
Marbella Property MARKET REPORT 2021

By Christopher Clover, FRICS

PANORAMA
MARBELLA'S LONGEST ESTABLISHED REAL ESTATE AGENCY

50 YEARS
IN MARBELLA
SINCE 1970

Offices at Puente Romano and opposite the Marbella Club hotel

Sales +34 952 863 750

Rentals +34 952 90 10 15

Property Listings +34 952 774 266

info@panorama.es | www.panorama.es



Marbella Property MARKET REPORT 2021

By Christopher Clover, FRICS

Christopher Clover has been writing about the Marbella property market for 51 years.

The world has evolved unexpectedly and dramatically since the beginning of 2020. Most people are aware that in many respects we will not be going back to the life we knew before.

Due to the special nature of the Covid crisis and despite the terrible loss of life, the severe repercussions on businesses unable to open and the terrible damage to the hospitality industry, all caused by lockdowns imposed in almost all countries throughout the world, the higher, luxury end of real estate sector has not only survived but prospered. Covid has, quite simply, changed how and where we want to live.¹

The high end of the market more active than ever before

There has been unexpected, even exceptional, sales activity in the past year since June 21st, 2020 when the lockdown was lifted in Spain. In 2021, the luxury end of the market (that is to say, properties priced over €1 million) has accelerated month-on-month to a level of activity we have never witnessed before in our history. The top end of the market, instead of suffering as most had anticipated, has prospered beyond anyone's expectations.²

This increased demand has grown to an almost frenetic level, and is a direct result of the coronavirus pandemic, as our own statistics confirm along with those of most other real estate agencies specializing in the higher end of the market. That this has happened in spite of the restrictions of mobility between European countries and even between municipalities

in Spain, leads us to believe that this wave of purchasing is just beginning, and is an outstanding, positive sign of the market to come in the next months as travel restrictions continue to relax.

“Sales in the luxury end of the market (over €1 million) have accelerated to a level we have never witnessed before in our history.”

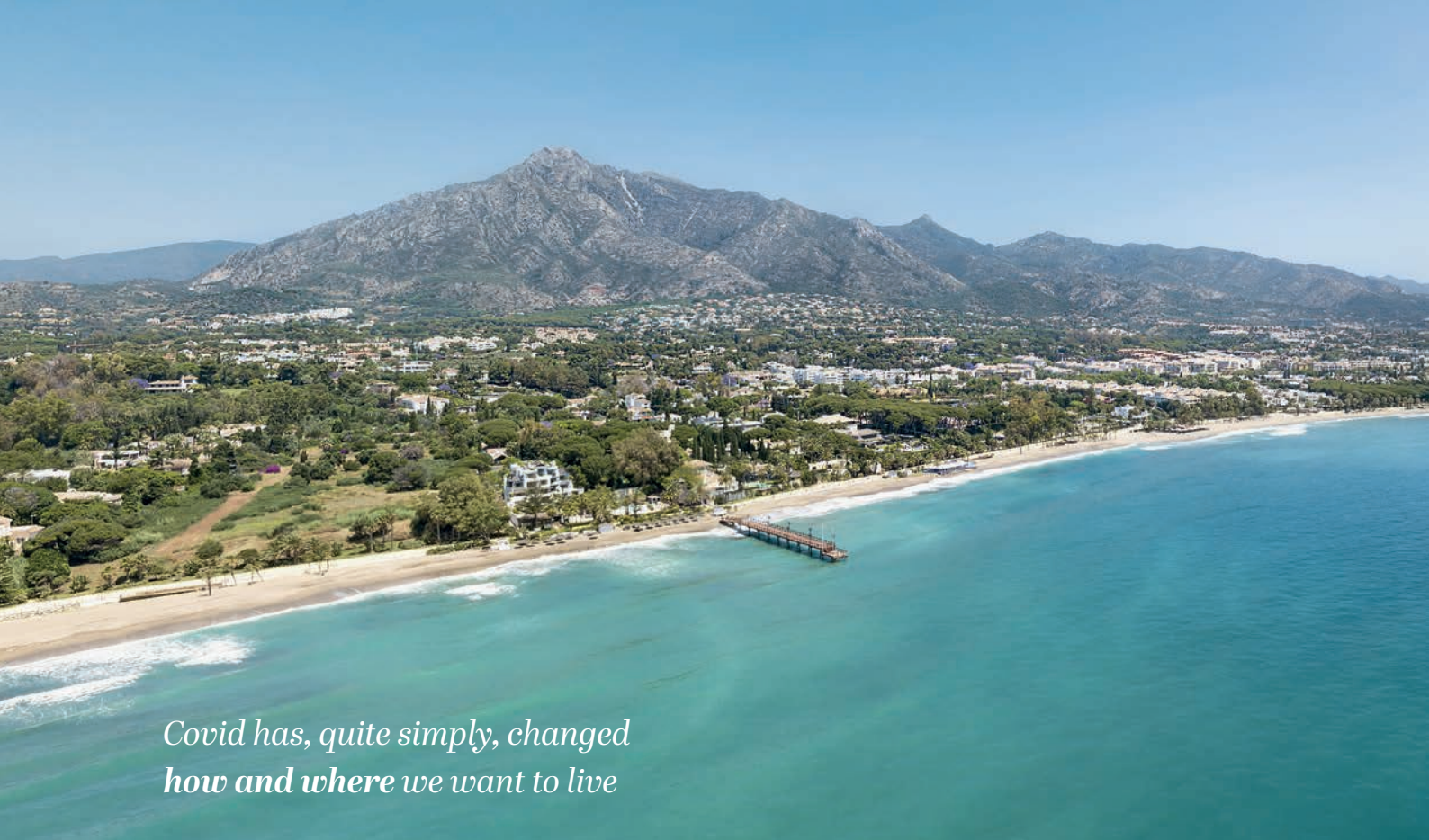
Comparing the sales activity in the first six months of 2021 with the first six months of 2019 (prior to Covid), in our own agency:

