

Interview ▶ Balance of its presidency in the Fiabci and valuation of the real estate sector in Andorra <<<

«There is tension in the rental market, but we have to plan very carefully so that it does not happen again»

JORDI RIBÓM Member of the Fiabci

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The International Federation of Real Estate Consultants and Agents (Fiabci, for its acronym in French) has held its 72nd general congress in Paris, in which Jordi Ribó ended his term and passed the baton to Susan Greenfield. An expert in the Andorran real estate sector, he will continue to be linked to the international body and will take stock of a period of apprenticeship and a point on the context of the field in the country.

–What is your assessment of your term as head of the Fiabci?

–It has been a positive year. We are living in a post-pandemic era, and what we have done is re-establish the organizational foundations and develop a strategic plan for the organization's goals for the coming years. I am happy because this means that Fiabci will continue to grow, and from now on, a new person will take over who will maintain a continuous line of action with the current one.

–What actions would you highlight as the main ones deployed in this period?

–Our management plan is based on five points. The first is business networking, which has been to encourage the interaction of people from different professions, to work together and to share knowledge. The second point is education, as we have deployed a platform with a company to share this knowledge, doing a kind of mentoring. Thus, the more experienced people can help the younger ones with their knowledge.

Afterwards, we continued to work with the events, especially in telematic support. This world congress is the first one we do in person after the pandemic, and we are very happy about that. We also continue to implement the awards of excellence to give importance to the best buildings in the world in different categories, such as hotels, public centers, residential spaces... And finally, we have maintained an international consulting service, especially working directly with the United Nations. As a result of this collaboration, agreements have emerged with UN-Habitat and Undrr.

–What is the significance of these agreements?

–Well, we had an agreement with the United Nations before, and now we have this new agreement for another five years. It is an agreement to work together with the private and public sectors to develop the new Uni-

ted Nations measures to meet its requirements for the 2030 and 2050 Agenda. The aim is to meet the Sustainable Development Goal number 11, corresponding to sustainable cities and communities. That is, it is a task of planning and future adaptation of urban centers. In this sense, within the organization we have experts from many branches, and also a series of companies associated with the Fiabci that what we will do is get to work together to see how we can find a solution for a suitable home regarding the climate change crisis, so that global carbon emissions are declining.

–Is sustainability one of the keys to the future of the sector?

–Certainly. Sustainability will be the key to the real estate sector for the next decade, and we need to be clear that the public sector, without the private sector, will not be able to make it a reality. This is what the United Nations is promoting and Fiabci also supports it, which is why we have signed this agreement. If we do not involve all the players in the sector, from the public to the private sector, we will not be able to move forward. And if that's the idea and the need, that's what we need to do and as soon as possible. I think we're on time today, but we can't postpone it any longer.

–Another objective of your mandate was to encourage relations between member countries. Do you think you have succeeded?

–The truth is that getting countries to interact in this post-covid stage is easier, because people are more eager to see. Real estate is a sector that needs 100% confidence, that is, if there is no trust there is no business. So, what we have done is try to enhance this aspect through the different events that we have been organizing digitally, to encourage people to get to know each other, and then to be able to establish relationships in on-site meetings. And it is in these contacts that the different countries can explain what they are doing and share knowledge, because in the end, there are things that work in Panama that can also be done in Colombia or Andorra. In the end, it's all about sharing knowledge so that the real estate industry gets stronger and stronger.

–What do you have to say about the international experience that you can apply in Andorra?

–Lots of things. Personally, I have a lot to learn and a lot of different ways to do real estate. Especially



Jordi Ribó at an event held this year in Cannes.

when it comes to elements such as urban planning and city planning, or in the residential, commercial, building construction areas ... I take it that everything is based on a very well thought out project, because it's not just about building a building, it's about knowing what's going on around you, and that's what I can now move to Andorra. Then, of course, all the knowledge I've gained internationally is also going well for me locally. And on the other hand, I have also been able to make contacts with people who are very interested in coming to live in Andorra. Obviously, it happens like in all things and it becomes more difficult, because selling Andorra is not the same as selling New York, but everything has a beginning. I think that during these years at Fiabci, not only the last one I was in the presidency but also the previous ones and from the section in Andorra, we have been working. Here in Paris we are 10 Andorrans, and that means that the people of the Principality want to go abroad and explain what Andorra is. That says a lot about all of us as a country.

