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DIRECTOR OF COMPANY 'AUGÉ REAL ESTATE'

«The only real advantage of the new law 3/2024 is the 90% bonification for rental properties»

IRINA
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The main factors operating in any market are: demand, supply and price. The prices of property are no exception. We continue our conversation with Pere Augé Jr, Director of Augé Real Estate, about the development of the property market in Andorra, its volatility and the most attractive properties on the Andorran market today.

—In the first six months of this year, house prices in Andorra rose by more than 3% and the average price per m2 exceeded €5,000. How do you assess the Andorran property

market in view of these indicators?

—Demand in this period was strongly influenced – not by price increases but by the new regulations. All indications are that prices will continue to rise, because that is the inertia seen in the Andorran market. There is little talk about inflation. Money is worth less; people have less purchasing power and less cash in their pockets. This is not a problem exclusive to the property market, but it directly affects it and sometimes causes confusion.

The media and politicians do not inform us with the necessary clarity about this phenomenon of loss of purchasing power, but I realise that we need to start getting the public educated about this situation.



We live in times when prices are gradually rising for everything – not just property.

Yes, it's true, Andorra is a territory with high real estate prices.

However, it is also true that m2 rates in Andorra continue to surprise some foreign investors, since they are currently already similar to those in Barcelona or Dubai, for example. In any case, given the interventionism of the Andorran government, many

investors have already stopped trusting the Andorran market and are looking for other places with higher yields and better forecasts.

—How competitive is it compared to its neighbours France and Spain?

—The Andorran market is difficult to compare with France and Spain, because the cities of these countries are larger than Andorran cities.

Andorra has positioned itself in terms of prices at the same level as European cities with the typical problems of population density, but at the same time these cities provide economic development. We are not in a bubble or an isolated space. Before the economic openness that Andorra has implemented since 2012, the Andorran economy was stagnant and not moving anywhere. Today we have an economy that I believe can be said to be working. Let's see what happens in the coming months. Nothing predictable is in the near future.

—How developed is the mortgage market in Andorra today?

—Interest rates remain high, and families should think twice before taking out a mortgage. Rates are expected to come down and this will help. It has been a long time since the last rate rise and despite the recent reduction, not everyone can afford a mortgage. Thus, secondary housing is slowly entering the market. There is a category of individuals who got loans in times of low interest rates and now the dilemma is whether they will be able to hold on. Promoters and investors, as always, continue to use any available credit tools, although from next year and beyond it will be better if the forecasts come true, inflation goes down and rates come down to a more competitive level.

—From your point of view, which properties on the Andorran market are currently the most attractive and why?

—That's a good question, and not an easy one to answer. In terms of new construction, it has recently been possible to access some projects in premium areas with very good construction



ALL PYRÉNÉES



«We live in times when prices are gradually rising for everything – not just property»

characteristics, with very reliable promoters and projects and at favourable prices. This type of project (if it's successfully completed) is a winner, and on the day of its delivery you can pay a price that will be lower than the market value at that time.

Are there ways to optimise tax regimes both under the new law 3/2024 and under the existing rules, for example, regarding the possibility of VAT refund (4.5%) under certain conditions? What conditions are we talking about?

In fact, it is clear that the only real advantage is the 90% bonification for rental properties (on the tax on real estate investment made by foreigners). Hence, the rule has achieved its

objective here. But we will see whether investment will be incentivised with this bonification.

It is also true that the effect of indirect taxation allows, for example, recovery of IGI (Andorran VAT) if the purchase is made between entities that are subject to said tax.

There are many situations where the advice of a good tax professional specialising in real estate is really needed. Fortunately, we have professionals in our group, which makes the task much easier. In fact, thanks to this expertise, we also advise other estate agents who need advice in this area. ●

TOURISM

The Llorts Mine drastically increases the number of visitors

The increase in hours and the sale of tickets online boost the influx of tourists to the parish.

