

## Case Study Finca El Vizconde

Finca El Vizconde, from a drone's eye view (image provided by David Aranda Ortega)

### **1. Introduction**

David Aranda Ortega was born and raised in a rural environment ("the land of the sea of olive trees"), helping his parents and grandparents in the farm work or working for others, and his family has lived on this property for more than 80 years. His love for rural life and the mountains probably comes from his grandparents, who were for decades the landlords of the farmhouse. Although he has been working for 26 years in logistics for a multinational in the automobile industry, he has never completely left farming.

The farm is currently active. His nephew (who is a professional farmer, but part-time) is in charge of the agricultural work, with David's help, and the pastures are leased to a sheep shepherd. But that's not all: the family farmhouse has been converted into tourist accommodation, the VTAR Finca El Vizconde, and David's uncle still lives on the farm and works the land. They are in a place with undeniable agrotourism potential.



David Aranda at Finca El Vizconde (photo by Juan Carlos Muñoz Flores)

#### **NAME OF THE BUSINESS**

Finca El Vizconde (David Aranda Ortega), VTAR/JA/00836.

#### LOCATION

Arquillos, Jaén, Andalucía, Spain.

#### 2. About the agrotourism

Arquillos is a municipality in El Condado region, in the northern part of the province of Jaén, located in a fertile valley in the foothills of Sierra Morena, at the foot of Sierra del Acero (751 m), with a generally hilly and light relief. It is close to the A-4 motorway that connects Madrid with Andalusia. It has a population of around 1700 inhabitants.

Although archaeological remains and written references from pre-Roman times (6th century BC) have been found, as well as references to this place in the 13th century (King Alfonso X's privileges), the foundation of the current municipality of Arquillos dates back to 1775, within the framework of the colonisation policy implemented by Pablo de Olavide, as this place was a crucial crossing point on the roads linking Granada with Cuenca and Sevilla with Valencia, and the proximity of the rivers Guadalén and Guadalimar made it a suitable place for agriculture and livestock farming.

It has therefore historically been a temporary stopover (it is located along the Ruta de la Plata, later known as Camino de Aníbal and Camino Real), but it has also been an agricultural area (especially for cereals and olive tree groves), and a livestock farming area (pigs, sheep and fighting bulls). The landscape is mainly olive trees, although there are also large holm oaks and pastures, and the nearby Guadalén reservoir.





GPS: 38°09'56.4"N 3°26'53.1"W

# When did the agrotourism business start?

### Number of workers

Agriculture: 1 person, part-time. Accommodation: 1 person, part-time.

December 2019.

### Some tourist data from the agrotourism

*Finca el Vizconde* is a rural accommodation with a total capacity of 10 beds. The house is offered as a whole, and thus it cannot be rented by rooms.

The minimum stay is 2 nights, including the weekend (Friday and Saturday night).

The average number of visitors is 10–15 people per month, 70–100 per year.

Since it is classified as a Rural Accommodation Tourist Housing (VTAR in short, in Spanish) only accommodation services can be provided and the maximum occupancy is 90 days a year according to the corresponding Andalusian regional regulations.





Inside the farmhouse (photos by Juan Carlos Muñoz Flores)



In this case, the accommodation is available from the end of September to the end of April (the season varies each year), taking advantage of the months with lower temperatures.

It is a centuries-old rural farmhouse, located on around 200 ha active farming estate. The house has two floors with a fully equipped kitchen (including dishwasher, washing machine, oven, gas cooker, microwave, fridge, coffee machine, kitchen utensils, etc.), five large double bedrooms (one of which is suitable for people with reduced mobility), two bathrooms, and two large fully furnished living rooms: one with a fireplace and the other with a wood-burning cooker. The accommodation is equipped with biomass heating, as well as television, board games, puzzles, books, toys and even a table football available to guests.

Outside the farmhouse guests have a large parking space, barbecue and garden area. In addition, the house is at the end of a working farming estate with about 200 ha of land including olive groves, cereals and livestock pasture.

Customers choose this accommodation mainly for its excellent location (it is equidistant among Madrid,

Sevilla, Málaga and Almería, about 2h 45 min by car), the nearness to major tourist attractions such as Úbeda, Baeza and other places in the province such as Bailén, Linares, Baños de la Encina, Arquillos or the Guadalén reservoir, its rural environment, the possibility of hosting medium-sized groups, the possibility of carrying out activities on the farm itself (tours through the meadow) and the little competition of tourist accommodation in the area.

