

THE SUPREME COURT HAS RULED



Last December, the Supreme Court rejected the arguments of the Canary Island Government, which was going to ban owners from renting out their apartments and bungalows for short-term holiday lets.

The arguments of the Canary Island Government’s counsel against the definition of where a person normally resides, in other words, only commercial tourism management is permitted for properties in areas zoned for tourism, never residential use (at the discretion of the owner), did not convince the Supreme Court. On the contrary, they made it clear that this only benefited a few, rather than being in the general interest.

This result must have pleased the grass-roots movement (PALT) that was, and still is willing to fight injustice and lobbies.

ELECTRICITY PRICES CONTINUE TO RISE

Electricity prices went up in the first weeks of the year by 40% year on year to €62.87/MWh.



A NEW STRATEGIC INVESTMENT MODEL STARTS TO GAIN TRACTION SELLING PROPERTIES WITH USUFRUCT RIGHTS



This attractive form of medium to long-term investment in property offers a win-win situation for both parties (purchaser and seller) and it is becoming highly popular in Spain too as the legislation offers complete legal certainty for both parties with a notarised contract and entry in the Land Registry.

There was a real estate fair held in Madrid last October that only offered properties for sale in which the sellers reserved the life-long right of usufruct (entitlement to live in the property for life). According to the organisers, sales have increased 300% using this investment model.

What used to be a regular arrangement between parents and children is making a place for itself in the investment market. The purchaser buys a property at a discount price (discount equal to the value of the usufruct), often below market value. A single payment can be arranged when signing before a notary, or a deferred payment in monthly instalments. The latter case would thus be financing the purchase, but without mortgage expenses or interest. The increase in value also has to be taken into account. The holder of the usufruct rights would, of course, have to pay water, electricity bills, etc. on the property and would be responsible for maintaining the property. Non-resident owners normally have to file annual income tax returns.

Purchasers of the bare ownership rights do not have to, as taxes are only paid for using the property.

THE CENTRAL GOVERNMENT WANTS TO CUT THE CANARY ISLAND BUDGET BY 300 MILLION



Pedro Sánchez

There is currently a fierce battle being fought between the Canary Island Government and Pedro Sánchez' Central Government.

The central government does not want to pay the promised funds and the central government's Budget was presented 3 months late. They plan to make spending cuts in areas including infrastructure, education, housing, tourism, etc. and funds that had been committed have not been transferred.

The Canary Island Government (including the Socialist Party itself) threaten to oppose all legal and political measures if the promised funds are not transferred and the agreements concerning the Economic and Fiscal Regimen and the Canary Island Statute of Autonomy are not respected.

One of the reasons of this is thought to be the special situation vis a vis Catalonia, which has benefitted enormously from the Budget, probably to improve the atmosphere there a little. The Canary Island Government feels betrayed.

TOTEM FROM EARLY JULY TO SEPTEMBER 2019 IN MELONERAS



Cirque du Soleil is to set up in a giant big top close to the Baobab Hotel and the Meloneras Conference Centre. All the permits have been granted.

A CANARY ISLAND WINE IN THE TOP FIVE



Well-known sommelier Ferrán Centelles has declared Gran Canaria wine "Lava 2017" one of the best five wines in Spain in 2018, from among over 500 that were tasted.

OVER 20,000 CANARY ISLANDERS AWAITING A REBATE FROM THE INLAND REVENUE



The Tax Agency owes €38.67m to Canary Island taxpayers who are entitled to a rebate. At least they pay interest on the amount due.



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Properties of the month:

FOR INVESTMENT ONLY · For sale, the bare ownership rights by notary's deed, reserving the life-long right to usufruct (16%) for the seller. Superior class bungalow (present market value: €420,000) on quiet residential estate, 135 m2 plot, 114 m2 usable space, 3 bedrooms, 2 bathrooms, large storage shed, patio, lovely terrace, private garden, roof terrace with sea views.

Ref. 4.008-6 - €298,000



SAN AGUSTÍN · Right on the Atlantic · Spacious Bungalow (approx. 120 m2) with direct access to the promenade down a few steps. Fantastic views! Spacious lounge-dining room with American kitchen, 2 bedrooms, 2 full bathrooms, terrace and small garden, common pool, Community fees €105 per month including rubbish collection.

Ref. 5.210-2 - € 430,000

