

TERRITORY, CONSTRUCTION AND DEVELOPMENT ACTIVITY: SINCE «TSUNAMI» TO CRISIS. EXPLANATORY FACTORS AND A PROPOSAL OF INDICATORS AT MUNICIPAL SCALE IN ANDALUSIA

Alfonso Fernández Tabales and Estrella Cruz Mazo

Universidad de Sevilla

I. INTRODUCTION

Since the expression urbanistic or development «Tsunami» was made popular by Javier García-Bellido in 2005 it has become popular when referring to an increase in the construction and development activity in Spain during the first half of the present decade; followed by the near paralysation of the sector in the wake of the beginning of the global economic crisis. This article aims to cover the territorial aspect of this phenomenon, covering various objectives that correspond to the epigraphs upon which it is structured. These objectives are:

- To briefly expose, by means of selected statistical data, the magnitude of the process in the case of Spain, differentiating it in the context of Europe as a whole.
- To explore the process diagnostic in depth, presenting a detailed revision of the factors that triggered it.
- To present, by means of a statistical synthesis, the traits that characterize and differentiate the Andalusian case in the context of Spain.
- And lastly, to propose a series of indicators to quantify the different manifestations of the process in the Andalusian case, applying these indicators at a municipal scale, mapping the results and obtaining conclusions.

In what the characterization of the Spanish case is concerned within the context of Europe as a whole, it must be mentioned that since the second half of the nineties and until the year 2007, the Spanish economy underwent an accentuated expansive cycle, with annual G.D.P. growths of over 3%. In this way, Spain presented the most pronounced G.D.P. upward trend when compared to the rest of the countries in the UE12 up until the generalized trend

inversion in the year 2008. The level of influence the progressive basculation of the Spanish Economic model towards the construction sector has exerted on this growth is a widely debated theme, but it seems irrefutable that its undeniable accelerated proportional increment can't be alien to the global result.

To summarize statistically speaking, the construction sector in Spain has a series of characteristics which differentiate it from most of the countries in the European Union. One of the most notable relates to the fact that most of the building works undertaken have been new constructions, both for housing and public purposes; to this effect, the highest volume of new housing built was reached in 2006, with 18,000 new homes per million inhabitants, whereas the EU Member State average was at 5,000 per million inhabitants. Another differentiating factor of the Spanish as opposed to the European model makes reference to property usage, ownership being more frequent than renting. With respects to home rental, 2005 registered the lowest values in the entire European Union: only 10.4% of Spanish homes were based on the rented accommodation model. In what temporary housing is concerned, the presence of a second residence must be outlined, as 13.4% of Spanish households declared owning secondary residences in 2001.

II. PROCESS DIAGNOSTIC: TRIGGERING FACTORS OF THE CONSTRUCTION AND DEVELOPMENT BOOM

The article analyses in detail the explanatory factors whose actions, both coupled and interrelated resulted in the development boom. These factors were:

- Economic and demographic growth.
- A favourable financial scene.
- The considering of home-ownership as a means of investment.
- The real-estate market orientation towards ownership and second residence.
- The acquisition of properties by older or «climatic immigrants».
- The impact of floor legislation amendments.
- The week social response to this model.

III. STATISTICAL ANALYSIS OF THE REGIONAL CONTEXT: THE CONSTRUCTION SECTOR IN ANDALUSIA

This section aims at showing, by means of selected statistical data, the main traits of the construction sector in the Andalusian Autonomous Community and its evolution over the last few years, illustrating the relevance of the Andalusian case in the context of Spain as a whole, given the magnitude reached by the phenomena here showcased.

Thereby, the noteworthy increase in the sector is proven, both in absolute and relative terms by means of indicators such as: proportional weight of the Gross Added Value of the different productive sectors in the regional economy; number of municipal licenses granted for the building of housing; number of homes started and finished; or variations in home prices.

IV. THE ESTABLISHMENT OF INDICATORS AND THEIR APPLICATION TO THE ANDALUSIAN CASE

This section suggests a series of indicators to quantify the different aspects of the issue at stake, applying them at a municipal scale to fit Andalusia's specific case (there are 770 municipalities in the Autonomous Community, all of which have obtained the data here referred to), and this scale permits the differentiation of the different behaviours and dynamics which have been observed regionally within the context characterized; finally, we go on to map the results obtained as a preamble to their interpretation and summarization.

The variables selected are brought together in three groups:

- Municipal orientation towards real estate activity. Aimed overall towards showing the proportional weight reached by said activity at a municipal level, economic, social and territorially speaking. The indicators used were:
 - Urban Real Estate Taxing. Tax Base: This tax is calculated based on objective characteristics, both quantitative and qualitative, of the municipal real estate state stock; to which a series of quotes or multiplier factors are applied, decided upon by the corresponding town hall.
 - Proportion of Urban Real Estate Tax (Base Quota) of the total municipal budget.
 - Non-Permanent Residential Function Index (it is the result of the quotient of residential use cadastral units of a municipality amongst its lawful inhabitants).
 - Construction work employment versus total employment in the municipality.
 - The evolution of number of construction workers in the period 2000 - 2006.