AGÈNCIES

ESCALDES-ENGORDANY

The recent extension of the opening hours of the Llorts mine during the weekends in June has been a success, attracting a total of 106 visitors on days 1 and 2, 8 and 9, and 15 and 16. This influx of public has contributed to increase the total number of visitors for the month of June up to 283, according to sources from the municipality of Ordino. These numbers far exceed those of 2023, when only 66 visitors were recorded during the mine's opening period, which was from June 15th to 30th.

The current opening hours, as announced by the municipality of Ordino, are from 9.30 a.m. to 5.30 p.m. every day, with the last visit scheduled 30 minutes before closing. This schedule will be maintained during the months of July and August. From September until October 13th, the facility will be closed on Sundays and Mondays. After October 13th, the intention is to open on weekends, Saturdays and Sundays, from 09.30 to 17.30, although the feasibility will have to be assessed.

THE RIBERAMUNT ITINERARY, IN DANGER OF DISAPPEARING // With regard to the guided Riberamunt itinerary, the corporation has announced that it is very likely that it will be discontinued next year, due to the lack of success. The reason is that the path is easily accessible, very well signposted, and explanations are available on the panels of the Parl'App applicati-



Visitors to the Llorts mine.

on. These features make visitors prefer to invest in other more challenging mountain

THE CALENDAR

FROM UNTIL 13/10

From September until October 13th, the facility will be closed on Sundays and Mondays.

itineraries.

Finally, the possibility of buying the guided itinera-

AFTER 13/10

The Llorts mine will be open to the public on Saturdays and Sundays, from 9.30am to 5.30pm.

THE FIGURES

66 VISITORS

During the year 2023, only a total of 66 tourists who visited the place were registered.

283 VISITORS

The increase in visitors has been noticed this year with the extension of the mine's opening hours.

ries, both of the mine and of the Sorteny park, online, has been very beneficial for tourists, as the corporation emphasized. This system allows booking and payment at the time of planning the visit, so that tourists do not waste time when they arrive, and the municipality can better organize the staff according to their needs.●

COMÚ D'ORDINO

SPEED CAMERAS

896 fines for speeding Andorran drivers in Catalonia

The Mossos d'Esquadra imposed a total of 1,084 files between January and July 2024

ARXIU ANA

EL PERIÒDIC
ESCALDES-ENGORDANY

The police have issued a total of 896 speeding fines to drivers with Andorran registration on Catalan roads between January and mid-July. These data, provided by the Catalan Traffic Service (SCT), indicate that during the first six and a half months of the year, 1,084 penalty files have been opened against vehicles registered in the Principality for various violations of the Catalonia traffic code.

The vast majority of fines correspond to offenses related to exceeding the maximum permitted speed limit. In addition to these, sanctions have also been imposed for other infractions, such as breaches of general regulations (55 fines); do not signal maneuvers (46); driving under the influence of alcohol or drugs (25); not using the belt, helmet or other safety elements correctly (17); and not carrying the vehicle documentation (17), among others.

It is important to remember that, during the same period of 2023, the police imposed a total of 756 sanctions on resident drivers for violating traffic rules in Catalan territory. The majority of cases that year were also ope-



The speed camera located on the C-14.

In the same period of 2023, the figure was considerably lower, with 135 files

ned for exceeding the speed limit on the roads, with a total of 581 fines. Other penalties highlighted in 2023 included not to signal maneuvers and breaching general regulations.

Analyzing in more detail the data provided by the SCT relating to the C-14 road, it is highlighted that between January and mid-July a total of 385 penalty files have been opened against Andorran drivers, of which, again, the vast majority correspond to excesses of speed (332). In the sa-

me period in 2023, the figure was considerably lower, with a total of 135 cases, of which 92 were for speeding.

With regard to the amounts of the penalties, the Catalan Traffic Service has detailed that the set of fines imposed on Andorran vehicles from the beginning of the year until July 22 has added up to a value of 189,860 euros, of which, at as of now, only 76,530 euros have been paid. During 2023, the total amounts reached 146,340 euros and 61,230 euros were paid. ●

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