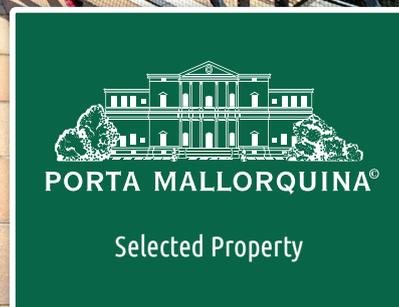


Market Study

Majorca Holiday Real Estate Market 2015





Dear Readers,

Majorca is more in demand than ever before. The **Sunday Times** recently voted the capital, Palma de Majorca, as the worldwide “Best Place to Live 2015”. Its good transport links, year-round infrastructure and its excellent range of sport and cultural amenities make Majorca – quite apart from its beaches – an attractive travel destination that is visited by over 10 million tourists per year.

The island’s huge popularity is also having an impact on the local real estate market. 9,821 properties were sold in Majorca and its sister islands in 2014, representing a year-on-year **increase of 18.5%**. It is mainly due to high demand from abroad that the Balearics have come through the Spanish real estate crisis without a major decline in prices. For Porta Mallorquina, which celebrates its 10th anniversary in 2015, last year was also extremely successful, with sales up by over 40%. This positive business development has continued into the first months of 2015 and we expect sales to rise still further during the course of the year.

It is therefore all the more astonishing that this real estate market – which has caught the interests of investors from all over the world – has not yet been independently examined and analysed to date. That is why we commissioned the **STI Center for Real Estate Studies** to compile a neutral market and price index for Majorca. We now have the pleasure of presenting you with the most important results in the form of a market report. You can download the full study free of charge from our blog: <http://www.portamallorquina.com/blog/market-study-holiday-properties-mallorca/>

Get an **independent overview** of the current real estate market now. Afterwards, our Sales Consultants, who are in action all over the island, will be delighted to assist you in finding your very own dream property in Majorca.

Best regards,

Joachim Semrau
Founder and CEO
Porta Mallorquina Real Estate S.L.