- Potential buyer enquiries increased by 154.4 %
- The number of sales (completed and in the process of completion) in the same period has increased by 68 %.
- The average sales prices of properties sold by our agency has increased by 107.5 % with sales prices ranging from €400,000 right up to €10 million.

All this, with a severely reduced number of foreign visitors and restriction of movement!

1. BBC: “How Covid has changed where we want to live”, 19 March 2021

2. Economía Digital: “Las inmobiliarias de lujo de Marbella y Mallorca son inmunes al covid”, 2 August, 2020



*Covid has, quite simply, changed
how and where we want to live*

Why has Covid accelerated the sales of top end properties?

The tendency towards increased investment in the higher, luxury end of the market is not a phenomenon exclusive to our area: high net worth individuals are leading the path to real estate investments around the world.³ For example, New York executives, many of whom have been working from home for over a year now, mostly living in apartments, have reached the conclusion that “home” can be actually anywhere, and so they have been flocking in droves to Southern Florida, drawn by the warmer weather and more spacious homes with terraces and gardens.⁴ Indeed, so many of Goldman Sachs employees and associates have moved to Florida that they are considering opening an office in Miami or Fort Lauderdale to support their team.⁵ Other articles refer to Miami as experiencing a super real estate boom of historic dimensions.⁶ Country estates in England are selling like hot cakes.⁷ Premium property in Mallorca is booming with sales soaring by over 80 %, according to some agencies.⁸

“The tendency towards increased investment in the higher, luxury end of the market is not a phenomenon exclusive to our area”

There are additional reasons why the market in Marbella remains so strong:

- Despite the fact that Marbella is traditionally a second residence resort city, a pioneer in “residential tourism”, we have noticed that many current owners have decided to convert their second residence into a main residence by spending more time here.
- Property transfer taxes have been decreased by the Andalusian government by up to 3 % to a flat 7 % with stamp duty decreased from 1.5 %, to 1.2 % as a temporary measure until the end of 2021,

3. Square Yards: “Where the world’s ultra-rich lives and why most of them invest in real estate”, May 5, 2021

4. Miami Herald: “Miami’s new tech-based buyers want single-family homes. They’re here to stay” April 19, 2021

5. The Real Deal: “Goldman Sachs plans move to South Florida” December 7, 2020

6. Forbes: “South Florida’s Real Estate Market Is Now Officially In Super-Boom Mode” Feb. 19, 2021

7. The Guardian: “Super-rich buying up ‘Downton Abbey estates’ to escape pandemic” Nov. 14, 2020

8. Brainsre.news: “Demand Strong in Mallorca’s Premium Property Market, Says Engel & Völkers” May 11, 2021

Marbella Property

MARKET REPORT 2021



with the possibility of prolonging this decrease in the future. The inheritance and gift taxes were already virtually eliminated in April 2019, making Andalucía one of the most tax-friendly regional governments in Spain. Further, important tax decreases are pending approval by the regional government. These tax reductions are guaranteed to boost the number of buyers in the region.⁹

- Mortgage rates have remained at historic lows: even high net worth individuals buying property in the area are taking advantage of these low rates, as they can make much more money than the cost of the mortgages by investing in their own businesses. This is not only true in our area but throughout the country: the month of March, 2021 closed with a 10-year high number of mortgages granted that month.¹⁰ According to Bankinter, a 15-year mortgage taken out by a resident in Spain in June 2021 would bear approximate interest rates as follows: Fixed rate: 1.30 %. Variable rate: first year: 1.75 %, following years Euribor (currently at negative -0.485 %) + 0.99 %. Non-residents would pay fixed rate at 2.25 %, Variable rate: first year: 2.50 %, following years Euribor + 1.75 %.
- There is also another interesting conclusion

resulting from this increase of property purchases since the beginning of the pandemic: *that the purchase of real estate is being seen worldwide as a “safe haven” investment in these uncertain days*, and undoubtedly more than stocks or many other investment opportunities. As well as of course, a primary investment in the quality of life that many can afford today.¹¹

“The purchase of real estate is being seen worldwide as a “safe haven” investment”

Buyers are especially attracted to Marbella because it is the capital of quality real estate and lifestyle of the Costa del Sol, offering a full 12-month season not seen in any other resort city in the Mediterranean Basin. It has a low volume of construction, amazing sporting and golf facilities (there are 52 golf courses just in the province of Málaga)¹² and first class infrastructure and services. Another example of an essential high quality service according to a recent Savills blog: *Marbella ranks N°7 in internet speed of all prime leisure destinations*.¹³ And now, Marbella offers some of the finest homes available for sale anywhere in the world.

