom – in terms of both numbers and cost of housing – are in the Barcelona metropolis.**

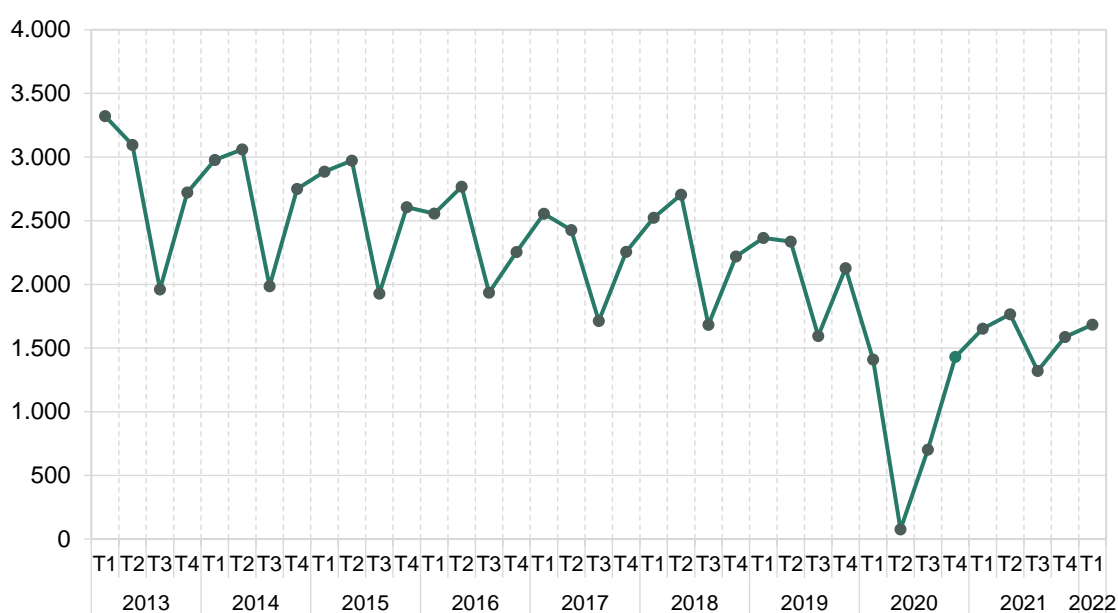
It is not the aim of this study to examine in detail all the situations of residential exclusion, which are dealt with elsewhere. However, here we hope to put the emphasis on forced evictions and the information provided by some emergency housing boards, which will give continuity to the information published in the BMHO's other annual reports.

3.1. Residential exclusion: court-ordered evictions

Before analysing forced evictions, it is important to take into account the limitations of the available data – principally originating from the General Judicial Council – that includes all judicial processes that have been initiated (forced evictions) by an owner to recover the use of their property. As is evident, these statistics do not include other cases in which people move house, leave a dwelling or are evicted without any legal process. These are what are referred to in the literature as 'invisible evictions' (Porcel et al., 2022). Likewise, neither do these statistics include the cases in which, thanks to housing benefits and/or intervention by the social services, renters are able to find somewhere else to live before any legal process gets underway.

Thus, bearing in mind these methodological constraints, Figure 3.2 shows the number of forced evictions practiced by courts in the province of Barcelona in the period between the first quarter of 2013 and the first quarter of 2022. Besides the sharp fall in legal evictions in the second quarter of 2020 due to the halting of such process (during the COVID-19 crisis), the number of court-ordered evictions tended to decline, falling from 3,322 in the first quarter of 2013 to 1,684 in the first quarter of 2022.

Figure 3.2. Court-ordered evictions. Province of Barcelona, 1st quarter 2013–1st quarter 2022.



Source: General Judicial Council, *Efectos de la crisis en los órganos judiciales*.