Table of contents

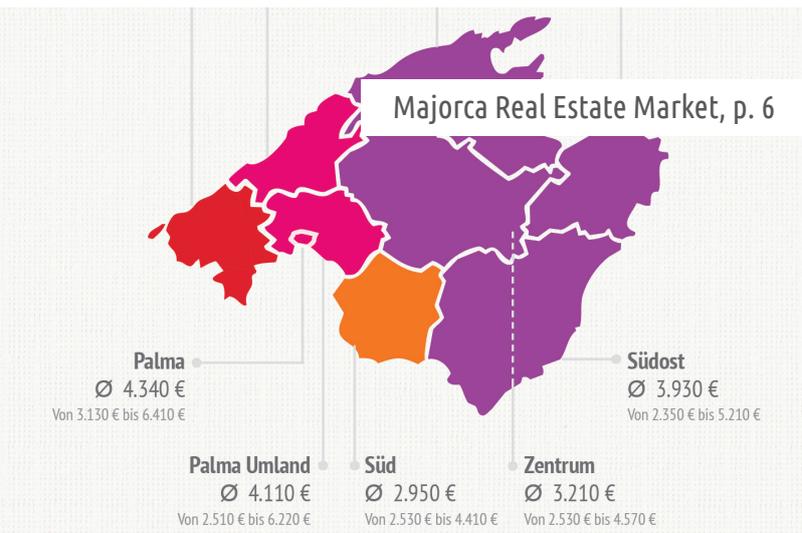
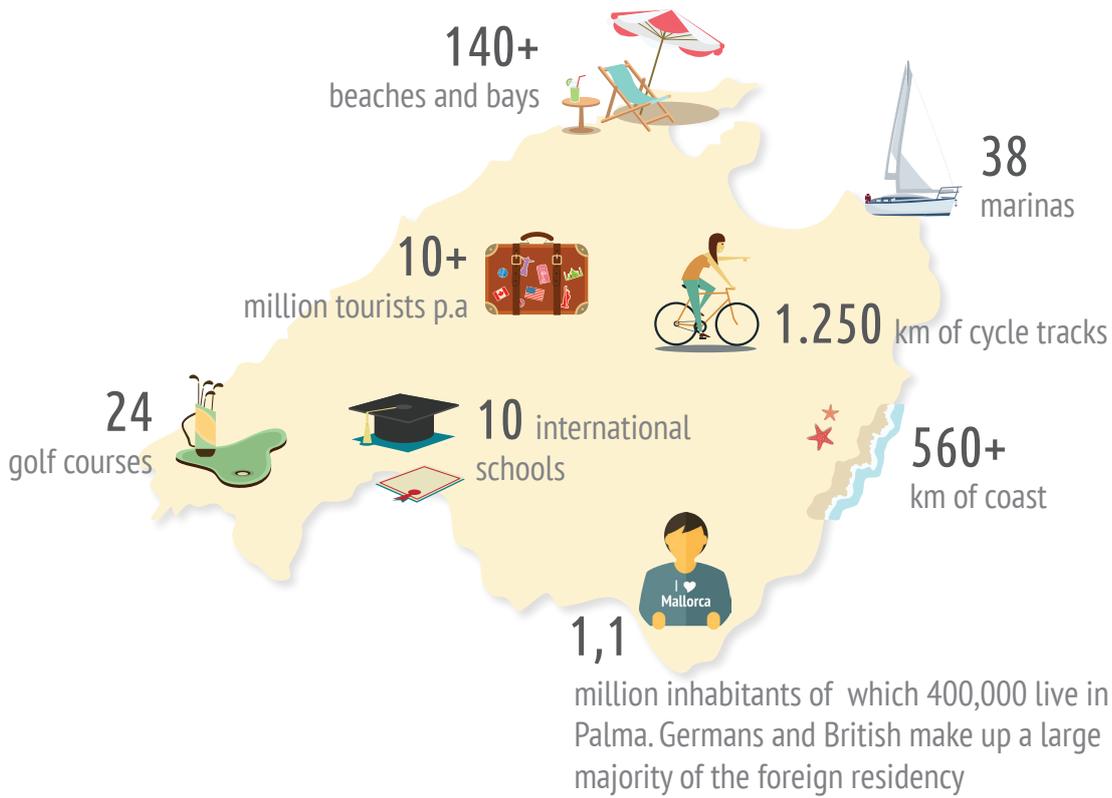


Table of contents

Editorial	2
Majorca – the most important facts at a glance Infographics	4
The most popular places for holiday real estate Just statistically	5
Majorca Real Estate Market Market structure	6
Price levels According to regions	8
How much does a sea view cost? Be in the know at sea view	9
Summary Stable upward	10
About Porta Mallorquina 10 years Porta Mallorquina	11

Majorca – the most important facts at a glance



Puig Major

at 1445 metres is the highest mountain on the island



120,000+ hiker tourists p.a



SERRA DE TRAMUNTANA MALLORCA WELTERBE



8.000.000+

almond bloom trees in January and February

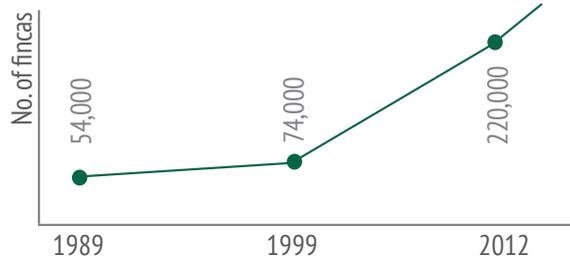


100,000+ cyclist tourists p.a

Finca Boom



Island with highest number of horse rider in Europe



DISCOVER the complete infographic of Mallorca in our blog:
<http://www.portamallorquina.com/blog/infographic-mallorca-property/>

