

# Spanish protests demand affordable housing

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Street demonstrations were held in major Spanish cities this month to protest the lack of affordable housing, especially for young people looking for a first home.

Under the lurid headline, “Barcelona: anarchists, leftist extremists, insurrectionists, skinheads, punks act with impunity,” *El Pais* blamed the cancellation of a meeting of European Union ministers on the subversive exploits of a new breed of “urban guerrillas,” whom it accused of firing home-made rocket launchers at the central contemporary art gallery. Under the pretext of fears for security, the meeting of EU housing ministers has been rescheduled for November.

The more plausible explanation for the recent confrontations is that young people are deeply frustrated at being excluded from the housing market. The Catalan police force had no difficulties in identifying the source of the problem: working-class districts surrounding the city.

In response to recent TV advertising for the Ikea furniture store featuring the slogan “Your house, your independent republic,” protesters in sympathy with the “Assembly for Decent Housing” entered a store in Barcelona brandishing placards reading, “What republic? What independence? What home?”

Just a few days later, more than 500 people demonstrated in front of the Catalan government headquarters in Barcelona, beating drums, pots and pans and insisting that ministers take notice. Most of the protesters were younger people, raising their demands for decent housing and an end to runaway property speculation. Two giant white balloons were held aloft to symbolise the housing bubble, whilst speakers referred to the cancelled EU ministers’ meeting as “an attempt to silence us.” The crowd chanted “The whole of Spain is not Marbella,” referring to the jet-set coastal resort that is currently embroiled in a housing corruption scandal, and,

“What’s going on, what’s going on? We’ve got nowhere to live!” They unfurled a banner which read, “The right to decent, affordable housing. Stop speculation!”

The accusation that youth are stoking violence—as a pretext for police suppression—is especially ominous in light of recent experiences. In 2001, a rally opposing World Bank policies was dispersed by police after unidentified masked intruders began attacking demonstrators. Many witnesses alleged that the masked gangs were working with the police as *agents provocateurs*. In March, a street party in the Rabal area of the city was broken up by police, leaving more than 70 people injured.

These demonstrations are intensifying under conditions where the property market is looking increasingly volatile. As *El Pais* reported this month, “Spanish house price inflation in the third quarter of this year came in at single-digit levels for the first time in five years, suggesting that a massive property boom, which has made some people millionaires but has driven many more to the point of despair, is finally running out of steam. House prices have risen by an average 150 percent since the current boom kicked off in 1998. This has provided rich pickings for builders and real-estate companies.”

The average price of property in the capital, Madrid, has doubled over the last six years and the majority of young people who cannot co-habit with family are being forced into house shares. According to the Official College of Estate Agents, soaring prices mean that it is taking twice as long to sell a property now than a year ago. Mortgage rates have risen to the highest level since 2002, endangering those who are unable to make repayments. This possibility is increased by the fact that Spain has the highest rate of temporary employment—jobs which are typically low paid and offer less long-term security. Up to a third of

the Spanish workforce is employed in such temporary “contract” jobs or as casual labour where employers can hire and fire at will.

For workers to make a stand against these ongoing assaults against basic social infrastructure, house price increases in Spain must be seen within the broader context of a European-wide phenomenon. For example, the British mortgage lender Halifax released a report on October 27 that spelt out the crisis facing home buyers in the UK, especially the younger working class just entering the market. Britain’s house prices have nearly tripled in the last decade, with prices far exceeding overall economic growth and incomes. This fact points to an unstable market, driven up by banks and speculators who control the market for their own profit interests. Because of stagnant wages, this differential can only be compensated by ever more unrealistic lending policies that bear little relation to real income. In the event of inflation hikes, this could push millions from heavy-indebtedness into bankruptcy and home repossessions.

A similar housing crisis faces the lower income groups of many countries throughout Europe. According to a *European Central Bank* report, house prices rose 7.6 percent across the euro zone in 2005, from 7.2 percent in 2004 and 6.8 percent in 2003. The report states bluntly that house prices are overvalued by between 15 percent and 25 percent. Household indebtedness in the EU has increased to 56 percent of GDP in 2004, from 44 percent in 1995.

The report noted, “In the long run, property prices move broadly in line with nominal disposable income. But since 1999 the change in residential property prices has exceeded growth in disposable income and crude affordability. The ratio of household disposable income to residential property prices has continuously declined since 1999.”

A principled struggle for the rights of all people to a decent level of housing provision can only take place through a struggle against the capitalist system, which engenders increasing polarisation of wealth. It means bringing the construction and regulation of residential housing under the democratic control of working people, rather than corporations and money lenders. This task requires that the working class consciously link up their local struggles with workers internationally who face similar problems in a common

program for the democratic ownership and control of housing provision.



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