–Susan Greenfield is now in charge, accompanying you as Vice President. How do you expect she will do her job?

–Susan Greenfield is more than ready. She is a very experienced New York broker. During this year we have worked hand in hand, and in fact, she will always have my advice if she wants it because I will remain on the Advisory Board of the Fiabci. Our relationship has been exceptional even though we come from very different places and I find that we get along very well. So, I come up with ideas, and to see them flush it out, it's really fun. The Board of Directors has 23 people from all over the world, and it is sometimes difficult to work with different cultures and ways of doing things. But they are exceptional profes-

sionals, and I feel like we've all done a great job over the last few years, and it's a good sign that most of the current board will continue to be involved in the organization. So, I think the basics of the team are clear and there will be continuity and exponential growth in the organization, even greater than we have now.

–Turning to the local environment, what do you read about the current situation of the real estate market in Andorra?

–The situation of the real estate market in Andorra is not different from that of other countries. There are tensions everywhere in terms of rent, because I imagine that's the question I want to ask myself. The rental situation works the same and there are tensions everywhere. Obviously, we come from a pandemic era where there has been a shift in thinking about households. People have spent many days at home and have seen what they did not like: that they lack space, that they have other needs, that they want a different environment ... This, at one time or another, has to finish. And the tension is there, but what needs to be done is to plan, with great care, how this cannot happen again in the future or how we are prepared to respond to the tension in another way. And it's not just about building more homes, it's about other things like transportation or energy.

I will give a very clear example: if you live in Canillo, filling the car tank a few months ago was less than today. Therefore, if you have to go down to work every day in Andorra, your cost is higher. This situation means that there are many more people who want to move to the center of Andorra la Vella to avoid these expenses. So, bottom line is that we're really looking forward to moving to a better location. Therefore, urban planning must be accompanied by transport, mobility and energy planning. The real estate business is not fixed in two days, but what we can do is be prudent and plan so that when a similar situation occurs again, we are prepared. But this is a task that needs to be done right now; no time to waste. More days we spend unplanned, the less prepared we will be. And obviously, first and foremost, an analysis of the sector needs to be made, and that's why statistics are needed like there are anywhere in the world, but unfortunately we don't have them in Andorra.

–In fact, obtaining data has always been a demand of the sector. Now that you've been in the National Hou-

sing Institute, do you think you can provide that information?

–Well, I hope I can do it, because in the end, it is still a political will. The data is in the hands of the municipalities and the Government, and I hope that the National Housing Institute can obtain it, and from there, carry out a careful analysis of the state of the Andorran real estate system.

–However, as municipalities as the government has been studying in recent months the possibilities of building affordable apartments. Do you consider it a solution?

–It's another help. But basically the municipalities and the government can do it, but the private sector can. I think public-private partnerships need to be fundamental; We cannot base everything on public funds, but we must also have private capital that can carry out this type of housing, but with incentives.

–We are at a time when the price of construction has also risen. Does this make this option difficult?

–Obviously there is a tension regarding the availability of construction materials, but it is in Andorra and it is all over the world. A few days ago I was in Malaysia, the second tallest tower in the world, and I was told that from there they bought materials in Spain, despite having China by their side; and they did so because the material from China did not reach them either. It is clear that there are difficulties everywhere, but we must know how to work with these tensions. We have to think that the market is going to relax and that there are factors like the war in Ukraine that are going to affect a lot, and little by little, we hope that the situation will go on and on. We are coming out of a time of global pandemic and we are living in a war context close to Europe, so we must trust that one day everything will end and we can enter a stage of normalcy and stability, which is what the real estate sector needs nowadays.

–In any case, measures such as the freezing of rental contracts are maintained in Andorra. Do you think it is good to keep it?