- Real-estate market dynamics. Oriented towards illustrating the situation and evolution of the real-estate market at a municipal level given its importance as the main driving force behind the construction sector. Also because of the importance of the effect of its fluctuations as a way of explaining the socio-economic evolution in a large number of municipalities. The indicators used were:
 - Real-estate transaction per municipality in 2006.
 - Transaction variations between 2006 and 2008.
 - Proportion of transactions based on the total residential usage cadastral units in 2008.

- Repercussions of the intensity of construction activities: They illustrate the variety of consequences the different territories have experimented based on their higher or lower general real-estate and building activity orientation. The indicators selected were:
 - Momentary planning modifications between 2000 and 2009.
 - The relation between labour impact in the construction sector (2006) and the subsequent evolution of unemployment (2006-2008). It relates the percentage of jobs in construction and the total number of jobs in the municipality with the

subsequent increase or decrease of the total unemployment within it. It aims to illustrate the level of socio-economic structure vulnerability experimented in the areas that have displayed a higher dependence upon construction activities.

V. CONCLUSIONS

Firstly, the singularity of the Spanish case in the European context due to the proportional dimension reached by the construction sector and its rapid growth since the end of the nineties and up until the second half of the current decade. In fact, this spectacular growth is thought of as one of the main factors for the remarkable growth rates of the Spanish G.D.P. during that period, higher than the European averages (albeit setting off from a statistically lower starting point). As is well known, all of this resulted in an unprecedented development boom that drastically transformed the territorial structures of wide expanses, especially coastal areas and urban agglomerations.

This singularity is explained by means of a complex group of interrelated factors, amongst which a favourable financial climate, marked by historically low interest rates and also the orientation towards the concept of home-ownership as a means of investment as opposed to actual usage stand out. Without leaving aside others such as an economic and demographic growth, the Spanish market's preference for ownership when compared to renting, the mass acquisition of real estate by foreigners, the effects of legislative changes, the generalized support of this process by all political forces, or the mindless social acceptance (except by an environmental-minded minority) of the economic and territorial model which was the driving force behind this phenomenon.

Within this country-wide framework, and in agreement with it, the Andalusian Autonomous Community presents some differentiating traits, amongst which the sheer magnitude of this phenomenon stands out, as well as its distinct influence over the regional growth (in this case the statistical starting point was also notably lower than the Spanish average); especially if the proportional implications reached by the construction sector in the Andalusian economy as a whole, in contrast with the comparative weakness of other sectors, such as the industrial area, when compared to other autonomous communities or the national average.

Along the same lines, as shown by the selected indicators, it may be said that Andalusia has borne witness to an unprecedented constructive and development boom, for its intensity and territorial span; a boom that has marked the course of events economic, social and territorially like none other phenomenon in recent years. As a consequence, the construction sector has played a key role in territorial development in Andalusia during the present decade, both by its transcendental incidence in the improvement of employment during the first half of the decade and by the intensity of the negative drag effect it has exerted on the local economies since the near paralysation of the sector in 2007-2008, and that continued retaining its fundamental characteristics until the end of the decade.

In this regard, the implementation of indicators at a municipal scale in the Andalusian case shows the various intensities that this phenomenon has experimented in the different areas of the regional territory, as predicted, more accentuated in coastal areas and urban agglomerations; but appearing also at very important levels in rural areas of high

environmental value and near-coastal spaces neighbouring consolidated tourist spots. This represents a clear demonstration of the extension of this economic and territorial model, based on construction and development, to large areas of the Andalusian territory, in some cases, towards areas that had remained distant from the process up until about just over a decade ago. This reality becomes apparent in significant variables such as the high level of dependence the local treasuries present with respects to their taxation derived from their real-estate stock, the proportion of employment in the construction sector over the total, or the number of real-estate transactions in relation to the number of homes, amongst other indicators analyzed in the preceding text. Lastly, the most relevant conclusion extracted from the municipality-level analysis undertaken is the ascertainment that there exists a notable coincidence between areas in which there existed a higher intensity of the construction and development process, and those that currently suffer the most from the impact of the crisis (measured based on the number of unemployed), therefore it is proven that an excessive tilting towards the construction sector entails a notable vulnerability of the local socio-economic structures (apart from the territorial and environmental cost this inclination implies). This lesson should not be forgotten in the face of a possible reactivation of the construction and development boom when the macroeconomic circumstances go back to being favourable.

