

Explicating the “Charm premium” in Second Homes: The Case of Algarve

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Abstract

The objective of the present paper is to explicate the distribution network of second home ownership in Algarve (Southern Portugal) and to explore the factors, which cause a high price premium, known as “charm premium”, for properties in high-profile regions, such as Vale do Lobo. A template analysis of online newspaper editions, framed and interpreted for a period of more than fifteen years, is utilized as the basis for methodological evaluation facilitated by the expanse of preliminary archival data and their qualitative processing. The analysis is applied in two stages: The first stage includes the study of Algarve as a travel destination and reveals the significance of tourism attractions, the place branding towards the development of a top retirement destination, the importance of quality golf/luxury resort infrastructure and the presence of high-status superstars and celebrities for that branding. The second stage of template analysis focuses also on locations with the highest second-home prices and rents, known as the “Golden Triangle”. Our findings demonstrate the influential function of superstars’ managers on the decision of superstars and celebrities to invest on second-home property, revealing path dependencies and a twofold chain, comprising of the “attraction” and the “network” chains that explain their social status behavior.

Keywords: Second Homes; Charm Premium; Superstars; Retirement Migration; Agents/Managers

1. Introduction

Second home tourism has been an essential theme for real estate agents, tourism entrepreneurs, politicians and academics examining the attraction of touristic destinations. Especially, in the post-Covid-19 lockdown period, second home tourism could develop to a secure alternative to traditional hotel tourism (Seraphin & Dosquet, 2020). While for years this issue did not raise interest in academic circles (Brida et al., 2011), several aspects related to second home tourism such as retirement migration (Williams et al., 1997; Paris, 2011), empty dwellings (Brunetti & Torricelli, 2015) and second home owner’s perceptions (Dykes & Walmsley, 2015) have been described as under-researched. Presumably, this observation arises because second home tourism is typically considered to stand at the periphery of tourism research. For example, Cohen (1974) classifies second home owners as peripheral tourists, with a lack of exclusivity in their travel practices. Moreover, Dykes and Walmsley (2015) question whether second home owners are “reluctant tourists”, while Adamiak (2014) explains the limited academic interest as a result of the indirect contribution of second homes to touristic economy.

These views contrast earlier and contrasting considerations on the issue. For example, Jaakson(1986) argues that second home tourism constitutes a significant part of domestic and international tourism. Therefore, ignoring this activity would also result in overlooking significant interpretations of travel practices and tourism policies. For this reason, the interest on second home research has been increased over the last decade (Hay & Visser, 2014), as several researchers have contributed significantly to an emerging bibliography (Paris, 2011; Muller & Hoogendoorn, 2013; Gallent, 2014; Hay & Visser, 2014; Hall, 2015; Walters, 2015; Hall & Müller, 2018).

Our objective in the present study is to contribute to a growing literature on second home tourism with an emphasis in the segment, which is influenced by the presence of famous second home owners in order to highlight the impact of those individuals on the development of growing appetites for this form of tourism. Our paper is structured as follows: First, we explore the pluralism of definitions used for second homes, followed by a brief assessment of economic and social impacts, placing emphasis on second-home owners’ motivations.

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Specifically, from a theoretical viewpoint, our objective is to analyze and possibly raise academic interest about the specificities of second homes at touristic resorts, emerging from the superstar hypothesis (Rosen, 1981) and the presence of superstars and celebrities, which often correlates with extremely high-property prices. While superstars are highly-successful professionals with extremely high compensation due to the relative advantage, which they confer they differ from celebrities, whose advantage is realized only through their media visibility even if their professional performance is not advantageous in relative terms (for a more detailed comparison of those terms, see Koutsobinas, 2014). In the present paper, we use those two terms interchangeably.

The higher spread, over average house prices, has been attributed to a “charm premium”, according to Frank (2000). Algarve, in Portugal, is chosen as the subject of our research, due to high rates of second home ownership (Williams & Patterson, 1998) and the presence of famous “superstars” such as Mourinho, Cristiano Ronaldo and Madonna (Correia & Kozak, 2012). Our methodological approach utilizes template analysis of internet media (e-newspapers) in order to collect data, frame and interpret the distribution network of second homes in Algarve, contribute to a better overall understanding and offer insights into the nature of emergence and maintenance of distribution networks for this activity. Our findings in the last section demonstrate the influential function of superstars’ managers on a celebrity’s decision to invest on second home property, implying path dependencies and a twofold chain, comprising of the “attraction” and the “network chain”.

