



NOLL SOTOGRANDE

SEMESTRAL REPORT 2026

REAL ESTATE & LIFESTYLE

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A PERSONAL NOTE FROM **CHARLES, CO-OWNER OF NOLL SOTOGRADE**

Sotograde entered 2026 as a community that is stronger, more active and more year-round than ever before. The desire to live here remains clear, but global uncertainty has made buyers more thoughtful and selective. Interest is strong, yet **decisions take longer.**

Prime and ultra-prime homes continue to perform well, and modern family villas remain the most sought-after segment.

At the same time, Sotograde's growing year-round population brings both opportunity and responsibility. A thriving community depends on the people who support it, and sustainable growth matters more than ever.

In this environment, clarity, honesty and professional guidance are essential. Our role at Noll Sotograde is not simply to sell property, but to **help clients make decisions that truly stand the test of time.**

We remain grateful for your trust and look forward to guiding you through the months ahead.

**Charles Gubbins, Co-owner
Noll Sotograde Real Estate**



We deliver the dream of home-ownership in Sotograde!

If you consider Sotograde as a location for your principal or secondary residence you will be struck by how it can provide you with a great home and an active and happy lifestyle.

Working for you is what we do best! We do so as a team utilising our shared strengths of languages, senior business experience in other industry sectors, as well experience of living in many different countries as expatriates.

SOTOGRADE

Q1 - Q2 MARKET REVIEW 2026

MARKET CONTEXT AND SHIFTING SENTIMENT

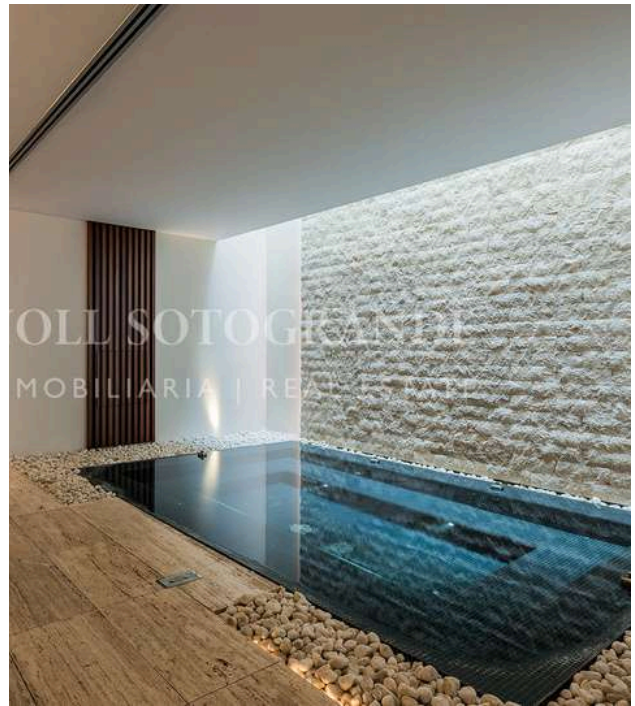
Sotograde entered 2026 from a position of strength. **The key themes identified in our 2025 market review** (limited prime supply, resilient international demand, buyer selectivity, lifestyle-led relocation and the growing importance of high-quality modern homes) **remain clearly visible in the first half of 2026.**

However, the mood of the market has changed. This is not because the desire to buy in Sotograde has disappeared. On the contrary, the underlying attraction of Sotograde remains very strong. What has changed is the global environment in which buyers are making decisions. **The war involving the United States, Israel and Iran has created a more cautious mood among many international buyers, particularly those living in or connected to the Gulf region.**

Reuters has reported continuing diplomatic and military uncertainty around the conflict, while Al Jazeera has described the war as having reached day 96 in early June 2026. This has understandably affected confidence among some potential buyers.

At the same time, the Ukraine war continues to influence Eastern European buyers looking for security, lifestyle, a good long-term investment and a safe haven in the sun. Reuters continues to report active conflict and fresh attacks linked to the Russia–Ukraine war, reinforcing the fact that geopolitical risk remains part of the European buyer psychology.

Transaction data from March 2025 to February 2026 supports this more measured view. **Sales volumes remain active, with most months recording between 10 and 25 transactions, but average prices per square metre fluctuate significantly depending on the type and quality of stock sold.** The average over the period is approximately €3,040/m², suggesting a stable rather than runaway market. In Sotograde, where monthly transaction samples are relatively small, the data confirms the need to interpret headline averages carefully.



VILLA LA ESCONDIDA NP2004 - 7.400.000 €

KEY THEMES IN Q1 AND Q2 2026

For Sotograde, the market in Q1 and Q2 2026 can therefore be summarised as follows:

- Prime and ultra-prime remain fundamentally strong.
- Mid-market buyers are active but cautious.
- Some buyers have the means and intention to purchase, but are adopting a “wait and see” attitude.
- Modern, well-located and energy-efficient homes continue to outperform.
- Older or overpriced stock requires realistic pricing.
- International interest remains very real, but decision-making has become more cautious.

- Middle Eastern and Gulf-based interest is becoming more visible, although often not yet translating immediately into purchases.
- Rental enquiries remain strong, particularly from families considering Sotograde as a lifestyle destination.
- The possible Gibraltar agreement remains an important medium-term catalyst.
- Spain’s wider housing crisis and local planning tensions are increasingly relevant to Sotograde.

The overall conclusion is positive but disciplined: **Sotograde remains one of Southern Europe’s most attractive luxury residential destinations, but the market is now more influenced by global uncertainty than it was six or twelve months ago.**

POSITIVE, BUT MORE CAUTIOUS MARKET SENTIMENT

The first half of 2026 has not seen a reversal of Sotogrande's positive momentum. Buyers remain interested. Enquiries continue. **Families are still looking at Sotogrande as a safe, discreet and high-quality place to live.**

However, the rhythm of the market is more measured. Buyers are better informed, more selective and more willing to pause before committing. This is particularly true where the purchase is discretionary, for example, a second home, lifestyle property or long-term relocation option rather than an urgent primary residence purchase.

The current geopolitical situation is important. The Iran-US war has created apprehension among some **Middle Eastern buyers** and among non-national residents living in Gulf countries. Many of these individuals may still **have the means, the motivation and the long-term intention to buy in Europe, but in the present climate they are more likely to wait and see how events develop before committing to a major purchase.**

"Buyers are better informed, more selective and more willing to pause before committing."

Anecdotally, we are seeing strong digital interest from Dubai, which has recently appeared as one of the leading cities viewing our Instagram content. That does not automatically mean immediate transactions, but it is a signal worth noting. It suggests that some **Gulf-based families and investors may be watching Sotogrande more closely as they assess lifestyle, safety, schooling and long-term European options.**

The key distinction is this: demand has not disappeared. In many cases, decision-making has simply slowed.

