

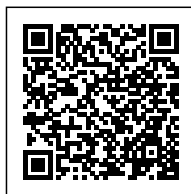
# THE REAL ESTATE SECTOR – WATCHING AND WAITING - ROCA JUNYENT

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**The sector has ground to a halt, financing has drastically reduced and business opportunities are few and far between**

El sector inmobiliario se encuentra en un estado de absoluta parálisis, afirma Antonio Cañadas, de Roca Junyent, además de expectante en cuanto a las decisiones que se tomen en el sector de la banca y las implicaciones que éstas puedan tener. En el sector inmobiliario el foco está ahora en la renegociación de la deuda con los bancos.

The real estate sector is in a state of absolute paralysis, says Antonio Cañadas, Partner at Roca

Junyent in Madrid, with everyone watching to see what is going to happen with the banks and the subsequent implications. "Businesses with large real estate portfolios of finished products, such as flats and offices, are waiting to see the final price at which they can put their products onto the market."

There are also no real business opportunities around, and real estate companies, developers and constructors are occupying themselves by taking care of and renegotiating their debts with the banks, says Cañadas, – "it's the most they can do at the moment".

It is, however, a very weak time to be renegotiating. "Banks aren't interested in increasing their real estate arrangements," says Cañadas. "They would rather continue counting on the credit they have from businesses that look to be doing 'ok' in the medium to long-term rather than enforce the rights and guarantees they have and end up with even more real estate on their books."

While there has been no great difference in activity from 2011, last year the big players in international real estate investment still came to Spain looking for opportunities. This year, however "those same players haven't even shown up", says Cañadas. "Investors are waiting to see what develops with the banks' large real estate portfolios and then at what price they can start to make offers."

Financing is also causing problems for real estate clients. "The fluidity of credit is not a worry, it's a stark reality," says Cañadas. "Financing has drastically reduced and there is nothing that can currently help the banking sector to recover. They can only wait and see the conditions in which the banks' real estate portfolios will reach the market."