2. Second Home Literature: A Review

The recognition of a commonly accepted definition of second homes has been a notable issue of academic research (Visser, 2006; McIntyre et al., 2006), as the variety of definitions affects the calculation of the exact number of dwellings and consequently the comparability of statistical data (Müller & Hoogendoorn, 2013; Müller, 2004). In addition, the lack of a common definition distorts the implementation of real estate tax policy (Paris, 2006), posing obstacles to cross-border comparisons (Müller, 1999). Coppock (1977) proposed the term second home as a general concept which covers a selection of home categories, the bounds of which may differ depending on the definition adopted. For the purposes of the present paper, we focus on homes purchased for holiday use, post-retirement migration and investment purposes. This framing is similar to the definition suggested by Pyne (1973) embracing “club/company/institute holiday property” limited for members’ use. It also includes official definitions such as from the United Nations, the World Tourism Organisation (1994) and Eurostat (2002) enhanced for recreational and leisure purposes (Shucksmith, 1983). Static or touring caravan are excluded. We restrict the analysis of the present paper to the homes usually called “holiday homes” (Paris, 2011).

Coppock’s (1977) essay entitled: “Second Homes: Curse or Blessing?” is often characterized as a seminal and influential contribution (Müller, 2004; Hoogendoorn et al, 2009; Hoogendoorn, 2010), as he was among the first scholars to document the development of second home ownership in the urban world. The socio-economic impacts are the driving forces that determine whether the blessing for one can be a curse for someone else (Paris, 2006; Müller & Hoogendoorn, 2013). For instance, in Sweden the presence of international home owners is considered as an important commercial advantage for local businesses (Müller, 1999). In the study area of Bory Tucholskie in Poland, the positive impacts of second homes ownership dominate those, which they are negative (Adamiak, 2014). A significant contribution to employment creation was observed in Rhodes (South Africa), (Gijsbert Hoogendoorn et al., 2009) and Clarens (Hoogendoorn & Visser, 2004) in South Africa, since tourism-related receipts increase, due to second homes contributing to regional economy (Müller, 2004). Finally, in South Tyrol income from related taxes increases (Brida et al., 2011) while in Portugal, municipal balance sheets are positive due to inflows from locations, where second homes are established (De Oliveira et al., 2015).

In addition to those mainly economic benefits, there have been negative social repercussions such as a significant rise in property prices, which in some cases makes it almost impossible for locals to buy a household, while local teachers and civil servants are unable to face the living costs (Paris, 2006). Moreover, it is argued that second home owners come from different backgrounds (Hay & Visser, 2014) and have limited contact with locals (Müller, 2004). For this reason, the new owners may have negative perceptions of the impact of their investments, which could possibly be valuable for the local community but, in contrast, could also disturb their “rural” reality. Such controversial situations were encountered in Ruokolahti, Finland (Janhunen et al., 2014), in USA, in San Juan and Okanogan counties of Washington State (Kondo et al., 2012) and in Malaga, Spain (Barke, 1991). On the other hand, Gallent (2014) argues that second homes may offer to local communities additional social capital. For example, in Czech Republic, second home owners are not considered as foreign intruders (Fialová & Vágner, 2014) and in Sweden, rural population did not oppose to Germans’ presence in the area (Müller, 1999) because locals felt that they were benefited from the presence of foreigners. From the above literature review we can reasonably conclude that in economies such as those of South Africa, Poland, Portugal and Czech Republic, the development of second home market is associated with actual economic benefits.

On the other hand, second home studies in Great Britain and Australia (Paris, 2011), United States (Kondo et al., 2012) and Italy (Brida et al., 2011) focus on negative aspects, with emphasis added on socio-economic implications. To overcome the conflicts of interest of local actors and second-home owners, suitable policies must be promoted in order to both maximize the economic benefits of locals and public revenues and to ensure the sustainability prospects of the touristic destination from second home ownership.