TRANSACTION DATA: ACTIVE MARKET, BUT NOT A STRAIGHT-LINE PRICE BOOM

The available transaction data from March 2025 to February 2026 suggests that the Sotogrande market has remained active, but not in a simple straight-line upward price trend.

Monthly sales volumes have been relatively steady, with most months recording between 10 and 25 sales, apart from August 2025, which was noticeably lower with only 5 recorded sales. **This reinforces the view that Sotograde remains an active market, but also one where seasonality and small sample sizes can distort short-term conclusions.**

The average price per square metre over the period was approximately €3,040/m², with monthly figures moving between €2,287/m² in November 2025 and €4,301/m² in January 2026. In a market like Sotograde, where each month may only include a limited number of transactions, the mix of properties sold can heavily influence the average. A month with larger apartments, older villas or lower-value stock will look weaker, while a month with one or two higher-quality villa sales can push the average sharply higher.

Average sale amounts also vary significantly, from around €482,657 in June 2025 to above €1.1 million in April 2025, with the latest available figure showing an average sale amount of approximately €1.37 million across 12 sales. This again reflects the mixed nature of the recorded market: apartments, townhouses, older villas, renovated homes and prime properties are all included in the same headline data.

The most important conclusion is that the market appears stable rather than overheated. Prices are not collapsing, but neither does the data support the idea that every part of Sotograde is rising aggressively month after month. Instead, the market is selective. **Well-located, well-presented and correctly priced properties continue to perform strongly, while older or overpriced stock faces more resistance.**

Price Evolution Over the Years
11310 Postcode



TIME ON MARKET

One of the most notable trends during the first half of 2026 has been the significant reduction in the average time properties remain on the market in Sotograde. Well-priced homes in desirable locations are selling considerably faster than in previous years, reflecting the continued imbalance between supply and demand.

Demand remains strong from both lifestyle-driven relocators and second-home buyers, particularly from Northern Europe, the United Kingdom, the United States and the Middle East, while the supply of quality inventory remains limited.

At the same time, **new-build development has struggled to keep pace with buyer demand** due to planning constraints, limited available land and lengthy approval processes, a challenge seen not only in Sotograde but across the wider Costa del Sol, including Marbella and Estepona. Numerous market reports continue to highlight that demand is substantially outstripping supply throughout the region, resulting in shorter marketing periods and upward pressure on prices.

However, this trend is not uniform across all property types. **Older villas requiring significant refurbishment continue to experience longer marketing periods unless priced attractively.** Buyers today are highly conscious of construction costs, project management challenges, planning risks and the inconvenience associated with major renovation works.

As a result, purchasers generally expect a substantial discount on older properties to compensate for the cost and disruption of upgrading them. In many cases, buyers calculate the combined acquisition price and renovation budget against the cost of purchasing a modern turnkey property or a newly built home.

Where the total cost approaches current new-build values, demand for renovation projects becomes more limited, resulting in greater price sensitivity and longer selling periods for outdated stock. **This growing preference for modern, energy-efficient, ready-to-occupy homes is becoming an increasingly important feature of the Sotograde market.**

This supports the wider message of the report: **Sotograde remains fundamentally healthy, but buyers are now more analytical. Sellers should not assume that a strong market automatically justifies ambitious pricing. Correct valuation, presentation and documentation remain essential.**



MORE GLOBAL, MORE CAUTIOUS, MORE STRATEGIC BUYER PROFILE

The buyer profile in 2026 continues to evolve. **Traditional demand from the UK, Germany, Benelux, Scandinavia and the Middle East remains important**, but the market is becoming more global and more strategic.

One of the strongest themes remains the **rise of North American and Latin American interest**. These buyers are often attracted by the ability to combine a European base with international mobility.

For Sotograde, this is important because the area offers exactly what many of these buyers are seeking:

- Security
- International schooling
- Privacy
- Low-density living
- Golf, polo, tennis, padel and sailing
- Proximity to Gibraltar and Málaga airports
- A discreet, family-oriented European lifestyle

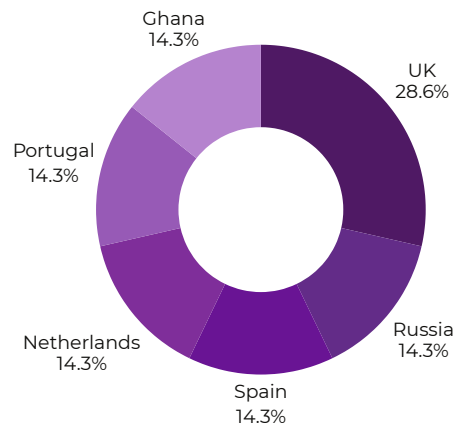
Middle Eastern and Gulf-based buyers are also becoming more relevant. For some, arising conflicts may increase the desire to secure a European base. For others, it may delay decisions until the regional outlook becomes clearer.

Buyers who know Marbella well are increasingly considering Sotogrande as a calmer, greener and more private alternative, while remaining close enough to Marbella for restaurants, social life and professional networks.

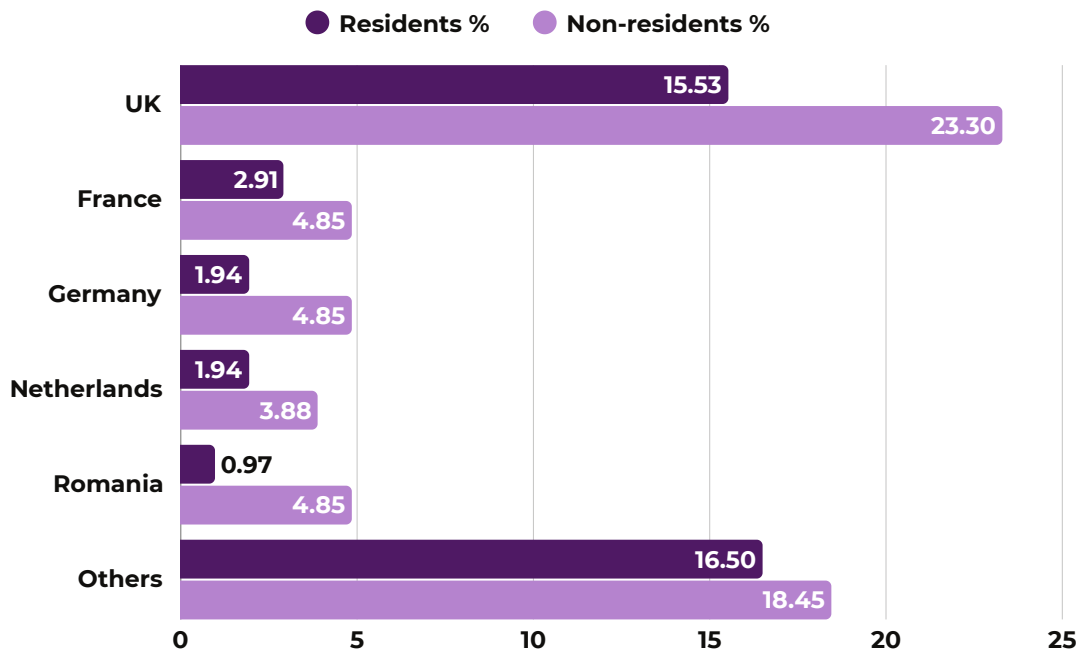
Eastern European demand also remains influenced by the continuing Ukraine war. For many buyers from affected or neighbouring countries, a property in Southern Spain is not only about lifestyle. It can also represent safety, diversification, family security and a long-term asset outside a more volatile region.

