The Diagnosis collects and analyzes the existing data on the different variables with an impact on urban development, assessing the positive aspects and assuming the weaknesses and problems detected.

02 | TERRITORIAL DIAGNOSIS AND SUMMARY

1 | THE URBAN MODEL

The traditional Spanish city model has been compact, reasonably dense, complex, with a mix of uses, medium size, with safe, healthy and quality urban spaces that guarantee harmony and promote social diversity. They have been and continue to be an inducement for both their inhabitants and for those who visit them. With good reason, in UNESCO's recognition of Spain as the country in the world with the third most World Heritage sites (47), cities take on special significance as jewels that reflect the country's urban history, with transformations and influences from very different periods: Alcalá de Henares, Ávila, Cáceres, Córdoba, Úbeda, Baeza, Cuenca, Ibiza, Mérida, Salamanca, San Cristóbal de la Laguna, Santiago de Compostela, Segovia, Tarragona and Toledo.

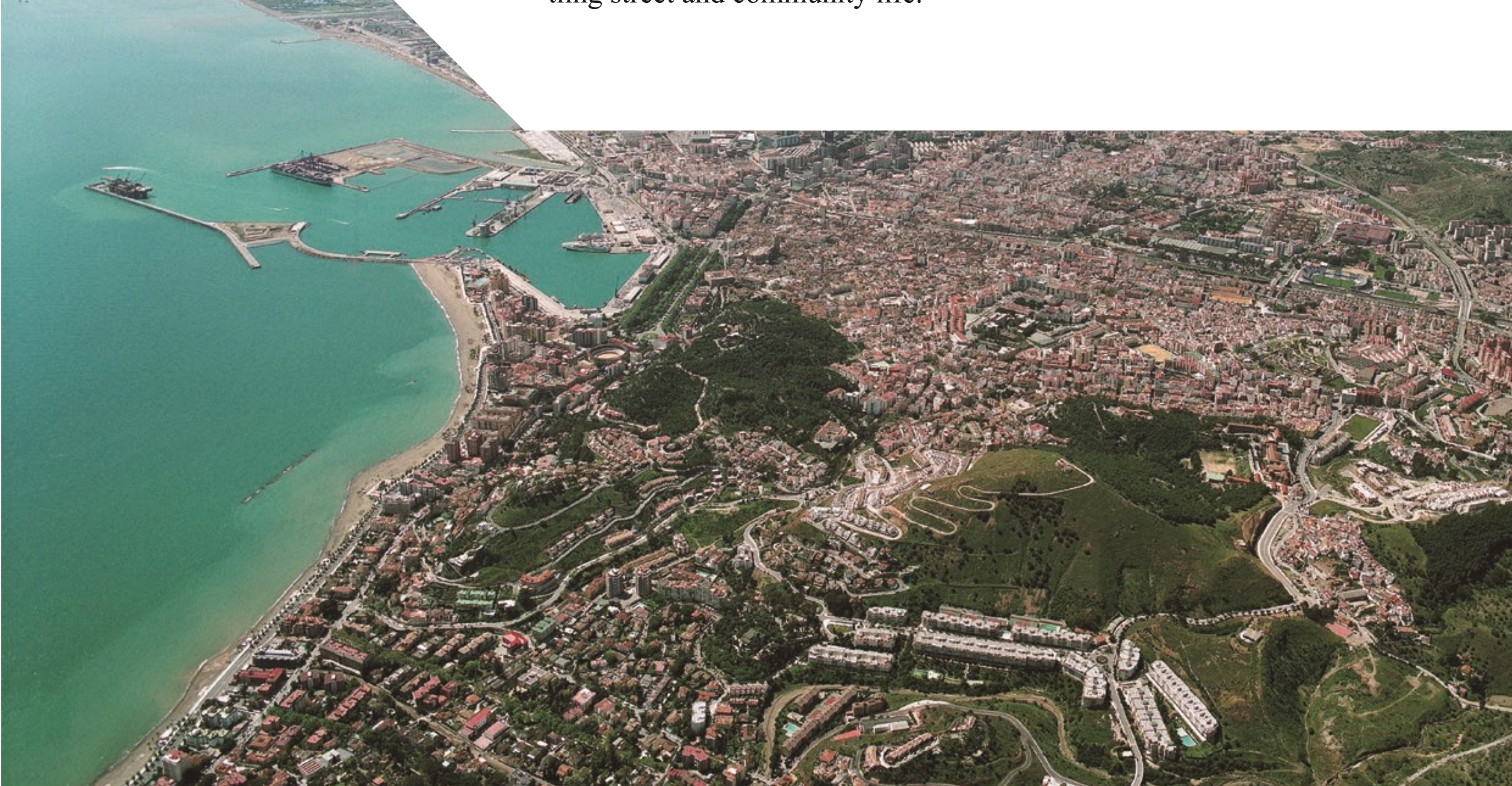
However, during the real estate boom from 1998 to 2007, scattered urban development was prioritised over compact growth, with many cubic metres of buildings constructed atop old, left over undeveloped land and residential or service areas with a low density, high environmental impact, social segregation and economic inefficiency resulting from the high cost to power, build and maintain the huge infrastructures and to provide public services. The emergence of these new growth models, endorsed by a regulatory tradition based on urban development and driven primarily by the desire to build new cities, led to an increase in artificial land of 43.7%, compared to the 15% population growth in the same period. This led to low-density residential models with an average of 20 homes/ha (well below the average housing density in large municipalities, which is 50.9 homes/ha). In fact, when analysing large classified and developing residential sectors in recent years, we see housing densities that are far removed from the values that, in general, may be said to favour viable and sustainable urban development, there being, on average, fewer than 30 homes per hectare. There is also a large amount of land classified and zoned for urban development. According to data from the Ministry of Development's Urban Information System, there are more than 51,000 planning areas or sectors subject to urban development. These sectors are frequently located in municipalities characterised in recent years by adverse demographic dynamics: nearly 44% of the large residential sectors are located in municipalities that have recorded significant periods of population loss. It is also common for there to be a gap between the scale of these developments and the size of the consolidated city. Accordingly, in more than fifty municipalities, the building potential in terms of the number of dwellings in the large residential development sectors envisaged in the Plan exceeds 80% of the existing homes in their respective municipalities.

This dynamic also had a negative impact on the country's biological wealth. With good reason, the main threats facing biodiversity are the overuse of land, the creation of artificial surfaces, the alteration of the physical environment, improper landscaping, the urban metabolism itself and the fragmentation of natural spaces. All of them are closely related to urban models.