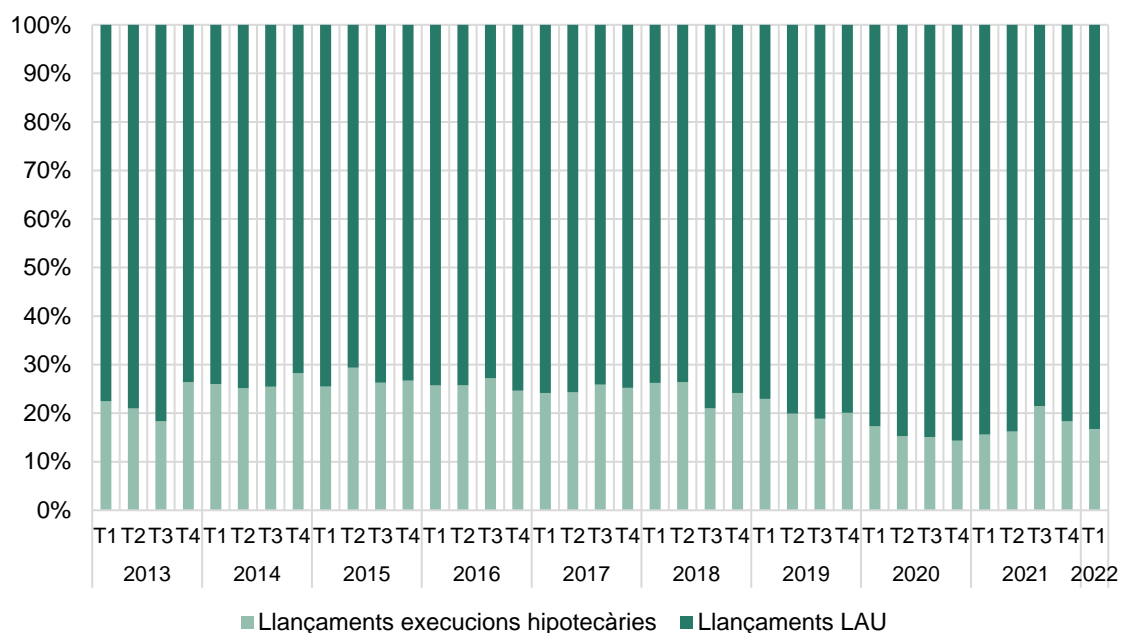
Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

Along with the methodological questions described above (invisible and non-court-ordered evictions), a number of factors should be taken into account when attempting to explain this fall. On the one hand, it is important to bear in mind that the statistical series did not begin until 2013 when the worst of the economic and social crises originating in 2008 was over, which was when the number of court-ordered evictions reached its peak. On the other hand, the new legal framework and the housing benefits paid in recent years – despite not solving the problems of all the households with housing difficulties – will have partially tempered the effects of the crisis in the access to housing discussed above (Porcel et al., 2022; Sender et al., 2021).

These are the main reasons explaining the downturn in the number of court-ordered evictions carried out since 2013. Nevertheless, we should continue to monitor the evolution of this trend in the current post-COVI-19 and inflationary context. Despite being difficult to compare due to the impact of COVID-19, the data from the most recent quarters seem to indicate that the number of forced evictions has stopped falling, leastways at the same rate as before.

Another relevant data in the information provided by the General Judicial Council is the type of process that has led to the beginning of legal proceedings. Figure 3 shows that during the study period most evictions could be attributed to the non-compliance of the Law of Urban Rentals (LUR), which amounted to over 70% of the total of all evictions. On the other hand, evictions due to unpaid mortgages always represented less than 30% of the total in all the studied quarterly periods. Within this overall framework, it is clear that from 2018 onwards the number evictions attributable to the LUR have increased in relation to those due to unpaid mortgages and in almost all yearly quarters the former now represent over 80% of all evictions.

Figure 3.3. Court-ordered evictions according to type. Province of Barcelona, 1st quarter 2013–1st quarter 2022.



Source: General Judicial Council, *Efectos de la crisis en los órganos judiciales*.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

A final question that sheds further light on these data is the territorial distribution of the courts ordering evictions. Figure 3.4 shows how the evictions related to the non-payment of rent in the Barcelona Metropolitan Area are more important in the City of Barcelona (0.87 evictions per 1000 inhabitants) **and in the courts in its immediate surroundings**, both to the north in the municipalities along the Besòs (0.62 Santa Coloma and 1.02 in Badalona) and south (0.83 in L'Hospitalet de Llobregat and 0.82 in Esplugues). **Likewise, beyond the immediate area of the City of Barcelona, the courts in Gavà (0.92) and Sant Boi de Llobregat (0.86)**, both in the Llobregat delta zone, were also susceptible to emit eviction notices.