We are also still seeing the Marbella-to-Sotogrande migration identified in our 2025 report.

Noll´s Buyers Nationalities 2026



Nationalities in Sotogrande according to Casafari data



THE GIBRALTAR EFFECT

The possible Spain–Gibraltar agreement remains one of the most important potential catalysts for the Sotogrande area. The 2025 report identified this as a major driver that could improve mobility, increase buyer confidence, enhance Gibraltar airport relevance and boost demand across the Sotogrande–Gibraltar corridor.

The Council of the European Union has announced that member states have greenlighted the EU-UK agreement on Gibraltar, with provisional application expected from 15 July 2026.

The UK Government has described the draft treaty as creating a more fluid border between Gibraltar and Spain, with a tailored customs model designed to reduce burdensome land-border checks.

For Sotogrande, the likely medium-term effects could include:

- Increased demand from Gibraltar-based professionals
- Stronger family rental demand
- Improved relevance of Gibraltar airport
- Rising interest in La Línea, San Roque and Sotogrande
- More confidence among UK-linked buyers
- Possible uplift in long-term rental values

For Sotogrande, this could be one of the most important medium-term catalysts.



YEAR-ROUND AND THE “REAL” SIZE OF SOTOGRADE POPULATION GROWTH

AT A GLANCE



One of the most noticeable changes in Sotograde since COVID is that the area feels more populated throughout the year. This is visible in everyday life: more traffic, more restaurant activity outside the traditional summer months, more school-related movement, more construction and maintenance work, more demand for services, and a stronger sense that Sotograde is no longer simply a seasonal second-home destination.

The **official population figures** only tell part of the story. According to Junta de Andalucía / IECA SIMA data, the registered population of Sotograde is approximately 2,932 empadronados, with a further 885 residents registered in Puerto Sotograde. Together, this gives a **registered resident base of around 3,817 people for Sotograde and Puerto Sotograde. The wider municipality of San Roque had a total registered population of 34,873 in 2025.**

At municipal level, San Roque has grown noticeably since the pandemic period. The Ayuntamiento reported that San Roque had 31,571 registered residents at 1 January 2020, while the Junta/IECA figure for 2025 is 34,873. That represents growth of approximately 10.5% between 2020 and 2025.

However, **the empadronamiento figure does not fully capture Sotograde's real year-round population.** Many foreign residents, second-home owners and long-stay users may spend substantial time in Sotograde without being registered locally.

In addition, the area's daily population includes school families, domestic staff, gardeners, builders, maintenance teams, restaurant workers, golf and polo users, marina users, hotel guests and seasonal visitors.

This is where "population equivalent" becomes useful. During the drought, Sotogrande and Pueblo Nuevo were reported to be consuming water above the permitted per-inhabitant limits, with restrictions linked to the 200 litres per person per day framework. **The difficulty in a place like Sotogrande is deciding what the correct population base really is: the official registered population, or the larger number of people actually using the area day to day.**

Waste collection provides another possible way to estimate the real operating population. In the Costa del Sol Occidental, reported urban waste generation in 2025 averaged approximately 1.61 kg per inhabitant per day. If Sotogrande's waste generation supported a population equivalent of around 8,500 people, that would imply approximately 13.7 tonnes of waste per day, or close to 5,000 tonnes per year.

That figure should not be presented as the official population.

It is better understood as a possible year-round population equivalent: the number of people whose daily use of homes, services, infrastructure and local facilities is reflected through consumption, waste and activity levels.

This distinction is important. On paper, Sotogrande and Puerto Sotogrande may have fewer than 4,000 registered residents. In practice, the area may function much more like a community of 8,000 to 9,000 people on an annualised basis, with much higher peaks during school holidays, polo season and the summer months.

This supports what many residents and businesses already observe visually: Sotogrande is busier than it was before COVID. The pandemic accelerated demand for low-density living, private outdoor space, international schooling, security and quality of life. Many families who once used Sotogrande only seasonally are now spending longer periods here, while others have relocated more permanently.

For the property market, this is significant. A larger year-round population supports restaurants, schools, sports clubs, services, maintenance companies and local employment. It also supports the case for stronger rental demand and greater interest in practical, well-located family homes.

But it also creates pressure. More year-round use means more traffic, more water consumption, more waste, more demand for staff and more need for housing solutions for the people who make the Sotogrande economy function. This reinforces one of the central themes of the report: Sotogrande remains low-density and highly attractive, but it is no longer as seasonal or as quiet as it once was.

The conclusion is therefore balanced: **official population data confirms a relatively small registered resident base, but municipal growth, water-use concerns, waste assumptions and visible daily activity all point in the same direction. Sotogrande's real operating population has increased,** and this has become an important factor in understanding both the strength and the pressures of the local property market.

AREA-BY-AREA UPDATE

LA RESERVA

La Reserva remains one of the strongest areas for contemporary luxury. **Buyers are attracted by modern architecture, golf, views, security, La Reserva Club, The Beach, tennis, padel and the overall sense of a newer, more curated part of Sotogrande.**

The scarcity of prime sea view plots remains a major factor. Quality land is increasingly difficult to secure, and this continues to support values for both plots and completed modern villas.

La Reserva is particularly relevant for international buyers seeking space, privacy and a modern lifestyle environment.

SOTOGRADE COSTA AND KINGS & QUEENS

Sotogrande Costa remains highly **sought after because of its flat terrain, proximity to the sea, Real Club de Golf Sotogrande, the port, Trocadero and mature gardens.**

Kings & Queens remains the heritage prime area, but availability is extremely limited. The ongoing pattern of older villas being refurbished or demolished and replaced with modern, fit-for-purpose homes continues to define this area.

The strongest demand is for properties that combine location, privacy, mature gardens, architectural quality and modern comfort.