3. Second Home Tourism: The Case of Algarve

3.1. Theoretical Background

An important element in literature is that factors such as prestige and social status, which play a very important role in tourism, are almost omitted from second-home tourism analysis, even though second homes are mainly purchased by affluent households. The relationship between social status with second home ownership has received little empirical attention, and for the most part, even the more encompassing social recognition concepts of status and class have been neglected. For instance, in high-price location holiday homes, social status is indicated (Hall, 2015; Hall & Müller, 2004; Jaakson, 1986), but stereotypically, property ownership is not regarded as indicator of social status (Hoogendoorn, 2010). Thus, luxury property ownership does not necessarily indicate a manifestation of social status, but simply a way people express leisure preferences in modern culture (Lipkina, 2013). This happens despite the fact that luxury, social status and exclusivity have been encouraged by lifestyle magazines since the late 1990s (Walters and Carr, 2015). While in second-home tourism bibliography the motive of social status is considered as a synonym of modern culture, in tourist literature the enhancement of social status is a vital motive. The concept of social status has been widely used in sociological literature as one of the decisive measures for determining the behaviour of social classes. Likewise, in the tourism literature several empirical studies researched the incentives of prestige and social status (Dann, 1977; Crompton, 1979; Mathieson & Wall, 1982; Fodness, 1994; Tiefenbacher et al., 2000; O'Reilly, 2006). From all these empirical studies, Riley (1995) was the first researcher exploring mainly prestige motivations. "Relative exclusivity" and "personal/emotional desirability" were found to be the two main dimensions of the prestige recreational journey.

Visitors returning for a week to a sunny paradise probably enjoy a sense of high social position temporarily (Lett, 1983). In some resorts, tourists enjoy their social status achieved through status differentiation in their choice of hotels, restaurants and leisure activities which is the consequence of consumption driven by prestige incentives (Eastman et al., 1999). Social status in nightlife destinations can be through pursuing hobbies (such as dancing), ego-enhancing and even deviance (Koutsobinas & Giannoukos, 2015). In addition, previous surveys show that social status and prestige are crucial determinants affecting choice of destination (Correia & Kozak, 2012). According to Fodness (1994), one of the five reasons for the choice of a journey is the "expressive value" that has to do with self-esteem and ego-enhancement (or, social status in a social setting). Frank (2000), argues that the sharp increase of second-home ownership constitutes another indicator of a luxury spending boom. The trend of second homes in America has accelerated during the late nineties. This boom in second homes is not only restricted to super rich, but includes also upper-middle households which strive to follow the lifestyle trends chosen by superstars (Koutsobinas, 2014).

It is important for policy makers to understand the distribution network of superstar or winner-take-all markets in order to gain the most out of it, in terms of revenues, appreciation of local communities' wealth and other opportunities. According to the hedonic price model individual properties are estimated by location and structural and neighbourhood factors (Chin, 2004). Within the location variable, factors such as the view and the distances are included. In the neighbourhood variable, factors such as environmental quality are significant. Moreover, specifics such as golf field sights and sea views could command a price premium of 20-25% (Frank, 2000). More specifically, Frank (2000) associated this surplus value in price with the term "charm premium". In the real estate market, a sharply higher premium is often paid with the intention of securing various property advantages such as the privacy of a location, architectural charm and fascinating views. The rising premium for a specific location choice is also indicated by the trend of buyers to demolish existing dwellings in order to build modern and large villas at the same site.

3.2. Algarve and Social Status Perceptions

Second home activity in Portugal has been examined recently from the perspective of transforming landscapes and living standards (De Oliveira et al., 2015). Algarve is in the southern region of continental Portugal and is often included among the most exceptional European tourist destinations in tourist guides. Besides an impressive natural environment, including first class beaches, Algarve has a bounteous variety of sights to suit many different tastes and tourist budgets embracing also fascinating historical and cultural heritage monuments. Two different Algarve areas of attraction have arisen since the sixties until nowadays.

One is leeward, where tourism expansion initiated back in the 1960s, when the first golf course was established. Since then, touristic activities in Algarve leeward has covered most of the touristic demand and supply (Correia & Kozak, 2012). On the other hand, a second touristic pole developed in the 1980s, the centre of Algarve. This sub-region is the so-called “jewel in the crowd of the Algarve”, also known as the “Golden triangle”. It includes the areas of Quinta do Lago, Vale do Lobo and Almancil. Superstars and celebrities from around the world own several second homes here, such as, Nigel Mansel, Madonna, Cristiano Ronaldo and Jose Mourinho. Five, six and even seven-star hotels, as well as private mansions, golf courses and private beaches provide the conspicuous luxury environment suiting exclusive “appetites”.

Spatially international proprietors concentrate in different areas of Algarve. For example, around Loulé, Faro and Lagos (Figure 1) British purchasers are more common. French owners are located in Loulé, Faro and Olhão, while Germans in Lagos, Aljezur and Lagoa (Williams & Patterson, 1998). These concentrations refer mainly to property purchases focused on retirement migration, although at the “heart” of Algarve and especially within the Golden triangle (Figure 1) the presence of superstars and celebrities is visible. Superstars and celebrities own second homes and pay millions for the charm premium of those establishments. This specific behaviour is the main reason for selecting Algarve for our case-study. In this case, we can examine in which ways superstars become responsive to the attraction of the destination and decide to invest in the area.

