

Investment in Costa's property market reaches historic high

Specialist consultancy CB Richard Ellis (CBRE) estimates that 1.5 billion euros is to be invested in Malaga this year - a record-breaking amount

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MALAGA. The latest report from international property market consultancy CB Richard Ellis (CBRE) has declared 2014 as a record year in Andalucia - and especially in Malaga and the Costa del Sol - in terms of investment in property.

The consultancy confirms that "optimism in the property market" has returned to Malaga and along the Costa and has stressed that historically high levels of investment are being reached.

CBRE experts have estimated that investment in the property market in Malaga in 2014 totalled 500 million euros.

This figure is likely to be tripled this year according to the report as, at present, 1.5 billion euros is on the table in various stages of development or waiting from approval from the authorities.

So what is considered an investment in the property market by CBRE?

"From the purchase of a piece of

land to build homes, or any other kind of building, to the transfer of ownership of a hotel or the purchase of a home or even entire developments, as long as the objective is to make a profit", says the regional head of the property consultancy, Inigo Molina.

The director points out that Malaga's property market "has changed direction over the past 18 months so that we can now talk about consolidated growth and a new cycle for Malaga and the Costa del Sol".

Molina also acknowledges that the context of the market has changed: "Developers have been substituted by investment funds and financial entities and an increasing demand from the international scene".

Biggest deals

Molina states that the greatest investments have been in the hotel and residential sector. Such as, for example, the sale of the Sotogrande estate (which although it is in the province of Cadiz has been included in the Costa del Sol) for 250 million euros, the Hotel La Quinta and its golf course to the Chilean investment fund Phenix or entire developments like Estepona Hills.

The CPRE report points out that the sale of homes in the province in 2014 rose by 30 per cent in comparison to the previous year with a 27



New development in Teatinos in Malaga city. :: SUR

per cent increase in capital.

This situates Malaga as one of the most active markets for residential property in Spain at 6.1 per cent of the total activity, only falling behind Madrid, Barcelona and Alicante.

Increasing sales have meant the housing stock is now almost non-existent in Malaga city and in Marbella which has led to new housing developments being initiated for the first time in seven years.

In terms of property prices, these continued falling in 2014 although they have stabilised in the last few months.

The commercial sector is also doing well, according to CPRE. The prime area of Malaga city continues

to grow and is spreading from Calle Larios to Calles Granada, Nueva, Strachan and Bolsa. Puerto Banús and La Cañada shopping centre in Marbella are also attracting luxury brands.

The highest commercial rents in the province are in Calle Larios (between 150 and 200 euros per square metre) and Puerto Banús (between 160 and 200 euros).

CPRE has also referred to the lack of industrial, logistic and warehouse facilities for businesses in the province. Inigo Molina says that there is now a real need for a new industrial estate in Malaga city and in fact initial studies are currently being carried out to such effect.