

PROPERTY SOTOGRANDE

BRAND VALUE

What's in a name? Everything when it comes to the value of your investment, writes **Peter Swain**



Footjoy's finest limited-edition, monogrammed shoes can set you back over £200. Golfers will pay that price because it's a genuinely great product, and, well, they're Footjoys. It's all about branding.

To build a great brand, you first need a good product. Then you need the marketing savvy to sell it. If you can do both, you can charge a price premium of, let's say, 30% above the competition's rates.

Back in the 1960s, a visionary American called Joseph McMicking decided to create a high-end resort mid-way between Marbella and Gibraltar on the Costa del Sol. Golf courses, polo grounds, beach clubs, an international school and a marina were developed, princes and presidents came, and gracious villas the

size of those surrounding Wentworth were built. The Sotogrande brand was born. The salsa on the Andalucian enchilada was the triumphant 1997 Ryder Cup at Valderrama. It was official: Sotogrande was the ritziest resort in Spain.

Spin forward 16 years and the world, in particular the Euroland part of it, has changed dramatically. Spanish developers overbuilt, punters got greedy, and the whole house of cards came tumbling down. Vast swathes of real estate on the Costas remain empty, with values 60% off the 2008 peak. So where does that leave Sotogrande?

The good news is that the golf is as fabulous as ever. Rumour has it that Valderrama has just been bought by a consortium involving David Spencer,

once of Troon and Jumeirah Golf Estates in Dubai. The course is still immaculate, although tree growth and lack of pruning have made some holes even tougher.

Many locals believe the Real Club, a pleasantly aristocratic set-up with a thriving social side, to be a better course. Then there's San Roque Old and New, the Dave Thomas-designed La Cañada, and the 27 holes around the Almenara hotel.

The new property on offer at Sotogrande is on the La Reserva course running parallel to Valderrama in the hills above Gibraltar. Something of an undiscovered gem, the ten-year-old Cabell Robinson track is undulating, invites ambitious driving, and has fast true greens, twice the size of its neighbour's. Five sets of tees ensure a fair

challenge for players of all abilities, unlike the Ryder Cup venue.

Overlooking the 17th and 18th fairways, Los Cortijos is a colourful collection of high-specification townhouses (sold through www.cluttonsresorts.com) starting at £420,000, and detached villas, priced from £675,000. Prices have been reduced, but they're still punchy.

Which brings us back to the issue of branding. Two miles down the road, off-resort, similar-sized villas cost up to 40% less. In fact, Sotogrande's property man, Michael Norton, would knock 15% off in a heartbeat, but that still leaves a price gap equivalent to 25% or so.

Now, if you're the sort who drinks vintage port and only buys top-of-the-line customized Footjoys, then that brand premium – for exclusivity, security, brilliant amenities and a degree of separation from the rest of the Spanish housing market – is entirely justified. If not, Sotogrande probably isn't for you.

Membership of the La Reserva club costs about €15,000 (£12,800), but that can be used as a negotiating point on a property purchase. At the moment, there's a lack of joined-up thinking between the various independent clubs on site, but this might change as the realities of the post-crash situation bite. Valderrama officially costs €170,000 (£145,000) to join, but apparently some memberships at only €50,000 (£43,000) are about to be released. We live in changing times.

A good way of seeing it all is a three-day package, staying at the Almenara, with two rounds, starting at €377 (£322) per person (check out the deals available at www.nh-resorts.com).

Down in the marina, I rather like the two- and three-bedroom apartments in the Ribera del Marlin development. With fun views over the colourful yacht harbour and plenty of shopping and nightlife a short stroll away, prices start at £300,000. There are 76 units out of 196 left to sell, with buyers so far roughly 30% Spanish, 25% British and the rest from all over northern Europe. Yacht berths are also available, and you can still join one of the golf clubs up in the hills.

"Sotogrande is a niche market that's always appealed to a certain class of Brit," says Barbara Wood, a buying agent with www.thePropertyFinders.com. She reports that prime property in Spain is the only sector currently enjoying growth in popularity and asking price. "The British are still the biggest buyers with a 25% share, but the Russians are now up to second place. The Spanish domestic market overall remains subdued, but overseas buyers in Andalucia were up 37% last year from 2011."

The distinction between 'prime' and



(Opposite): The exclusive La Reserva layout at Sotogrande – a privileged address for the lucky members of this Cabell Robinson-designed course

(Top): The Sotogrande development at Ribera del Marlin overlooks the yacht harbour, with apartments available from around £300,000

(Above): Tempted to go and look? A three-day package at Almenara, 5 minutes from Sotogrande, provides great value – and pretty good golf

(Left): Overlooking the 17th and 18th fairways at La Reserva, high-spec townhouses are ripe for those seeking an investment



The outstanding quality of the golf course and practice facilities has made Arcos Gardens, near Jerez, a popular choice for enthusiasts – and with property prices slashed by up to 40% the dream of owning a front line villa may be more achievable than you think



The award-winning PGA Catalunya features one of Europe's premier championship courses, and offers apartments such as this, La Selva, for around £215,000, with serious rental potential



'secondary' translates into discounts currently available. "For my clients I try to get 40% off peak prices, although away from the front line, make that 60%."

Arcos Gardens, up near Jerez, is a case in point. Second home to the Gallachers, Kirsty and Bernard, as well as Matt Dawson, this is a terrific club with practice facilities good enough to attract national golf federations. Low density properties are well built and managed, with spectacular views towards the fabled Pueblos Blancos, but it is a little off the beaten track.

Prices of new villas have recently been slashed by between 47% and 59%. So a vast 3,800sq ft Jacaranda Villa originally costing £810,000 is now down to a realistic £385,000. Resales are even more competitive, with £250,000 buying a good-sized 1,400sq ft fairway Garden Townhouse with furniture package included.

Up near Girona, the sales people at PGA Catalunya still maintain they don't need to adjust their prices. This is my favourite Spanish golfing location, with the Pyrenees, beaches of the Costa Brava and Barcelona all within an hour's drive. The two championship courses are long, tough and well maintained, with other good tracks nearby.

Through www.pgacatalunya.com, La Selva apartments, with good rental potential, start at £215,000. Larger semi-detached villas are priced from an ambitious £595,000 – a bit less than the equivalent detached properties at Sotogrande. If you have that kind of money, you should look at both.

So what about a cheap and cheerful property for less than £200,000? "I would still be very careful about anything in Murcia or Almeria," says Barbara Wood. "At the peak, 70% of sales were off-plan; now 70% are resales – so

that's where the best value is. I can find you a front-line two-bedroom apartment in San Pedro for £170,000, that represents real value." The moral: you don't need to live on the course, or buy 'new' to play golf in Spain.

The banks were sitting on 28,000 unsold units in Andalucia in 2011. That figure is now below 10,000, but until the inventory unwinds and the Spanish banks prove they're out of the woods, it's difficult to recommend buying anything new at the budget end of the market just yet.

Recent figures from KPMG confirm golf holiday sales have increased 9.3% year-on-year, with Spain still leading the field. But on the property-buying front, the Iberian picture is rather more mixed. The very best brands, like Sotogrande, are still the most sought after. But those cut-price rubber golf shoes are best left on the shelf. ■