2012: Investors with an eye for the future which has become a reality

The Marbella area market began to recover from the 2008 crisis in 2012 with a surge of purchases due to a serious pent-up demand, not only by normal end-users but also by all types of developers, from the individual developer refurbishing or building one home, to groups of five or ten villas, and large investments including apartment projects and gated communities where the developers were major, international funds, investing heavily in the area for the first time.

9. Vozpopuli: “PP, Ciudadanos y Vox cierran un acuerdo para bajar los impuestos en Andalucía” May 19, 2021

10. El Economista: “La concesión de hipotecas en marzo alcanza el récord de la última década” May 12, 2021

11. Brainsre.news: “25% Of the World’s Wealthy to Invest in Real Estate by 2021” 16 June, 2021

12. Mijas Golf: “Campos de Golf in Málaga”

13. Savills: “Which global leisure location has the fastest broadband speed?” 3 August, 2020



“The key word now, in addition to location, is quality.”

Consequently, the greater Marbella area (including Estepona and Benahavís) has seen hundreds of new properties being built and older houses in consolidated residential areas being refurbished, with an emphasis on top locations, modern design and state-of-the-art installations including intelligent home systems, and the most modern security systems. Many of these investors who bet on the future of this area have designed, built and sold among the highest quality properties of their type anywhere in the world. The key word now in addition to location, is *quality*, and never before has Marbella seen such a wide variety and choice of high-quality properties for sale.

Marbella is finally reaching its full potential that we knew it would someday when we decided to establish our first office in Marbella, back in 1970.

A few examples of developments which have sold well

An outstanding example of quality developers' success this year is the project “Epic”, built by the veteran developer Sierra Blanca Estates on the Golden Mile, where 70 % of its second phase has already been reserved.¹⁴

“Never before has Marbella seen such a wide variety and choice of high-quality properties available for sale.”

Palo Alto, in Ojén, five minutes' drive above the La Cañada shopping centre, has already sold or reserved about half of the total properties to be built in their urbanization. Since they launched the project a couple of years ago, 90 apartments have been built and delivered and now they are in the process of building 106 more apartments, of which 70 % is already reserved, as well as 30 villas of which 8 are reserved.

The beautifully designed project, Icon, east of town, is fully sold out, expertly marketed by the highly experienced agency NVOGA.

Other developers of new or fully refurbished properties are also “sold out”, but with more properties coming on the market soon. There are dozens of high-quality properties in the process of being built and others pending receiving their building permits.

14. Sierra Blanca Group Sells 70 % of Its Luxury Homes in Marbella, Earning €65 Million in 3 Months, May 12, 2021

From a small, seaside, agricultural town with a lot of history, to an international hot spot

To illustrate the beginning of the evolution of Marbella as a resort town, the official census population in 1950 (not counting part-time residents) was 9,991 inhabitants, increasing to 12,069 in 1960, exploding to 29,253 in 1970, and more than doubling again by 1980.¹⁵

Clearly our company opened its first office in 1970 at exactly the right time.

Marbella was always a very seasonal resort town, like all the others on the Mediterranean coast, with a high season which started very gradually in the Spring, building up to a crescendo in the summer months, and gradually rolling up the sidewalks at the end of September or beginning of October, with many restaurants and hotels closing down for the Winter.

For a resort city to be open year-round, with enough business to keep open the boutiques, restaurants, nightspots, leisure and sporting facilities, not only does one need to have great winter weather, but a minimum nucleus population of around 150,000 inhabitants, between registered residents and the “floating population” of residential tourism. This figure was finally achieved in Marbella around 1995, when the winter “off-season” took on a life of its own, transforming Marbella into the only resort city in the Mediterranean Basin with a true year-round season.

The current official population of Marbella reached 147,633 in January of 2021¹⁶ ranking



as the seventh municipality with the largest population in Andalucía. Adding the floating, unregistered population, the low season population today is between 250,000 and 275,000 inhabitants, according to Town Hall estimates, rising to over 800,000 in the peak season.

Today there are people from 140 different nations living in Marbella of which 26 % of these registered residents are foreigners.¹⁷ Over the years Marbella has come closer and closer to reaching its full potential as a resort city and is now among the most important, high end resort destinations in the world.