Since October 2020, Finca El Vizconde has implemented an online guest check-in system to complete the procedure in advance (at the beginning it was manually done on arrival), but this system has not been used to carry out a statistical analysis of the clientele that would allow to know their place of residence, nationality, age, etc. Nevertheless, David states that his clients are mainly groups of friends or relatives.

Being located in a working farm is not a major attraction for guests and David does not emphasise this fact when promoting his establishment, either, although he informs about it. In fact, for part of the year, customers will witness the farm work on this property as well as on neighbouring farms.



The farmhouse (photo by Juan Carlos Muñoz Flores)



## About advertising

The accommodation is promoted mainly through a website (cortijovizconde.com).

Profiles on Facebook (<u>facebook.com/fincaelvizconde</u>) and Instagram (<u>instagram.com/casaruralfincaelvizconde</u>) are also available. There is not a single reference to the term "agrotourism". On social networks David not only promotes his business: he also informs tourists about the main events of interest that take place in the vicinity. In a certain way, he acts as a "regional tourist office". He has never used other instruments such as promotional brochures, catalogues, press advertisements, participation in familiarisation trips, press trips or others.

Before setting up the business, David and some friends managed a website and a blog (<u>supervirgenextra.com</u>) through which they aimed to spread the culture of olive oil and the rural world. And some guests have also come from that way.

#### About commercialization

The website incorporates a booking engine (AvaiBook) through which it is possible to check the availability of the accommodation and make a reservation by paying a deposit. The rest of the amount is paid at the establishment itself or online. The system also covers the cancellation process (it includes a commission for the platform's management costs).

Finca El Vizconde is also available on a multitude of specialised and general booking platforms, such as Booking, AirBnB, Escapada Rural, HomeToGo, ClubRural, etc., although most customers tend to contract directly through the business website, thus obtaining better rates by avoiding the payment of commissions (up to almost 20 %).



## About starting up the business

The farmhouse had been the family home for decades. When David's father passed away and his mother moved to another house, the farmhouse was left uninhabited (in 2016) and he managed to combine his work with running the farm.

David and his family did not want the house where they had grown up to be exposed to theft or vandalism, nor did they want it to deteriorate due to lack of use, so they decided to refurbish it and offer it as tourist accommodation. The aim is not to make money, but to ensure that the house is occupied (even if only intermittently) and that it generates income for its maintenance.

They opted for a formula included in the Andalusian tourism regulations that is less demanding in terms of the requirements for its operation: the Rural Accommodation Tourist Housing (VTAR in short, in Spanish). In this category of tourist accommodation, the owners are not obliged to be self-employed or to set up as a company, nor are they obliged to include the accommodation in the Andalusian Tourism Register. In addition, this formula allows them to also enjoy the house when it is not rented.

Since no complementary services are provided, the accommodation activity is exempt from VAT. The rental of a VTAR for tourism is not considered as a business activity, but as the exploitation of a real estate property, the income from which is considered as real estate capital income and is included in the annual income tax return. Some expenses generated by the activity, such as home insurance, alarm, Internet fees, web hosting, water and electricity bills, etc., may be deducted.

David has been in charge of setting up the tourism business. He initially approached the GDR Condado de Jaén (a local action group) and they referred him to the offices of the Jaén delegation of Tourism of the Junta de Andalucía (the regional Tourism authority) for guidance and advice, but there they only provided him with the relevant regulations without offering him detailed advice, as he would have wished. Therefore, he had to deal with the formalities on his own. He had no academic background in tourism or business management, nor has he had the support or advice of entities such as the local action groups, the local government, the provincial council, the Andalusian Entrepreneurship Centres (CADE in short, in Spanish). He has been totally self-taught, using the Internet and looking at other businesses. Undoubtedly, his personal and professional background (he is a Telecommunications Technical Engineer and has been working for 26 years as head of the logistics department of a multinational company) has helped him in this task, as well as his enthusiasm and determination for this initiative.

He has not received public subsidies for the start-up of the business, as this type of accommodation is not compatible with such subsidies as it is not legally considered a professional activity. Therefore, he has personally taken on the tasks of fitting-out and improving the house in order to be able to rent it out according to the regulations, furnishing and decorating it (including restoring furniture and utensils), etc., with the help of his relatives, and he has paid all directly from his savings or from part of the income generated by farming. He has not taken out any bank loan.



Finally, the tourist activity began in December 2019. He could have started receiving guests almost a year earlier (in this type of accommodation, a responsible declaration from the owner is a sufficient requirement to start the activity), but David wanted to wait for official confirmation from the tourism authorities in Junta de Andalucía.