SOTOGRADE ALTO

Sotograde Alto continues to benefit from **family demand, proximity to Sotograde International School, Alto Club, the SO/ Sotograde Hotel and the broader golf offering.**

It is especially relevant for buyers seeking larger homes, privacy and better relative value compared with the most expensive coastal zones. Well-presented villas remain highly saleable, but dated stock must be priced correctly.

PUEBLO NUEVO AND TORREGUADIARO

Pueblo Nuevo and Torreguadiaro **continue to attract younger buyers, investors and people seeking walkability, services and a more local Spanish village feel.** They also benefit from being more accessible in price compared with Sotograde's gated resort areas.

These locations remain important for rental demand, staff accommodation, younger families and buyers who want to be close to Sotograde without necessarily buying inside the gated urbanisation.

THE MARINA AND PORT

The Marina remains a scarcity market. **High-quality waterfront apartments and townhouses continue to attract lifestyle buyers who value boating, walkability, restaurants and ease of ownership.**

The wider port area continues to benefit from improving lifestyle momentum, including better food, hospitality and leisure options. This supports the appeal of the Marina as a practical lock-up-and-leave option for international buyers.

"Buyers are increasingly rejecting homes that are dated, poorly documented, energy inefficient or priced as if already modernised."

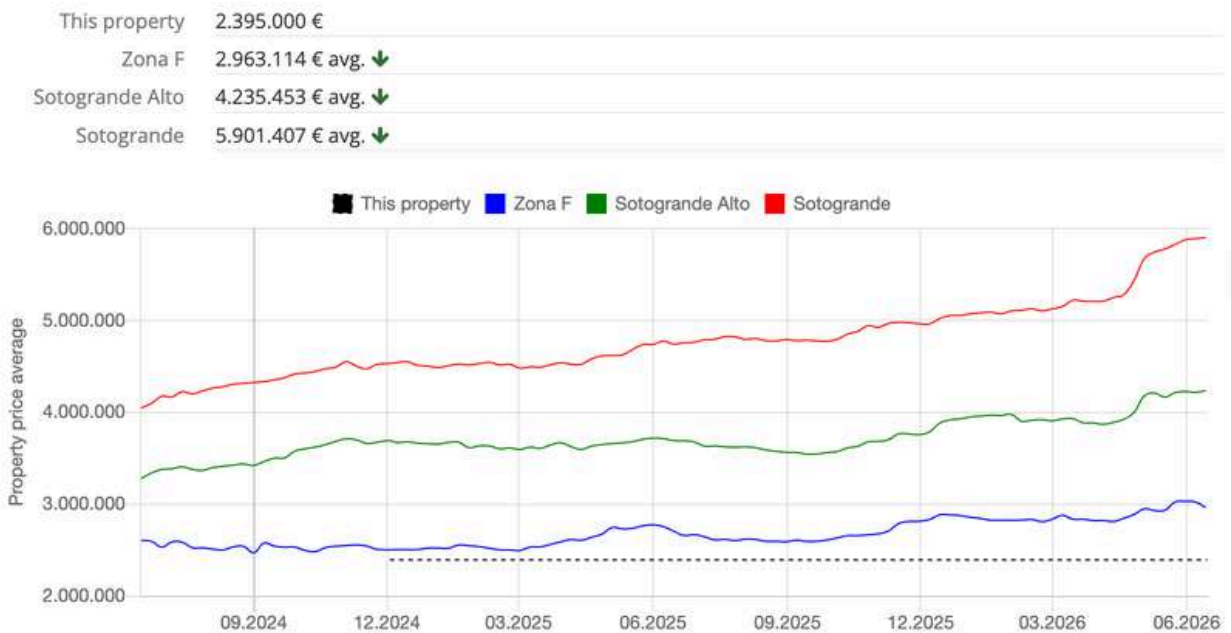
SOTOGRADE: A MARKET OF MICRO-LOCATIONS

One of the most common mistakes made by buyers, sellers and even analysts when looking at Sotograde is to treat it as a single market. In reality, Sotograde is a collection of highly distinct micro-locations, each with its own buyer profile, property stock, lifestyle offering and pricing structure.

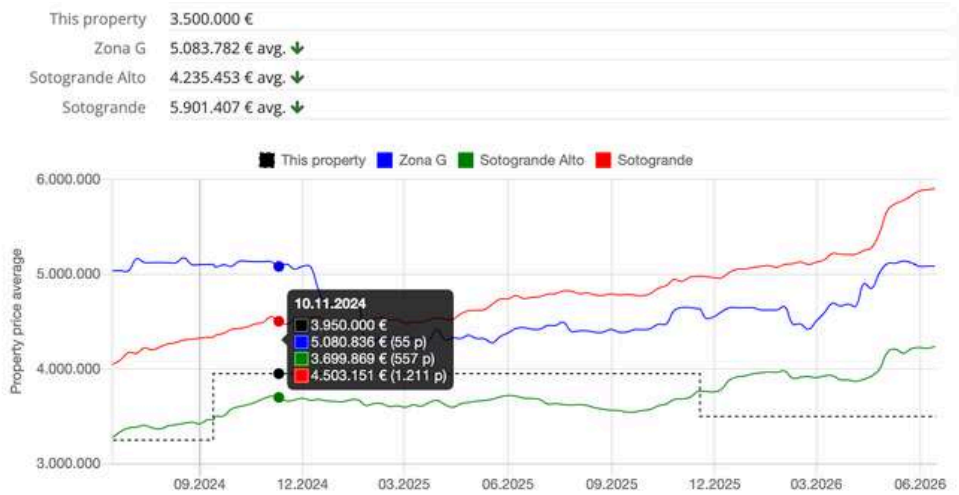
The average asking price across Sotograde currently stands at approximately €5,901/m², but this figure hides enormous variations between different areas of the resort.

At the lower end of the pricing spectrum, the traditional residential zones of B Zone (€2,218/m²) and D Zone (€2,356/m²) offer some of the most accessible entry points into the Sotograde market. These areas generally comprise older properties, many of which may require renovation or modernisation, and consequently attract value-oriented buyers looking for larger plots and redevelopment opportunities.