The most popular places for holiday real estate



Norte

Alcanada
Alcudia
Bonaire
Campanet
Pollensa
Port d'Alcudia
Port de Pollensa

Noreste

Artà
Cala Ratjada
Canyamel
Capdepera
Colonia de Sant
Pedro
Son Servera
San Lorenzo

Centro

Alaró
Caimari
Mancor de la Vall
Santa Maria
Selva
Sineu

Sureste

Cales de Mallorca
Felanitx
Porto Cristo
Portocolom
Santanyi

Sur

Cala Blava
Bahía Grande
Cala Pi
Llucmajor
Playa de Palma
Son Veri Nou

Región Palma

Bonanova
Cala Mayor
Can Pastilla
Ciudad Jardín
Es Molinar

Suroeste

Andratx
Bendinat
Cala Vinyas
Camp de Mar
Ca's Català
Costa de la Calma
Portals Nous
Port d'Andratx
Santa Ponsa
Sol de Mallorca

Noroeste

Bunyola
Deià
Esporles
Puerto de Soller
Soller
Valldemossa

Palma

Palma de Mallorca
Old Town
Portixol
San Agustín
Son Vida

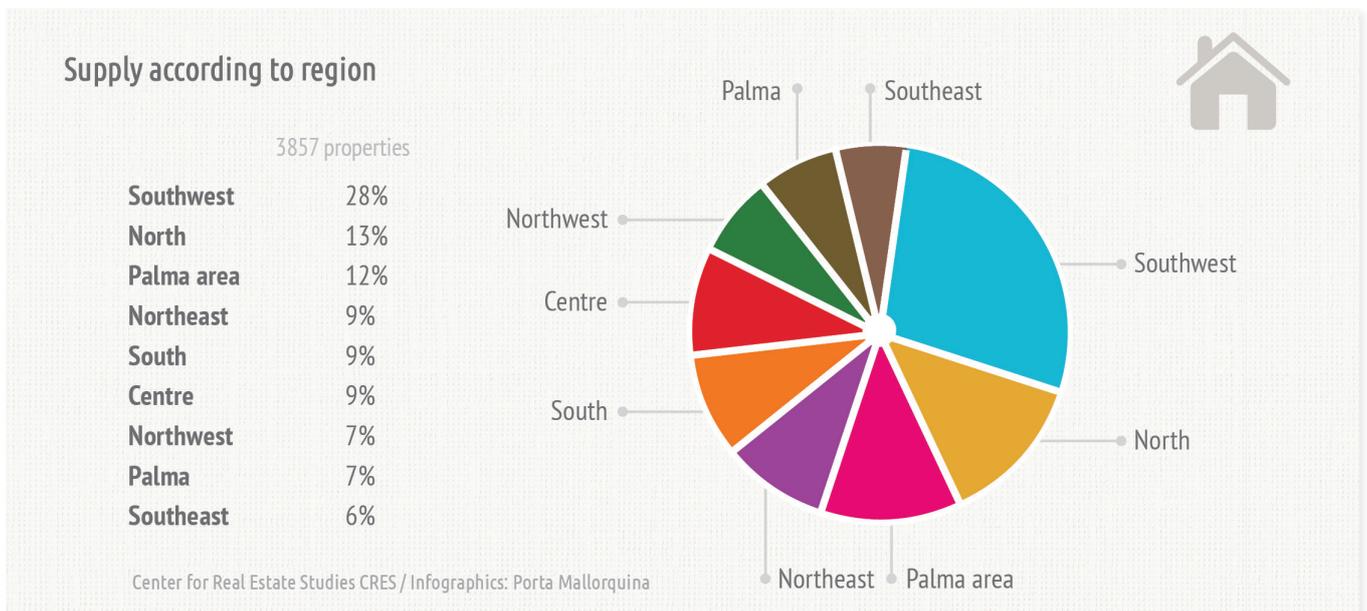


Majorca Real Estate Market

There are around **4,000 properties** in Majorca on sale on the Internet at the moment according to the STI Center for Real Estate Studies, which has examined and analysed the local real estate market on behalf of the real estate broker Porta Mallorca.