David's nephew is in charge of the farming tasks. He has rented the farm and runs it. He has been a self-employed farmer since 2016 (he registered as a young farmer). The total surface is about 200 ha, on which olive trees (8.5 ha, with an average production of 30 000 kg/year) and cereals (20 ha among wheat, barley and oats; about 10 000 kg/year) are cultivated, and includes a holm oak meadow of about 150 ha on which a flock of about 300 sheep pasture. David's family shares ownership of the meadow with an uncle who lives in the property and the pastures are jointly rented out to a shepherd. They have tried to be a bit innovative in their crops: first by planting stevia (Stevia rebaudiana bertoni), but that didn't work out, and now they are considering turning part of the cereal crop into regenerative agriculture.

As for the barriers to starting up the business, David points out that the tourism authorities of the Junta de Andalucía do not help the entrepreneur (they just refer to the regulations, but do not accompany you through the formalities). He had to do it himself. And he also highlights the difficulty of finding clients: Arquillos is not a well-known tourist destination, although customers leave this place delighted.

#### About managing an agrotourism business

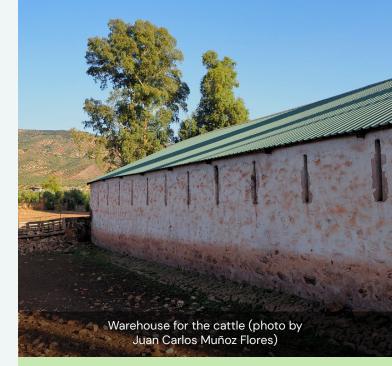
As this is a VTAR, Finca El Vizconde can't offer complementary services but accommodation and the initial cleaning service. If the stay is longer than four nights, they must offer bed linen and cleaning of the accommodation according to the regulations. Even when the maximum stay so far has been four nights, David provides guests with clean bed linen from the third night onwards, and it is the guests themselves who change the bed linen. David is in charge of cleaning the accommodation before the guests' arrival and, if he is unable to do so, his nephew helps him. He is also in charge of welcoming guests, providing the keys, offering them tourist information about the surroundings and explaining the history of the place. He is in love with his land and it shows.



The aim of opening the tourist accommodation has never been money, but to prevent the house from deteriorating. Currently, agrotourism accounts for about 5 % of the family income. And everything looks on track so far: not only they have kept the building in good condition but they have been able to make some arrangements both in the house and the farm, such as fixing paths, renewing the perimeter fencing, etc. What's more, David receives requests to stay at his establishment that he cannot satisfy, as the accommodation is rented out as a whole and is therefore not suitable for couples or people travelling alone.

Regarding his expectations for the near future, David wants to promote agrotourism or olive oil tourism, and to enhance the value of his estate, although he does not yet know how.

A curiosity: years ago, David bought a miniature oil mill ("the smallest oil mill in the world") dating from 1982, which was in very poor condition, and restored it. It is actually a machine for calculating the fat yield of oil samples. With it, he can obtain a sample (a glass) of extra virgin olive oil from 6 kg of olives, in barely an hour and a half, of exceptional quality ("the most expensive oil in the world, because it cannot be sold: it is given as a gift to the attendees"), and following the same processes as for the industrial production of EVOO. He usually offers his clients demonstrations of how the machine works and explanations about the process of obtaining and the benefits of olive oil, so that they can really see and understand the process. Not only that: the mill is "portable", and David has used it to give some talks in schools.



About the training needed for agrotourism entrepreneurs David finds learning from others a key factor, knowing the experience of other people facing the same situation. As priority topics for entrepreneurship, David points out the knowledge of basic business accounting (identifying fixed and variable costs, making cost improvements, identifying the most suitable suppliers, etc.) and marketing (use of the Internet, how a blog works, how to obtain customer contact details in accordance with data protection regulations, how the guest registration system for the police works, etc.).

David is critical with the authorities managing tourism in this territory. He thinks they should enhance it and ease the access to tourist attractions to visitors, but they don't do a good job.





## Advice for new entrepreneurs

"It is often easier to learn from those who are already in the business than to rely on institutions".

> "(In a tourism business) The entrepreneur needs to believe that what he is doing is worth. Believing is the first step, the basic thing. Often we don't give value to what we have, but those who come from outside do. Without that, everything else is worthless".



Inside the farmhouse (photo by Juan Carlos Muñoz Flores) Miniature olive oil mill for EVOO production demonstrations (photo by Juan Carlos Muñoz Flores)

Inside the farmhouse (photo by Juan Carlos Muñoz Flores)

#### **Still Tourism Around Yard**



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