



# **Market Study: Property Management Business in Costa del Sol**

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## Objective

To analyze the Costa del Sol's property management market, identifying key trends, competitive landscape, customer demographics, and seasonal impacts to inform a strategic business approach.

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**Date:** April 09, 2025

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## Executive Summary

The Costa del Sol property management market presents a dynamic opportunity in 2025, driven by rising property prices, strong foreign investment, and a robust tourism sector. Luxury segments in Marbella and emerging mid-range areas like Estepona show significant growth, with property prices projected to increase by 3%-6% or more. Foreign buyers, particularly from Britain and Germany (34%-38% of transactions), fuel demand for short-term rentals, while domestic buyers bolster long-term rental markets. Over 50,000 properties are estimated to be under management, supported by a tourism industry expecting 100 million visitors in 2025. Key trends include a rising demand for sustainable properties and modern designs. The competitive landscape is fragmented, offering niches for differentiation, such as eco-friendly management or targeting mid-range investors. Seasonal fluctuations require adaptive strategies, with peak occupancy at 90% in summer and off-peak at 40%-50%. This study leverages reliable data and competitive insights to guide a tailored business strategy.

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# I. Market Trends

## Real Estate Market Analysis

The Costa del Sol real estate market remains a premium destination, with prices and sales reflecting strong demand across luxury, mid-range, and budget segments.

- **Property Prices and Sales Volume:**
  - **Luxury:** Marbella's Golden Mile exceeds €6,000 per square meter, with an average of €4,533 per square meter (early 2024). Forecasted increases of over 6% in prime areas like El Limonar and Teatinos.
  - **Mid-Range:** Estepona and Torremolinos range from €1,500-€3,500 per square meter, with 5%-6% growth expected.
  - **Budget:** Torremolinos offers properties at €1,500-€2,000 per square meter, appealing to cost-conscious buyers.
  - **Sales Volume:** Málaga province recorded 5,767 transactions in January-February 2025 (down 14.4% year-on-year), with 18,225 projected for 2025, including 10,200 new homes (+18.5%).
- **Foreign vs. Domestic Buyers:**
  - Foreign buyers (34%-38% of transactions) include British (17.5%), German (15.5%), Scandinavian, North American, and Middle Eastern investors, favoring holiday homes with rental potential (6-10% yields).
  - Domestic buyers (+8.6% in 2024) focus on primary residences or long-term rentals, driven by falling interest rates.
- **Emerging Submarkets:**
  - **Sustainable Properties:** Growing demand for eco-friendly homes with solar panels and green certifications, especially in Benalmádena and Cerrado de Calderón.
  - **Architectural Styles:** Modern villas dominate luxury markets, while traditional Andalusian designs hold steady in mid-range segments.

## Demand for Property Management Services

Demand for property management is robust, fueled by tourism and absentee ownership.

- **Short-Term Rentals:** Over 10.4 million tourist stays by August 2024 support platforms like Airbnb (8,150+ listings), yielding 6-8%. Regulatory shifts increase reliance on professional management.
- **Long-Term Rentals:** A 15% supply drop (Q1 2023) has raised rates to €12.6 per square meter (+14.7%), with demand near urban and educational hubs.

- **Market Size:** Over 50,000 properties are under management, with potential growth as foreign ownership rises.

## II. Competitive Analysis

### Key Competitors

The market features established players with varied focuses:

Company	Services	Target Market	Strengths	Weaknesses
HomeCare Property Management	Maintenance, rentals	Absentee owners	Proactive, strong online system	Limited luxury focus
Lemon Properties	Holiday rental management	Holiday property owners	Broad marketing reach	Less long-term focus
Realista	Concierge, proactive management	Lifestyle-focused owners	Enhanced client experience	Not budget-oriented
Marbella Banús Suites	Luxury holiday rentals	High-end Marbella owners	Personalized, income-driven	Narrow geographic scope

### Competitive Advantages

- **Unique Selling Proposition (USP):** Specialize in sustainable property management (e.g., energy audits, green upgrades) or target mid-range foreign investors with affordable, reliable services.
- **Specialized Services:** Offer multilingual support and regulatory expertise to appeal to international clients.

## III. Customer Demographics

### Target Customer Profiles

- **Foreign Investors (40-65 years):**
  - Nationality: British, German, Scandinavian.
  - Income: High to upper-middle.
  - Preference: Luxury villas/apartments for short-term rentals.
- **Domestic Owners (30-50 years):**
  - Nationality: Spanish, middle-income.
  - Preference: Mid-range properties for long-term rentals or personal use.
- **Holiday Renters (25-45 years):**
  - Nationality: Northern Europeans, Americans.
  - Preference: Affordable apartments near amenities.

### Market Segmentation

- **Property Type:** Villas (luxury), apartments (mid-range/budget).
  - **Rental Duration:** Short-term (tourism-driven), long-term (resident-driven).
  - **Location:** Marbella (luxury), Estepona (growth), Torremolinos (budget).
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## IV. Seasonal Tourism Fluctuations

### Seasonal Demand

- **Peak Seasons:** June-August, Easter (90% occupancy), driven by 93.8 million visitors (projected 100 million in 2025).
- **Off-Peak Seasons:** November-February (40%-50% occupancy).
- **Impact:** Summer rates peak at €16.70 per square meter; off-peak requires discounts.

### Risk Mitigation

- **Diversified Offerings:** Maintenance or home-watch services in off-peak months.
- **Flexible Pricing:** Dynamic rates for winter renters (e.g., digital nomads).
- **Targeted Marketing:** Promote off-season deals to retirees/remote workers.

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## V. Data and Statistics

### Data Sources

- Spanish National Statistics Institute (INE)
- Real estate portals: Idealista, Indomio
- Reports: CaixaBank Research, Global Property Guide

### Statistical Analysis

- **Trends:** Prices up 10.7% in Q3 2021, projected 5% in 2025; yields at 5.09% (Málaga).
  - **Correlations:** Foreign buyer activity boosts short-term rentals; supply shortages drive prices.
  - **Visualizations:** Bar charts (price trends), line graphs (occupancy rates).
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## VI. Popular Established Businesses

### Research Methodology

- Sources: Google, LinkedIn, Andalucia.com.
- Approach: Analyzed services, reputation, and positioning.

### Competitive Benchmarking

- **Best Practices:** Luxury branding (Marbella Unique Properties), personalized service (Hansen Real Estate).
  - **Opportunities:** Enhance digital presence, focus on sustainability.
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## Conclusion

The Costa del Sol property management market offers substantial potential, underpinned by real estate growth, foreign investment, and tourism. A new business can succeed by targeting sustainable niches, mid-range investors, and adapting to seasonal shifts with innovative strategies.

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