15. Wikipedia: “Marbella”

16. Ayuntamiento de Marbella: “Marbella se sitúa como el séptimo municipio con mayor población de Andalucía tras registrar un 3 por ciento de incremento en el número de empadronados” 10 January, 2021

17. Junta de Andalucía: “Andalucía pueblo a pueblo - Fichas Municipales”

Marbella Property MARKET REPORT 2021

Comparing year-on-year sales, Marbella, Estepona and Benahavís have seen sales as follows:

Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Benahavís	633	438	559	422	311	593	533	711	733	624	499	625	643	457
Estepona	2,581	1,721	1,086	1,154	1,248	1,490	1,673	2,113	2,044	2,114	2,673	2,476	2,324	2,515
Marbella	3,568	2,116	2,199	2,389	2,259	2,519	3,115	3,997	4,390	3,998	4,275	4,068	3,676	2,560
Total	6,782	4,275	3,844	3,965	3,818	4,602	5,321	6,821	7,167	6,736	7,447	7,169	6,643	5,532



Source: Spanish Ministry of Public Works
www.fomento.gob.es

*** Please note that these statistics only show the number of properties sold each year, as per the title deeds issued at the notaries, and don't reflect the hundreds of sales of properties that are under construction or off-plan.*

Sales activity

Although there are newly-built homes available for sale in all price categories, sales at the top end of the market with prices upwards of €3 million, to as high as €12 million or even higher, have all of a sudden become commonplace, properties of a world class that simply did not exist before the last crisis.

Given the lack of statistics for the number of homes sold in each price category, we have nevertheless made an educated guess of the number of homes sold priced over €4 million from July 2020 through June 2021 which is in the region of 120, of which around 20 were priced over €10 million.

In the table above, we can see the overall year-on-year sales for Marbella, Estepona and Benahavís in all price categories, since 2007.

Last year's statistics show only a 16.74 % drop in sales for the three municipalities over 2019, substantially less than expected, despite the three months' total lockdown, due especially to the strength of the sales in Estepona, which amazingly showed an increase over 2019.

So far in 2021, the first quarter statistics indicate a rebound in sales over the same period of 2020 of 9.2 % but especially in Marbella at 22 % as

per the chart below. Other agents specializing in the higher end properties are verifying our own agency's statistics, indicating that 2021 has already become an excellent year in the sale of properties, especially over €1 million.¹⁸

CITY	1 ^o Q 2018	1 ^o Q 2019	1 ^o Q 2020	1 ^o Q 2021
Benahavís	123	235	109	143
Estepona	572	515	574	517
Marbella	1,042	827	682	832
Total	1,737	1,577	1,365	1,492

Prices are stable but will most likely gradually increase

Many owners lowered their asking prices last year but now have started to increase them.

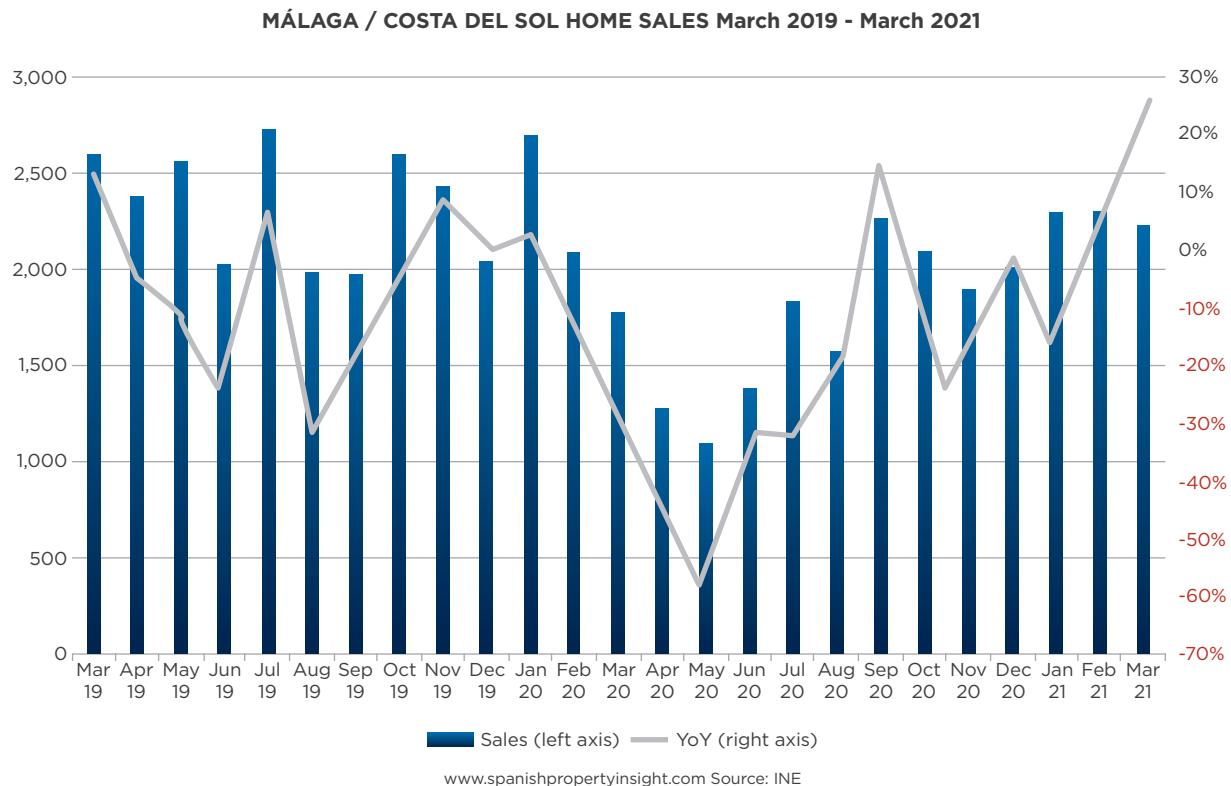
In 2020, concerned about how Covid would affect the sale of their properties, close to 40 % of the owners of the properties listed for sale with our agency, adjusted their asking prices to very reasonable levels. The average reduction in asking price (not to be confused with selling price) that we witnessed in the course of the summer and autumn of 2020 was close to 9 %, leaving more