By contrast, the evictions related to unpaid mortgages (Fig. 3.3) were more frequent in the courts in **Santa Coloma de Gramenet (0.31) and Cornellà de Llobregat (0.20)** but less common in the other courts in Barcelona and its immediate built-up area. **In the county of Baix Llobregat, the courts in Gavà (0.20) and Sant Feliu de Llobregat (0.17)** were also active in emitting eviction notices.

Figure 3.4. Court-ordered evictions related to the non-compliance with the LUR. Courts in the Barcelona Metropolitan Area. 2021.

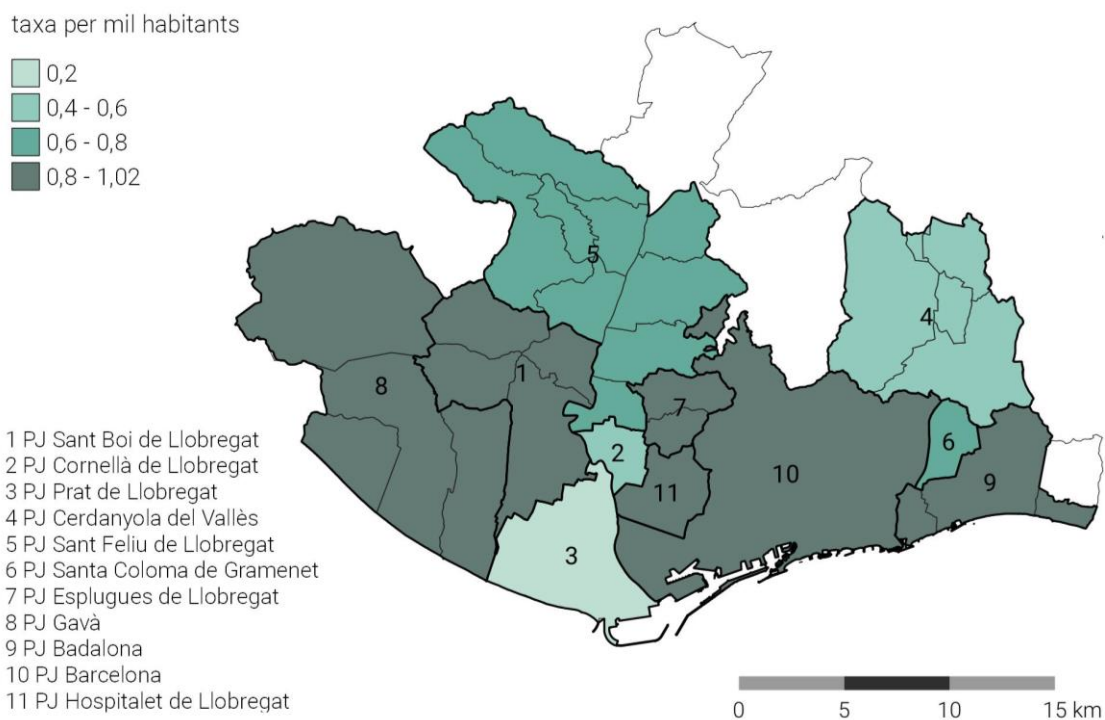
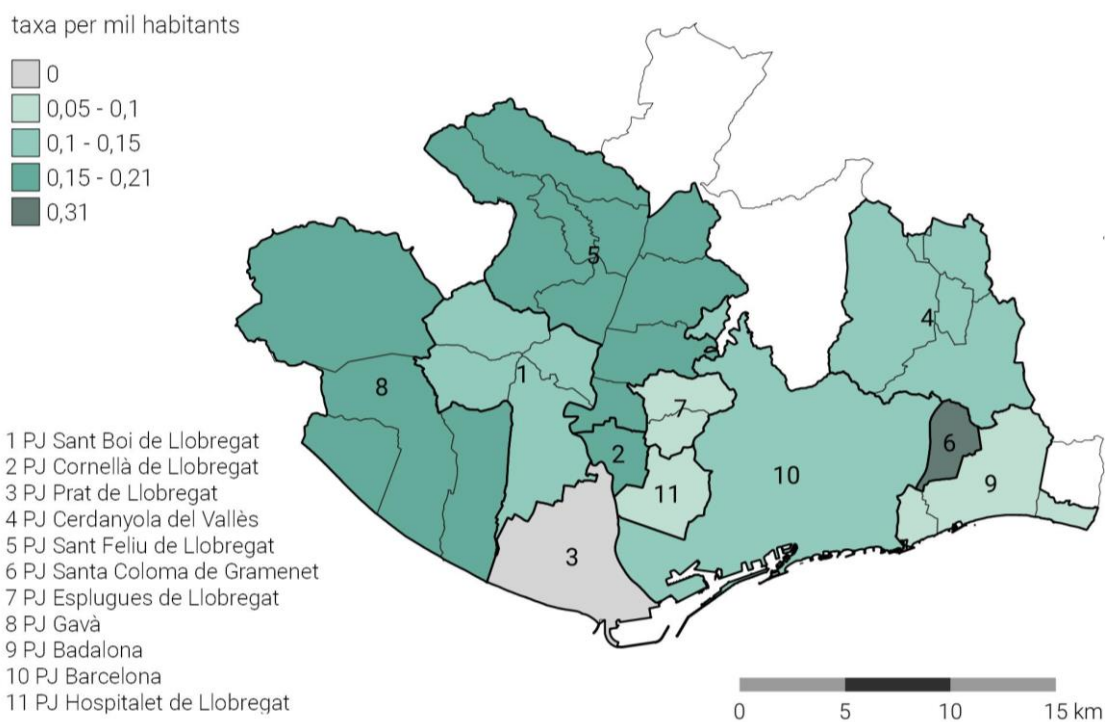