Figure 1. Map of the Region of Algarve



Source: Google Maps; Authors' Elaborations

3.3. Empirical Framework: Template Analysis

For the empirical purpose of our study, we interpret and frame second home investments in Algarve through electronic media (British electronic newspapers). We use template analysis, which emerged in the USA during the 1990s and gained credibility in the UK through the work of Nigel King and other scholars researching in health and sociology-related fields (Waring & Wainwright, 2008). For this reason, template analysis has been well embedded in healthcare qualitative research (Crabtree & Miller, 1992). The template analysis approach includes the formation of a coding 'layout', which compresses subjects distinguished by the researcher as essential in a collection of information and as being structured in a significant advantageous way.

However, this approach is not so common in business and management research. In the field of tourism, newspapers (including the electronic version of newspapers) as a source of sociological data have been underutilized, and qualitative content analysis of newspaper content that heavily relies on the researcher's reading of the stake at issue has been broadly neglected (Hall & Valentin, 2005). In tourism literature, Andriotis, (2010) utilized template analysis of British newspapers in order to interpret young British behavior in a Greek resort. The findings of this study are valuable because they reveal the ways that newspapers represent various themes of academic interest. A closer look at this methodological approach reveals that research is not restricted to a narrow time span (less than a five-year period) and that it is based on manifest content, which examines not only the surface structure, but also finds illustrative and eloquent quotations targeting directly the phenomenon under study (Andriotis, 2010). The value of thematic template analysis is materialized in comprehending and decoding a body of rich, descriptive media narratives including magazine articles, social media, and marketing material (Walters, 2016). For example, media coverage in New Zealand plays an important role in creating and perpetuating images and preferences for readers to seek to reproduce cultural practices and beliefs (Walters, 2014).

Moreover, template analysis is useful as the appropriate data analysis method for the archival research stage, based on its suitability for handling large quantities of qualitative data (King, 2012). Template analysis also supports a speedy data collection time frame.

However, Bell (1992) and Reah (2002) believe that newspapers present facts in a way to arouse the interest and curiosity of readers, and media reporting can be biased due to factors such as misquotation (direct quotes may intentionally or unintentionally wrongly attributed); misattribution (lack of boundaries between who said what, and what is the journalist's own opinion); misediting (editors' unwarranted interference in a story); and, over-assertion (intensifying phrases or sentences to make a story sound better than in reality). Thus, a question that arises in this type of research is whether newspaper articles manage to reflect carefully reality.

In order to tackle such limitations and to mitigate editorial distortions, we adopted a research period of fifteen years. Our intention was to understand the mechanism of the distribution of second homes in Algarve, with an emphasis on the dynamics initiated by social status. We apply template analysis on online newspapers and focus on the results of the most reputable outlets in the United Kingdom, as our online metrics show (Table 1 – Appendix A). More specifically, in Table 1, we present the popular online newspapers classified according to their web traffic analytics. The template analysis revealed the main second home promotional activities by local policymakers and entrepreneurs in the region of Algarve and by different types of motivation.

4. Results of Template Analysis

More than 200 articles uploaded from 2001 to 2017 were analysed, excluding timeliness and news such as the disappearance of Madeleine McCann in Algarve in 2007 and promotional advertisement, leading to a final focal group of 156 posts. The first discerned pattern lies on the well-established touristic reputation of a “sunny–beach holiday” destination, emphasizing the iconic and much-photographed beaches and caves in the Algarve shores. For instance, in a fishing village called Benagil, near Carvoeiro, visitors can find the impressive “hidden” beach of the cave of Algar de Benagil which is accessible only by water. In addition, “with 3,300 hours of sunshine per year, besides some of Europe's best-preserved sandy beaches”, the mass tourism incentive for “sun and sand” is entirely fulfilled. Moreover, apart from the beaches and the scenery, several e-newspaper posts mention the local cuisine and wines as additional motives to visit. In fact, for more than 100,000 foreign retirees, who own Algarve houses as their second residence the gastronomic aspect of the quality of local food and wine is a distinctive source of attraction. The percentage of articles, which featured as a main theme the touristic attractions of Algarve, amounted to 46,15% of total posts (Table 1).