18. Spanish Property Insight: Why is the Costa del Sol recovering so much better than the Costa Blanca? May 16, 2021

Marbella Property MARKET REPORT 2021

Sales volume in the province of Málaga has increased to pre-pandemic levels

The chart below, which goes through the first quarter of 2021, is a clear indication that sales in the province of Málaga, have now reached pre-pandemic levels.¹⁹



room for further negotiation. The result was an immediate increase in viewings and consequently, more sales.

More and more clients (developers as well as end users) have been buying houses to renovate. And as indicated earlier, there has been a constant increase in demand for fully refurbished houses, ready to move into, which are now temporarily in short supply. Because of the strength of the top end of the market, some owners are now increasing their asking prices once again.

The prestigious site, Idealista.com, has an interesting index of “asking prices” which is useful, and even allows one to see the prices in different

neighbourhoods within municipalities. In all of Marbella, for example, the average asking price for all types of properties, irrespective of location, was €3,242/m², representing a 7.3 % increase over June of 2020. In Nueva Andalucía, the increase over June 2020 was 9 % whereas San Pedro was 10.5 %. In all of Benahavís, 12.1 %. In Estepona, 8 %. Although these are not real sales prices, most bank appraisers don't use real sales prices either because they don't have access to them. This index is therefore a useful tool to gauge market tendencies as it provides an excellent orientation of asking prices, kindly refer to link in footnote.²⁰

This tendency is not unique to Marbella or the

19. La Opinión de Málaga: La venta de viviendas en Málaga ratifica su vuelta al nivel previo a la pandemia, May 15, 2021
20. Idealista: “Histórico de precios de venta en Marbella”

Marbella Property

MARKET REPORT 2021

“From April 2020 to March 2021, the price of construction has increased by 8.56 %”



Costa del Sol: in the economies of 25 different countries tracked by The Economist, house prices rose by 5 %, on average, in the last 12 months for which figures are available.²¹

Concrete examples of real square metre sales prices achieved in the area in the first six months of 2021, taken from a small sample of sales during that period are shown on the following page.

Cost of construction is increasing

As the real estate market has already returned to pre-pandemic levels throughout most of Spain, the cost of construction (on a national level), is increasing. According to the *Sociedad de Tasación*, a well-known national appraisal company, construction costs have already increased by 3.01 % in the first quarter of 2021, and increased 8.56 % from the end of the first quarter of 2020 until the end of the first quarter of 2021.²² In areas where there is more demand for new construction, which appears to be the case in Marbella, this might be higher.

It is important to note that even though there is a historic sales activity in the higher end of the market, in general, buyers are always looking for

opportunities and the best value they can get for their money. The experience of one's real estate agent can be critical in helping find the right properties.

Who is buying?

It is known that the buyers in the high-end luxury segment of the market in the Marbella area is made up of at least 90 % foreigners, which has given it so much strength for so many years compared to the national market.

In the Málaga province, the top three foreign nationalities of property buyers in 2020 were:²³

- the British with 19 %,
- the Swedes with 13 % and
- Belgians with 9 %.

It is safe to assume that these figures, as far as nationalities are concerned, will also be applicable to the Marbella area. Unfortunately, more detailed figures are not available but, in accordance with the nationalities of buyers throughout the autonomous region of Andalucía, as published for 2020, it is likely that these will be followed by the French, Dutch and German, in that order.