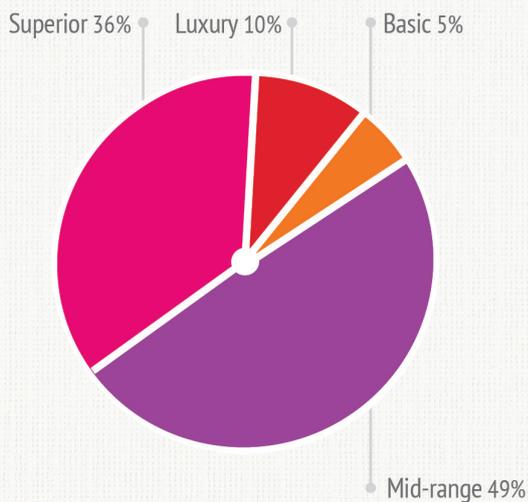
Market structure

The regional spread of available property in Majorca does not correspond with the areas of the respective regions. More than half of the available property is concentrated in the **top three regions** of Southwest, North and Palma Area with 28%, 13% and 12% respectively. The **Southwest** stands out, in particular, as this comparatively small region accounts for more than one-quarter of all property for sale. In comparison, the large Southeast region appears at the bottom of the list. Accounting for 6%, only just over one-twentieth of properties for sale are in this region.





Properties for sale by fit-out standard



Properties for sale

3857 properties	Basic	Medium	Superior	Luxury
North	10%	58%	27%	5%
Northeast	5%	47%	34%	14%
Northwest	10%	58%	30%	2%
Palma	8%	35%	46%	11%
Palma area	3%	45%	39%	13%
South	6%	52%	37%	5%
Southeast	7%	41%	36%	16%
Southwest	2%	51%	36%	11%
Centre	7%	43%	40%	10%
TOTAL	5%	49%	36%	10%

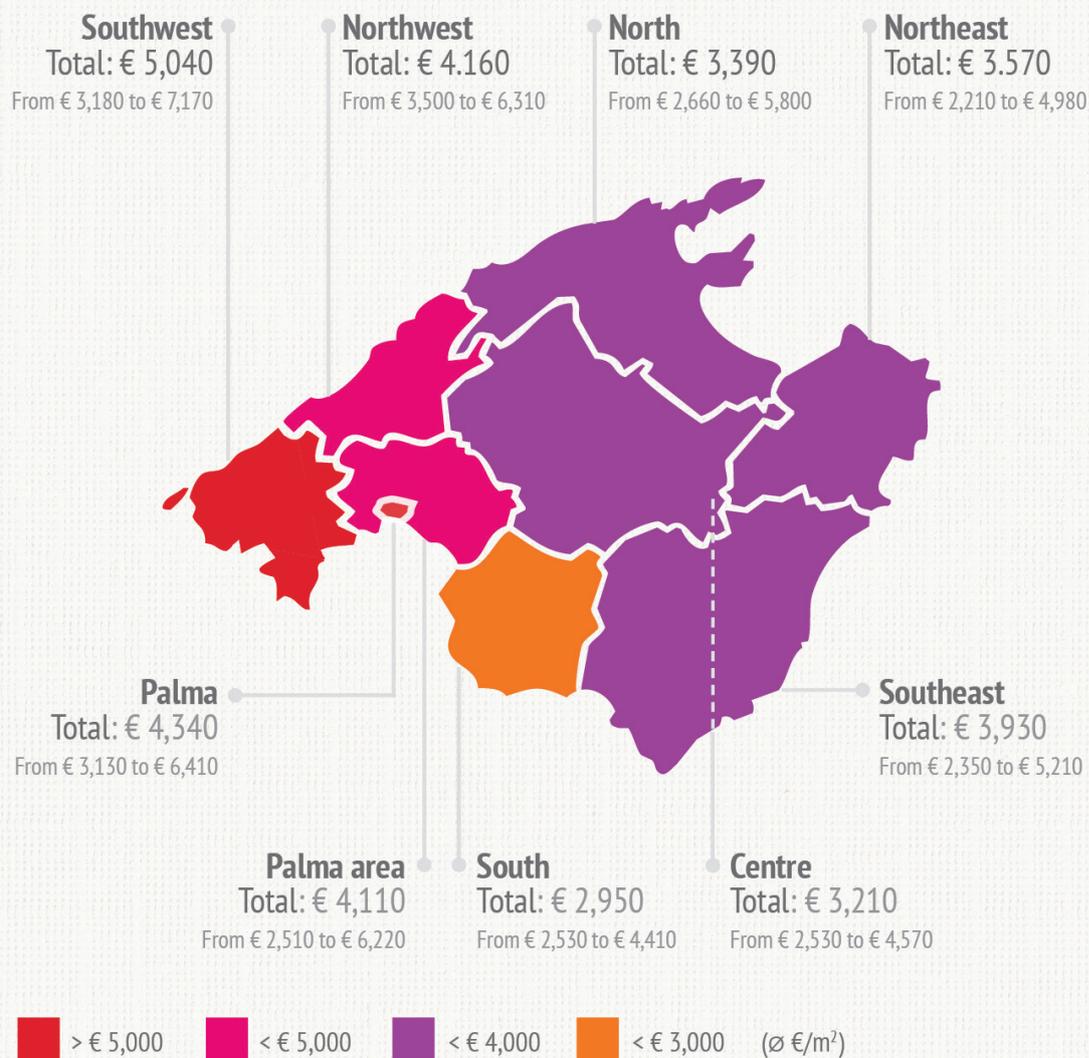
Center for Real Estate Studies, CRES / Infographics: Porta Mallorca