Although the proportion of artificial land in Spain (3.9%) is still lower than the European average (4.13%) and urban growth has greatly facilitated the country's own economic growth, this does not necessarily imply that this makes for a good combination, nor the need to keep accepting it. On the contrary, Spain, as well as Europe and the rest of the world, have taken up the challenge of urban development that is capable of contributing to economic progress without ignoring the requirements of sustainable urban development, because land, in addition to being an economic resource, is one of the most valuable natural elements available on the planet, and its regulation requires combining a large number of factors: the environment, quality of life, energy efficiency, provision of services, social inclusion and cohesion, the principle of equality, etc.

Since 2007, national land laws have steadily insisted on an urban planning proposal that is balanced and sustainable, and that includes comprehensive approaches, given the many challenges that are currently facing urban policies. As recognised by the Statement of Toledo, signed at an informal meeting of EU Ministers of Urban Development on 22 June 2010, there are long-term structural challenges that must be addressed now in the design of urban policies. These include: "... *globalisation, climate change, the pressure on natural resources, migrations, ageing and demographic changes, etc. - that have a strong urban aspect – impact on the urban economy, degradation of the urban environment, increased risk of social exclusion and polarisation, etc.- and that must be addressed at the same time. These challenges are a call to action, an opportunity to hold a steady course based on the principles of integrated, intelligent, cohesive, and inclusive urban development, as the only way to achieve greater economic competitiveness, ecoefficiency, social cohesion and civic progress in European cities, as well as to guarantee the quality of life and well-being of citizens now and in the future*".

Safety deserves a special mention, as it is a quality of life factor that is closely related to urban design. Both from a subjective (perceived absence of risks) and objective (the effective absence of risks) point of view, we can state that Spain is one of the safest countries in the world. The way in which its cities have been planned, designed and built could well have a lot to do with this, as does the bustling street and community life.



2 | THE POPULATION AND THE TERRITORY

Naciones Unidas (NNUU) prevé que dentro de 20 años, dos tercios de la población mundial sea urbana, concentrándose en las ciudades. En EsThe United Nations (UN) expects that within 20 years, two-thirds of the world's population will be urban, living in cities. In Spain, this percentage has already been reached and currently, of the country's 46,528,024 inhabitants on 1 January 2017, 80% lived in urban areas, which account for just 20% of the territory, placing Spain among the countries with the highest percentage of urban population in the whole European Union (EU). Of these, 25% live in urban centres with over one million inhabitants, and 17% in the largest cities, while rural areas, which account for more than 2/3 of the territory, exhibit a sizable demographic void.

| Distribution of municipalities in urban areas in 2017 |

Result of applying filters to select municipalities with populations between 5,000 and 20,000.

Total municipalities 5,000-20,000 not included in the scope of the Large Urban Areas	624
1st Filter. Population of the centre < 10,000.	-430
2nd Filter. Negative demographic trend	-36
3rd Filter. Proportion of active population	-129
Housing potential	+168
Final set of municipalities with more than 5,000 inhabitants included in the urban areas	197

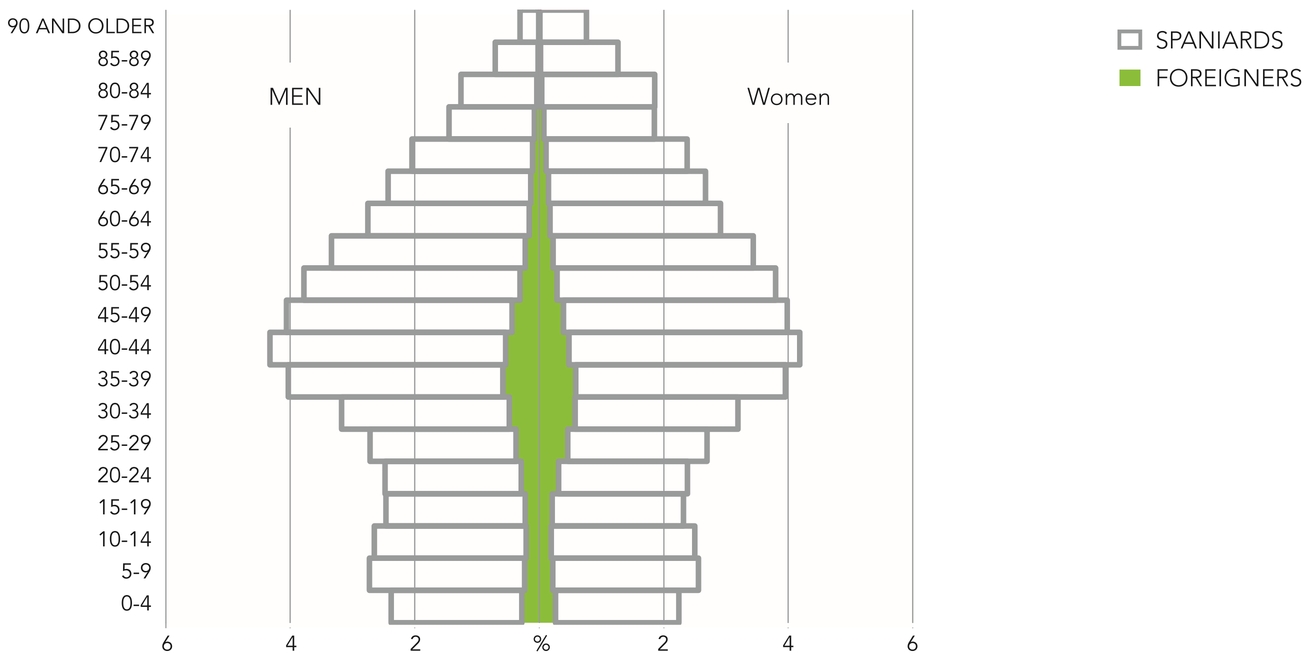
Source: Digital Atlas of Urban Areas

According to the 2017 report from the Spanish Federation of Municipalities and Provinces (FEMP) Depopulation Commission, the demographic gap between rural and urban areas rose again in 2015, with the loss of population in 2015 and 2016 in Spain as a whole taking place primarily in smaller municipalities, in contrast to what happened in the most populated cities, which endured the demographic regression better.

Although both small and large urban areas experienced good growth rates between 2001 and 2016 (18.8% for small areas and slightly lower, 16.2%, in the case of large municipalities), approximately half of Spain's municipalities are at risk of extinction. Of the 8,125 municipalities that exist, 4,955 have fewer than 1,000 inhabitants, according to official data from the National Statistics Institute (INE).

