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Spain's land buyout plan in shrinking Ebro Delta irks locals: See Inside

Spanish cabinet approves bill penalising empty homes, rewarding lower rents

London.—Spain's first housing law inched closer to becoming a reality yesterday after the cabinet approved a draft text that will reward landlords who lower rents and penalise those with multiple empty homes.

The ruling Socialist Party had been at loggerheads with junior coalition partners Unidas Podemos for months over the bill but hammered out an agreement last month as part of a broader accord to pass the 2022 budget.

Under the law, regional governments can declare areas as in "high demand»" when the average household spends over 30% of its net income on rent or mortgage costs and bills and if property prices have risen more than 5% above inflation.

A general income tax rebate for landlords will drop to 50% from 60% but will stay at the same level for those who have refurbished or improved their properties in the last two years.

It would rise to 70% for landlords who put properties on the market for the first time and rent them to people aged 18-35, or who make their properties available for state-subsidised social housing.

In high demand areas, landlords who drop rent by at least 5% from their previous contract will qualify for a rebate of 90%.

In a bid to clamp down on consistently empty properties, people who own more than four homes will face higher property taxes if one or more of their homes remain continuously uninhabited for two years, barring refurbishment works and other exceptions.

The draft legislation also targets the lack of accessible housing, defining "large landlords" as any entity owning 10 or more properties, reserving 30% of new-builds for social housing - and providing fiscal incentives for developers who do so.

Sunak: stronger growth.

Sunak announces British growth upgrade

Finance minister Rishi Sunak said stronger economic growth and lower borrowing would allow him to increase public spending as Britain emerges from the COVID-19 pandemic, and he vowed to protect households from rising inflation.

Sunak said in a half-yearly budget statement yesterday that the economy was likely to grow by 6.5% in 2021, a lot faster than a forecast of 4.0% made in March when Britain was still in a coronavirus lockdown. Since then, the country has moved ahead with its COVID-19 vaccination programme and lifted restrictions on the economy. "Today's budget does not draw a line under COVID. We have challenging months ahead." Sunak said in a speech to parliament.

"But today's budget does begin the work of preparing for a new economy post-COVID." The 6.5% forecast by the Office for Budgetary Responsibility (OBR) was close to the International Monetary Fund's estimate that British gross domestic product will grow by 6.8% in 2021, the fastest among Group of Seven nations after the country suffered the biggest slump in the G7 in 2020.

The OBR said GDP would grow by 6.0%, 2.1% and 1.3% in 2022, 2023 and 2024. In March it had projected growth of 7.3%, 1.7% and 1.6%. Over the longer term, the OBR reduced its forecast of "scarring" of the economy to 2% from a previous estimate of 3%.