21. The Economist: “House prices boom despite the pandemic” April 9, 2021

22. Sociedad de Tasación: “Informe de Tendencias del Sector Inmobiliario”

23. Estadística Registral Inmobiliaria anuario 2020

Marbella Property

MARKET REPORT 2021

Real square metre sales prices achieved in the area in the first six months of 2021

BRAND-NEW APARTMENTS & TOWNHOUSES - Price per m ²					
Epic	Lomas del Rey	The Edge	Golden Green	Treetops	The View
Golden Mile	Golden Mile	New Golden Mile	Nueva Andalucía	San Pedro	Benahavís
New Apartment	New Apartment	New Apartment	New Townhouse	New Townhouse	New Apartment
Mountainside	Mountainside	Beachfront	Mountainside	Mountainside	Mountainside
From €4,711.00 to €7,923.00	From €3,963.00 to €5,272.00	From €5,102.00 to €8,966.00	From €2,323.00 to €2,466.00	From €2,750.00 to €3,000.00	From €4,547.32 to €7,439.60
RESALE APARTMENTS - Price per m ²					
Puente Romano II	Marbella Hill Club	Marina Puente Romano	Monte Paraíso Country Club	Ancón Sierra	Mansion Club
Golden Mile	Golden Mile	Golden Mile	Golden Mile	Golden Mile	Golden Mile
Original Good condition	Partially refurbished	Fully refurbished	Original Good condition	Fully refurbished	Original Good condition
Beachside	Mountainside	Beachside	Mountainside	Mountainside	Mountainside
€10,156.00	€3,229.00	€19,087.00	€5,322.50	€2,833.60	€3,252.49
BRAND-NEW VILLAS - Price per m ²					
Sierra Blanca	Green Hill	El Madroñal	Nagüeles	El Paraíso	Lomas de Marbella Club
Golden Mile	Marbella East	Benahavís	Golden Mile	Estepona	Golden Mile
Brand-new	Brand-new	Brand-new	Brand-new	Brand-new	Brand-new
Mountainside	Mountainside	Mountainside	Mountainside	Mountainside	Mountainside
€7,746.00	From €3,466.00 to €3,855.00	€6,678.00	€5,428.33	€5,345.24	€6,020.46
RESALE VILLAS - Price per m ²					
La Zagaleta	Lomas de Marbella Club	Cascada de Camojan	Sierra Blanca	Nueva Andalucía	El Vicario
Benahavís	Golden Mile	Golden Mile	Golden Mile	Aloha	Golden Mile
Original Good condition	Original Good condition	Original Good condition	Original Good condition	Original Good condition	To refurbish
Mountainside	Mountainside	Mountainside	Mountainside	Mountainside	Mountainside
€9,074.00	€4,184.44	€4,584.37	€6,785.98	€3,584.57	€7,886.43

Marbella Property

MARKET REPORT 2021

The interesting statistical information is the surge in the Swedish market which has gradually been increasing its market share over the past several years. The last year has also seen the emergence of the Polish market as well as a few buyers from Eastern Europe and the Middle East despite the restrictions of movement, many looking into purchasing a home to be able to apply for the Golden Visa. Of course, the Spanish market itself has been ever present and represents the very foundations of the Marbella area property market.

There has been a great demand from successful young millennials with high purchasing power who choose only the best properties with a lot of privacy and the highest possible qualities, properties which have been built for this specific market by savvy developers only since 2012, at the beginning of the market recovery after the downturn in 2008 as mentioned before.

The strength in sales of properties in the higher end of the market confirms the appeal of the Marbella area not only to these affluent millennials, but also to those who have known Marbella for decades, and have decided that now is the right time to buy.

Brexit impact

Brexit came accompanied by a series of questions and doubts, especially with respect to the visa requirements, where only a three month stay during every six months is officially allowed, unless an extension is authorized. It is not yet clear if there will be a strict enforcement of this requirement. Specialists have suggested that the best solution for UK citizens wanting to stay longer than three months would be to take out a Golden Visa, which does not imply a fiscal



“There has been a great demand from successful young millennials with high purchasing power”

residency unless the stay in Spain is more than 183 days (six months) and can be obtained by different types of investment transactions in Spain, including the purchase of real estate for a minimum value of €500,000. This Golden Visa can even be retroactive.²⁴ There are lots of other legal methods of avoiding this rule, which any expert can be helpful with.²⁵ There is also an interesting article by the well-known lawyer, Ricardo Bocanegra, regarding Brexit.²⁶

Despite Brexit, and against all odds, the British have remained by far the greatest foreign nationality buying properties in Spain for decades, ever since Margaret Thatcher lifted the UK exchange controls, the infamous “Dollar Premium”, in two steps, in 1978 and 1979.

24. Spanish Property Insight: “The Spanish Golden Visa is retroactive” February 5, 2021

25. Spanish Property Insight: “How to stay in Spain over 90 days – Residency visa overview” May 21, 2021

26. Gestoria Bocanegra: “Entrevista a Ricardo Bocanegra sobre el Brexit” October 14, 2019

Marbella Property MARKET REPORT 2021

International hotel chains usher in a new era of luxury and quality

Four renowned international hotel chains have finally disembarked in Marbella. The arrival of Nobu Hotel, opened in Puente Romano, coupled with the announcement of Starwood's "W" Hotel and Resort to be built on the beach just west of the Don Carlos Hotel and the Four Seasons Hotel and their accompanying branded residences are perhaps the most significant good news in Marbella for decades. It represents the acknowledgement on a worldwide platform of the high-quality resort destination that Marbella is today, ushering the town into a new era.

