

Land Grab Law LRAU in Spain

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Much has been written in the press about the Land Grab Law or L.R.A.U - Ley Reguladora de la Actividad Urbanística, where people have fallen foul of the greed of developers who have abused this, well meaning regulation brought in by the Valencian government to provide low cost social housing and infrastructure improvements. Although introduced in 1994, it is only in the recent few years that unscrupulous developers have taken advantage of the complex wording of the L.R.A.U. and distorted its meaning to their own gains - to forcibly obtain land either without compensation or at well below market value prices and then inflict hugely inflated charges on innocent foreign country house owners for 'contributions to the improvement of infrastructure'.

Only applicable to the Valencian Community, the L.R.A.U. has been a thorn in the side of many estate agencies trying to encourage investors to the area, as people have been falsely led to believe that all properties can be affected by this law. On the positive side, the risk of getting caught up in this law can be minimised in many ways. Using a solicitor specialised in this area can safeguard your investment and make the buying of a property in this region a safe investment. One must always seek legal advice before buying any property, and a good solicitor will do the appropriate searches and background work to ensure that your investment is safe.

What can your solicitor do for you?

Your solicitor will find out about the planning status and in particular, the classification of the land you are planning on buying. Land is classified in three types - urban, non-urban and developable.

Urban - Buying a property on urban land can be more expensive, but it is totally free from risks as all of the planning has already been done for the area and is unlikely to change dramatically to effect your investment.

Non-Urban Land - property situated on non-urban land is safer than developable land as there cannot be any urbanisation or improvement plans. However, there is a small risk that the land can be reclassified to developable at a later date, especially if this non-urban land is near urban or developable areas. A solicitor can tell you before buying a property if any future plans exist for the reclassification of the area.

Developable Land - Property on developable land, which has not had infrastructure installed is liable to attract costs at a later date. Your solicitor can help by getting a planning certificate from the local town hall (ayuntamiento) assuring that there is no development planned for the future and that they must notify you of any such change or discovery of plans.

Fortunately, after much canvassing, the European Courts has taken notice of this loophole in the L.R.A.U. and are now taking steps to ensure that no one else is victimised by these cowboys.

If you would like more information about this subject or others relating to the Costa Blanca visit Costa Blanca World. Karen Milacic is a graphic and web designer living as a British expat on the Costa Blanca for the past five years. Visit her other web sites at: <http://www.villa-angels.com>

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