

Back in the swing

Out of the rough, Quabit aims to resume its position among the frontrunners in the property sector.



Due to a rigorous process of restructuring both their debt and the company itself, the real estate giant Quabit is back on the freeway with a number of projects ready to promote. On the Costa del Sol, it is marketing a golf development close to the five star Finca Cortesin resort between Estepona and Sotogrande, an area which boasts some of the best golf courses in Europe and international championships such as the Ryders Cup and the European Tour's Volvo Masters.

Situated on the periphery of the Casares Green course, the Quabit development consists of 96 reasonably priced apartments whose design combines contemporary and traditional features. "It's an accessible product aimed at the middle classes," says Félix Abánades, president of the group, which features on the Madrid stock exchange. "It's not in the ultra-luxury bracket, but the quality is good. Obviously not everyone can afford a home in Marbella itself, but it's the Marbella brand. And it uses sustainable energy technology."

This eco-friendly aspect of Quabit has become a focus for the company in recent years whose commitment includes lowering CO2 emissions and saving water, which of course, golf courses are notoriously guilty of wasting. "We are employing alternative energy sources to reduce the impact on the environment," says Félix who has signed Quabit up for certification from the internationally recognized body, BREEAM (Building Research Establishment Environmental Assessment Methodology).

The result of a merger between three entities, including Félix's successful Rayet Promotions, Quabit



The Quabit development is on the edge of the Casares Green golf course



Quabit is looking to develop in Madrid, Barcelona, Valencia and Andalucía.

Quabit is reducing their impact on the environment by lowering CO2 emissions and saving water.

had its share of grief during the recession but has built up its muscle again. "Before the crisis, we had assets valued of 3,800 million with an insignificant debt of just €1,200," says Félix. "Then the market value of land plummeted and our debt grew. They were very complicated years but we are one of the few companies to have survived."

Increasing the company's capital

and restructuring its debt was key to getting it back in the game with a clean slate. "2015 was very important for us," says Félix. "We managed to come to an agreement to restructure the remaining debt which has fallen significantly to €200 million. After that, Quabit managed with success a €45 million capital increase to continue accelerating its growth and development. The company now has a consolidated financial base, healthy assets, an expert team and more than 20 years of experience to help drive it forward."

Now it is building up its portfolio across Spain, with 300 properties on the market during the first half of 2016 alone, and 200 more to go forward by the end of the year. With a debt to pay off by 2022, it aims to sell an impressive 1,000 homes a year over the next three or four

Félix Abánades



years. "The areas we're looking at for development and the building up of the company are Madrid, Barcelona, Valencia and Andalucía," he says, "particularly the Costa del Sol, from Málaga to Cádiz with a focus on residential property development." While the sector proved to be Spain's Achilles' heel during the recession, Félix believes it could now be the country's salvation and is positive about Quabit's prospects

within that framework. "Spain has everything," he says. "It's very well connected with frequent flights that make it quick and easy to get to. There's infrastructure from quality healthcare to motorways. The coast has the ideal climate – not too hot in summer and pleasant in the winter. We need to know how to harness the potential and take advantage of it."

Spain's coastline is, according to Félix, its golden egg and could continue to be so indefinitely if managed correctly. "The sector attracts outside investment of more than €20 million which is not to be sniffed at," he says. "It has a far more important 'export' market than the food sector, say. The properties are designed and constructed here and that creates a lot of employment. Then the buyer comes here and consumes here and he even pays taxes

here. There's a lot of talk about how to increase growth in other industries, when we have this potential staring us in the face. In Florida, they recognise what they have and make the most of it. And here we are, the Florida of Europe, so why aren't we doing the same thing?"

Quabit, at least, aims to do its bit to 'export' Spain's undervalued property to the rest of the world. Bolstered by Spain's economic growth and boasting an investment-friendly liquidity, its share prices are predicted to shoot up by 126% on the stock market in the near future.