Among the main causes of depopulation are demographic ageing, low generational turnover, low birth rates and a shortage of jobs and other ways to make a living. This reality poses significant territorial imbalances. Again, according to the INE, this problem is present in more than 22 of the 50 provinces, with the situation being critical in 14 of them, where over 80% of their municipalities face the risk of depopulation. On 17 January 2017, at the 6th Conference of Presidents of Autonomous Communities, an agreement was signed for a "National Strategy against depopulation", which aimed to alleviate the gradual ageing of the population and rural depopulation.

| Spanish population pyramid (as of 1 January 2017) |



Source: Population figures. INE.

But it is not just rural areas that are experiencing significant ageing. This is one of the main characteristics of Spain's demographics these days. The population aged 65 and over has continued to grow since 1998 (currently accounting for 18.7% of the total population, a figure that is forecast to be 25.6% within 15 years), and the population aged 80 and older is also increasing, in what is known as the “ageing of ageing”. By 2050, it is estimated that the percentages of the working-age population (16-64) and children (0-15) will have lowered, and the elderly will outnumber children three to one.

In January 2017, a Government Commissioner for the Demographic Challenge was created in recognition of the problems posed by the imbalance in the population pyramid, the goal being to come up with a medium- and long-term National Strategy for the Demographic Challenge.

This is not a trivial matter. Ten Autonomous Communities have a negative rate of natural increase and are expected to lose more than half a million inhabitants by 2031 (with almost 26% fewer children under 10 years of age) and more than five million inhabitants by 2066. In the shorter term, the population loss is expected to be concentrated in the 30-49 age group, which may experience a population loss of 28.5% over the next 15 years.

In light of these data, and following a six-year downward trend (until 2016), immigration rose by 28.4% in 2017, yielding a positive migration balance of 164,604 people, which offset the negative rate of natural increase - more deaths than births - of 31,245 people, according to statistical data.

The demographic decline in Spain (along with the collapse in the migration balance due to the recent crisis) offers an unprecedented opportunity to overcome the growth dogma on which urban planning, construction and the real estate business in general relied until a few years ago.

3 | THE ECONOMY AND SOCIETY

The recent economic crisis inevitably led to an increase in situations of social exclusion and inequality, and altered the profiles of people in these situations. This increase is explained by the rapid rise in unemployment (particularly youth unemployment), which still poses one of the most pressing challenges in Spain. Despite this, there is room for hope. Spain has gone from accounting for half of all unemployment in Europe to creating the most jobs in the continent. The unemployment rate was 15.28% in the second quarter of 2018, a figure that while still very high, allows for some optimism as it is eleven points below the peak reached in 2013, and below 2009 levels.

The Spanish economy closed out 2017 with four consecutive years of job creation, a growth rate of 2.6% and 490,300 new jobs created. In all, from the first quarter of 2014 to the fourth quarter of 2017, 2,047,800 jobs were created. The unemployment rate fell for the fourth consecutive year, reaching 16.55%, which is lower than in 2009. In absolute terms, the number of unemployed persons fell by 471,100, and almost three-quarters (72.9%, according to Eurostat) of those who emerged from poverty in the EU between 2014 and 2016 were Spanish. Tourism has been key, making Spain the world’s second largest tourism destination in 2017, with 82 million visitors. Tourism is a key sector for the Spanish economy, due to its important contribution to the wealth generated in the country. In 2017, according to the INE, its activity accounted for 11.7% of Spain's GDP, with revenue from tourism totalling 60.294 billion euros (+10.3%). Tourism generated 12.8% of all jobs nationwide in 2017, a year that saw more than 82 million international tourists visit Spain (8.7% more than the previous year). The areas of economic activity typical of tourism involve nearly 462,000 active companies (470,000 in 2017), accounting for 14% of all the companies in the economy. The figures for 2018 confirm this upward trend: the unemployment rate fell to 15.28% in the second quarter of 2018, which, despite being a high figure, is the lowest in this quarter since 2009. Recent job creation has especially benefited groups with serious employability problems: the unemployment rate among people under 25 has fallen by almost 20 percentage points from its highest level, and now stands at 36.3%. However, there are particularly pressing weaknesses involving employment and remuneration. Labour market insecurity and the long-term unemployment rate are both among the highest in the OECD.

Although considerable progress has been made since the crisis ended (according to the National Reforms Programme, 2017 closed out with growth of 3.1%, well above the Eurozone's 2.4%), there are still significant challenges and economic growth must be maintained in a way that is more environmentally and socially sustainable, in order to completely overcome the consequences of the crisis and to continue advancing toward convergence in income, wages, equality and productivity. This challenge is bound to be lasting and complex.

According to the 2016 Living Conditions Survey, the AROPE indicator applied to 27.9% of the resident population, compared to 28.6% in the previous year, which means that despite continuing to fall since the worst years of the crisis, it is still high compared to the European average, which it exceeds by 4.9 bp. The poverty risk rate that measures income - economic poverty - and which is the most important factor of the AROPE, affects 22.3% of the population, and the severe material shortage - which considers the possibilities of consumption - is at 5.8%. Single-parent households with dependent children are those with the highest risk rates, as are people with low educational levels and the unemployed. In 2016, 3.8% of the population was poor and socially excluded due to underemployment. In 2008 it was 2.4%, and it reached its peak in 2014, at 4.3%. From that year on, a change in trends was observed in the most relevant indicators that remains to this day. For two years in a row, the AROPE fell: specifically, by 0.7 points in 2016, after going down by 0.6 points in 2015; child poverty (under 16 years) fell by 1.7 points, compared to 0.7 points in the general population, having fallen by almost four points in the last two years, from 35.4% to 31.7% today. Of special note is the risk of poverty for people originating outside Spain, which was 52.1% in 2016, much higher than the 18.8% for the Spanish population. This percentage drops to 40.3% when it involves migrants from the EU. According to the INE, the foreign population residing in Spain stands at 4,418,157 people, accounting for 9.5% of the total.

As for inequality, it has gone up in the last decade. The Gini Index went from 32.4 in 2008 to 34.2 in 2012, with an increase of 5.5% in just 3 years. In 2015, it was 34.6, falling somewhat in 2016 to 34.5. The evolution of the S80/S20 indicator has also been unfavourable. In 2016, the total income of the richest 20% of the population was 6.8 times that of the poorest 20%. And the incomes of the poorest 20% of the population have gone down more sharply. Based on early data from the FOESSA (Promotion of Social and Applied Sociological Studies) survey, 10 years after the start of the economic crisis and four years after its turning point, the pre-crisis levels have recovered in the case of full integration, but not in the case of exclusion. In 2018, social integration levels improved considerably, reaching figures of over 48% and mirroring the situation in 2007. At the other extreme, there was an increase in the overall exclusion of 12% compared to the start of the cycle.