Figure 3.5. Court-ordered evictions related to the non-payment of mortgages. Courts in the Barcelona Metropolitan Area. 2021.



Source: General Judicial Council, *Efectos de la crisis en los órganos judiciales*.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

To sum up, despite the advances in recent years, it is still difficult to quantify the number of evictions that take place. Here we have taken as a reference the court-ordered evictions that correspond, as mentioned, only to those evictions that have been practiced via legal processes, which overlook the so-called invisible evictions. Leaving this question aside, in the past decade there has been a tendency for the number of evictions to lessen but in the most recent quarters a tendency for the number to remain the same. Nevertheless, this question will have to be monitored in future reports. The evictions practiced due to the non-payment of rent represent the majority and in recent years account for over 80% of all evictions in the province of Barcelona. Finally, a territorial view reveals the greater number of evictions in the City of Barcelona and in its neighbouring municipalities, as well as in the courts in the towns in the area of the Llobregat delta.

3.2. Residential exclusion: emergency housing boards

Another way of approaching the evolution of residential exclusion is to examine the information provided by the emergency tables. Currently, there are 12 emergency housing boards in Catalonia, and 11 municipalities have their own boards⁶. For the remaining municipalities there is a single board run by the Catalan Housing Agency.

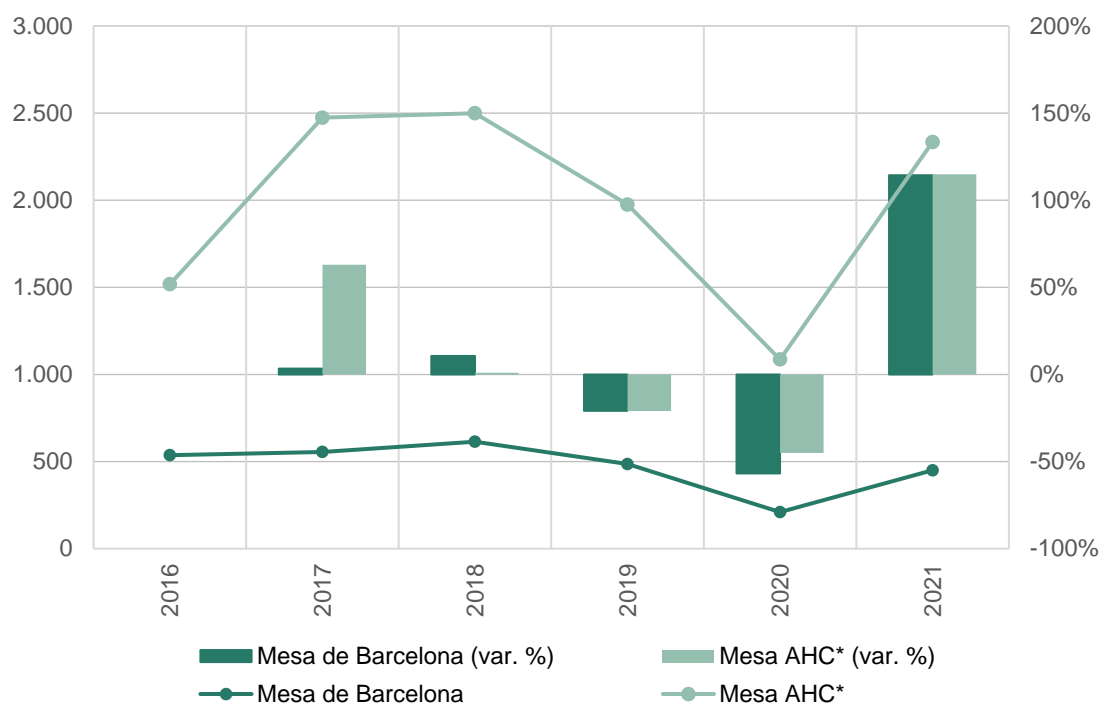
The data described below are taken from the emergency housing boards in the City of Barcelona and from those run by the Catalan Housing Agency, so do not include data from the other 10 municipalities, nine of which are in the province of Barcelona. Thus, one of the future challenges is to coordinate the work of all these boards and combine all the data they generate.

