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THE TOURISTIC VALENCIAN COAST. INTERESTS AND CONTROVERSIES IN A TERRITORY TENSED BY THE RESIDENCIALISM

Emilio M. Obiol Menero and María Dolores Pitarch Garrido
Departament de Geografia.Universitat de València

The principal Valencian tourism product, colloquially known as «sun and beach», or more accurately «sun on the beach», has been spoiled due to its progressive deviation towards the building industry activities and speculative components related to purchase and sale of land and houses. This fact has led to a massive tourism, headed by land development companies, which are the real creators of «touristic urban planning». In such a context, prices are the main competitive point of reference for the visitors to the country, who will predictably choose another equal or cheaper alternatives, but with a more genuine environment and less damaged by the barbaric urbanization of the coast area.

As regards to its effects on the territory and socioeconomic impact, since 1960 the development of the tourism industry in this area represents one of the most remarkable geographical processes, due to its complex nature, its demonstration and clustering effect and its cross impacts. This maritime region has undergone a touristic metamorphosis, especially in its touristic coast axis, which has been functionally and radically changed and reshaped.

In 2010, there were 25 million hotels overnights in the Valencian Community, which accounts for 9,5% of the total in Spain. The Valencian Community moved then to the fifth place, behind the insular communities, Catalonia and Andalusia.

In the last years the evolution of the number of hotels and hotel beds is positive, particularly in the provinces of Alicante and Valencia. On the contrary, there has been a standstill in the number of beds offered in apartments, which had a very small increase in Alicante, despite the terrific building construction in the decade 1997-2007. Over the last years of economic welfare, there has been a growing trend towards the diversification of investments from the real estate firms to the hotel sector, most of all in the capitals of the provinces and because of that, both activities have strengthened their bonds. The strong wave of urbanization under touristic rhetoric has practically reached the whole country.

The Valencian Land Grab law (Ley Reguladora de la Actividad Urbanística) passed in 1994 and modified the relationship between land owners and developers, thus putting and end to the exclusive vesting of the powers to urbanize in the land owner. In order to do it, the law introduced the role of the «property developer». The property developer, after presenting an Integrated Actuation Program (P.A.I.), had the power to develop the urbanization process, without being the land owner. The objective of the law was, theoretically, to release urban land, to lower land and house prices and to give leeway to civil services in the land management. In practice, however, the law favoured the opposite effect. Furthermore, the way in which the law has been carried out contributed to raise house and land prices in an endless speculative spiral and, at the same time, it placed the power of the land management in the hands of a more speculative figure than the original owner: the property developer.

All the same, the best consolidated and planned tourism occupancy rates are distributed among twelve great coast destinations: Peníscola, Orpesa, Benicàssim, Cullera, Gandia, Dénia, Xàbia, Calp, Altea, Benidorm, Santa Pola, Torrevieja, besides the three capitals of the provinces, Valencia, Castelló de la Plana and Alicante. The ongoing and significant increase of urban planning prospects has reached also the agricultural coast villages (Moncofa and Tavernes de la Valldigna...), where they held out the first urban wave in the 1970s, and also the pre-coastal ones (such as Sant Jordi, San Fulgencio and Rojales). Most of the new urbanization projects follow the patterns of a tourist residential development based on golf courses, hotels and shopping centers. So, this housing bubble that has been blowing up until 2008, exploded and wreaked havoc on this coast, the coast which suffered the urban planning excessses as a result of unjustifiable expansionism and reclassifications. And all this devastation, in most of cases, won’t be offset.

The touristic and metropolitan areas with more free rustic land have seen a great development in its urban planning activity. The Spanish Land Law (8/2007, 28th May) was intended to solve some of the problems related to the irritating urban planning of the country: lack of transparency in administration, the requirement of more state subsidised houses, more respect to the private property, etc. Nevertheless, the economic crisis has reduced their capacity to start new urbanisation projects and maybe now they have time to carefully think about the sustainability of their model.

Data from European project CORINE LAND COVER, for the period 1987-2000, inform that urban area in Spain grew up by 13,8%, with a 14,6% increase between 2000-2006, according to the Observatory of Sustainability in Spain (OSE). This strong increase is bigger in coast provinces, (besides Madrid), such as Málaga, Murcia and, of course, Alicante and Valencia.