Special mention should be made of inequality due to gender. According to the "Women and Men in Spain, 2016" report from the Ministry of Health, Social Services and Equality, there is still no effective equality between men and women, despite the significant advances made. In 2017, the State Pact against Gender Violence was signed and employment trends were favourable to the inclusion of women in the labour market, with the employment figure for women rising from 7,827.4 in the second quarter of 2013 (in the middle of the crisis) to 8,815.7 in the second quarter of 2018. The salary gap has also been going down gradually: since 2012, it has fallen by 4.5 points and is below the European average. But inequalities persist: female unemployment is falling more slowly than male unemployment, so the gender gap in unemployment has increased (although it is one point below the 2008 figure and for those under 25, the female unemployment rate is lower than that of men). In 2017, although the initial trend begun in 2014 in which female unemployment mirrored the Eurozone average, it still showed a difference of almost ten points, and long-term unemployed women remain a majority (51%).

On 8 March 2018, coinciding with International Women's Day, the first general women's strike was held in Spain to demand real equality. Hundreds of thousands of women and men flooded the streets calling for actions to end the salary gap, the glass ceiling, sexual harassment, gender violence (which claimed 48 fatalities in 2017 alone) and obstacles to work-life balance. Women are not a "vulnerable group" or "collective"; they account for more than half of Spain's population (a total of 23,711,009 women, 50.94% of the total), so there will be no progress or social justice if there are no significant, real and effective advances in matters of equality. And urban planning is not neutral, because it can improve or harm how women carry out their multiple responsibilities in the public and private spheres. The restrictions imposed on everyday life by the spatio-temporal structure of cities seriously limit women's everyday life choices, and they affect women much more than men. Hence, planning can play a fundamental role in providing effective equality between men and women.

Inequalities due to disability are also worth mentioning. In 2017, the number of people of working age with disabilities totalled 1,860,000. These individuals, in addition to facing numerous difficulties in everyday life, are under-represented in the labour market. In fact, their employment rate is below that of the total population, although it has been increasing for 3 years in a row. Their unemployment rate, although it has also been falling since 2014, continues to be significantly higher than that of the general population. Within these margins, there is hardly any gender gap between them, with the unemployment rate of women with disabilities being almost a point higher than that of men.

Health in the context of city life deserves special mention. Ways of life have changed dramatically, and design and planning play a fundamental role in enhancing aspects that Spanish society is urgently demanding: more active ageing, a childhood without problems of physical inactivity and increasing obesity, the minimisation of the psychological problems associated with living alone, and not only in the elderly, and, of course, environmental problems. The commitments that some cities are already making to healthy models in which the city is designed for walking, nature is integrated and reaches into the city proper and spaces where people can gather are guaranteed, must be identified as replicable practices.

To conclude, the 2017 Social Progress Index of Spain, calculated based on 54 indicators, currently ranks Spain 16th in the world (in 2016, it ranked 20th). And it is important to note the consolidated social welfare system that guarantees free education and healthcare for all citizens, care for dependent persons and the income guarantee system, which includes pensions, unemployment benefits, welfare benefits and a minimum income system in every Autonomous Community and in the cities of Ceuta and Melilla, all of which have a clear role in containing the impact of the crisis by functioning as automatic stabilisers. However, Spain has particularly pressing weaknesses in employment and remuneration: for example, both labour market insecurity and long-term unemployment are among the highest in the OECD. A new labour strategy that properly addresses both challenges is thus essential.

4 | THE ENVIRONMENT, CLIMATE CHANGE AND ENERGY

Spain is highly vulnerable to climate change. The alert involving rising average temperatures between 5º and 7ºC in summer and 3 and 4ºC in winter for the last third of the 21st century is already troublesome, and the effects of climate change are being felt in the form of droughts; global precipitation values below the historical average (this has occurred in the last four years, except for 2018); insufficient water storage in reservoirs (at the end of the 2016/17 hydrological year, it was at 33.9% of the total capacity, below the average value for the last 10 years, which was 50.1%); damage from floods exceeding 800 million euros per year, and an increase in the forest area affected by fires (in 2016 it reached almost 66,000 ha, although it is estimated that 95% of these fires were caused by humans).

Spain is also a country with more than 10,000 km of coastline, so that effects such as global warming, the pressure exerted by the development and the construction of infrastructures on the coast, as well as the decrease in the sediment flow of rivers, not only pose a real threat to the coastline, they are also altering it. Already in 2006, more than 75% of the Spanish coast was developed. This figure matches today's data. As far as 10 km inland, 345,765 ha are occupied by artificial surfaces, accounting for 34% of the total artificial surface in the entire country.

One of the main causes of climate change is the emission of greenhouse gases (GHG). Between 1990 and 2014, these emissions increased by 15%, accounting for 7.7% of all GHG emissions in the EU-28 (figure from 2014), with Spain ranking 13th in the EU-28 with the lowest CO2 emissions. Since 2014, there has been a 0.45% increase, mainly due to industry (up 3.7%) and agriculture (up 3.8%). Emissions from transport have only gone up by 0.5%, but this increase is significant because this sector accounts for 25% of total GHG emissions. In contrast, emissions from the energy industry have decreased 0.5%.

The building industry is responsible for 35% of Spain's atmospheric CO2 emissions and consumes 31% of the final energy, with residential buildings consuming 18.5% and commercial, services and government agencies 12.5% (long-term strategy for the energy rehabilitation of the building sector in Spain, 2014). In addition, buildings are responsible for consuming 50% of physical resources (such as materials), 20% of water and they generate 35% of the waste. This situation fully implicates cities as a key element in achieving a Circular Economy, a goal that is already part of European policies.

The fight against climate change must be addressed through both mitigation (reducing GHG emissions) and, above all, adaptation. And cities are key to both goals, which is why planning must play a fundamental role in their design and in the development of the infrastructures that underpin the territory. The use, management and distribution of land, the choice of transport, housing and social attitudes are closely interrelated and shaped by infrastructures and urban forms. Hence, territorial and urban planning, the mixed zoning of land uses, development that strives for sustainable transport and the increase in building density, among many other aspects, can contribute to joint mitigation in every sector. Heat waves and their impacts on cities are exacerbated by the so-called "urban heat island" effect, and the intensity of this phenomenon depends on several characteristics, such as the spatial shape of the city, its morphology (urban rugosity, urban canyon, visibility of the sky, etc.), the presence of vegetation, and the albedo of materials in developed areas. Therefore, adequate planning that takes into account the influence of regional and local climate can achieve reduced emissions by minimising the need to travel or shortening journeys, choosing non-motorised modes of transport and reducing land occupation and energy consumption, thanks to more efficient supply infrastructures. Compact development, filling in urban spaces and gaps and intelligent densification can preserve space for agriculture, bioenergy and carbon sinks. And the preparation of urban climate maps that analyse the absorption and heat transfer capacity of urban materials (overheating map) and the capacity to eliminate that heat (urban ventilation map) can also be very useful.

