Chapter 13

Vacation Rentals, Tourism, and International Migration: Gentrification in Las Palmas de Gran Canaria (Spain) From a Diachronic Perspective

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ABSTRACT

The growing presence of vacation rentals and international residential migrations are two phenomena determining the recent dynamics and urban structure of most Spanish Mediterranean and island cities. Tourists and migrants tend to be interested in the same urban spaces, and this tends to trigger gentrification, either by changes in the uses of real estate, or driven by the prospects perceived by owners of earning money. This chapter analyses these new mobility flows and urban dynamics in Las Palmas de Gran Canaria, a city with enormous tourism potential located in the outermost regions of European. The chapter analyses the development of tourism in the city and recent transformations in tourism amenities available, including holiday lets. The chapter studies the changes in the resident population paying special attention to foreigners and finally, to reveal the peculiarities and emerging conflicts inherent to tourism gentrification.

DOI: 10.4018/978-1-7998-2224-0.ch013
INTRODUCTION

Between 1996 and 2007, a process of strong economic growth driven by the construction of 6.5 million new homes unfolded in Spain (Romero, Jiménez & Villoria, 2012), leading to a high household debt and serious territorial impacts (Campos Echevarría, 2008; Gaja i Díaz, 2008). This process was accompanied by a speculative increase in property prices.

The contributing political factors were the de-regulation of mortgages – allowing loans of this kind to be securitised in secondary markets from 1992; the de-regulation of the land market (1998); credit expansion; and immigration policies – more than seven million people settled in Spain between 1994 and 2008. Such factors stimulated the secondary circuit and the accumulation of durable goods for financial purposes, by extending credit to wider social circles.

When Spain was hit by the grave global economic crisis in 2009, funding quickly dried up, real estate projects ground to a halt and the construction industry went into deep recession. The financial and construction crisis spread to the economy as whole and sharp decline in house prices began very swiftly. Consequently, unemployment rates rocketed just when many families began to have problems paying off their mortgages. Against this backdrop, and after a failed policy of stimulating demand with subsidies and social benefits – which led to a substantial increase in the deficit and in Spanish public debt, from 2011 – a programme was rolled out placing strict restrictions on public spending and devaluing wages. At the same time, measures were adopted to promote foreclosures and international investment (Etxezarreta, Hoekstra, Kol & Cano Fuentes, 2012), so that financial institutions could make their balance sheets healthier by selling off assets, in many cases to international investors.

From a tourism standpoint, on the other hand, reduced wage costs and other factors pertaining to the European market, enabled the tourist industry to set new records for international tourist arrivals to Spain. Tourist arrivals increased from almost 52m in 2009, to 65m in 2014, and 83m in 2018.

Meanwhile, there was an increase in international investment in some Spanish cities and coastal areas by funds, companies or individuals, as falling prices and evictions created an opportunity to acquire properties at better prices. Such acquisitions were also highly interesting to investors and individuals given the development of holiday lets at the time, especially since 2015. Hence, the cities and tourist areas of the Mediterranean coast and the Canary and Balearic Islands have become some of the most affected by the intensification of tourism, the growth in international investment and new forms of tourism marketing induced by the digital economy, reaching high levels of over-exploitation.

The gentrification of Las Palmas de Gran Canaria took place against this backdrop, especially in district 3 (Isleta-Puerto-Guanarteme), where tourism, holiday rentals and the city’s foreign population are concentrated. This chapter focuses on studying this process, based on three main objectives. Firstly, to analyse how tourism has developed in the city of Las Palmas de Gran Canaria and recent transformations in the tourism infrastructure, including holiday lets. The second objective is to study how the resident population of the district has evolved, focusing especially on immigrants. The third and final aim is to characterise the gentrification processes witnessed and the social response that this has generated.

This chapter is divided into the following sections: after the introduction, the first section is devoted to framing the study and the methodology; the second, entitled “tourism supply and demand in Isleta-Puerto-Guanarteme, and the third, “the role of human mobility in the study area”, presents changes in tourism and population from a historical perspective. The analysis of the recent gentrification process, its implications for population displacement and the emergence of the first signs of objections are the
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