As expected, the island has a comparatively **high standard**. 10% of all properties are in the luxury segment, and superior properties also account for over one-third (36%).

Only one-twentieth of properties are of a basic fit-out standard.



Average price per sqm per region



Center for Real Estate Studies CRES / Infographics: Porta Mallorquina

Price levels

Prices vary between the various regions, but also significantly within the regions, depending on **fit-out standard** and special **property features**.

In the Southwest at around € 5,040 average square metre prices are more than two-thirds more expensive in the **Southwest** than in the **South**, where the average square metre price is € 2,950. Alongside the Southwest, **Palma**, **Palma area** and the **Northwest** also number among the top regions. Average prices here range from € 4,110 to € 4,340 per square metre.

The additionally stated price range “from” (basic fit-out) “to” (luxury fit-out) however shows that “bargains” are also available in the top regions and that high prices can still be achieved for special properties in the more affordable regions.

As a rule, the **premium properties** in a given region are more than twice as expensive as those with a basic fit-out.

This is particularly evident in the **top four regions** where entry prices range from € 2,150 per square metre in Palma Area up to € 7,170 per square metre in the Southwest.

For investors, these heavy mark-ups for **investments of a higher standard** can be interesting, given that they also exist in other regions.

Average price per sqm

	Total	from	to
Southwest	€ 5,040	€ 3,180	€ 7,170
Palma	€ 4,340	€ 3,130	€ 6,410
Northwest	€ 4,160	€ 3,500	€ 6,310
Palma area	€ 4,110	€ 2,510	€ 6,220
Southeast	€ 3,930	€ 2,350	€ 5,210
Northeast	€ 3,570	€ 2,210	€ 4,980
North	€ 3,390	€ 2,660	€ 5,800
Centre	€ 3,210	€ 2,530	€ 4,570
South	€ 2,950	€ 2,530	€ 4,410