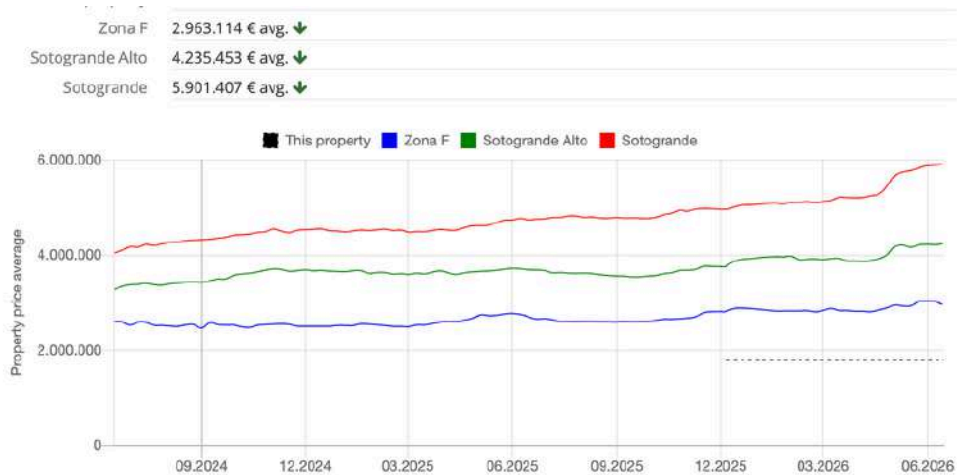
Sotograde Alto: Price evolution throughout the years



ZONA G: Price evolution throughout the years



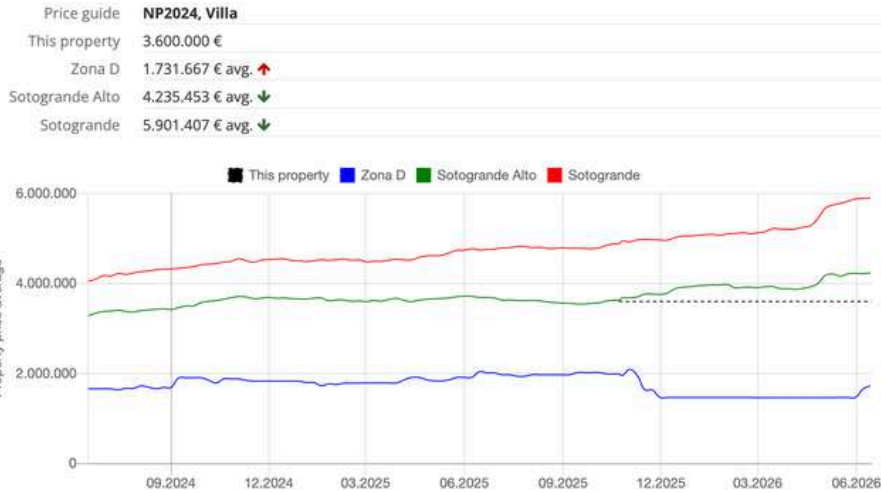
ZONA F: Price evolution throughout the years



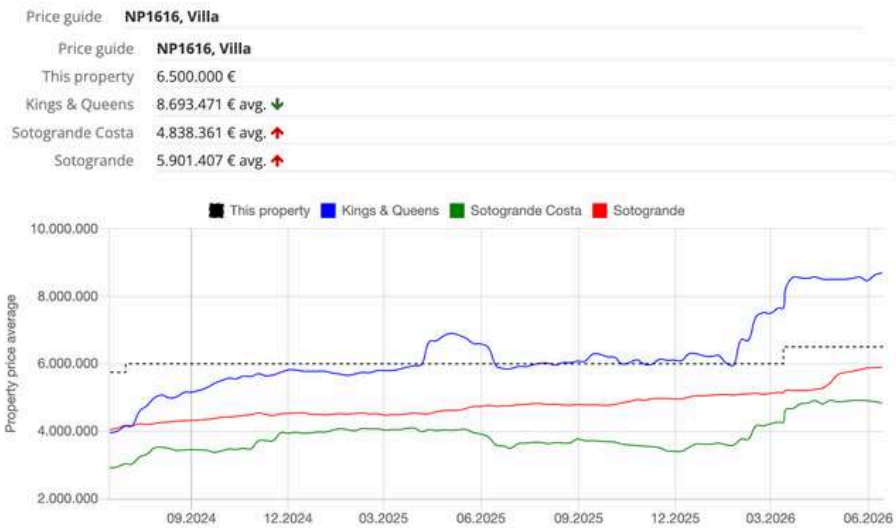
Moving up the scale, F Zone (€2,963/m²) remains competitively priced compared with the resort average, while G Zone (€5,083/m²) sits much closer to the overall Sotogrande benchmark. The difference between these neighbouring zones demonstrates how factors such as views, property age, orientation and proximity to amenities can significantly influence values.

Looking at the broader districts, Sotogrande Alto (€4,235/m²), Sotogrande Costa (€4,838/m²) and the Marina (€4,860/m²) all trade below the resort average. These areas represent the traditional heart of Sotogrande and continue to offer strong value relative to many other prime locations on the Costa del Sol.

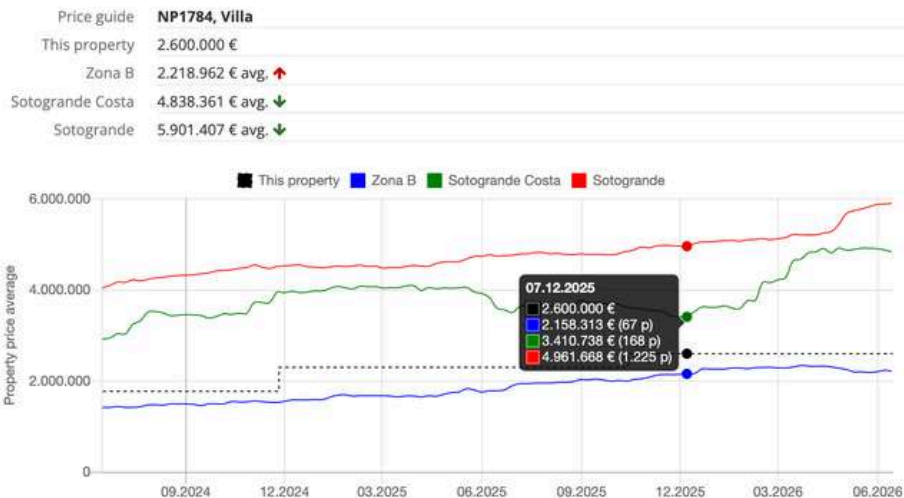
ZONA D: Price evolution throughout the years



KINGS & QUEENS: Price evolution throughout the years



ZONA B: Price evolution throughout the years



Above the market average, we begin to see the impact of exclusivity and modern product. Zona L (€6,525/m²) has benefited from its proximity to La Reserva Club, newer contemporary homes and increasing demand from international families relocating permanently to Sotogrande.

The prestigious Kings & Queens area (€8,693/m²) commands a significant premium. As Sotogrande's most established luxury neighbourhood, characterised by large flat plots, mature landscaping and proximity to the beach, it remains one of the most sought-after addresses in southern Spain.

