



CANARIES: FORTY YEARS OF DEMOCRACY

The 15th of June was the fortieth anniversary of the first elections in Spain, after many years of dictatorship, opening the doors to Spain joining what was later to become the European Union. At the time, 2,000 journalists from all over the world followed the election process and the birth of a new democracy. Over eight million Spaniards won the right to freely to the polling stations and vote for the first time since 1936.

The Canary Islands too witnessed this unusual process with great illusion, a process that involved politicians like José Carlos Mauricio, Jerónimo Saavedra, Fernando Bergasa, Nicolás Díaz Saavedra and José Joaquín Díaz de Aguilar.

Previously, the Canary Islands had specialised more in exporting farming produce. At the time, however, Canary Island society opted for tourism. People had to change the way they thought; and not just the fact that the water they had used to water their tomatoes until that time was now going to be used to fill swimming pools. Canary Islanders were given their own Parliament, autonomous legislation and control over their own tax affairs. The great tourist boom came between 1990 and 2000.

All that occurred not long ago....

**TOURISM ACT · GENERAL PLANNING MASTER PLAN ·
OWN USE**



These are the key words that have been sowing unrest and uncertainty for the last two years, infuriating members of parliament, representatives of tourist management companies and property owners in the South of Gran Canaria.

Understanding all this however, is practically impossible for the man in the street, especially given that the roots go back to legislation dating from 1995 that has undergone numerous partial amendments in later years. Many of these amendments, supplements and decrees may appear to be logical per se, but in practise, it is impossible to implement the effects.

There is talk of **modernising tourist areas** and the aim is to avoid what is known as **residentialisation**. In an ideal situation for the representatives of the tourist management sector, this would mean that the zones and areas that have been zoned for tourist use must be managed for tourism – excluding own use. In the municipal



district of San Bartolomé de Tirajana, this would affect the entire zone of the GC-500 that “faces the sea”.

The argument is that managing tourism this way creates jobs and welfare in the district. I, on the contrary, argue that owners who, for instance use their properties as a second home frequent restaurants and hardware store more, they buy a new couch, hire people to make alterations, they go to the opera and engage in a wide range of activities that involve spending money and they pay the tax man what is known as “tax on the own use of properties” every year when they file their tax returns.

Another question I have is where were all these politicians when even more new properties were being built and sold with a tourist management contract that guaranteed revenues for 5-10 years? The banks were only too happy to grant mortgages and more than a few Spaniards calculated that they could pay off their mortgage and their car loan with the rental revenues they got. 2 years later, when these revenues dried up and the management companies shrugged their shoulders – some even disappeared completely – and many owners found themselves on the brink of bankruptcy and had to sell, were the politicians not delighted with the large numbers of owners who lived in their own properties that kept the householders’ associations afloat?

After many grass-roots protests, Parliament, despite the political panorama of disputes between parties, has unanimously pronounced in favour of including a transitory provision in the law (art. 25-2/2013) that **legally recognises residential use in tourist zones.**



“Transitory provision seven: Residential uses in tourist zones”

1. Existing residential uses at 1 January 2017 on plots zoned for tourist use at the time at which the planning legislation executes the specialisation of uses in the tourist zones referred to in article 25 of this act are considered compatible, and in a legal situation of consolidation, and the declaration of breach of the actual use in application of an unauthorised change of use referred to in tourist legislation, is not applicable.

2. However, the legal situation of consolidation referred to in the section above is limited solely and exclusively to the continuity of existing residential uses, with all new residential uses prohibited, as is the change of said use to any use other than the tourist use assigned by parliament, when this affects the principle of management unity established in the Canary Island Tourism Planning Act, Act 7/1995, 6th April”.

What this means specifically is that a property that can accredit that it was not rented out for tourism on 01/01/2017 does not have to be used for tourism purposes.

The accreditation of whether a property is zoned for tourist use or not can now be found in the corresponding note from the Land Registry. It will read either that the entire complex had been deregistered from tourist management, or – in the event that apartments are hired out by a tourist management company – the individual apartments/bungalows that are registered for tourist management are mostly named.

Legal tourist management is subject to rules, which include the fact that at least 50% + 1 units of a complex are managed by a SINGLE company. Private holiday rental is not permitted and is punishable with large fines.





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Properties of the month:

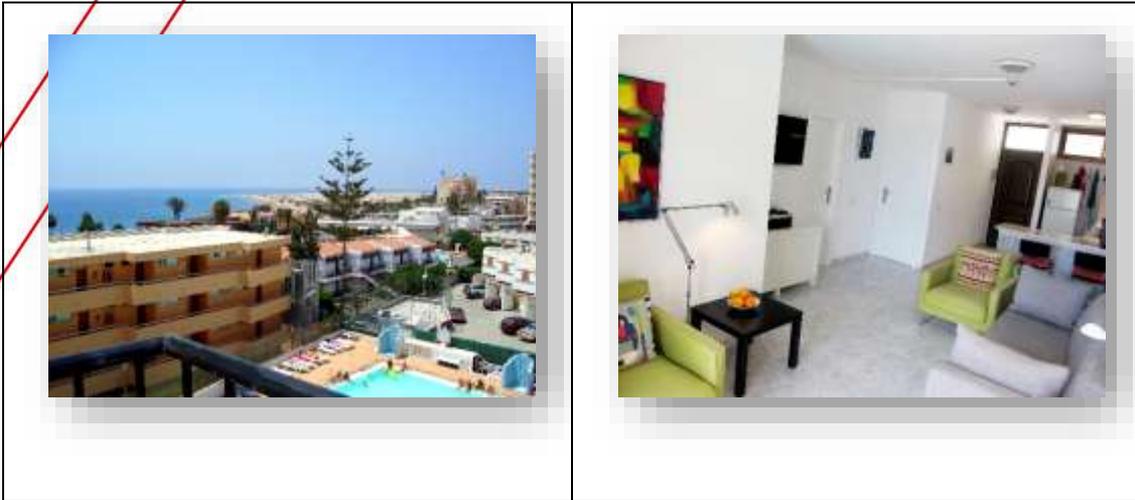
PLAYA DEL INGLÉS · Bungalow-Duplex with sea views in a quiet complex (no tourists) with swimming pool and off-street parking, useful area of approx. 110 m2, 3 bedrooms, 2 bathrooms, garden, roof terrace, fully equipped.

Ref. 4.008-5 - €325,000



PLAYA DEL INGLÉS · Bright apartment close to the beach on the top floor (5th floor), complex with swimming pool, lift, reception; lounge with open kitchen, 2 bedrooms, bathroom, balcony with fantastic views over the Atlantic and the Dunes.

Ref. 2.007-2 - €152,000



SAN AGUSTÍN · Villa for the more demanding in the best residential area with large apartment included, approx. 512 m2, 4 bedrooms, office, 4 bathrooms, terrace, covered parking space, in excellent condition and with all the best technical equipment.

Ref. 5.200-0 - €778,000