In light of this, the data in Figure 3.6 show that in recent years similar tendencies have been operating in Barcelona and in the board run by the Catalan Housing Agency. Thus, 2018 was a year of relative stability in all the boards, while in 2019 there was a slight fall in the number of new cases. In 2020 there was a notable decline, which was probably related to the institutional halt that took place during the strictest three months of COVID lockdown and to some of the support measures included in the so-called 'social shield' that was set up to tackle the social consequences of the COVID-19 crisis (Sender et al., 2021).

Nevertheless, in 2021 the number of cases that reached the emergency housing boards reflect an upturn in the most serious cases of residential exclusion, as shown in Figure 3.6. Despite not reaching the levels registered in 2018 – but given the magnitude of the current inflationary crisis – the effects on the least-supported and lowest-income households will be significant. Thus, in a context of a deficit in social housing (Donat et al., 2021) in general, and of the emergency tables in particular, it will be vital to reinforce aid to these households and increase the measures aimed at preventing residential exclusion.

Figure 3.6. Cases initiated via the emergency housing boards. Barcelona and Catalonia*. 2016–2021.

⁶ Badalona, Barcelona, Cornellà de Llobregat, L'Hospitalet de Llobregat, Lleida, Martorell, Sabadell, Sant Adrià de Besòs, Sant Cugat del Vallès, Terrassa and Vic



Source: Barcelona Consortium of Housing and Catalan Housing Agency.

* Table run by the Catalan Housing Agency. Not included are the municipalities with their own tables, for which currently no data are available: Badalona, Cornellà de Llobregat, L'Hospitalet de Llobregat, Lleida, Martorell, Sabadell, Sant Adrià de Besòs, Sant Cugat del Vallès, Terrassa and Vic.

Note: Data can be downloaded in the 'Projects' section. www.ohb.cat

To sum up, in this chapter we have analysed some of the indicators that allow us to approach the social impact of the crisis of access to housing. First, we discuss the evolution in the number of court-ordered evictions and show that, despite the general fall in numbers of this type of legal evictions since 2012, in more recent quarters the number of such evictions has not changed. The evolution of the trends in these figures in a context of the end to the COVID-19 crisis – but with the arrival of the inflationary crisis that is having a major impact on those with least resources – will have to be monitored. To complete the information from the courts we have also analysed the data reaching us from the emergency housing boards and have noted an upturn in the number of cases in 2021, which is a reflection of the true impact of the structural crisis in the access to housing and of the two other crises discussed above (COVID-19 and inflation).



Conclusions

Residential systems in general and the Barcelona metropolis in particular are conditioned by external factors operating at world level. The year 2021 was characterised by the need to contain the COVID-19 pandemic in most of the countries in the Northern Hemisphere and by the recovery from the pandemic in terms of the economy and jobs. Nevertheless, the ending of the COVID-19 crisis in 2021 was accompanied by the beginning of an inflationary crisis caused principally by interruptions in supply chains. This factor, along with the speculative nature of international markets generated a noticeable general increase in prices and, specifically, an increase in the price of construction materials. For example, although concrete did not rise much in price in 2021, steel and copper both rose in price by 40–50% and wood by 20–30%.

The inflationary spiral was aggravated by the invasion of Ukraine, which affected the cost of energy and other goods. All this led to a change in orientation on the Central European Bank's monetary policy, which in 2022 provoked increases in the main interest rates.

