

УДК

THE RUSSIAN REAL ESTATE MARKET IN SPAIN. ARCHITECTURE ON THE COSTA DEL SOL

Daniel Barrera-Fernandez, architect, PhD

Guanajuato, University of Guanajuato, Faculty of Architecture

The Russian community in Spain. Causes of the current increase

In recent years, the number of Russians moving to Spain to buy a property has boosted. It has coincided with the severe economic downturn that Spain has suffered since 2007. The crisis has been particularly intense in the construction sector due to the bursting of the housing market bubble that marked the previous decade. As a result, the Russian market has been seen as a means of selling a large amount of upmarket properties, many owned by banks, that otherwise would have remained empty.

Several reasons have influenced the interest of Russian owners in Spanish properties, especially the weather, culture, legal security and prices. But what makes this destination particularly attractive is the right of citizenship for foreigners buying houses higher than 500.000 € [1]. Although not stating any particular nationality, this law was designed in practice for Russian investors, since they are the leading group in that kind of transactions along with British and Norwegian citizens, who do not especially need the right of citizenship because they belong to the European Union or the Schengen Agreement.

It is difficult to know exactly how many Russian citizens have become long term residents but the Spanish official statistics can give estimation [2]. According to this source, in 2014 there were 224,000 residents with origins in one of the former Soviet republics, of which 64,653 were Russian. If we compare this figure to the one in 1997 (3,500 citizens), the number of residents has increased more than 18 times in 17 years. Other sources consider that this figure is incomplete. For example, the association of Russian residents 'EspañaRusa' [3] estimates that only 22 % of residents are officially registered. As a result, there should be around 750,000–800,000 Russians living in Spain.

As stated before, Russia is nowadays the third investing country on the Spanish housing market (8,79 %). The main profile of investors is a high class married couple, 30–45 years old, looking for a large single family house facing the sea. They are mainly businessmen and senior managers. However, in recent years there has been an increase of middle class families buying apartments. Most of them prefer to deliver transactions in their own language, they know very little of the local legislation and they prefer to buy when the construction is totally completed, instead of buying empty plots which is more sought by locals. They prefer to buy new houses better than second hand homes [4]. Their main motivations to buy in Spain are the good weather, positive attitude towards Russian citizens, low crime rate, commercial facilities and a good health system [5].

Currently, the main difficulty to face in housing market transactions is the devaluation of the ruble. The consequence is that developers earning in rubles in Russia have started not to be able to pay local contractors and designers in euros.

The Russian community on the Costa del Sol

In relation to geographical distribution, Russians live mostly in Catalonia, Valencia and Andalusia. In Andalusia, they are concentrated in the Costa del Sol (towns of Marbella, Malaga and Mijas) and the province of Almeria (towns of Roquetas de Mar and El Ejido). On the Costa del Sol, the presence of Russian investors is significantly higher than in the rest of Spain, it is estimated that 20% of houses are bought by Russians [6].

But, which is the profile of Russian residents on the Costa del Sol? A study carried out for the Andalusian Government [7] included four different resident profiles:

High class couples. Normally the husband works in Moscow or other main cities while the rest of the family stays on the Costa del Sol, particularly in Marbella, which concentrates the highest housing prices. They are users of private hospitals and their children are enrolled in international private schools. Many are professionals or owners of hotels, restaurants, shopping centres, distilleries and car industry related services. This profile is not especially affected by the economic fluctuation.

Working families that emigrated after the dissolution of the Soviet Union, being fully integrated in the Spanish social life.

Spanish language students, reaching nowadays up to 50 % of foreign students on the Costa del Sol.

Tourists staying in hotels, whose number is still increasing. Compared to the Spanish average situation, it shows the resilience of the destination independently of the international context.

Architecture for the Russian community on the Costa del Sol

Although generalizing is always difficult, several sources conclude that Russian real estate investors on the Costa del Sol are very strict in demanding quality in architectural details and they look for luxury and exclusivity. In Marbella, the Russian community concentrates in Milla de Oro, Sierra Blanca, Villa Padierna and La Zagaleta, which coincide to be the most expensive areas. Among them, La Zagaleta is the most exclusive one, it is a closed community where, in order to become a new neighbor, acceptance of the existing residents is required. Plots size is 10,000 sqm on average and they cost around 6 million euros, reaching up to 30 million euros. One of the most famous Russian residents in the neighbourhood is Yuri Luzhkov, former Mayor of Moscow. Houses usually have paddle tennis court, swimming pool, jacuzzi, sauna, wine cellar and a strict security system. However, design varies according to the owner's taste and they also might include cinema room, shooting room, bowling room or gym [8].

