

Mallorca – Half Year Market Review

In its 2013 preview penned in January, [Mallorca Sotheby's International Realty](#) warned that the Island was not quite out of the recovery stage but, for the top end at least, the worst was over. Managing Director Daniel Chavarria Waschke believed that recovery would accelerate as the year unfolded. Was he right?

“So far 2013 has been much better than we hoped and we can confirm that crisis, at least in Mallorca at the high end of the market, is over,” says Daniel. “Since implementing our new strategy of only listing villas above two million euros and apartments above half a million euros, yes, the number of enquiries has dropped, but the quality of those we do receive is very high. The trend now is for bigger, better and more expensive villas. Planning applications show two adjacent plots being bought to create substantial properties. Clients want homes finished and furnished to a high standard of decor and will pay close to asking price for their dream property. And, with supply so low, prices are far from decreasing, instead going up in prime locations.”

Daniel continues, “Three years ago there was perhaps nothing officially on the market priced over ten million euros, now we have 21 such properties listed on our website - seven of those in [Port Andratx](#) - and a further ten that we are marketing in a more discreet manner. This number could easily double in the next three years. There are now no prime plots available between Port Andratx and Portals Nous for less than two million euros. Likewise a three million euro villa today could easily be worth five million in the next five years. Providing they meet criteria of orientation, privacy and sea views, the sky's the limit - we could see price increases of 30, 40, even 50% in the next few years. In contrast, those less desirable properties could still see a price reduction.”

Throughout the crisis, demand for holiday homes in Mallorca remained high, largely due to the mix of nationalities involved. An easy two hours flying time from most northern European cities, more than 80% of buyers in Mallorca are not Spanish. Nationality-wise for enquiries to [Mallorca Sotheby's International Realty](#) in the first half of 2013, 38% have been from the UK, 22% from Germany, almost 4% from Spain with Switzerland, the USA and Netherlands following behind in that order.

Amongst [Mallorca Sotheby's International Realty](#)'s purchasers so far this year is a Chinese national living in Hong Kong with a German background who was very serious about finding a home in

Mallorca, quickly narrowed down a shortlist and put in an accepted offer on the sixth property viewed - priced in excess of five million euros. And, lower down the price bracket, a Swedish national living in the UK who opted for a million euro apartment bolthole. Both said they gained confidence from the "Sotheby's" name.

Daniel continues, "I do expect the Brits, or foreign nationals residing in Britain, together with the Germans to remain the lead source of enquiries for Mallorca property this year. In a few weeks of June and July alone, I am aware of three large villas that were sold in [Port Andratx](#), the location of our Head Office, and all three went to British buyers – one at eight million euros, another at six million and the last at four million euros. I keep hearing that "the Russians are coming", but certainly not as many as people say, we certainly receive very few Russian enquiries. Perhaps this will change, perhaps not."

The largest concentration of Mallorca Sotheby's International Realty's property listings is around the Port Andratx area, a highly coveted hotspot in the south west. Almost 50% of the Company's total listings are in this location and almost every villa that is on the market is available through them – the four or five that aren't, can be accessed via other agents. In total, Balearics Sotheby's International Realty offers 375 properties in [Mallorca](#) of which 216 are villas over two million euros and 65 properties in Ibiza of which 54 are villas over two million euros. This gives Mallorca Sotheby's International Realty a unique competitive edge.

Daniel finishes, "Whilst in previous years, clients asked for a selection of properties to view in Santa Ponsa, Portals Nous and Bendinat, they now mainly ask for Port Andratx – this has been confirmed as the place to buy in 2013. It's still within a half hour drive of Palma but with the cachet of smart bars, restaurants, a yacht marina and being surrounded by golf. Although we're also seeing Son Vida, the estate behind Palma with 63 holes of golf and three luxurious hotels, rise in popularity – not least due to easy access to the booming city below. It may seem that there are plenty of homes for sale in the southwest, but one third or more of sellers are also buyers. Most owners retain their property for five to seven years before buying something else on the Island. Perhaps a downsize to a penthouse or a relocation from coast to inland. Many find it hard to ever leave this Island idyll."

Contact Mallorca Sotheby's International Realty on phone: (+34) 971 67 48 07, email mallorca@mallorcasir.com or visit www.mallorca-sothebysrealty.com

On the Market in Mallorca:

[Ref 6160, Penthouse, Port Andratx, Mallorca](#)

This very special penthouse has the most incredible views to the La Mola peninsula. Recently refurbished, the property is located in the lovely Puig d'Espart area which is just a few minutes drive from Port Andratx itself with bars, restaurants, shops and yacht club. Boasting three bedrooms and three bathrooms, the penthouse also has a modern fully equipped kitchen and a fantastic heated infinity swimming pool and Jacuzzi which offers fantastic sea views. There are several terraces for an outdoor barbecue and dining experience. The community has an additional swimming pool.

Three Bedrooms, Three Bathrooms

Built area 130m²

Price – 1.45 million euros (approx 1.24 million GBP)

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