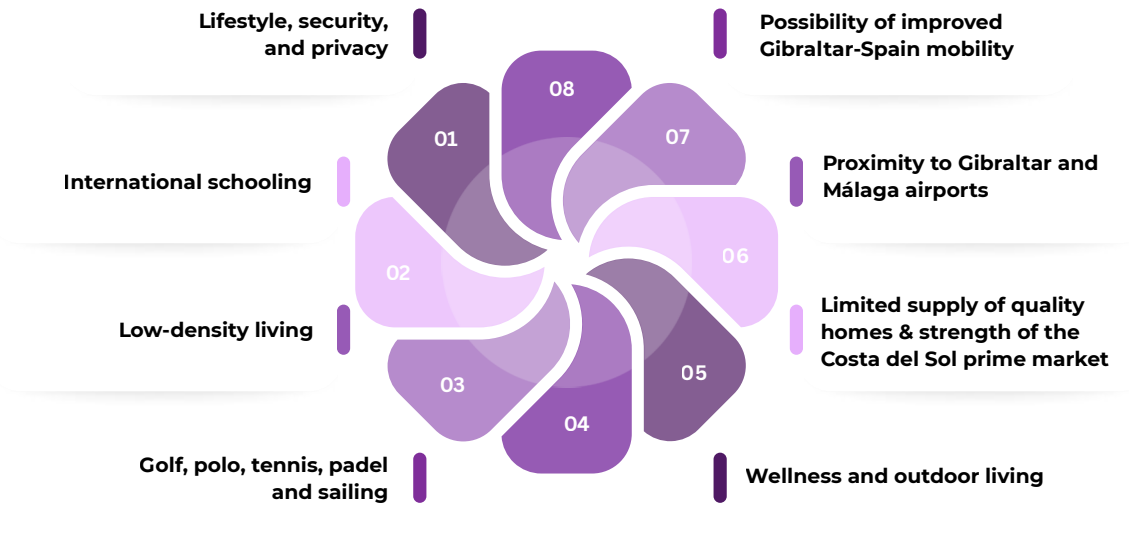
The most striking figures, however, come from La Reserva (€12,123/m²) and particularly The Seven (€22,545/m²). These values reflect the emergence of a new ultra-prime market segment within Sotogrande. Buyers in these developments are not simply purchasing property; they are buying architectural excellence, security, privacy, world-class amenities and some of the finest views available anywhere on the Mediterranean coast.

The data clearly demonstrates that there is no such thing as a single "Sotogrande price." The difference between a property in B Zone and one in The Seven exceeds 900% on a square metre basis. This level of variation is more commonly associated with major international cities than a single residential resort.

For buyers, this highlights the importance of understanding the nuances of each area before making a purchase decision. For sellers, it reinforces why accurate pricing based on specific micro-location data is critical. And for investors, it confirms that Sotogrande should be analysed not as one market, but as a collection of highly differentiated sub-markets, each driven by its own supply, demand and lifestyle dynamics.

In short, Sotogrande is not one market, it is many markets within one destination.

KEY DEMAND DRIVERS



This major demand drivers remain consistent with 2025, but the order of importance has changed slightly. Security and stability have moved higher up the list.

In the current climate, this “try before buying” pattern may become even more important. Buyers may delay the purchase decision, but still move forward with lifestyle exploration through rentals.

Rental demand remains an important indicator. We continue to see regular rental enquiries from families looking to come to Sotogrande. This is significant because **rental demand is often the first stage in a later purchase decision.** Families may rent first, test the lifestyle, enrol children in school or spend a season here before buying.

SCARCITY REMAINS THE MAIN STORY

SUPPLY

Supply remains the central issue in

Sotogrande. The shortage is not simply about the number of properties available. It is about the shortage of the type of properties buyers actually want.

The strongest demand remains for:

- Kings & Queens villas
- Sotogrande Costa homes
- La Reserva prime plots and villas
- Frontline golf properties
- High-quality Marina apartments
- Modern family villas close to Sotogrande International School
- Turnkey homes between €2.5 million and €5 million

Buyers are increasingly rejecting homes that are dated, poorly documented, energy inefficient or priced as if already modernised.

In practical terms, the market is rewarding quality and punishing complacency.

For sellers, this means that simply being located in Sotogrande is no longer enough. Correct pricing, professional marketing, strong photography, video, clear documentation and a credible sales strategy are now essential.

PRICING BY SEGMENT

- **€1M–€2M: Active but price-sensitive** - This remains the most cautious segment. Buyers compare hard and often factor in renovation costs. Properties in this range need: realistic pricing, strong presentation, clear legal documentation, good photography/video, evidence of condition, running costs and refurbishment requirements.
- **€2.5M–€5M: Strongest family villa segment** - One of the healthiest parts of the Sotogrande market. Demand is strongest for modern or renovated villas with good outdoor space, privacy and proximity to school, golf or services. However, buyers may still love the property, have the funds and intend to move forward, but they are taking longer to commit.
- **€5M–€15M+: Ultra-prime remains resilient** - Remains supported by scarcity, lifestyle demand and international wealth. Buyers at this level are often less dependent on financing and more interested in long-term security, privacy and quality. However, buyers are not indiscriminate expect architectural quality, privacy, legal certainty and a coherent lifestyle proposition.

TRUMP, IRAN, UKRAINE AND THE BUYER MOOD

GEOPOLITICS



IRAN - US

The Iran–US war has had a serious impact on the general mood of potential buyers.

What was initially presented by some political voices as a short conflict has now become a prolonged and unpredictable situation.

As the war continues, it is understandable that buyers connected to the Middle East, the Gulf and international business networks are more cautious.

UKRAINE

This war remains another important macro factor. For Eastern European buyers, Spain continues to represent sunshine, lifestyle and investment, but also safety.

Geopolitics is the largest new factor affecting buyer psychology in 2026. For Sotograde, this does not mean the disappearance of demand. It means a delay in decision-making.

Many potential buyers still have the means, the intention or the interest in Sotograde's lifestyle; but they are likely playing a waiting game.

They want to see how the conflict develops, what happens to energy markets, how the United States behaves under President Trump, and whether regional instability escalates or stabilises.

This is particularly relevant for Gulf-based expatriates and Middle Eastern non-national residents. Their lives, businesses and investments may be closely connected to regional stability.

The result is a market with strong underlying interest but slower conversion.

REGULATION, TAX AND BUYER CAUTION

One important issue in 2026 is political and regulatory uncertainty around foreign buyers and housing affordability.

Spain's proposed 100% tax on non-EU property buyers created concern among international buyers, particularly from the UK, United States, Middle East and other non-EU markets. Reuters reported in March 2026 that the proposal had stalled in Congress because of insufficient political support, but the debate itself has still affected confidence.

For Sotograde, this has not stopped demand, but it has made buyers more careful. They want clearer advice on:

- Tax residence
- Ownership structure
- Rental licences
- LPO and planning compliance
- Wealth planning
- Cross-border Gibraltar issues
- Future resale risk

This reinforces the **need for a professional advisory approach rather than simply showing property.**

Sotograde's shortage is not simply about the number of properties available. It is about the shortage of the type of properties buyers are actually looking for...



