



2018

West Coast Market Report

by

Charles Marlow





Introduction

2018 has been an exciting year in Mallorca. The island is making a shift into becoming one of Europe's top luxury getaway destinations and this shift comes hand in hand with a property market which has been steadily on the rise since 2014. The huge investments going into the infrastructure of the island as well as increased winter flights, private jet charters and luxury yacht moorings have boosted the accessibility of the island. These factors all contribute to Mallorca being an increasingly attractive destination for second home buyers since the island is no more than a 2 hour flight from most major European cities. The island is also home to a fantastic selection of international schools, 14 in all, which means more families are looking at Mallorca as an ideal Mediterranean spot to relocate to.

In 2018 we saw less new homes coming to the market. In fact, the West Coast holds the lowest percentage of properties for sale when compared to other areas of the island. The West Coast has never been a market driven by buyers searching purely for investment. The majority of our buyers are families who love the area and want a home for their families to enjoy for many years. This, coupled with the increasingly tight building restrictions in the UNESCO protected Tramuntana contribute to a lower stock of homes coming to the market along this coastline. This can be frustrating for buyers but it is a very positive reflection of the market.

The low stock of buildable plots and restrictions on new building across the island has led to older, neglected buildings being restored and transformed into luxury boutique hotels or restaurants which has increased the quality of the tourism sector island-wide.

In line with the Mallorca's rise as a top luxury Mediterranean island, Deia has seen a surge in buyers looking to buy €3million+ homes. The average budget has increased steadily by 23% since 2016 with many of our buyers searching for family homes with pools and/or sea views and walking distance to the village.

This year we received a record number of offers. We faced some challenges due to many of the houses on the island having legal issues – some bigger than others – which lead to us advising some buyers to pull out. These are the natural hurdles we face in an area with older houses built using the old, less rigid rules in today's market with new building laws. We surround ourselves with the best professionals on the island to ensure our buyers are comfortable with the legal situation of each house.

In summary, we have enjoyed a fruitful and exciting year here in Mallorca. The Balearic government is pulling the reigns back on new building and is striving to preserve the beauty of all three islands and simply improve the existing infrastructure; initiatives which we, at Charles Marlow, fully support.



Why Mallorca?



A taste of luxury



Six new 4* and 5* boutique hotels opened in Palma alone in 2018.

Mallorca is now home to 9 Michelin Star restaurants, the 9th of which opened in Palma this year.



Improved travel



A 4-5 year €50million investment into the expansion of Palma's Port. 2018 also saw an increase of 12% in superyacht moorings.
(Source: Balearic Port Authority)

Palma airport increased its year round flights this year as part of a €297million investment and expansion program to increase flights from 66 to 80 flights per day.
(Source – Aena)



Protecting the reason why are we here



The Balearic government has launched what the UK Guardian called a 'green manifesto'. A pioneering plan aiming by 2050 to reduce emissions by 90%, increase efficiency in energy consumption by 40% compared to 2005 levels, and use 100% renewable energy. As well as a sustainable tourism plan.

(Source: Caib (Conselleria del Medio Ambiente, Agricultura y Pesca))

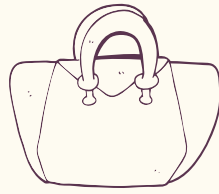
Melia hotel group has been investing heavily in Mallorca since 2017 with the Melia international congress and exhibition center opening in Palma and a €250million investment plan to completely change the face of Mallorca's less favoured teen resort, Magaluf.



West Coast

Louis Vuitton bags Resi

Louis Vuitton recently purchased the Belmond luxury travel group for \$2,6 billion, which includes Deia's 5 star Residencia Hotel. We look forward to purchasing our own Luis Vuitton shopping bag at the bakery next year.



Something smells fishy in Soller

It has always been insider's knowledge that if you get down to Port Soller to meet the fishermen as they sail in you can buy your fresh catch of the day before they get delivered to the restaurants. Now, in summer of 2019 the long awaited local fishermen's market in Port Soller is due to open which aims to provide more of an infrastructure for the local fishermen and boost the Soller economy and accessibility to buying fresh fish.

Fornalutx flourishes again

In 2018 Fornalutx defended its title of Spain's prettiest village.



Virgin returns to the West Coast

Sir Richard Branson recently bought back his Son Bunyola Estate in Banyalbufar after being forced to sell around 15 years ago due to planning restrictions. He has now created a spectacular luxury eco resort estate overlooking the Banyalbufar coastline which we took on as part of our luxury rentals portfolio in 2018.