–I don't think we have to assess whether or not this measure should be extended, what I think is that this prevents more people from buying flats to rent. When there is this insecurity, people are not proactive. What we need to look at is how these flats that are not for rent can go on the market, and restrictive policies never help. ≡

Interview



COMÚ DE SANT JULIA DE LÒRIA

«We are studding the possible production of biomass and waiting for investors»



JOSEP MAJORAL

Senior consul of Sant Julia de Lòria, spoke about the projects and main tasks of Sant Julia de Lòria, the southernmost administrative region of Andorra.

IRINA RYBALCHENKO
SANT JULIÀ DE LÒRIA

–Could you tell us about the most interesting environmental and ecotourism projects of Sant Julia de Lòria and their annual budget?

–This year’s budget is around 80,000 euros. We have done a photovoltaic roof at the Cultural Center, we have obtained the certification of sustainable tourist destination and we have done a study of the heat network in the centre of Sant Julia de Lòria. So, I hope that after the Government’s approval we will be able to go ahead.

We are also the only parish of Andorra that promotes a sustainable mobility competition with scooters, motorcycles and electric cars. Our internal mobility plan is being finalised to make staff travels more sustainable. The carbon footprint was calculated to have an indication at the beginning and end of the term to find out what the reduction in CO2 emissions has been.

We are also trying to determine whether the roof of the administrative building can accommodate photovoltaic panels. Moreover, we unblocked all bureaucratic procedures so that the Aixovall mini-power plant is already a reality.

–Are there any joint projects with

other parishes of the country?

–The work on a national biomass project is underway. All the parishes and the Government ordered a project to find out what the possible production of biomass is and what the demand of the country is to know the balance between needs and capacities. Now, it would be necessary to finish outlining to find a private investor or an investor with public participation who would like to take the initiative forward.

–What are the most attractive projects for potential investors?

–From the side of the municipality, we believe that it is not only about protecting the environment but also about providing business opportunities in this area.

As an example, the roof of the Cultural Center was a tender awarded by an Andorran company that made all the investment and paid a fee in advance to dispose of the space for 25 years.

This money allowed the municipality to repair the roof that had problems with leaks.

This company made its business plan and in these 25 years it pays the installation, the fee, the amortisations and it has a profit margin. So, the field of renewables still has a lot of room to receive more investors.

–The Mòn Millor conference took place in Sant Julià de Lòria on 30 May to talk about climate change and promote sustainable tourism in Andorra. How important are these events? Do you plan to hold similar events in the future?

–We have already held several events. One of the main conclusions I draw after listening to the experts is that Sant Julià de Lòria has taken the right path. We have framed the global communal directive as part of the global issue of climate change. It would be a mistake to think about running the state with your back to it. Of course, we will organise more events on these issues.

–There was a project for the construction of a cable car to connect Sant Julià de Lòria with the summit of Claror Perafita Prat

Primer. Do you still want the project to continue?

–Today that area is a World Heritage Site and we don’t plan to develop any such initiatives.

–Do you have any plans to develop infrastructure for tourists who prefer a more active lifestyle that includes activities such as rafting and kayaking?

–It is not a question of specific infrastructure but of developing projects and, once done, joining forces with hotels, restaurants and trade in general so that their facilities can be complemented by our offer. If someone wants to realise a project of cycling tourism, we will all have to take the right steps to accommodate it. The municipality can lead an initiative, but to conduct it, we need the private sector to help

provide a better service.

–What would you like to do, as Senior consul, to further promote environmental projects in Sant Julia de Lòria?

–We are very small. Each person must contribute what they can. But my dream is that we can say that Sant Julià de Lòria is already a parish free of emissions. It is difficult, but with the tools we have, we are moving towards this goal. With the urban plan, we are making efforts so that the private sector can contribute to the reduction of greenhouse gases. And I mean, flat roofs should be allowed if they’re landscaped. We have a clear roadmap for Sant Julià de Lòria to become a national benchmark in the field of renewable energy and care for the environment. ☐

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