With regard to energy, Spain is among the EU countries with the highest dependence on energy ("Spain by the Numbers 2017" report from the INE), having needed to import, in 2014, nearly 73% of the energy consumed, well above the EU-28 average (53.5% in 2014). This level of energy dependence was only exceeded by Italy, Lithuania, Belgium, Ireland, Cyprus, Luxembourg and Malta. In addition, petroleum products account for around 50% of final energy consumption and 40% of primary energy consumption. Since 2000, primary consumption of renewable energies has increased 2.5-fold, although it still accounted for 17.3% of final energy consumption and 14% of primary energy consumption in 2016. In terms of sectors, transport consumes the most energy percentage-wise (41.65%), followed by construction (more than 30%) and, finally, industry (23.53%).

Over the 2030 horizon, the goals and targets must be defined and identified involving the following five aspects of the Energy Union: decarbonisation, energy efficiency, energy security, internal energy market and innovation and competitiveness. Therefore, any national plans and policies that are approved must be consistent with a longer-term vision of reduced emissions that is compatible with the commitments made in the Paris Agreement and with the EU's goal of reducing emissions by between 80 and 95% by 2050 compared to 1990 levels. This is an important challenge and the diagnosis of the current situation demonstrates the enormous amount of work that Spain has ahead of it. It must achieve an energy transition that allows us to consume less energy with a lower environmental impact and at more competitive prices. We also have to phase in a low-carbon economy.

With regard to renewable energies, Spain is a leader in generating energy from renewable sources: more than 40% of all the electricity generated in the country comes from renewable sources, surpassing neighbouring countries. And it is ahead of schedule to achieve the 2020 goal (20% generation from renewable energies). In 2016, renewables accounted for 17.3% of final energy consumption, compared to the 16.7% forecast, and in 2017, more than 8,000 MW of new renewable power was commissioned.

5 | MOBILITY

Spanish cities have a significant supply of urban and metropolitan transport infrastructures. The road network has over 128,180 km of municipal urban roads, and public transport infrastructures allow between 2.8 and 3 billion passengers to move every year (2,785.1 million in 2015). A total of 12 urban areas have commuter rail transport services, 7 cities have a metro system and many others have a tram or light metro. Special mention should be made of urban bus networks, which have renewed fleets that account for 60% of public transport mobility and that are turning into true vectors of technological innovation, improving the supply and quality of the service with systems for operating assistance, fleet management, smart ticketing, etc. The average age of the urban fleet in capital cities is 9.1 years, with a high percentage of cleaner engine technology and the increasingly widespread use of alternative fuels. In Madrid and Barcelona alone there is a network of bus lanes that exceeds

100 km. Public systems for hiring bicycles in every city with more than 500,000 inhabitants are also starting to become relevant, as is the placement into service of bicycle lanes in many smaller cities. Collaborative mobility platforms such as car sharing, bike sharing and car sharing, are also being adopted, especially in large cities.

Another important aspect is that mobility is a prime consideration in planning practice. Almost every municipality with more than 50,000 inhabitants has its own mobility plan, which usually includes measures to encourage public transport (improved fare systems, guaranteed universal accessibility - not only from a technical standpoint, but also cognitive and communication - quality...), promotion of non-motorised means (particularly bicycles), parking regulation measures and introduction of lanes reserved for public transport. The inclusion of comprehensive approaches to parking remains a challenge. Beyond park and ride spaces and the search for a balanced distribution of urban space intended for motorised and non-motorised mobility, these Plans, together with the Urban Development Plans themselves, should incorporate an analysis of the impact that the parking policy (both on public roads and in car parks) has on sustainable mobility and allocate sufficient parking spaces in a way that takes into account the different uses (residential, rotation, park and ride, distribution of goods, services, etc.) and which would include policies such as the regulation of above-ground parking and the incorporation of the traffic calming principle, i.e. the joint establishment of measures such as: speed limits, specific road design, 30 kph zones, extension of pedestrian spaces and routes at the expense of motorised traffic routes, etc. These mobility strategies would not only improve road safety, but also, and above all, the quality of the urban environment, mainly in urban and metropolitan areas. And this quality would include aspects such as noise mitigation, which is an important challenge to cities, and, as per the WHO, ranks second among environmental stressors to health in Europe. Specifically, in Spain, it is estimated that 74% of the urban population is affected by traffic noise, and that 23% is exposed to unhealthy levels. And although air pollution in cities comes not only from motorised traffic, the proper management of this traffic could reduce air pollution and avoid the negative influence it has on people's health and the environment, and by extension, on the associated health costs, which account for 3.5% of Spain's GDP, according to the World Bank.

However, despite the dominant role of private motorised mobility in our collective imagination, the Spanish population relies heavily on public transport. In the 22 areas included in the 2016 report from the Metropolitan Mobility Observatory, 3.497 billion trips were made, of which 1.729 billion were by bus and 1.768 billion by rail.

With regard to the modal distribution of travel, the private vehicle predominates for work reasons, though this predominance drops by half when travelling for different reasons. In capital cities, travel is mostly on foot, by bicycle, or by public transport, compared to the mode of travel used in the suburbs, where there are fewer such trips.

With regard to efficient mobility, measures have been implemented to reduce emissions in the transport sector, such as those to promote the modal transfer of passengers and freight (Spanish Strategy for Sustainable Mobility, Infrastructure, Transport and Housing Plan 2012-2024); to promote alternative fuels in transport (Strategy for powering vehicles with alternative technologies, PIVE MOVELE and MOVALT Plans); and energy efficiency actions in transport (PIMA Air plans for renewing light commercial vehicles and PIMA Transport Plan that finances the scrapping of heavy vehicles over 7 years old).

And one last very relevant fact is the number of accidents with victims on urban roads. While road accidents tend to decrease every year, the number of accidents with victims on urban roads increased by 33% between 2008 and 2016, with pedestrians and those over the age of 74 being most susceptible to fatal accidents, which should also be considered when drawing up the corresponding Mobility Plans.

6 | HOUSING

Ensuring that all citizens have access to decent and adequate housing at affordable prices is one of the great challenges facing Spain. The hardest years of the recent economic crisis painted a bleak picture and, even though the situation has been improving, much of the population still has problems accessing housing.