WHAT IT MEANS FOR SOTOGRADE

SPAIN'S HOUSING PROBLEM

The wider debate around housing in Spain is becoming increasingly important, and it inevitably affects how international buyers, owners, investors and developers view the market. Spain's housing challenge is not a simple issue, and it will not be solved by slogans or by blaming one single group.

At its core, the housing crisis is a combination of several factors: insufficient supply, limited salary growth, planning restrictions, construction delays, rising building costs, rental pressure and a lack of confidence among those who might otherwise invest in creating or improving housing stock.

This matters directly to Sotogrande. Although Sotogrande is a luxury residential market, it is also a seasonal economy. The area depends heavily on people who work in hospitality, restaurants, hotels, golf clubs, polo, security, property maintenance, construction, cleaning, gardening and domestic services. Many of these workers cannot afford to live in Sotogrande itself and often have to travel from other towns each day. This is a real structural problem, particularly during the high season when demand for staff increases sharply.

The issue also has a political dimension within the wider municipality of San Roque. Affordable housing is understandably a major concern, particularly in the less affluent parts of the municipality. As a result, there is growing pressure on local government to ensure that new development contributes more visibly to the housing needs of the broader community.

However, this creates a delicate balance. If building licences in Sotogrande are delayed because local authorities want developers to contribute more towards affordable housing, the result may be counterproductive. Developers cannot build, construction companies cannot plan with confidence, and the supply of new homes is restricted further. In effect, a policy designed to address housing pressure can unintentionally make the supply problem worse.

There is also an employment consequence. **Sotogrande currently has significant demand for construction, maintenance and service workers.** In many cases, the problem is not a lack of work, but a shortage of **available workers and suitable accommodation for them.** If development is slowed down, builders, tradespeople and service providers lose opportunities, while the municipality also loses economic activity, tax revenue and long-term investment.

Protecting residents and improving access to housing is essential. But if policy discourages owners, developers and investors, Spain’s housing problem will not improve. Spain needs more homes to buy, more homes to rent and more confidence for those willing to invest responsibly in new construction, renovation and long-term rental supply.

For Sotogrande, the correct balance is especially important. The area needs continued investment, but it also needs practical housing solutions for the people who make the local economy function.

The piece argues that political debates often miss the point: governments want lower rents, more supply, more control and more affordability simultaneously, yet these goals frequently contradict each other.

Housing cannot expand without private investment, and investors will only commit capital when regulation is clear, taxation reasonable and long-term returns possible. Treating them as the enemy risks shrinking supply further.

Housing Challenge in Spain: How is Sotogrande Affected



Luxury development and affordable housing should not be treated as opposing interests. If managed intelligently, successful development in Sotogrande can support employment, municipal revenue, better infrastructure and a broader housing strategy for San Roque.

The key point is that restricting supply rarely solves a supply crisis. A more productive approach would be to encourage responsible development while negotiating clear, predictable and proportionate contributions towards affordable housing, infrastructure and community benefit.

SPAIN'S HOUSING PROBLEM IS NOT UNIQUE, BUT THE RESPONSE MATTERS - CHARLIE'S OPINION

Spain's housing crisis is not an isolated phenomenon but part of a wider European pattern in which property prices have surged far beyond wage growth, leaving younger generations struggling to buy or even rent where they work.

In Madrid, the effort required to purchase a new-build home has doubled since 2000, revealing a deep structural imbalance rather than a temporary distortion.

Spain's challenge is rooted in fundamentals: land, planning, construction costs, demographics and the widening gap between salaries and housing prices. The social consequences are already visible: delayed independence, later family formation, reduced mobility and growing dependence on parental wealth.

A realistic response, requires more supply, more professional rental stock, genuine public-private cooperation and policies that build confidence rather than erode it. **Without investors, builders and owners willing to commit for the long term, Europe, and Spain, simply will not produce the homes its citizens need.**

OUTLOOK FOR THE REST OF 2026

We expect:

- **Prime and ultra-prime: continued resilience**, supported by scarcity and long-term lifestyle demand.
- **Mid-market: stable**, but buyers will remain price-sensitive and more affected by macro uncertainty.
- **Best-performing product: modern villas, frontline golf, high-quality renovations, energy-efficient homes and scarce Marina-front units.**
- **Weakest-performing stock: dated homes** priced as if fully modernised.
- **Buyer behaviour: selective, informed**, cautious and increasingly advisory-led.

- Rental market: continued strength, especially from families testing Sotograde before buying.
- Gulf and Middle Eastern interest: potentially stronger, but slower to convert while the Iran–US war remains unresolved.
- Eastern European demand: likely to remain influenced by security, lifestyle and safe-haven considerations linked to the Ukraine war.
- Gibraltar-linked demand: likely to become more important if border improvements are implemented successfully.

The broad direction remains positive, but 2026 is not a market where every property sells simply because it is in Sotograde. Quality, pricing, presentation, legal certainty and timing matter more than ever.

FINAL TAKEAWAY

Sotograde's Q1–Q2 2026 market is stable, selective and supported by strong fundamentals. The area continues to benefit from global demand for security, privacy, international schooling, sport, wellness and low-density living.

However, the mood of the market is now being shaped by much larger global forces: Trump and the United States, the Iran–US war, the continuing Ukraine war, energy uncertainty, housing policy in Spain and the possible Gibraltar agreement.

But the market is also becoming more professional and more cautious. Buyers expect better information, better presentation, better legal clarity and better value justification

For sellers, correct pricing and professional marketing are essential. For buyers, readiness and good advice are critical.

Sotograde enters the second half of 2026 with limited supply, strong lifestyle appeal, rising international recognition and a more complex global backdrop. The intention to come to Sotograde remains very real, as shown by continued family rental enquiries and growing international digital interest. But in the current environment, many buyers are watching carefully before committing.

In short, the demand is there, but confidence, timing and clarity will decide when it converts.