The second motive deals with the reputation and popularity of Algarve due to heavy investment in golf courses, luxury resorts and spas. Algarve's first golf course appeared in 1966 (Correia & Kozak, 2012) and since then excellent golf facilities have been developed to establish Algarve as one of the leading golf vacation destinations. There are more than 25 fully equipped training facilities in Algarve, some of which have been designed by well-known names in the golf world such as Nick Faldo, Steve Ballesteros, Jack Nicklaus and Christy O'Connor Jr. In addition, the area counts 42 golf courses in an area of less than 100 square miles and is generally recognized as the leading golf destination in mainland Europe and the world. Algarve is, according to the World Travel Awards, “Europe's leading golf destination 2013 and 2014”. In addition, Correia and Kozak (2012) conclude that golf infrastructure has been a positive and important factor for travel return intentions. Intensive revisit intentions are specified in literature as destination behavioral loyalty (Zhang & Lu, 2014). In our analysis, articles dealing with the golf and luxury infrastructure amounted to 21,79%.

Furthermore, targeted entrepreneurial exploitation of tourism loyalty reflected on second home migration as the third most important motive for promoting Algarve as an ideal second home destination. Second home migration was a key issue in 10,26% of total articles. Typically, the target group for second home ownership includes international retirees, who have wonderful memories of their previous visits (i.e., as in the case of Malaysia according to Abdul-Aziz et al., 2014). Muller (1999) describes second home owners as “loyal” tourists, who decide to spend more time and pay frequent visits to a specific destination. The migration of retired people to Algarve has been developed in close cooperation with policies of mass tourism in the region. There is a close and symbiotic relationship between the geography of international tourism and migration (Williams et al., 2000). One newspaper article uploaded in 2016, argued that for third year, Algarve is the first choice for second home migration after retirement, due to its low cost of living, good climate, established expatriate community, a user-friendly and low-cost stay retirement program and endless entertainment options.

There are other secondary factors at work as well. For example, strong historical and cultural ties of the region with England have led to “ease of communication” as the second homeowners can communicate easily speaking only English. In other similar studies, such as in the case of Malaysia, communication is reported as an important factor influencing second home purchasers.

Another important factor is security, according to newspaper columns, "*the surprisingly beautiful coast of the Algarve is one of the safest places on earth at this time.*" In addition, aesthetic value is not limited to natural beauty only, as the landscape and architecture of cobbled streets and whitewashed houses with lacy chimneys that surround the figs, olive trees and carob trees all over the place are an additional attraction for potential home buyers.

Furthermore, an important issue for potential immigrant retirees is that healthcare is in line with international standards, and medical tourism is a growing industry. Despite the potential economic uncertainty after the 2016 UK referendum, another traditional British e-newspaper reports about the Algarve: "Yes, you can still retire in a place in the sun ...". Finally, the reference frequency for famous artists and actors was 15.38%. The presence of footballers such as Owen, Beckham, Ronaldo, artists such as Madonna and Clooney, and politicians such as David Cameron influences Algarve's reputation as a top destination in an important manner. Other celebrities and superstars who chose to take holidays at this secluded spot in the Quinta do Lago five-star hotels include Caroline Princess Monaco, singer Alanis Morissette and Luciano Pavarotti.

In Table 1 below, we summarize the results of our template analysis. Posts were allocated according to main themes. Specifically, the first pillar includes articles whose main theme is tourist attractions, including natural attractions (beaches, sun, nature) and gastronomic motivations. The remaining pillars focus on luxury hotels and spas, retirement migration, golf infrastructure and the presence of celebrities.

Table 1. Post-allocation by Themes-Template Analysis

F	%	Article Interest	huffington post.com	thetimes. co.uk	dailymail. co.uk	theguardian. com
72	46.15%	Tourist attractions	3	9	12	19
		Beaches & Caves	8	1	1	1
		Sun	3			
		Food and Wines	2	1	3	2
		Nature in General	3	2	2	
13	8.33%	Luxury Hotels and Spas		2	11	
16	10.26%	Retirement Migration	3	3	5	5
21	13.46%	Golf		6	6	9
24	15.38%	Superstars and Celebrities		5	15	4
10	6.41%	Other News (Accidents, Matlin Case)	1	3	5	1
156			23	32	60	41

Source: Online newspaper sites; authors' calculations

Apart from the touristic attractiveness of the area, the importance of golf facilities/luxury hotels and the coordinated effort for the development of second homes for international retirees in Algarve, the presence of celebrities adds extra glamour and publicity and sustains even higher home prices for expensive homes. Thus, the second stage of the template analysis focuses on locations with the highest second home prices, known as the "Golden Triangle".

Based on the average weekly rentals for villas in August 2017, as derived from a well-known residential rental site, the so-called "Golden Triangle" ((Quinta do Lago, Vale do Lobo and Almancil) and Terracos de Benagil, - Table 1) is the area with the highest rents. A second analysis of patterns tailored to areas with the highest rental prices was followed in order to investigate the reasons for possible price premia, but also to explain the reasons for the stronger presence of celebrities. In this undertaking, we did not limit our research to the 24 post narratives, whose main theme was the celebrities' allocation at Algarve, but we enhanced our study to a final number of 97 posts in order to inform the distribution network of second homes.

