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Barcelona's Latest Affordable Housing Tool: Seize Empty Apartments

Feargus O'Sullivan

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In the Sant Antonio neighborhood of Barcelona, housing costs jump by more than 50% in the past five years. Officials are using the threat of forced apartment purchases to create more affordable housing.

Photographer: Angel Garcia/Bloomberg

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Barcelona is deploying a new weapon in its quest to increase the city's available rental housing: the power to force the sale of empty

properties.

This week, the city's housing department wrote to 14 companies that collectively own [194 empty apartments](#), warning that if they haven't found a tenant within the next month, the city could take possession of these properties, with compensation at half their market value. These units would then be rented out by the city as public housing to lower-income tenants, while the companies in question could also face possible fines of between €90,000 and €900,000 (\$103,000 and \$1,003,000), according to Spanish news outlets.

The plan builds on previous measures in the city to fill empty apartments. Since 2016, it has been legal for municipalities in the Catalonia region, which includes Barcelona, to [take control of properties](#) that have been left without tenants for more than two years. The cities can then rent them as affordable housing for a period of between four and ten years before returning them to their owner's control. This measure, however, has only ever been used in [a few cases](#), and

still requires the city to return the properties. Now, using a legal tool approved by the Catalonia region in [December 2019](#), Barcelona will have expanded power to actually buy the apartments outright by compulsory purchase, at 50% of market rate.

Barcelona has been struggling with empty homes for some years now. As Spain's property market tended towards stagnation after the financial crisis of 2007 to 2008, some companies that own multiple properties are allowing their units to sit empty while waiting for the market to revive. With many units held after repossessions by banks — including Spain's national "[bad bank](#)" [SAREB](#), which owns 149 empty properties in Barcelona — there has been a tendency for companies to neglect their portfolios, thinking of them primarily as assets to be managed rather than an essential public resource. This has led to high rates of vacancies and neglected properties in some areas of the city, places where [Narcopisos](#) — "Narco-flats," where drug dealers and users trade and consume

narcotics — have taken over homes left empty.

The city has been developing tools to counter this for a while. Beyond the small number of expropriations, the municipality has also [levied high fines](#) for vacant units, while some [empty vacation rentals](#) have also been used as emergency housing during the pandemic.

This month's new push is both carefully targeted and wider than previous efforts. All properties up for potential expropriation belong to owners with multiple units. For the properties to be eligible for forced purchase, they must have no tenant contract for two years and no record of recent power or utilities use, meaning that occasionally-used second homes do not appear on the list.

But according to the city housing commissioner Lucia Martín, the intention of the effort is to pressure landlords into renting their own units, not actual forced purchases en masse. “We are not here to expropriate. What we want is for apartments to be rented,” she told newspaper [20 Minutos](#). Martín has also warned that “if the answer is no, we will

open the file and they will go to expand the city's public housing sector.” In some cases, taking possession of vacant units may not be an adversarial process. In signs of a new mood in the neighboring municipality of Badalona to the northeast of Barcelona, SAREB voluntarily handed over rights to rent out [256 currently squatted apartments](#) they own to the city this week, so that the authorities can suppress their use for drug trade and rent them to applicants for public housing. In Barcelona, another 232 empty homes have been identified as the next targets for the program. Meanwhile, the city is seeking to persuade Catalonia's regional authority to make the program even more expansive, by allowing forced sale of properties after just six months of vacancy, rather than two years.