If we focus our gaze on the housing market in the Barcelona metropolis, in 2021 there was a notable increase in the number of purchase-sale transactions (67,230, 37.7% more than in the previous year). The pandemic had halted many purchase-sale decisions and led to changes in residential preferences postponed until 2021 and the recovery in the number of jobs on offer and economic growth.

The data for the first quarter of 2022 show continued interannual growth in purchase-sale transactions and, if we compare with the first quarter of 2019 (i.e. eliminating the effects of the COVID-19 pandemic), the number of transactions was still greater. The data from the first quarter of 2022 show no signs of any slowing down of the market, which would seem to be typical in a context characterized by a high inflationary rate and the prospect of rising interest rates

This main driver of this increase in transactions was the used-housing market, in which purchasers were above all Spanish nationals, increasingly more so than foreign nationals or legal entities. In 2021 90.4% of such transactions were for used housing. The typical purchaser of housing in the Barcelona metropolis was a Spanish national (80.5%), whilst legal entities (10.8%) and foreign nationals (8.7%) were of far less importance.

Prices in the used-housing market (the largest segment) in 2021 stagnated in the City of Barcelona (0.4% increase) but rose moderately in the rest of the metropolis (2.1% increase in the Barcelona Metropolitan Area without Barcelona, and a 2.7% increase in the province with the Barcelona Metropolitan Area). Thus, in 2021 the price for used housing was 4,084.1 €/m² in Barcelona, and 2,662.3 €/m² and 1,978.6 €/m², respectively, in the other two territorial areas.

In 2021 the end to the most severe COVID-19 restrictions, together with the difficulties in purchasing housing in the Barcelona metropolis, meant that there was a highly significant rise in the demand for rented accommodation.

Principally, as a result of these dynamics, in 2021 128,381 new rental contracts were signed in the Barcelona metropolis, 25.5% more than the year before. Greater demand and more contracts were the main causes that explain the parallel fall in the number of rental dwellings on the market, which is now similar to pre-COVID levels. This trend has been particularly intense in the City of Barcelona where, along with the abovementioned dynamics, many of the so-called 'tourist apartments' reverted to the 'conventional' rental market in 2020 having moved in the opposite direction in 2021.

In 2021 in general the average price of rental contracts dropped in the metropolis, especially in the City of Barcelona. The average price of a dwelling was 918.8 €, 4.8% below the 2020 figure. In the rest of the Barcelona Metropolitan Area the figure was 774.1 €, 2.6% lower than in 2021, and in the rest of the province 634.4 €, 2.3% lower.

To sum up, in 2021 the number of market operations increased, especially in the rental sector. Conversely, average prices remained relatively stable, with a certain decrease in the rental market. This restraint – and, in some cases, even a fall in price – has theoretically improved the possibilities of accessing housing. Thus, in 2021 the gap between household income (which increased on average by 2.3%) and the average price of housing lessened.

Despite this improvement, the long-term tendency over the past two decades is very different given that the price of housing has become increasingly separate from the financial possibilities of the majority of households. Over the past two decades, the average purchase price of new housing has grown 2.4-fold more than the average income of the inhabitants of Barcelona, while the price of used housing has grown 2.5-fold and rents 2.1-fold. This gap is not a problem limited to Barcelona and these figures are repeated throughout Catalonia, where the price of new housing has grown 3.1-fold more than household income, used housing 2.2-fold more, and rents 2-fold more.

This distance between household income and the average price of housing is reflected by a number of indicators that exemplify how far the true possibilities of a substantial part of the population are from accessing housing in the City of Barcelona. Thus, a household with a maximum annual income of 25,000 €, the case of almost half of the households headed by young people (18–39 years) in the Barcelona metropolis (45.3%), is excluded from the housing market under current conditions as members would have to spend over 30% of their income on paying rent or a mortgage.

Thus, far from being a problem restricted to certain districts in Barcelona, we have seen how this question is present throughout Catalonia. Indeed, in 115 out of 243 municipalities in the Barcelona metropolis for which information on average rents is available, as well as in the 10 districts of the City of Barcelona, households with a maximum annual income of 25,000 € are excluded from the housing market.

The problems of access to the housing market that a significant part of the population have to face up to affect the amount that households are able to devote to paying rent or mortgages and, in turn, their living conditions, which, ultimately, can derive towards situations of social exclusion. Indeed, housing is on the same level as unemployment as the main cause of social exclusion in Catalonia.