Table 2. *Location Variations by Rental Price*

LOCATION	SOURCE	WEEKLY AVERAGE RENT FOR AUGUST 2017	MAP SIGN
Golden Triangle (Quinta do Lago)	Template Analysis (2002 -2015)	6384€	☆☆☆
Terracos de Benagil	Template Analysis (2002- 2015)	4635€	☆
Tavira	Williams and Patterson (1998)	2476€	⊕
Faro	Williams and Patterson (1998)	2797€	⊕
Albufeira	Williams and Patterson (1998)	2884€	⊕
Lagos	Williams and Patterson (1998)	2698€	⊕

Source: *Targeted literature; authors' elaborations in Figure 1 (Map)*

The template analysis above allows us to specify a framework for the analysis of dynamics regarding the growth of second home ownership in Algarve. First, since 2001, Dennis O'Brien, an Irish businessman and one of the World's Top 200 Billionaires in 2015, was already making investments in Quinta do Lago. Moreover, 10% of golfers, in this case, were Irish, while 70% of nearby Algarve's developments were purchased by Irish buyers.

It is worth mentioning that in Scotland and Ireland O'Brien was also involved in the financing of football teams. The same year, that is 2001, it was reported that Chris Evans and Billie Piper, 19-year-old husband of popstar, chose this place because they "*could roam without problems.*" This freedom and ease of movement is reported by journalists as a motive that also attracted Alan Shearer and Michael Owen, who bought Ayrton Senna's former home for his parents. The trend of the famous football players investing in real estate in Algarve, began in 2004 when the AC Milan player, Rui Costa, invested in the Costa de Cabanas, Tavira, a tourist complex of 216 apartments and 50 residences, and Terraços de Benagil in Carvoeiro villas. Moreover, in 2005, entrepreneur and super-agent Jorge Mendes, who manages the career of international players such as Ronaldo, Deco, Paulo Ferreira, Ricardo Carvalho and Tiago, made a property investment (including a selection of luxury facilities such as an indoor pool, conference room and sports facilities) near the beaches of Alvor, Três Irmãos and Vau, which were also close to the popular golf courses of Penina and Alto Golf.

These famous footballers, along with Mendes, covered the cost of the investment in collaboration with RR Hotels Group, who commenced to superintend the management of the financial scheme. One of RR's owners, Fernando Rocha, has always had a close relationship with the world of football. He was a non-executive director of the Porto football team, which allowed him to attract famous collaborators to promote and eventually conclude holiday resort investments. By 2007, the area's popularity with "superstars" was already observable. A traditional British newspaper with a column titled "Star Spotting" in 2007 published: "*It is possible to see all athletic personalities at Vale do Lobo golf resorts and Quinta do Lago - Tiger Woods, David Beckham, Michael Owen to name a few. Madonna has a villa in Quinta do Lago.*"

Moreover, in 2008, Tony Dorigo, a former international footballer of England and Australia, who had run Premiership Developments, created a five-star resort with sports and spa facilities, with 20 of the 85 properties sold when they were still on the raft. The two-bedroom apartments from £ 394,000 and three-bedroom villas from £ 804,000 were sold through an international real estate agency. In his interview statements, Dorigo stressed that it is not easy to get a building permit in Algarve, but his property development protects prospective buyers from over-development, as most of the Algarve-based football players, including Steven Gerrard and Paul Ince, want large, private villas. This is the primary reason for the choice of Quinta do Lago, as it retains a more personal, yet picturesque environment. Privacy and exclusivity are key factors for the second home choice in Algarve. Despite the slowdown in economic activity in Portugal during the Eurozone crisis, the entry price for Vale do Lobo was in 2010, £ 400,000 pounds for one apartment, up to a whopping £ 3.17 million for a villa. "*Algarve is still a profitable formula*" stated a representative of a leading UK and London real estate agency, specialized in residential and commercial marketing services. Finally, another real estate agent said: "*In Algarve, the Golden Triangle is on the wish list of all - if they can afford it. Superstars such as Cristiano Ronaldo and Ronan Keating – do not come cheap*".