In 2017, according to INE data, 27,171 homes were in foreclosure, of which 4,632 were new and 22,539 were second-hand homes. Considering the 70,422 foreclosures in 2014, this figure went down by 61% in three years. The number of foreclosures involving primary residences was also halved in that year, since there were 21,064 foreclosures in 2016 versus 10,749 in 2017. According to the latest data, this trend is continuing, with a total of 1,762 foreclosures of primary residences in the second quarter of 2018, a decrease of 38.2% compared to the same quarter in the previous year (2,850).

In contrast to this positive trend in mortgage foreclosures, recent years have seen an increase in the number of properties for rent. The number of properties made available as a result of the Urban Lease Law, according to data from the General Council of the Judiciary, was 35,666 in 2017. This is an increase of 4.3% compared to the previous year (34,193), although it should be noted that this figure includes properties for other uses, as well as housing. This trend continued into early 2018. The second quarter of 2018 saw a total of 10,491 properties being made available as a result of the Urban Lease Law, an increase of 6.1% compared to the figure for the same quarter in the previous year (9,886).

With regard to access to housing, the economic accessibility indicator for purchasing a home has improved (ratio between the price and the gross income per household). Data from the Bank of Spain for 2017 show that the home price is 7.1 times the gross annual income, a significant reduction from the peak of almost 9 times in 2007, although this figure ticked up to 7.3 in the second quarter of 2018.

The most serious problems involve the following factors:

1 | the gradual and constant increase in rental prices, which makes it difficult to access housing in those regions of Spain where the highest percentages of rental homes are located. These regions are the Canary Islands, with 32.8%, the Balearic Islands, with 31.8%, Catalonia, with 28.1% and Madrid, with 27.0%. Rental prices in the regions of the Balearic Islands, the Canary Islands and Madrid have already exceeded their all-time highs, and in Catalonia they are very close to doing so (data obtained from the 2018 Special Bulletin on Residential Rentals, from the Ministry of Development).

2 | the loss of housing stock from the portfolios of government agencies (they number in the thousands) and their transfer to for-profit investment funds.

3 | the existence of many homeless people who depend entirely on social services (estimated at around 23,000 people, although Caritas places the number closer to 40,000) and

4 | the large number of people and families who face real problems accessing affordable housing and who are at obvious risk of social exclusion.

The almost non-existent stock of public housing, especially for rent, does nothing to alleviate the need for access to decent, adequate and affordable housing for those who need it most. This problem stems from the long history of public policies that systematically encouraged the building of homes subject to some public protection regime and their transfer, by way of purchases that offered significant incentives to both the developers and the families that purchased them. In fact, of all the homes built between 1951 and 2015, 36.8% (6,305,951) were part of some kind of public protection regime. Now, despite the enormous public effort this entailed, this figure is now forgotten, as these homes have gone on to become part of the private assets of the families who purchased them. It is not surprising, therefore, that the percentage of the population living in a rented home is much lower than the EU average (30.0%), and although it went from 20.3% in 2011 to 22.9% in 2017, according to EUROSTAT data, home ownership still greatly outnumbers rental figures in Spain. In any case, this increase of 12.8% is noteworthy, representing around 700,000 more rental homes during this period (including rental at market price, below market and free transfer), in contrast to the greater stability of the European average. In the EU28, the percentage of the population that rents increased slightly from 29.6% in 2011 to 30.0% to 2017.

According to the Housing and Rental Barometer, society is deeply concerned about the rise in rental prices, not only due to the prices themselves, but to the insufficient amount of rental housing compared to the increasing demand. However, the verified data from the Ministry of Development's Housing and Land Observatory (resorting to various sources) can be used to adequately assess the situation:

- In general, the last two years have seen a growth rate of 13.4%, which placed the average monthly rental price in Spain at 8.45 €/m^2 in the second quarter of 2018. However, in previous years there was a significant drop in rental prices, which is why said prices are still 16.5% below the maximum price reached in 2007 (10.12 €/m^2). The same could be said of unsubsidised housing, since the second quarter of 2018 saw a year-on-year growth of 3.8%, reaching €1,587.9/m^2 and making for three consecutive years of growth, though this cost is generally 24.4% below the 2007 maximum.

- The evolution of rental prices is very heterogeneous and in some places have reached all-time highs. This also poses a significant barrier to access rental housing at market prices. The Autonomous Communities that have reported the highest increase in rental prices in recent years are the Balearic Islands (€10.37/m^2 and 9.0% above the 2007 peak), Madrid (€12.38/m^2 and 5.4% above the peak), the Canary Islands (€7.65/m^2 and 3.1% above the peak) and Catalonia (€12.36/m^2 and 0.4% below the peak). In contrast, the rental prices in eight Autonomous Communities are more than 15% below the maximum prices reached in 2007: Andalusia, Aragon, Asturias, Cantabria, Castilla-La Mancha, Valencia, Galicia and Murcia.

- One of the aspects that may be significantly influencing price dynamics is the phenomenon of renting housing to tourists. This activity is regulated by the regional governments (through tourism legislation) and town halls (by way of urban planning ordinances, by setting limits on rentals through zoning laws). Despite the rapid and largely uncontrolled boom of this phenomenon, which was, until recently, unknown and absent from Spanish legislation, there are now several regional and municipal initiatives that seek to regulate the peaceful and orderly coexistence of housing for residential and tourist use. The municipalities that already have initiatives in force or are in the process of adopting them include Barcelona, Palma de Mallorca, Valencia and Madrid, for example.

Some of the measures put in place in an effort to provide rental homes, however, have failed. Most notably among them is the Social Housing Fund, an agreement signed on 17 January 2013 between the Ministries of Economy and Social Services and Spain's leading banks to make part of the vacant housing stock that the banks had in their portfolio available for subsidised rental by families at risk of social exclusion. Part of the failure is explained by the insufficient number of homes included in the Plan, the inadequacy of the limits specified in the Agreement in relation to the economic reality of the households that needed the homes, and the insufficient cooperation among local institutions in quickly identifying the people at risk of exclusion.