In 2006, Spain had more than 20 homes every 1000 inhabitants. The Valencian Community had 25, with 65 homes every 1000 inhabitants in the province of Castellón, the highest rate in Spain. Housing development and construction has become the basis of a model of development that we could call «*constructur*». This feedback model rests upon both construction and tourism, which reach around 30% of the Gross Domestic Product in the Valencian Community and that is a heavy weight.

In the coast towns, more than a hundred million square meters changed their usage between 2000 and 2006. Data from remote sensing prove that more than 80% of them changed from agricultural land into some kind of urban use. It is remarkable that in the last date from which data are available, around 37% of the changes refers to land under construction, which doesn’t mean a slowdown in construction, but quite the opposite.

The residential tourism model seems to be heading for a reorganization. New touristic trends show that profitable attractions are different now, such as a genuine and well maintained environment, a quality and diversified cultural offering, authenticity, originality, etc.

From a sectoral point of view, the tourism development has to do not only with an increase in the number of visitors, but also with their rhythm of haunt and expenditures. Then, profitability is not directly related to an increase in the number of visitors, but to the spending power, occupancy rate and leisure patterns of such visitors.

Occupancy rates in Valencian hotels changes according to their touristic location. Their average occupancy rate ranges from 85% in Benidorm to 35% in the interior of the province of Valencia. Seasonal fluctuation still is a structural problem with grave negative repercussions in business, labour and social profitability. According to the Spanish National Statistics Institute (2008), the hotel occupancy rate is just a 54%, although it reaches 60% in the province of Alicante. On the other hand, the apartment occupancy rate is 29%, but the province of Valencia shows here better results (32%), due to the existence of some specialized tourist places (Cullera, Gandia…). Furthermore, data from EXCELTUR (2005) show that every hotel generates 6.900 □ per bed space, whereas a residential one provides just 1.400 □ and also that both models generate 93 and 13 jobs, respectively, for each 1.000 bed spaces. If we take all this data into consideration, it seems clearly necessary to reinvent the «funnel destination» model (fairly full in August and quite empty the rest of the year). An overcoming is still one of the main challenges of tourism in Valencia.

On top of everything, the expense in non-hotel accommodation decreased more than in hotel accommodation. In view of this negative results, it is certain that to cut prices, services, quality and professionalism to increase competitiveness is not the best way to follow.

The level of tourism specialization achieved, the means of accommodation and the majority productive dynamics made it easier to distinguish between two kinds of destination: the hotel and the residential ones. However, the recent property boost cut down the distance between both destinations, which have also several characteristics in common. For instance, a recovery of beaches, environment and cultural heritage, an updating in the complementary accommodation and a provision of urban services where the tourism function prevails. With regard to the hotel destinations, in addition to their traditional weaknesses (tour-operators oligopoly, low prices determined by holiday packages, familiar hotels, individualism...), now we have the real threat led by a hotel oversupply and a decrease in the days of stay and expenditures. Hotel renovation and better quality in the provision of services have not turned into an increase of the profits, due to the price competition of the emerging destinations and the lost of customers, who gradually give in the temptation to buy a house in their holiday destination.

However, there are still opportunities: new marketing channels via internet, revival of *«all-in cost»*, microsegmentation of the offer… But there are threatens as well. On the one hand, the everlasting seasonal fluctuation is still a chronic pathology in the hotel system, despite having more or less assumed a third vacation. On the other hand, positive discrimination towards hotel establishment (reserve of buildable area in the General Urban Plans, tax deductions…) is a constant theme here and in the residential destinations. This positive discrimination politics has also contributed to an oversupply in some touristic destinations and it doesn't exclude hotel deficits in many Valencian touristic places.

The sole challenge begins by redefining production, marketing and distribution patterns. Hotel managers must enhance, diversify and categorize their establishment, in order to achieve more and new markets and better business with brokers, and they also must increase profitability, by raising consumers spending with new offers. Otherwise, the destination must contribute to a better commercialization without giving up its touristic status.

The Valencian tourism model has several positive and negative elements. The combination of such elements provides a wide range of situations which, broadly speaking, reflect this massive «residential tourism» model, based on an unlimited housing growth in the coast. And this model is creating considerable functional, territorial and environmental imbalances and disorders.

Urbanization process, excessive and unstoppable until 2008, does not aim to achieve tourism assets. It just pursues the three classic economic types of the location theory (of scale, agglomeration and urban economics), without bringing with it new tourism potentials. Therefore, it is essential to maintain and categorize tourism activities starting from sustainability, competitiveness and integrated management principles. That is, from a forward-looking approach as a whole.