Finally, in 2015, IMF reports signaled that the fiscal policy program was successfully implemented as the economy started to grow and foreign property buyers were returning, encouraged by the golden visa scheme and preferential tax rates for foreigners. It is necessary to underline that prices of homes in Algarve are still sold with a solid premium of 30% according to official Portuguese Statistical Agency from 2009 till 2015 (Figure 1 - Appendix B). The persistence of the price premium coincides with the fact throughout the examined period (2001-2017) agents and managers of celebrities (athletes, musicians and actors) continued to guide their network of clients to invest in the area. For this reason, we develop a framework in the next section to analyse the network process.

5. Discussion

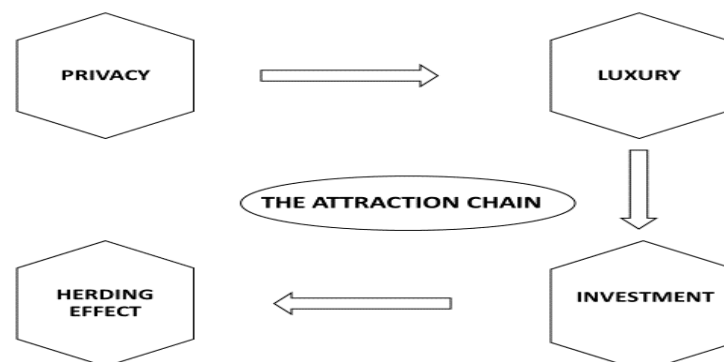
The purpose of the template analysis, as mentioned above, is not only to analyze the impact of the presence of the superstars in Algarve, which affects the "charm premium" in local housing prices and rental incomes, but also to understand the strategic techniques, which are applied in order to involve a destination in the intention of the superstars to invest. It makes sense to evaluate how famous athletes and pop stars chose this destination, as their time was extremely limited. Professional footballers are required to train for thousands of hours per year and to participate in 33-46 official matches with a high risk of injuries (Hägglund et al., 2003). The answer to this question came mainly from the second template analysis. In particular, high competition in "winner-take-all" or "superstar" markets requires full concentration due to the limited jobs with excessively high fees (Frank & Cook, 2010). Thus, time and experience in managing finance and investment are extremely insufficient. Therefore, football agents compensate to fill this gap by choosing not only transportation fees and contract indemnities, but also by conducting informally their clients' investments.

Rossi and Tessari (2012) argue that the development of football as a business sector has led to the emergence of new professional personalities. Undoubtedly, players in football have become influential around the world through massive media visibility. These new professional personalities interact with high-level professionals to enhance their wealth and status. The existence of an attractive tourist environment is a necessary condition for attracting "superstars" or "take-all-winners", but is also determined by variables resulting from the second template analysis from which, a twofold chain is derived.

We name the first chain, "the attraction chain" (Figure 2). The first link of the "attraction chain" refers to the need for exclusivity and privacy, which is a key prestige motivation (Riley, 1995). Kondo et al. (2012) indicate that second-home owners' desire for privacy and escape is reflected in patterns of spatial isolation among. From our template analysis, several occasions were detected in which the basic need from second home investment is privacy in an idyllic environment.

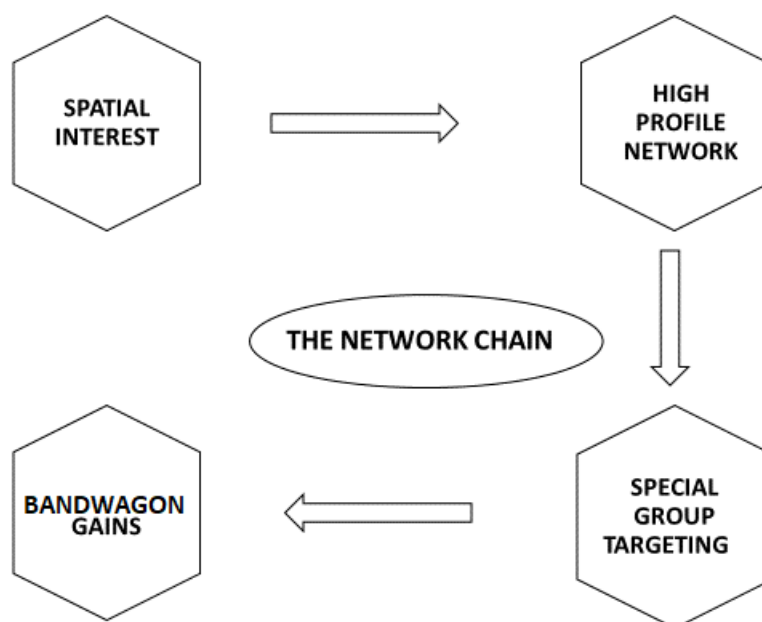
At the second and third link of the chain, managers and agents get responsive to their clients' needs with luxury home proposals based on solid investment platforms. Investment appreciation is considered as an important factor among second homes purchasers (Brown et al., 2008; Williams, et al., 2004). First-come celebrity investments cause a herding effect. This effect can be defined as emulation of investment options, which ultimately leads to convergence of actions across different groups of decision-makers (Hirshleifer & Hong Teoh, 2003). For example, as we mentioned earlier the arrival of the first Irish businessman was followed by other investors and famous athletes' interaction with each other in buying expensive properties in the area of Algarve and in causing a "herding effect" (fourth chain link).