Other measures being implemented are those included in the 2015-2020 Comprehensive National Strategy for Homeless Persons, which has established, for the first time, a reference framework at the national level to support them. The new 2018-2021 Housing Plan persists in adapting the support system to current social needs, and again prioritises, as was done in 2013-2017, the promotion of rental housing, in contrast to home ownership. With a total budget of more than 1.8 billion euros, not including the co-financing that could be provided by the Autonomous Communities, one of the

Plan's nine programmes includes "Housing rental grants" (programme 2); "Grants for people who have been evicted from their main residence" (programme 3); "Promotion of rental housing stock" (programme 4); "Help for young people" (programme 8) and "Promotion of homes for the elderly and disabled" (Programme 9). However, according to a February 2017 study on "Affordable Housing" written by the European Commission (EC) and the Organisation for Economic Cooperation and Development (OECD), Spain is, together with Chile and Malta, the OECD country with the lowest percentage of public expenditure earmarked for housing subsidies, at 0.01% of GDP. This percentage is in contrast with those of neighbouring countries, such as the United Kingdom, at 1.41% of GDP, France (0.83%), Germany (0.59%) and Sweden (0.45%).

The National Housing Plan also focuses on encouraging urban rehabilitation and regeneration, with several specific programmes such as "Promoting improvements in the energy efficiency and sustainability of housing" (programme 5), "Promoting preservation, improved safety in the use and accessibility of housing "(programme 6) and "Promoting urban and rural regeneration and renewal"(Programme 7). The support of this policy is crucial, given that renovation, viewed as a whole, still needs to be addressed in Spain and the number of homes requiring renovation is very high. Just in the area of accessibility, and based on data from the 2011 Census, of the 10.7 million homes located in buildings with four or more storeys, 4 million still do not have a lift, which is essential and a legal obligation. It is also a commitment made at the international level through the International Convention on the Rights of Persons with Disabilities of 13 December 2006, which guarantees universal accessibility. With regard to energy efficiency, the data are even worse, since almost 60% are energy inefficient, having been built without taking into account any energy efficiency standards, however minimal. With regard to conservation and maintenance, although Spanish homes may be said to be in good condition overall, there are 83,532 homes in derelict buildings (braced, officially declared unfit for habitation or in the process of being so declared), 265,788 in bad condition (with considerable cracks, buckling walls, sinking foundations, uneven ceilings, floors or staircases, or where the building's support has failed) and 1,380,531 In poor condition (with drainpipes or sewage lines in poor condition, damp spots in the lower part of the building and leaks in roofs). Furthermore, according to the same census data, a total of 156,208 homes do not have an indoor toilet.

As for neighbourhood regeneration, it also has an important role to play. According to data from the "Urban Vulnerability Observatory", in cities with more than 50,000 inhabitants, there are 918 neighbourhoods or vulnerable areas where action is needed to avoid gentrification, as well as other problems. In addition, the number of cities in which these neighbourhoods exist is on the rise, as is the number of inhabitants living in them. Of this total, 403 neighbourhoods were defined by a low educational level, 387 by the poor condition of the housing and 318 by high unemployment rates. And of the neighbourhoods that were already vulnerable in 2001 and still were in 2011, the increase of those defined by level of education (from 144 to 159) and the three indicators (30 to 31) is noteworthy. Immigration is the indicator that separates cities the most.

To conclude this section on housing, we should note that both national and regional laws view housing not as an isolated element, but as integrated into a suitable urban environment. Specifically, the National Urban Land and Rehabilitation Law of 30 October 2015 demands that public authorities, as an additional element of the principle of sustainable territorial and urban development, allow the residential use of primary residences "in a safe, healthy urban context that is universally accessible, of suitable quality and socially integrated, outfitted with the facilities, services, materials and products that eliminate or, in any case, by applying the best technology available in the market at reasonable prices, minimise the emissions of pollutants and greenhouse gases, water and energy consumption, waste production, and improve their management" (Art. 3). This principle, together with the right to housing already recognised by numerous regional housing laws, fits perfectly with the commitments accepted by Spain through international agreements that, in this regard, demand that all people be guaranteed access to adequate, safe and affordable housing and basic services by 2030.

In addition, through the New Urban Agenda, Spain has committed itself to promoting housing policies that support the progressive realisation of the right to adequate housing for all; that fight against all forms of discrimination and violence and prevent arbitrary forced evictions; and that focus on the needs of the homeless, of people in vulnerable situations, of low-income groups and people with disabilities, while encouraging the participation and collaboration of the relevant communities and stakeholders. In the New International Urban Agenda, States have united around an inclusive vision of human settlements, have affirmed the need to recognise the social function of land and housing and have committed to promoting various types of tenure, a wide range of options for creating housing and approaches centred on people.

7 | INTERVENTION INSTRUMENTS

EIT (Information Technologies) is properly regulated, planned, financed and integrated in rural centres and cities of Spain.

Despite this, there is a need to take action on at least five fronts.

- **Regulatory:** As a result of the configuration of powers specified in the area of town planning and land management, Spain has 18 legislators who are involved, under the purview of various legal frameworks, in territorial (sectoral or horizontal) and urban issues. In total, between Laws and Regulations, there are almost ninety urban and spatial planning standards in force, and more than 5,330 municipal building or construction ordinances. This complex regulatory framework does not actually offer any relevant changes or differences between the different standards, which are still largely governed by institutions and structures from the last century.

Planning: 82.03% of the municipalities have a general urban plan, but it is not flexible, it is excessively formalised and it requires more than 4 years to revise, and an average of between 1 and 3 years just to amend it. The current nature, content and procedures for preparing and approving these Plans are not compatible with a quickly changing reality, and despite having state-of-the-art technological instruments to adapt to new circumstances, it cannot respond to them due to their own configuration and characteristics. Another important problem is that only 10 Autonomous Communities have Regional Planning Guidelines or Plans that serve as a strategic framework for urban planning (Andalusia, Aragon, Asturias, Balearic Islands, Canary Islands, Catalonia, Galicia, Navarre, Basque Country and Valencia). Currently, the urban phenomenon is spilling over the limits of municipal districts. Urban reality has taken on a supramunicipal dimension that requires processes and interventions that can be used to coordinate different policies. Only in this manner will it be possible to effectively address the complexity of the country's growing urbanisation. Therefore, we must rethink the whole planning not only of the entire municipal geographical area, but of the regional area as well and its inclusion in broader territorial approaches or strategies. For this reason, it is obvious that it is impossible to solve the problems related to global sustainability on a purely urban and municipal level, or the inconsistencies that arise from the intention to engage in planning only on this scale. It should also be clear that the current Spanish urban model, based almost exclusively on preventive controls, of which the planning process is the best example, does not work and that new formulas must be devised that balance prevention with subsequent inspection and control.