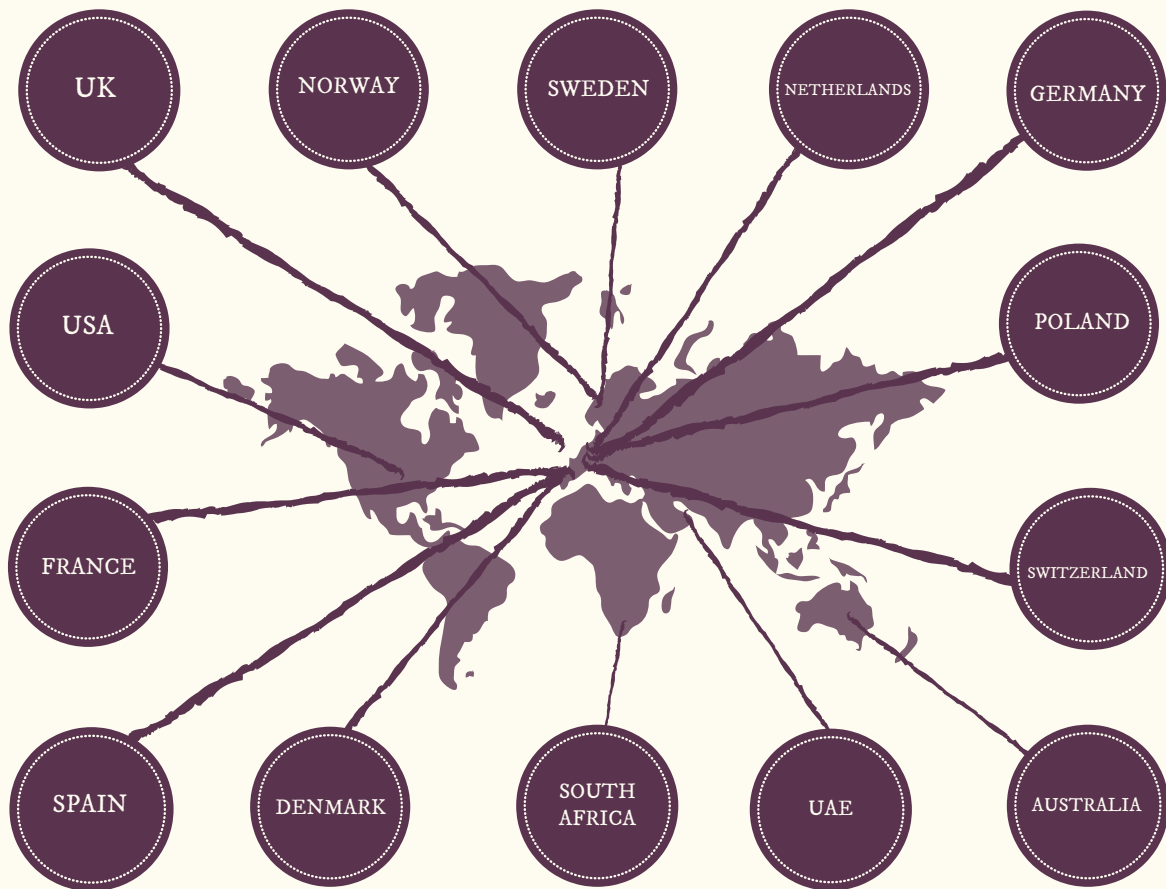
Soller counting stars

Soller has launched itself under the luxury boutique hotel spotlight with the opening of a fantastic selection of 4 and 5 star boutique hotels in 2018 such as the trendy Bikini Beach Hotel and elegantly stylish 1902 Townhouse.





Who's looking to buy?



What's the average budget?

In 2015-2016 the average budget was €1,300,000. In the last two years it has increased to €1,600,000. An increase of 23%.

(Source- Charles Marlow Database)



The West Coast represented 5% of properties for sale on the island in 2018, the lowest percentage in comparison with other areas with higher turnover. There is low turnover of properties coming to the market due to UNESCO area building restrictions and home owners tend to hold onto their homes for longer periods than other areas.

(Source –casafari)




The number of buildable plots and new builds across the island has dropped by 82% since 2007 which means an increasingly low stock supply.

(Source – Ministerio de Fomento)



 Average prices by area in 2018 



	Homes with sea view and pool	Fincas with pool	Townhouses	Apartments
<i>Deia</i>	€4,000,000	€2,000,000	€800,000	€500,000
<i>Soller</i>	-	€1,500,000	€500,000	€300,000
<i>Port de Soller</i>	€3,000,000	€1,200,000	€550,000	€400,000
<i>Formentor</i>	-	€1,500,000	€450,000	€300,000
<i>Valldemossa</i>	€3,000,000	€1,300,000	€400,000	€300,000
<i>Banyalbufar</i>	€1,600,000	€1,200,000	€400,000	€290,000