Additionally, the five star, beachfront Ikos Hotel, with 400 rooms and suites (pictured below), just opened its doors on the New Golden Mile, midway to Estepona.²⁷

According to the Regional Government, there are 19 hotel projects of different categories, in different stages of development or construction in Marbella and Estepona alone, which includes

"The legendary Marbella Club & Puente Romano hotels have helped create the legacy of high quality that Marbella represents."

boutique hotels.²⁸ The establishment of these outstanding international hotel chains in the Marbella area will accompany the legendary Marbella Club and Puente Romano hotels, along with others such as the Don Pepe and Los Monteros, that have helped create the legacy of high quality that Marbella represents.

Many of the loyal high-level customers of these new brands will discover, or rediscover, the Marbella of today resulting in many more affluent tourists visiting the city, expanding the strong shoulder season activity into the winter months, which in turn, is certainly great news for anyone owning a property or running a business here.



27. ABCandalucia: "La cadena Ikos abre en Estepona el primer hotel 5 estrellas todo incluido de España" May 18, 2021

28. ABCandalucia: "La Costa del Sol resiste al Covid: sólo Estepona y Marbella tienen una veintena de hoteles en desarrollo" March 5, 2021

Marbella Property MARKET REPORT 2021



New projects under way

Although the market has improved throughout Spain and the Costa del Sol, there are still between 250 and 270 projects planned for development in the next few years, many of which were put on hold in 2020 until the full effect of Covid on the market became evident. In a recent article in the newspaper *El País*²⁹ there is cautious optimism that with the return of tourism, the market on the whole Costa del Sol is set to improve as it already has in the Marbella area.

These new projects about to commence construction, coupled with the many smaller projects in the Marbella area about to receive building licenses, will likely keep the supply of new properties necessary for the increasing demand.

Some examples follow:

Both the **Four Seasons** and the **W** projects will offer ultra-prime branded residences adjoining their respective hotels. The first, a residential development of some 30 touristic apartments plus 170 private residences (villas, apartments and townhouses) adjacent to the hotel which we understand will come onto the market later in 2021,

and the second, 86 touristic apartments and around 100 private residences with hotel services. Further details will be available in the coming months.

The incredible front-line beach development **Uno**, bordering Marina Puente Romano to the west, the largest beachfront site left for development on the Golden Mile with 319 linear metres of sea front, is finally receiving its building permit. This extraordinary gated community will be comprised of 57 units of the highest quality construction and design. Most of these properties have already been pre-reserved. *Further information on this exclusive project and others mentioned in this report is available upon request from Panorama.*

Acciona Estrella del Mar is another new project, not yet on the market, comprising 58 apartments and 88 townhouses, 150 metres from the beach near the Hotel Don Carlos in the Marbella East area.

Vista Lago Residences is a luxury development of 18 design-led sustainable villas in the exceptional location of Real de La Quinta, where the views towards Gibraltar and Africa are arguably among the best in the area. The setting is unique, with Marbella's iconic La Concha mountain on one

29. El País: "Las promotoras confían en la apertura de fronteras para revivir el negocio en la Costa del Sol" May 6, 2021

Marbella Property

MARKET REPORT 2021



side and the exclusive La Zagaleta Country Club & Golf estate on the other, bordering a UNESCO biosphere reserve and just a 10-minute drive from Marbella.

La Finca de Jasmine is a gated and secure community of luxury villas with a clubhouse and spa, covering a total of 269,000 m² and located in the municipality of Benahavís. The initial phase will comprise 14 villas with three types of configuration to suit one's lifestyle choice. Prices start from €995,000 (plus VAT). Verdant Mediterranean gardens and private pools with easy access to Marbella and Estepona makes this luxury residential project one of the most exciting in years.

And there are dozens more projects scattered throughout the municipality, which are for single or up to groups of several villas, currently under planning as well as under construction, which are either already on the market or will be coming on the market over the next coming months.

A long-term vision – new General Plan

The long-expected new General Plan of Marbella is progressing towards its initial approval by the end of 2021 and final approval in 2023, according to Kika Caracuel, the delegate for Urbanism in the Marbella town hall.³⁰ Its definitive approval will put an end to the urbanistic problems that have plagued Marbella since the beginning of the century, the last of which was the cancellation of the General Plan of 2010 in the year 2015, causing great insecurity among property owners, investors and developers.

According to Caracuel, the work of the current urbanistic team has made possible the continuance of major projects in Marbella under the currently valid plan of 1986: *"We approved the revised text of the plan, we approved the adaptation of the plan to the LOUA (the Andalusian Urban Planning Law) and we modified and approved the urban planning regulations,"* which resulted in the possibility of continuing to receive and process very important projects that

30. Diario Sur: "Marbella y Torremolinos pendientes de sus nuevos PGOU's" February 14, 2021

Marbella Property

MARKET REPORT 2021

The new General Plan of Marbella is progressing towards its initial approval by the end of 2021 and final approval in 2023

involve multi-million dollar investments. “Marbella has had the muscle to overcome the annulment of the 2010 Plan and we are pleased with our progress, despite the difficulties,” Caracuel said, also highlighting the relevance of a new “agility in the processing of urbanistic files, from licenses to planning.”

