



Interview ▶ Real estate market

«Andorra is a market for people with economic potential»

NARCÍS SOCÍAS TOMÀS CEO of Andorra Sotheby's International Realty

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Born and raised in the Principality of Andorra, Narcís Socías Tomàs is CEO of Andorra Sotheby's International Realty. Since 2017, he has also been the honorary consul of the Russian Federation in the Principality of Andorra. Narcís speaks Catalan, Spanish, French, English and Portuguese.

He talked about the characteristics of Andorra's real estate markets, shared his opinion on the best investments policy and explained what the concept of a luxury house means to him.

-You represent a high-level international brand: Sotheby's International Realty. Do you only have luxury houses in Sotheby's database or are there also options for the middle class?

-It's true, we have an international brand that refers to the world of luxury and excellence. But we also have the Finques 3 Cases Andorra brand, which was created more than 20 years ago for the middle class. In other words, everyone can find a house or an apartment through us. We adapt to all people and all budgets.

-What do you personally think of the real estate market in Andorra? What are the characteristics of the Andorran market, since it is a small country compared to the rest of Europe?

-That is a very interesting question. Andorra is a small market because only a very small part of it is private and the rest is public, where there will never be a place for construction. This is a very atypical market and cannot be assimilated or similar to the markets of our neighbours, especially in Spain.

In addition, Andorra is always of international interest.

-How did the global crisis affect the world real estate market and the market of Andorra?



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-Let's talk about this year, shall we? In 2012 there was a very important market correction, but here it was not as strong as in Europe or the world. Why? Because Andorra is a small economy with its own supply and demand characteristics. We do not have a large volume of sales, because there is not a large volume of properties for sale, therefore the correction of the world market and the global crisis do not affect Andorra so much.

-What are the dynamics of prices in the real estate market of Andorra this year?

-Now we have little supply and high demand and this is causing prices to go up.

-How much is a square metre of housing worth in Andorra?

-Now we have about half of the secondary housing market with prices of 3,000-5,000 euros per square metre, and we have about 8,000-12,000 euros per square metre for new buildings.

-What were the most expensive properties sold in 2021?

-In 2021, a villa was sold in the parish of Andorra la Vella for 17,000 Euros per square metre and another one for 12,000 euros

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per square metre in the parish of Ordino.

-What about Madrid, Barcelona and other big cities in neighbouring countries?

-Let's talk about the Spanish market. Among the most attractive places in Spain are Madrid, Marbella and Ibiza, where prices are rising rapidly. Barcelona is going down, and now it's not a good place to live. Barcelona has a security problem. I know some clients who have left Barcelona. As a result, property values fall.

-And what about France this year?

-In France, taxation is very high, and the country's market is going through socio-political and generational changes, and I would be careful about investing in France.

-It means it's not a good market right now, isn't it?

-No, for me it's not a good market now.

-Do you agree that house prices have now reached a critical point?

-No, these prices are not critical. I think there will always be acceptable prices for those who want to buy property here in Andorra. Each buyer can find here what he wants, according to his budget.

Another thing is social housing. I am referring to the Andorran government subsidies for Andorrans who cannot afford to buy a property at these prices.

The public and private sectors must combine to create more affordable housing or social housing on public land in each parish, to develop this small sector for Andorran families, offering them the best prices. The most important thing is to avoid external contamination, that there is no speculation and the possibility of reselling these houses later at a higher price.

-This winter all of Europe is preparing for the energy crisis, and people will need to save on heating and water. How does this trend affect the real estate market?

-We are in no way regulators of water or energy. I think that a buyer

with a budget of over 500,000 euros or more for a property is not very affected by the costs that may arise from this situation. Yes, in the case of working families, the Government will have to work so that the costs are the minimum increase and they have not affected this crisis. One might consider building a small nuclear power plant to have energy sovereignty to regulate prices in the same country.

-What are the advantages of the Andorran market?

-Security, taxation, climate, nature, a society with values and ethical principles.

-And could you remind me what the taxation is in Andorra?

-For the sale and purchase, an ITP is charged (4-4.5%, depending on whether it is an individual or a legal entity) and a notary fee.

An inheritance or gift is not taxed.

-Any disadvantages?

-This is not an ideal or perfect country. There are no ideal



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countries. But I think it has gotten better over the years. And I'm sure it can be improved significantly more. Together we can make the best Andorra for our children.

I am Andorran and very patriotic, so this is a question for our politicians, not for me.

-What can you tell about the quality of real estate in Andorra? What does "luxury house of Andorra" mean?

-By luxury, I don't mean a luxury home with luxurious finishes. For me, luxury is not limited to external beauty because an outwardly beautiful house can be in a noisy or unsafe place. The luxury I understand is to have a beautiful home surrounded by nature, in an idyllic, safe, peaceful location with low taxes.

I can give several examples of when people come here from London or New York because they are tired of big cities and want to live somewhere quiet and beautiful. And they ask for houses lost in the mountains.

-Is there still land to build the houses lost in the mountains?

-There is the terrain, but not much. It's about 10-15%, not more.

-What is the largest area of land for sale?

-We have land of 36000 m in Pal.

-I remember that there was an idea to build a luxury village in Andorra. Is this idea still alive?

-Yes, we're doing it in Ordino, it's Ordino Residential Mountain Resort.

-In addition, I would like to ask about the quality of housing construction in Andorra. What modern materials are used?

-There is a second-hand market and a new construction market. Now we are working on the promotion of new buildings with the highest quality format and the most advanced technologies.

-Which parishes in Andorra show the highest return on investment?

-The whole country is good. When we reach 95,000 - 100,000 inhabitants, the country will stop issuing new residences. And it's important to know to get a decision.

-Where do you recommend investing? It can be commercial or residential real estate?

-Both are good. The profitability is the same.

-From which countries do the main investors in the Andorran real estate market come?

-From all over the world. From France, Spain, South America, Russia, England, Germany, the USA, Switzerland and Monaco.

-What about the loans for real estate in Andorra? What are the conditions for non-residents and residents? What are the conditions for mortgages? How many mortgage offers have passed through the agency (as a percentage of all offers)?

-Andorra does not work much with mortgages due to the current situation and inflation. Now everything is more complicated. Andorra is a market for people with economic potential.

-How much does accommodation cost in a 160 square metre house in Andorra with all taxes per year?

-Heating, energy, water and light. It's about 500-1000 euros per year.

-Which markets do you recommend investing in this year? Why?

-First, Andorra. Because, as I have already said, we don't have high taxes, it's a growing market, demand is very high and prices are rising. Then, Spain, especially Madrid, Ibiza or Marbella. And nothing in France. =

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