Governance: in Spain's political system, every level of government enjoys broad autonomy in managing its respective interests, but it allocates its powers based on a complex system expressly set forth in articles 140, 148 and 149 of the Constitution, the Statutes of Autonomy of the Autonomous Communities and the basic laws of the local regime. This results in some dysfunctions, such as the insufficient relationship between decisions taken at the various administrative levels, potential duplicated efforts and inefficiencies, the absence of shared or integrated planning processes, insufficient financing of policies or services, or the development of shared information systems for managing public policies. In this context, both institutional and technical cooperation are important. Of particular relevance are spaces for communicating, and sharing information and knowledge. In the institutional arena, this role corresponds to the political-administrative cooperation bodies that exist between the Government, the regional governments and the Cities of Ceuta and Melilla (the Conference of Presidents, Sectoral Conferences, Sectoral Commissions and other multilateral bodies), as well as the National Commission of Local Governments, as a permanent body for collaborating between the national government and local administrations (Municipalities and Councils). There are also bilateral relations between the various Ministries and the FEMP or the Local Bodies themselves. From the perspective of horizontal cooperation, the networks of cities deserve special mention, as they lay out a series of common territorial objectives and create forums suitable for exchanging best practices and for cooperating on topics of common interest

(Provincial Networks of Municipalities for Sustainability, United Cities and Local Governments - CGLU; Network of Cities for Climate, etc.). In an increasingly globalised world, these networks, and supramunicipal alliances in general, whether backed or not by a political-administrative organisation, are becoming increasingly relevant as mechanisms for local governments to consult and cooperate, both nationally and internationally.

From another perspective, an urban space is not only a physical space, a territory with specific limits; it is also a sort of social group with shared interests that creates a space of harmony and logical relationships based on dependence and proximity. In this regard, in this chapter on governance, partnerships and participation require specific consideration. More than 12 million people, approximately one third of the adult population, are members of one or more associations (Revista de Estudios de Juventud [Journal On Youth Studies] no 76. 2007. Injuve), although the phenomenon of associationism is mainly rooted in the average city, its presence in rural areas being limited. Particularly noteworthy in the area of building and renovation are housing cooperatives, which, according to data from CONCOVI, have an asset portfolio of 1.708 billion euros in investments. The collaborative economy is also booming, which has very quickly aroused consumer interest.

According to the October 2016 report from the National Competition Commission on the use of collaborative economy platforms in Spain, one out of three internet users rely on them at least once a year, the most popular being those for buying or renting second-hand products, lodging in another individual's private home and carpooling for interurban routes. The challenges they pose to cities are important, because they change the prevailing reality very quickly, while the mechanisms - regulatory and of all kinds - that allow regulating and controlling their most negative effects evolve much more slowly and inefficiently. And to conclude this section, as regards citizen involvement in the processes of spatial and urban planning, and even in urban management, it is fully guaranteed from a legal point of view. But practice shows that the culture of citizen participation in matters related to urban planning and development is noticeably absent.

Financing: local authorities continue speaking about the endemic shortage of Local Tax Agencies and demand more funds, as the public officials that most closely interface with the public, in order to provide all the services that modern societies demand from them. The report issued by the Committee of Experts on 26 July 2017 to review the local funding system, highlights the need to revise a system that, in comparative terms, defines a classical, small local revenue system that primarily collects property taxes and whose expenditure structure is oriented towards traditional functions

Despite the overall financial surpluses in public accounts in recent years (resulting from the considerable fiscal discipline and cost-cutting measures implemented after the application of the Budget Stability and Financial Sustainability Law of 27 April 2012), the information given in said report shows that the finances are concealing serious problems in relation to the benefits that are characteristic of the Welfare State (0.8% of GDP for welfare, health and education, compared to 6.1% in the EU), and even involving the fiscal sustainability of many town councils (around 800), especially small and medium-sized. The comparative scale of Spanish local tax authorities (6% of GDP in 2015) is also smaller than that of neighbouring countries (11.1% In the EU), even with respect to countries with a very strong level of regional governance, with a greater tax surplus (0.5% compared to 0.1%) and a lower level of debt (3.3% compared to 5.9%). In terms of national accounting, local tax agencies have lost importance in Public Administrations since the entry into force of the funding system launched in 2004, going from accounting for 14.8% of public expenditure that year to 13.7% in 2015 (12.3% and 11.3%, respectively if internal transfers between Administrations are eliminated).

The report also states that the relative importance of taxes in their financing (52.9% of their income) is higher than the European average (38.1%), which gives them greater fiscal autonomy. But the report expresses doubts about the sustainability of a system that has experienced strong growth due to the municipal tax pressure associated with real estate but that does not seem to be evolving in a way that is in keeping with the reality of the assets and presumed incomes derived from real estate. This has a lot to do with urban planning and activity and the generation of surpluses. To give an example, the amount collected from property taxes skyrocketed by 75% between 2007 and 2016, and the tax on the increased value of urban land brought in 2.577 billion euros in 2016, almost double that of 2007.

In any case, it is worth noting, on the income side, how there has been a differential growth in municipal taxes (31%) with regard to current transfers of the State (2.1%), a trend that is consolidating, alongside a very moderate behaviour of fees for the provision of services.

In short, the Committee of Experts concludes that local fragmentation must incentivise collaboration to achieve more effective public management and to leverage economies of scale in the provision of local public goods and services. It recognises the significant amount of tax discipline required by local tax agencies and proposes a more modern model for said agencies, one that is less rooted in traditional functions and more oriented to the duties typical of the welfare state. It seeks to improve equality in local financing systems, in order to operationalise the principle of equality as it concerns citizens' access to the services managed by local governments. And finally, it calls for an improvement in the tax autonomy and tax responsibility of local tax agencies.

ICTs: compared to neighbouring countries, Spanish society exhibits a satisfactory level in terms of the integration of digital infrastructure. Both medium-sized and large cities have been developing Smart City strategies in recent years that aim to implement technological and digital urban management solutions. According to data from the Ministry of Economy and Business, more than half of the Smart initiatives launched at the municipal level involve the area of Governance and aim to achieve more open and transparent governments.

8 | TERRITORIAL SUMMARY BY AUTONOMOUS COMMUNITY

What follows are 18 maps that give a territorial summary for each Autonomous Community and the Autonomous Cities of Ceuta and Melilla, providing the following information layers:

- Territorial Planning Instruments
- System of cities with more than 10,000 inhabitants
- Natural and Cultural Heritage
- Transport infrastructure

LIST OF MAPS:

1. Andalusia.
2. Aragón.
3. Asturias, Principality of.
4. Balearic Islands.
5. Canary Islands.
6. Cantabria.
7. Castilla y León.
8. Castilla-La Mancha.
9. Catalonia.
10. Valencia.
11. Extremadura.
12. Galicia.
13. Madrid.
14. Murcia.
15. Navarre.
16. Basque Country.
17. La Rioja.
18. Ceuta and Melilla.