Those who prefer to buy an apartment tend to concentrate in Puerto Banús, they are especially celebrities, who look for the anonymity that they can enjoy abroad and the commercial facilities of the marina.

In their free time, the most important businesses related to the Russian community are casinos, beauty centres and hotel lounges. In particular, the Russian high society gathers in the Royal Tennis Club [8], run by a Russian society.

Apart from housing, the Russian influence affects other kind of buildings. The most impressive will be the orthodox cathedral, now under construction. It will be the first orthodox church built in Andalusia by the Patriarch of Moscow. It will be located in a 2,500 sqm plot in Urbanización La Pepina, in the neighbourhood of Nueva Andalucía, close to the luxury marina Puerto Banús and the beach. It has been designed by the Spanish architect Ignacio García, along with Russian artists and quantity surveyors, following the traditional design of Russian orthodox churches. It will include

the residence of the priest, celebration rooms, meeting rooms, a small theatre and a space for teaching, catechism instruction and administration. The cathedral will be a circular building in the middle, surrounded by the auxiliary buildings and gardens. The construction is being fully funded by believers, mainly residents on the Costa del Sol, it is expected to cost around 3 million euros [9]. The plot has been given by Marbella City Council.

The cathedral will be the latest building in the complex of Casa Rusia. The complex was originally a shopping centre that had to close due to economic downturn. The shopping centre has been refurbished and it has revived focusing on the Russian community [10]. It includes fashion shops, lawyers, supermarket, kindergarten, event managers and a sports centre, among other businesses.

Conclusions

The increasing Russian investment in the housing market has been useful to ease the consequences of the lack of demand in Spain. However, statistics show a slow fall since 2014, which brings uncertainty about the optimistic predictions on recuperation of the construction market. Nevertheless, the Costa del Sol has shown a higher resilience thanks to its focus on the upmarket sector.

An important challenge is to develop more efficient links between potential owners, developers, contractors and architects, which are mainly casual. These actors have worked physically and temporarily isolated but provisions have to be made for the moment when the existing stock is sold and new properties need to be built.

References

1. *Ley 14/2013*, de 27 de septiembre, de apoyo a los emprendedores y su internacionalización.
2. *Demografía y población*. Instituto Nacional de Estadística. – URL : http://www.ine.es/inebmenu/mnu_padron.htm
3. *Trato con los rusos*. España Rusa. – URL <http://www.espanarusa.com/es/pedia/article/315487>
4. *Fabra Garcés*, Luis Alberto. Estadística registral inmobiliaria. Anuario 2013. Madrid: Colegio de Registradores de la Propiedad, Bienes Muebles y Mercantiles de España, 2014.

5. *¿Cómo son los rusos* que compran propiedad inmobiliaria en el extranjero? España Rusa. – URL : <http://www.espanarusa.com/es/pedia/article/242899>

6. *Equipo editorial. España*, un imán para los rusos. 29 May 2013. It can be found on: ANIDA. – URL <http://blog.anida.es/espana-un-iman-para-los-rusos/>

7. *Pozo, José Carlos*. Marbella se anuncia en ruso. 29 July 2014. It can be found on: Andalucía Lab. Centro de Innovación Turística. – URL : <http://www.andalucialab.org/blog/publicidad-rusa-marbella-costa-del-sol/>

8. *Residentes*. Federación Andaluza de Urbanizadores y Turismo Residencial. – URL : <http://www.visitacostadelsol.com/descubre-la-costa-del-sol/conviene-saber/asociaciones-turisticas/fautr-federacion-andaluza-de-urbanizadores-y-turismo-residencial-p13211>

9. *Catedral Ortodoxa Rusa*. IGGA. – URL : <http://www.golfarquitectura.com/portfolio/catedral-ortodoxa-rusa/>

10. *Sánchez, Carlos Manuel*. ¡Rusos en la costa! XL Semanal, 12 May 2013.