What does the future hold?

With freedom of movement returning, large percentages of the population being vaccinated, and people more anxious to travel than ever before, the area is set for a gradual return to quality tourism. As often commented, the main source of property buyers come from the quality tourism attracted to the area.

1 The evolution of the real estate market here and elsewhere in the world is moving at an amazingly fast pace, faster than we have ever witnessed in the last half century. Covid has changed how and where we want to live, not only for our area, but with an increased demand for property, especially in resort areas, all over the world. Lifestyle factors go hand in hand with investment considerations. We think this trend will continue and, perhaps, increase.

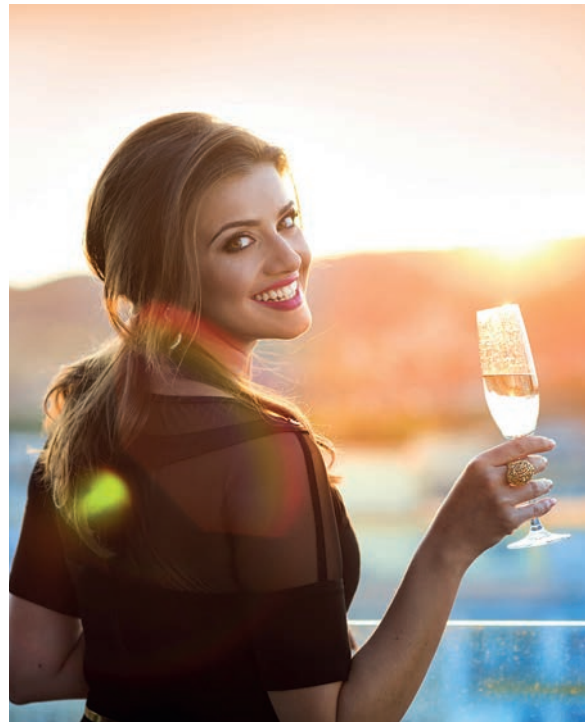
2 There is no sign of abatement in the demand, quite to the contrary, we expect a stronger demand in the months to come. There are hundreds of clients just waiting to come and “seal the deal” for the purchase of properties they have pre-selected with their agents. And for the first time, there are dozens of sales, even in the higher end properties, being made by careful, meticulous live Facetime or WhatsApp video tours, without even inspecting the property in person.

3 There is no sign of the market overheating as it did for years before the collapse of 2008, leading to a prolonged setback which lasted until the market started to recover in 2012.

4 Real estate has once again become a “safe haven” investment as a means of capital growth, in some cases rental return, and a protection against the inflation which is no doubt on the way.

5 Historically low interest rates serve to fuel purchases of real estate in this area. More and more buyers want mortgages simply because they are cheap and it allows them to invest their savings elsewhere.

6 The top end of the market, properties priced over €1 million and up to €10 million or more, is stronger than ever before in the history of the area, as well as in most of the major resort destinations. Since this is only the continuation and acceleration of a trend commenced long ago, we expect that the current market is not just a “blip”, but has the potential of continuing for some time.





Marbella Property MARKET REPORT 2021

“There is a major, positive market shift underway”

7 In the resale market in consolidated residential areas, the market will also continue to be strong as demonstrated in this report, since the end of the lockdown in Spain in June, 2020.

8 There will be occasional shortages of certain types of properties, especially the high end, but there are so many new and refurbished properties coming on line, we do not foresee major shortages in the coming months.

9 There will continue to be some great buys especially in the wonderful residential areas which are not ultra-prime.

10 Prices in the ultra-prime areas have risen to record highs in the last year. In other residential areas, one can expect a gradual increase of prices over the next months, in accordance with the laws of supply and demand. Amazing, ultra-prime properties will continue to lead the market.

11 Estepona, Behahavís and other neighbouring municipalities will continue to enjoy an increasingly solid market not only due to the factors described above, but also due to the outstanding features intrinsic to these municipalities which attract buyers of all nationalities. In reality, we are talking about one market area with an incredible

variety of properties available for sale in all price categories.

12 One must always remember that the property market is cyclical and dependent on a myriad of factors, including the economies of the different countries where our clients come from, inflation, interest rates and credit facilities, personal wealth, savings and availability of quality products for sale. Despite uncertainty in some areas, the present conjuncture of events is favourably affecting the real estate market in the Marbella area and we see a continuance of the positive market for the coming year, all other factors being equal.

From all of the evidence presented here, it is clear that there is a major, positive market shift underway which in turn represents an excellent time for buyers to enter the market, as prices continue to gradually rise.

Covid has accelerated the trends already prevalent in this area for the last 65 years and Marbella has finally become one of the world's major resort areas. And, at the end of the day, if we have to go through another lockdown where would you like to be living? In a city or town in Northern Europe, or in the low-rise, Garden City of Marbella, with the best climate in Europe and a true 12-month season?

Copyright ©2021 Panorama Properties S.L. - Special thanks to Carolina Alaniz and Alfonso Muñoz for all their hard work and tireless research in putting this report together.