



## PROPERTY REFURBISHING

# The Government activates the purchase of empty buildings to offer them at an affordable price

The aim of this new line of action is to create, in the long term, a public real estate park

The cost to launch this program is 19 million euros to be spread over six years

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The Government will acquire or lease unused buildings from private owners for the rental market. The aim of this new line of action in housing policy, therefore, is to create a public real estate park at affordable prices. Thus, on the one hand, the needs of the population are met; and, on the other hand, it promotes the incorporation and refurbishing of buildings that are currently not in use or that, as a result of various causes, a change of use is advisable, at the same time providing housing at an affordable price in the medium term through a model sustainable and allocating new construction promotions to the rental market. The type of residence that will be included in this program are entire buildings used as second-hand multi-family housing; of new construction or hotel use, whether tourist or Aparthotels; the scattered homes; and the unencumbered and encumbered rooms of tenants, occupants or temporary workers. On the other hand, single-family houses, huts or similar, or buildings built in red risk areas will not be accepted.

In conclusion, the Executive will allocate 11 million euros for the purchase of empty properties, and an additional eight million euros for the potential rental of flats, all of which will be allocated to the rental market at affordable prices. Therefore, the final endowment of the program is 19 million euros to be distributed until 2027. However, the refurbishment that is necessary will be assumed by the housing fund. The National Housing Institute (INH) is also one of the main actors involved in this project, and will manage the buildings. Along these lines, the ministry wanted to start a «simple and agile» public competition, clarified the Minister of Territory and Housing, Víctor Filloy, so that property owners have access to make their proposals. The process to sub-



Victor Filloy during the presentation of the new housing program.



### VÍCTOR FILLOY

MINISTER OF TERRITORY AND HOUSING

«[Some owners] tell us that they have a closed property, but they don't have the capacity to do the refurbishment»

### WINTER SEASON

#### Filloy, worried about the difficulty of finding flats for temporary workers

The Minister of Territory and Housing showed his concern about the winter season and the massive arrival of temporary workers, taking into account the low availability of housing and the increase in prices. Thus, he pointed out that «we have always been a host country and we must try to give the best conditions to the country, it is a model built together and we must make sure that they continue to come». At the same time, he pointed out that the ministry has sensitized employers to «provide housing solutions to avoid certain situations that we have all been able to check on social networks», detailing that sharing a room with two people «I don't think it is worthy». As a result, Filloy pointed out that a housing commission has been convened to invite employers and the hospitality sector to discuss proposals that can «avoid these tensions in the future». Asked about the possibility of the creation of «overcrowded flats», the minister informed that, although it is currently difficult to carry out a control, these situations can be detected with the digitization of the register of habitability certificates, since, for now, «we don't have a clear enough tool».

mit candidacies will begin this Wednesday, with the publication of the terms of reference in the BOPA, and will close on December 15th. Going into detail, the tender procedure will be developed in phases. First, those interested will apply for participation. The ministry's technical staff will then inspect and carry out a

photographic reconnaissance of the buildings. Following the decision on the admission or non-admission of the candidatures, an independent architecture office will appraise the accepted buildings so that the owners can know their current value. The next phase will consist of the owners presenting a sale or rental offer

to the Government. At the same time, there will be an opening and an examination of the offers, and those that exceed the value of the expert appraisal will not be accepted. Finally, the agreement will be awarded, the public deed or the lease contract will be formalized and, finally, the refurbishment or reform will begin.

However, Filloy admitted that the number of flats that would be added to the market with this program is not known, but he assured that «we have had contacts from owners who told us about this possibility; they tell us that they have a closed property, but they don't have the capacity to do the refurbishment».

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STATISTIC

# Household spending grew by more than 15% in 2021

The average figure is 38,229 euros per year, which is basically allocated to food, housing and transport

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The total expenditure made by households on goods and services intended for final consumption has increased by 15.1% during the year 2021 in relation to the previous year. The average expenditure per household has increased by 11% and stands at 38,229 euros per year, which reveals that the increase in total expenditure has not been proportional to the growth in the number of households in the mentioned period (3.7%). As for the average expenditure per person, it has also increased, by 12.9%, to reach 18,001 euros per year. Regarding the distribution of expenditure, housing, water, gas, electricity and other fuels stand out, with more than 35%. The food, housing and transport groups account for 65.5% of total expenditure. Food, specifically, shows a change in trend and represents the biggest decrease, given that it experiences a reduction of 1.5 percentage points compared to 2020, going from 19% to 17.5% in 2021.

