

MARSEILLE FORUM JUNE 2019

Spain



Since 1978, the right to housing has been enshrined in the Spanish Constitution

Article 47: All Spaniards have the right to decent and appropriate housing. Public authorities will help to create the necessary conditions and establish the appropriate standards to make this right effective, by regulating land use in accordance with the public interest to prevent speculation. The community will benefit from the added value that is generated by the urban action of public bodies.

The management of land, urban planning and housing is the exclusive responsibility of each autonomous community.



#LeyViviendaPAH
5 propuestas por el derecho a la vivienda y contra los desahucios

¡SÍ SE PUEDE!

FINANCIALIZATION OF HOUSING or how the mortgage loan and an unfair law allowed 500,000 evictions

ACT 1: Under the Franco regime, Spanish urban policies were largely guided by the interests of the real estate sectors

ACT 2: Intensification of real estate activities and massive debt to access home ownership

They have - notably through corrupt methods - led to the reassignment of land originally intended for the development of green spaces or other infrastructure, the award of public works including large additional costs, the construction of large housing estates and airports, the destruction of existing assets, and the construction of housing beyond the available financial resources.

The highly speculative real estate market was based on the increase in the price of land to make it buildable

Thus, the construction of housing and certain types of infrastructure by the private sector was more an investment than a desire to provide households with a basic necessity. In the early 1990s, Spain experienced a period of recession and continued to encourage the construction sector.

Gradually, housing policy has therefore focused on access to private ownership through the development and expansion of access to credit and various tax relief schemes, promoting the growth of the financial and real estate sectors.

During the first half of the 20th century, the majority of the Spanish housing stock was still made up of rentals. Private property then became the main mode of housing.

From 1997 onwards, construction activity and therefore financial operations intensified: in 10 years, 6.6 million homes were built, making Spain one of the European countries with the highest rate of housing per capita. Once again, these constructions did not meet residential demand, but rather speculative logic. They were often located in areas far from cities or on the coast (tourist buildings).

Despite the increase in the supply of disposable housing and the decline in real household incomes, housing prices have risen (even tripled) in a completely artificial way. This process of intensification of real estate and financial operations is called "**financialization of housing**". From the 1980s onwards, mortgage-backed securities allowed several creditors to hold several portions of debt through securities portfolios (shares and bonds). This **titelisation** allows risk and interest to be shared among investors.

Household debt has risen from 55% to 130% of available budgets!

ACT 3: Housing crisis

From 2007 onwards, 750,000 mortgage foreclosures and 500,000 evictions took place. A Spanish law of 1946 allowed banks to take over the property for 50% of its value while continuing to make wage garnishments.

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