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In Ruins: A Visual Display of Spain's Recent Housing Bubble



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El Mirador del Ebro: A partially completed development with no inhabitants

- Project's advertisement: *A never before seen place to live and enjoy your free time on another level, a different place* (Schulz-Dornburg 61; my translation).
- Located along the Ebro River in the province of Tarragona.
- Land traditionally used for rice cultivation (Femenia).
- Martinsa Fadesa's plan to build 1,000 new homes, a hotel, and a golf course was approved in 2005 (Schulz-Dornburg 61; Pellicer).
- Resistance to the project by environmental groups, particularly because of the proximity to the river, could not stop the €165 million invested by Fadesa (Pellicer).
- The project was halted in July of 2008 when Fadesa went into an agreement with creditors after failing to make their debt payments (Schulz-Dornburg 61).
- Fadesa abandoned the project altogether in 2010, leaving 170 houses in various degrees of completion (Schulz-Dornburg 61).
- The entire property was fenced off due to the lack of basic services, blocking homeowners from their houses.



Figure 1



Figure 2

Abstract

The purpose of this investigation is to explore some of the implications of Spain's recent economic crisis, focusing on practices of overdevelopment and speculative demand during the period of 1998-2008. More specifically, how the economic, political, and cultural practices turned the building boom into a real estate bubble after the financial market crash of 2008. The burst of the bubble left Spain with physical remnants of developments that do not serve their intended purpose: both finished and unfinished residential areas as well as underused infrastructure now in decay. My interest in this topic is rooted in my own observation of one of those unfinished urban areas south of Madrid. Many of the sights and landscapes have a beauty to them despite their tragic narratives. This analysis will include several case studies from the crisis, including both small and large-scale projects. The accompanying images often say more than the textual analysis. The deserted landscapes serve as reminders of the dangers brought by overdevelopment.



Figure 3



Figure 4

Alba Marina: An incomplete development with no houses or inhabitants

- Project's advertisement: *A housing development with a yacht club, sports courts, and a covered pool* (Schulz-Dornburg 85; my translation).
- Located along the Rio Tormes in the province of Salamanca.
- The same year the land was declared legally developable, 1995, the initial plan was presented and approved by the municipality (Schulz-Dornburg 85).
- The municipality sold the 26 hectares of undeveloped land for €820,000 to a development company, whose name has changed multiple times (Jiménez; Borrego).
- The final permit to build 130 luxury homes was approved in 2003, and construction began in 2004 (Schulz-Dornburg 85).
- By 2007, construction had ceased after the completion of basic infrastructure: roads, traffic lights, sewer, and water (Borrego; Schulz-Dornburg 85).

Moving Forward

Despite the devastating burst of the bubble, Spain's economy is now moving in the right direction: unemployment rates have steadily decreased, from above 26% in 2013, to 16.55% in December 2017 ("Spain Unemployment"). As a result of increased employment, household debt continues to fall ("Spain Household"). Now, Spain must look at the physical ruins, which are a product of the housing bubble, to prevent the same catastrophe from repeating.

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Figures

Figure 1. Femenia, Marc. "España: Error de Sistema." *El Diario*, https://lab.eldiario.es/error_de_sistema/en/. Accessed 25 Feb. 2018. With permission.
Figure 2. Schulz-Dornburg, Julia. *Ruinas modernas, una topografía de lucro*. Àmbit Servicios Editoriales, 2012. With permission.
Figure 3. Schulz-Dornburg, Julia. *Ruinas modernas, una topografía de lucro*. Àmbit Servicios Editoriales, 2012. With permission.
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Figure 5. Marcinkoski, Christopher. "There's a lesson in Spain's Surreal, Unfinished Cities." *Huffington Post*, https://www.huffingtonpost.com/entry/spain-empty-cities_us_56ba6221e4b0b40245c47dft. Accessed 25 Feb. 2018.
Figure 6. Femenia, Marc. "España: Error de Sistema." *El Diario*, https://lab.eldiario.es/error_de_sistema/en/. Accessed 25 Feb. 2018. With permission.
Figure 7. Femenia, Marc. "España: Error de Sistema." *El Diario*, https://lab.eldiario.es/error_de_sistema/en/. Accessed 25 Feb. 2018. With permission.
Figure 8. Marcinkoski, Christopher. *The City That Never Was*. Princeton Architectural Press, 2015.

Ciudad Valdeluz: A partially completed development with inhabitants and minimal infrastructure

- Located 65 km northeast of Madrid within the municipalities of Yebes and Guadalajara (Marcinkoski 138).
- The 490 hectares of agricultural land were going to create a brand new city for 34,000 residents in 9,500 houses (139).
- After the 1998 Land Law, the municipalities were able to approve the land for development (139).
- Reyal Urbis, the lead development company planned to build a new school, hospital, grocery store and more (138-139).
- By 2007, Reyal Urbis was in debt over €6 billion (140).
- 1,850 homes were completed in total (141).
- Most of the 2,005 residents have seen their properties reduce in value up to 60% from when they purchased (Hancox).
- By 2013, services included just one small grocery store and a restaurant (Marcinkoski 140).



Figure 5



Figure 6

Aeropuerto Ciudad Real: A completed airport that offers no flights

- Located 200km south of Madrid, within the municipality of Ciudad Real.
- Spanish aviation administration (AENA) did not permit private companies to build and operate airports (Marcinkoski 159).
- However, in 2002, with AENA's rule amended, CR Aeropuertos was given the green light (159).
- Although it became the first privately owned airport in Spain, over 75% of its invested funds were from publicly managed organizations (159).
- Construction began in 2003 and the first flight took off in December of 2008 (160).
- During the first year of operation the airport saw 53,000 passengers, far less than its capacity of five million passengers per year (160).
- In October of 2011 the final commercial flight departed (161).
- Despite the €1 billion cost, the airport was listed for €100 million in December of 2013, and reduced to €80 million a few months later (161).



Figure 7



Figure 8