In general, this last year there has been an increase in all consumption groups, mainly in hotels and restaurants (55.8%) and clothing and footwear (32.9%). If the comparison is made with 2019 to deal with the pre-pandemic year, the groups of total expenditure in 2021 that have not reached the levels present in 2019 are recreation, shows and culture, which falls by 6.8%; clothing and footwear (down 6.2%), hotels and catering (down 5.8%) and furniture, household items and household services (down 2.7%). If the percentages of total expenditure made in the Principality and abroad are analyzed by consumption group, almost all groups have a higher weight in the country than abroad. Among these groups, alcoholic beverages



►► Archive image of the central valley.

and communications should be highlighted, with expenses exceeding 97% of the total, according to Statistics data published last Monday. The only group with an expenditure abroad higher than that made in the Principality is education, which has increased from 55.9% in 2017 to

63.3% in 2021. The proportion of expenditure made increases only in alcoholic drinks, tobacco and narcotics groups (from 96.5% to 97.4%), while the opposite trend is observed in the other groups. The average household expenditure in the Principality has increased by 7.7%

in 2021 and stands at 33,639 euros per year. Likewise, the average expenditure per person made in the Principality has increased by 9.5% and stands at 15,840 euros, with population growth (1.9%) being much lower in proportion to expenditure on final consumption.

## the figures

**55.8%** increase in hotel and restaurant groups.

**9.5%** is the growth of the average expenditure per person which stands at 15,840 euros.

**49.2%** is the increase in spending abroad.

**63.9%** of the country's homes are for rent.

Expenditure made abroad has increased by 49.2% compared to 2020, and its proportion in the expenditure of resident households represents 12% of the total. The average expenditure per household made abroad and also the average expenditure per person increase by 44.% and 46.4%, respectively, in relation to the year 2020. In the distribution of expenditure outside Andorra, it must be taken into account that the main groups of expenditure abroad, for the year 2021, are housing (32.9%); hotels and restaurants (13.3%) and food and non-alcoholic beverages (10.6%). As for housing, the proportion has decreased by 7.8 percentage points compared to the previous year, while the weight of the transport group has increased by 4.5 percentage points. Finally, 63.9% of households rent their homes, reaching 23,933 households (total of 37,451 households), in 2021, an increase of 1.7 compared to 2020. However, if let's compare the distribution of the total number of households in the Principality in 2021 according to the home ownership regime, its proportion has gone from 65.1% to 63.9%. ≡

## The CPI for the month of October stands at 7%, 2.5% more than last year

Food and non-alcoholic beverages have increased by 12.6%.

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The Consumer Price Index (CPI) in October stood at 7%, which means 2.5% more than compared to the same month in 2021. As published by the Department of Statistics, the

main groups that increased inflation were food and non-alcoholic beverages, which increased by one point, standing at 12.6%, and the recreation, entertainment and culture group, which they grew by one point and four tenths, standing at 5.7%.

Conversely, the main group that moderated this inflation was that of housing, water, gas, electricity and other fuels, which decreased by two

tenths (6.4%), due to an increase in fuel prices liquids lower than that recorded in the same month of the previous year and the decrease in the prices of other housing-related services.

In relation to underlying inflation, which is the variation in the CPI without taking energy products and fresh products into consideration, during this month of October the annual variation was 4.1%, two points and nine tenths below the registered CPI.

With regard to the rest of the special groups, it is worth noting the decrease in the annual variation of the CPI for petroleum products, which went from 42.9% in September to 37.7%. Conversely, in the case of fresh products, the variation grew, going from 12.8% in September to 14.2% in October.

On the other hand, Spain's advanced CPI for October 2022 stands at 7.3%, which represents a decrease of

one point and six tenths compared to the variation recorded in September. If confirmed, this development would be mainly due to the decrease in electricity prices, which increased in October 2021. It would also be influenced by the decline in gas prices and the increase in prices for entrance of the new dress and footwear season, more moderate than 2021.

As for the CPI in France, during October it stood at 6.2%, which represents an increase of six tenths compared to the variation recorded in the month of September. This increase would be due to the acceleration of the prices of energy, food and manufactured products. ≡

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