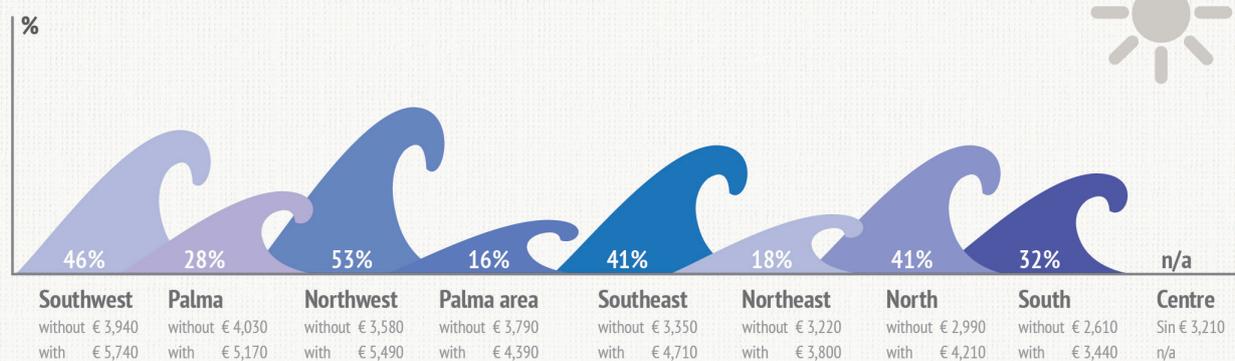
Center for Real Estate Studies CRES / Porta Mallorca

How much does a sea view cost?



A sea view is a **special mark of quality** – particularly against the backdrop of investment in holiday real estate. How much are investors currently spending on a **sea view**? The two columns in the following table give an indication of average prices, broken down into properties with and without a sea view.

Sea view: Average price increase per sqm



Center for Real Estate Studies CRES / Infographics: Porta Mallorca

An unobstructed view of the Mediterranean gives rise to an average mark-up of 23% in Majorca.



Summary

Majorca remains **attractive for investors**. On closer scrutiny of different regions, fit-outs and price levels, one sees a wide range of options for larger or smaller investments.

The high prices and mark-ups for **sea views** in the best-known regions such as Palma, or the entire Southwest, come as no surprise. However, a closer look at individual properties reveals that here too, one may find **affordable entry prices**, just as very highly priced investments can be made outside these regions. The **Northeast**, for instance, is in the medium price range, even though this region contains the second-highest proportion of **luxury properties**. The respective **age of the building** plays an important role here: properties which were built only recently may tend to have a better fit-out standard. In this instance, prices are lower in regions with older properties.

The key question at the heart of any serious investment consideration is that of **value retention** and this greatly depends on the individual property on the one hand, and on general economic trends, on the other. The latter, for their part, are dominated by tourism and are thus influenced by economic developments in the tourism source countries (Germany and the UK), as well as by the local framework conditions.



Porta Mallorquina Puerto de Andratx

Porta Mallorquina Real Estate S.L. was founded in 2005, and has been the master franchise partner of the German company, **Porta Mondial AG**, since 2008. Together with its associated company **Porta Holiday**, Porta Mallorquina is the first island-wide real estate provider to offer an one-stop shop with sale, long-term lets and holiday rentals.



Porta Mallorquina Santanyi



Porta Mallorquina Santa Ponsa



Porta Mallorquina Arta



Porta Mallorquina Palma

With **eight offices** in Majorca and over **2,000 properties** in its portfolio, Porta Mallorquina is one of the island's biggest estate agencies. The multilingual real estate website portamallorquina.com is **one of the most popular websites** for Majorca real estate with up to 100,000 visits per month. In Majorca, Porta Mallorquina is awarding franchise licences to self-employed real estate entrepreneurs.



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C./ Saluet 2
Puerto de Andratx

2 Office Santa Ponsa

C./ Gran Vía Puig des Castellet 1 y 2
Santa Ponsa

3 Office Palma

C./ Conquistador 8
Palma de Mallorca

4 Headoffice Porta Mallorca

C./ Colom 20 2º
Palma de Mallorca

5 Office Lluçmajor

Ronda del Migjorn 115
Lluçmajor

6 Office Santanyí

C./ Sebastián Vila 6
Santanyí

7 Office Artà

C./ Ciutat 60
Artà

8 Office Pollensa

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Pollensa

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