

PERE

If these walls could talk

For the Palacio Solecio hotel in Málaga, Spain, the last five years marked the final stage of a remarkable 'glow up.' What had been a borderline derelict Andalusian palace was transformed into a four-star, 118-key hotel following its purchase by a fund operated by ActivumSG, *writes Guelda Voien.*

After an extensive restoration and revamp, the Berlin-based manager announced in May it had sold the asset for €51 million to an undisclosed buyer who, according to market sources, is an ultra-high-net-worth individual from Spain. Back in 2016, ActivumSG acquired the property for €8 million on behalf of its ActivumSG Iberia Fund, market sources said.

The opportunistic fund was closed in 2015 with €200 million in commitments, including around \$83 million from US endowment fund the University of Texas, according to PERE data.

The Palacio Solecio hotel comprises two adjoined mansions: the original Palacio Solecio and the adjacent Palacio del Marqués de Guadacorte. The carved façade and grand staircase of the former were reconstructed in the restoration, for which ActivumSG retained Spanish architect and designer Antonio Obrador and local asset and development management company Tech-Stone Development Services. The original building reopened as a hotel in 2019 with 68 rooms.

The design retains some of the building's original elements, including the marble pillars and wrought iron railings of its interior balconies, but adds flourishes such as custom leather tapestries in a Moorish style. A second phase of construction on three adjacent abandoned plots of land added 50 rooms and a rooftop bar and

Palacio Solecio, Málaga From derelict to distinguished



SOURCE: MONTFORT COMMUNICATIONS

swimming pool. The full complex opened in 2023.

House of cards

The Palacio Solecio, which dates to the 18th century, initially belonged to a Genoese trader named Félix Solesio. He had been commissioned by José de Gálvez, the first Marquess of Sonora and member of the court of Carlos III of Spain, to spearhead the export of playing cards to Spanish America - part of the economic development initiatives spurred by the Bourbon Reforms, which sought to shore up Spain's finances in the wake of the Seven Years' War.

Solesio's contribution to that effort left a mark on Málaga. He built paper mills, importing the more developed industrial practices of his native Genoa. In 1776, he built La Real Fábrica de Naipes, or the

Royal Playing Card Factory, in nearby Macharaviaya, which was only the second outfit to produce cards authorized by royal patent in Spain at the time.

Despite his successes, Solesio eventually went bankrupt, and the palace was seized. The property sat in a state of abandonment for years despite its prime placement in the midst of Málaga's Old Town.

Málaga's fortunes have similarly waxed and waned, but the city came into its own as an international tourist hub in recent decades.

The city, birthplace of Pablo Picasso, opened a museum dedicated to the artist in 2003, and is now host to a film festival and several other art museums. The advent of remote work - Spain offers visas for foreign remote workers to relocate - attracted more visitors to Málaga. In the first quarter of 2024, hospitality real estate buyers told broker CBRE that Spain was their top target in Europe.

If the walls of the Palacio Solecio could talk, they would be relieved to have been saved from ruin by an astute investor, and ready to embrace the new hand they have been dealt. ■

€43m

Difference between the property's 2016 purchase price of €8m and the 2024 sale price of €51m