Charles Gubbins, Co-owner
Noll Sotograde Real Estate

NOLL SOTOGRADE MARKETING UPDATES

✔ **Expanding Visibility Through SEO & AI Platforms by optimising our content constantly**

✔ **Real, Reliable Content - Reviewed by Experts**

✔ **Over 68 episodes in "Charlie in Sotograde" Podcast and published across Spotify, YouTube, and Apple Podcast. With over 88.336 visualizations in total!!**

✔ **AFTER HOURS LAUNCH! A monthly gathering where we as a team discuss the market, the community and everything going on in Sotograde.**

✔ **More than 5.190 subscribers to our youtube channel and constantly increasing**

✔ **An updated blog about Sotograde real estate market, and local happenings.**

✔ **Active presence on +10 different social media platforms**

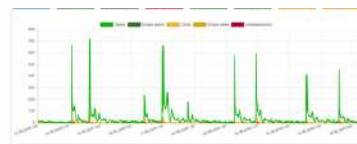
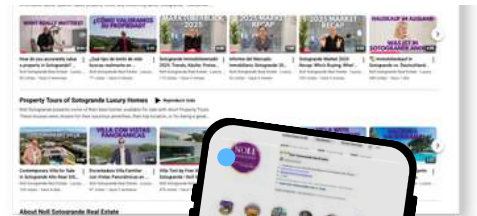
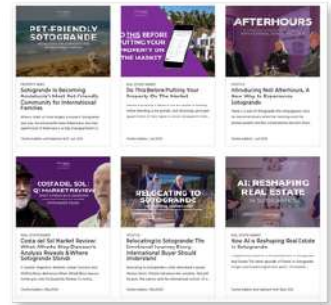
✔ **The Most Targeted and Effective Email Campaign in the Sotograde Market**

✔ **Strongest Personal Branding in the Sotograde Market**

✔ **We keep offering professional home valuations through our own tool**

✔ **We push properties across printed and online local and international media.**

✔ **Advertising in Google and Social Media**



NOLL SOTOGRADE

APPOINT YOUR PERSONAL
BUYING OR SELLING AGENT



Stephanie Noll

Co-owner

Office: +34 856 091 709

Mobile: +34 607 465 383

WhatsApp: +34 607 465 383

Email: stephanie@noll-sotogrande.com



Charles Gubbins

Co-owner

Office: +34 856 091 709

Mobile: +34 607 911 661

WhatsApp: +34 607 911 661

Email: charles.gubbins@noll-sotogrande.com



Jorge Martí Martí

Independent Agent

Office: +34 856 091 709

Mobile: +34 659 827 658

WhatsApp: +34 659 827 658

Email: jorge.marti@noll-sotogrande.com

We deliver the dream of home-ownership in Sotogrande!

If you consider Sotogrande as a location for your principal or secondary residence you will be struck by how it can provide you with a great home and an active and happy lifestyle.

Working for you is what we do best! We do so as a team utilising our shared strengths of languages, senior business experience in other industry sectors, as well experience of living in many different countries as expatriates.

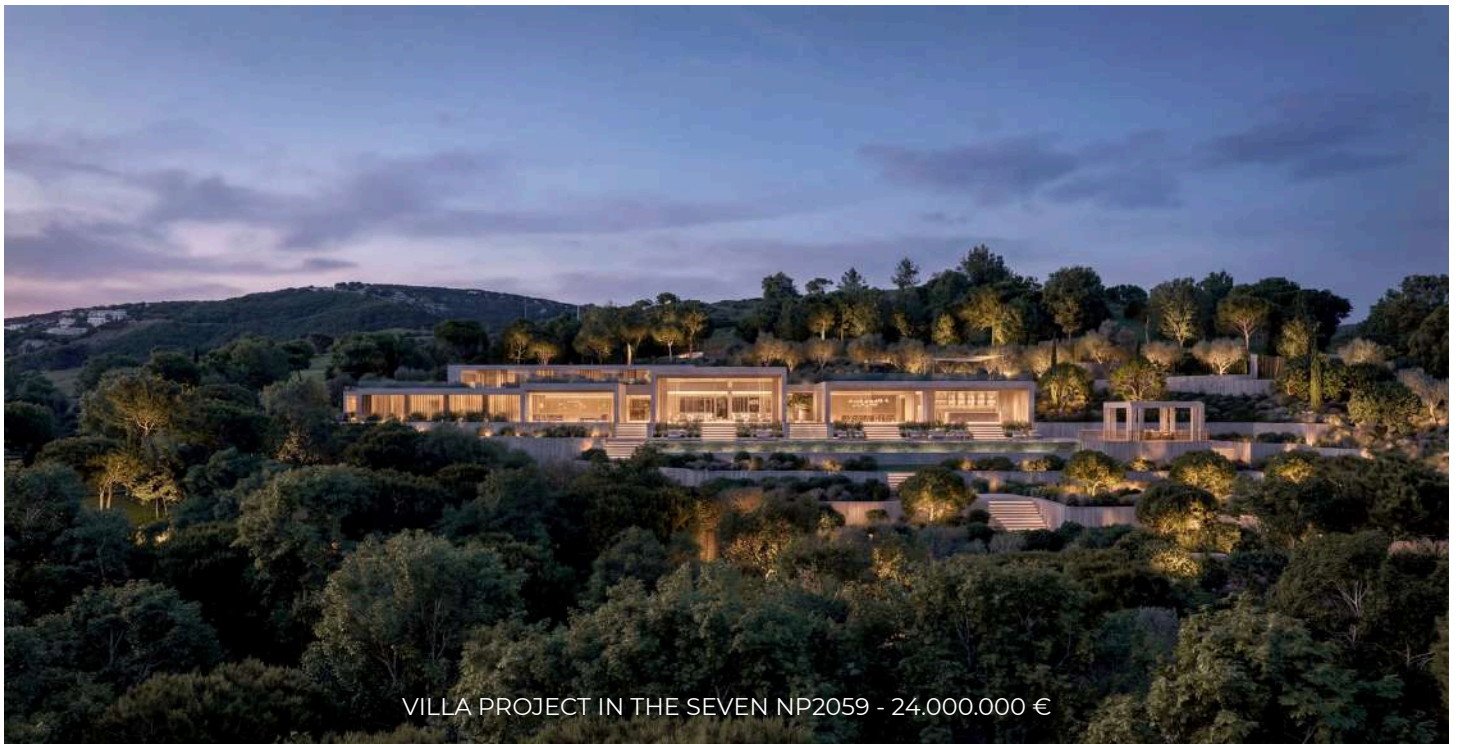
1. Responsiveness
2. Communication
3. Specialty/expertise
4. Knowledge of industry trends at large
5. Excellent reputation

NOLL SOTOGRADE

REAL ESTATE BOUTIQUE AGENCY

Over the past twenty years, Noll Sotogrande Real Estate has earned a very good reputation for selling Sotogrande properties and benefits from many referrals from agents along the Costa del Sol.

It is particularly important to us to understand your requirements for a property and thus to present you in an efficient way the properties that really interest you.



VILLA PROJECT IN THE SEVEN NP2059 - 24.000.000 €

Contact Noll Sotogrande

Should you be looking to buy or sell your property in Sotogrande, be it a **villa, penthouse, apartment, townhouse or country property** in Sotogrande or inland, please **contact us:**



Website www.noll-sotogrande.com

Email: info@noll-sotogrande.com