Within the issue of residential exclusion, the loss of a dwelling is one of the events that is most carefully monitored. Court statistics – which, as we know, do not include the so-called ‘invisible’ evictions and other non-court-ordered evictions – show a tendency towards fewer court-ordered evictions during the past decade. There is now a clear predominance in the evictions related to the non-payment of rent, which in recent decades have come to represent more than 80% of cases in the Barcelona metropolis.

Nevertheless, data from the most recent financial quarters (despite the difficulty in comparing due to the COVID-19 pandemic) seem to indicate that the number evictions is tending to fall or, at least, evictions are no longer being enacted with the same intensity as before.

To complete the information coming from the courts, in 2021 we have seen that there was a rise in the number of new cases that have reached the emergency housing boards. Despite not reaching the 2018 levels, within a context of the current serious inflationary crisis, lower-income households will surely be most severely affected.

These are the main conclusions that can be drawn from the subjects discussed in this work, which analyses the workings of the residential system in the Barcelona metropolis in 2021. This year was characterised by the ending of the COVID-19 crisis but the arrival of an inflationary crisis, whose outcome will have to be closely analysed in future studies.





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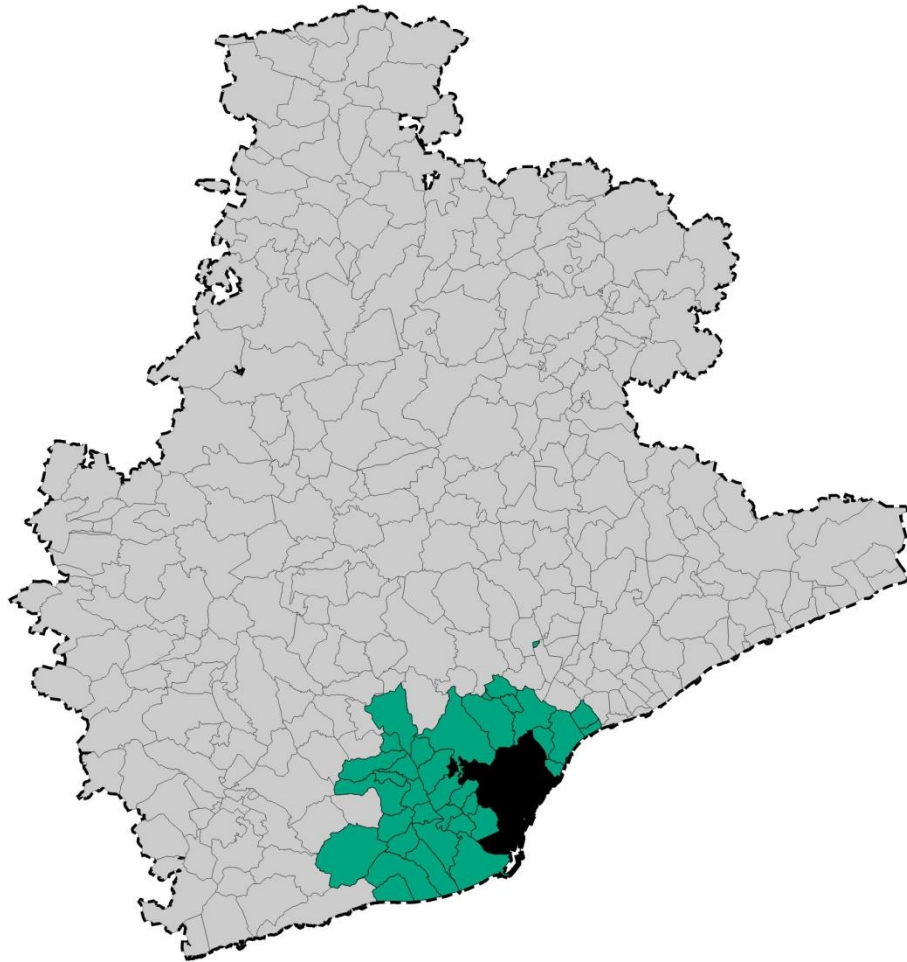
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Annexes



Annex 1. Territorial areas



Province
Barcelona

of

Barcelona Metropolitan
Area

- Province of Barcelona without Barcelona Metropolitan Area
- Barcelona Metropolitan Area without Barcelona
- Barcelona

O-HB

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