Figure 2. *The Attraction Chain of Second Home Ownership in Golden Triangle*



Beyond the attraction chain the analysis reveals an alternative second chain, which we call the “network chain” (Figure 3). The first link of the “network chain” relates to the area’s natural attraction, the second link refers to professionals with a high-profile network (such as real estate agents and celebrity managers/agents). This network targets special groups of people, who are able to afford the high value of investment (such as athletes, actors etc.) at the third chain link. By exploiting the “network chain”, superstars eventually become convinced by their agents to purchase property and the area gains publicity in the media (as it was evident from our template analysis). This form of publicity causes a bandwagon effect, which is significant for the overall second home and tourism market demand, because the visibility of the destination as a top choice becomes profound.

Figure 3. *The Network Chain of Second Homes Ownership in Golden Triangle, Algarve*



Both chains mirror each other as path dependency takes place in both processes to support Algarve as a top second home destination. While privacy corresponds to special spatial interests, the search for luxury is facilitated by high profile networking. Both chains result in behavioural effects such as herding and the realization of bandwagon gains (for an analysis of the behavioural bandwagon effect, see for example, Correia & Kozak, 2012). The critical components in both chains are those at the third stage. More precisely, the search for investment opportunities varies across different social groups with superstars and celebrities comprising a very special group to target for second home development beyond rich entrepreneurs and professionals. After all, it is the influence of this group that fuels herding among latecomers and creates bandwagon benefits. There are two critical considerations involved in this type of research. The first is that our template analysis establishes the possible influence of the impact of superstars and celebrities on second home ownership beyond theoretical conjecture. Another critical consideration in this connection is that this feature cannot be easily grasped through empirical econometric work because data regarding high status group targeting is scarce and irregular. It is in this connection that our study unveils the manner through which those relational dynamics appear and exert their influence on final outcomes in second home ownership in a touristic site. Therefore, template analysis is quite suitable in setting the ground for raising interest on this issue and setting the ground for more qualitative and specialized work in this field.

6. Conclusions

The collaboration of superstar agents and leading real estate agencies illuminates the pathway from the local seller to the superstar client. The involvement of “take-all-winners” superstars or celebrities in real estate markets correlates highly with Frank’s notion of “charm” premium”. This premium in property prices is not only the result of the attractiveness of the area, the touristic development and the marketing mixture based upon golf course investments and on the international retirees’ migration, but also of the association of property developers with superstar-related agents and high-profile real estate agencies. The qualitative framing, structuring and interpretation of online newspaper posts through template analysis revealed those important dynamics, which are typically hidden in aggregate data. The twofold chain, consisting of the “attraction chain” and the “network chain” revealed an almost mystic aspect of the second-home market in Algarve.

The present paper offers a fresh perspective in second-home ownership by tacking the social group dimension through its focus on the dynamics realized by the involvement of superstars and celebrities. In this vein, it overcomes the empirical difficulties associated with quantitative measurements. Moreover, it encourages and sets the stage to develop future on-site qualitative surveys on this topical issue in tourism literature, including the case of Algarve. Finally, our paper is one of the first attempts to explicate the “charm premium” correlated with the distribution network of second homes. As such, we hope that the findings of the analysis offer valuable implications to policymakers, local authorities, entrepreneurs and other stakeholders of touristic sites worldwide to develop the “high-premium” market of second home ownership. This development takes into consideration the substantive influence of high-status individuals including superstars and celebrities, which enhances policymakers’ marketing approaches and improves considerably their placemaking strategies.

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Appendices

Table 1 – Appendix A. *Internet popularity ranking 2016 in UK*
(Source: *Various metrics*)

Source	Internet popularity ranking 2016 in UK according to credible metrics
huffingtonpost.com	231
thetimes.co.uk	388
dailymail.co.uk	16
theguardian.com	17

Figure 1 – Appendix B. *The spread between the average house prices of Algarve versus the average house prices of Portugal*
(Source: Eurostat)