"Quabit does not have a liquidity problem anymore," says independent financial advisor Arcano Valores. "It has a healthy balance and a strategy that is working because the company is strengthening its development arm and launching new products."

Most prominent Spanish developers continue to bet for the Costa del Sol

With the banks still holding thousands of repossessed properties, now is the time to get a foothold on the property ladder.

There's one good reason tourists and buyers should be flocking back to the Costa del Sol, according to Madrid-based property developer José Domingo Rodríguez Losada, and that is value for money. "The prices have always been lower here than in the rest of Europe," says the businessman who started out in the 1960s when property in Spain was indeed eye-waveringly cheap. "But now things are practically being given away. You can get a good hotel for €100 a night. You spend another €100 on eating out and you're talking about no more than €200 a day. Come for 15 days and you have a really good deal. And what's more, you get really well

residential development scene, with their focus moving beyond Marbella to Estepona and, San Roque, just a stone's throw from Gibraltar.

"Andalucía is important to our business," says Losada whose ambitious projects across Spain have earned him headlines over the years. "We have developments in Marbella, San Roque, Estepona, Manilva and Casares. Some of them are still in the planning stages and others are built and ready to sell. In Estepona, one of the developments has a golf course that was abandoned when the crisis struck, and is now being completed. We also have plots of 500 and 2,000 m² for villas with views of Africa. In total, we have enough land for 3,000 homes. This is land that was bought before the crisis. Of course, we will be getting it ready to put on the market bit by bit."

Back to opportunities hunting, Losada believes there is a wealth of opportunity in the vicinity for developers in search of land. "There are still a lot of half developed urbanizations in the hands of the banks," he says. "And they are selling for an eighth of what they were going for before the crisis. This is a great time to buy. The land prices before the crisis were seven or eight times more than they are now. Land that was selling for €900 per metre squared, is now selling for €200 and €300.

The banks have 84,000 repossessed properties all over Spain and plots of land on their books. Once they get rid of this stock, prices will really

looked after into the bargain."



José Domingo Rodríguez Losada

'This is a great time to buy. Before the crisis land that was selling for €900 per metre squared, is now selling for €200 and €300 per metre squared.'

start to go up." While Marbella is at something of a standstill due to the lack of premium land to develop and the paralysis of the town plan that was thrown out by the Supreme Court, Estepona is on a vertiginous upward trajectory. Previously considered Marbella's poorer cousin, the town is rapidly shedding this image, thanks to a mayor with ambitions to match Losada's own.

"The mayor of Estepona is taking his job seriously and is aiming to make it one of the most important resorts on the coast. He is talking about designating a 50,000,000 m²



swathe of land towards the back of the town below the mountains for luxury villas and golf courses. This should put Estepona firmly on the map for the high-end tourist."

With interests in everything from office buildings to residential developments, hotels and build-to-rent projects, Azata managed to pretty much cruise through the recession that put many of his competitors out of business. "We managed to survive this crisis quite well," says Losada, "because during the crises of 1975 and 1985 we were able to acquire some important assets and we began to build to rent." Now the Azata group is in a position to finish where it left off in 2008. "We invested in a lot of land near the beach during the boom years between Marbella and Sotogrande. They are

50,000,000 m²

is the size of the swathe of land towards the back of Estepona that is being designated for luxury villas and golf courses. This should put Estepona firmly on the map for the high-end tourist.

basically residential developments, half of which were built then. Some we sold and the rest we are in the process of rehabilitating. If the market keeps growing, in the next two or three years we will have quite a portfolio to market in the area." As Losada does not believe the crisis is yet over in Spain, he is naturally targeting a wider audience for this myriad of developments. "Most of the growth on the coast here is due to individual buyers. A lot of them

come from northern Europe and, of course, England. The French are also buying but the Russian market has fallen away because of the drop in petrol prices. To harness these markets, we are delegating to agents outside the company who have more contacts than we have. You have to reach the buyers in their country and bring them over so they can see for themselves and take advantage of a unique opportunity to invest in the Coast."