



MINGLE WITH THE STARS IN MALLORCA



BALEARIC ISLANDS

Mallorca

Thought you couldn't afford a pad on an island where celebs hang out? Well, pick the right spot and buy while prices are low and you may well be able to

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Like the next-door neighbours who constantly upgrade their Mercedes and have more stamps in their passport than a British Airways pilot, Mallorca is the envy of all Iberia. While some mainland Costas flounder under the weight of concrete and corruption, Mallorca shines as a beacon of class, calm and A-list celebrity.

Mallorca should feel self-righteous as it's the local government's foresight which has kept the island's property market notably stronger than that on the mainland. MD of Mallorca Property Partners Kevin Reeves explains: "Mallorca has controlled its property supply rigorously, whereas new construction got out of control on the mainland. This goes back many

years, and recently the application of planning regulations in Mallorca has tightened still further."

Meanwhile, the natural geographic limitations of having just 3,640 square kilometres of land, including two mountainous regions, helps maintain a shortage of stock rather than a surplus.

David Novi of Novi Property Mallorca describes the island as having "defensive qualities". He believes that: "Lower amounts of unsold new-build stock, less historic exposure to the excesses of speculative development and investment booms characteristic of the mainland, plus a strong 'brand' amongst international lifestyle visitors and buyers should go some way to providing a floor under the market." However, he predicts price falls of between 20 to 40 per cent: "Asking prices remain stubbornly high and are falling out of line with underlying values."

The subject of price falls is hotly contested among the island's real estate community. Engel & Völkers is adamant that prices have stabilised on much of the island, with so-called

distressed sales remaining few and far between. The biggest difference for them is the marked increase in the length of time taken to sell property and a general drop-off in demand resulting in fewer transactions.

CE of First Mallorca Robert Maunder also observes that prices are not necessarily falling but in certain cases becoming more negotiable, depending on the vendor's circumstances. Meanwhile, Mallorca Sotheby's argues that prices are still dropping, perhaps by as much as 20 per cent in parts of Palma more popular with foreigners, such as the Old Town and Paseo Marítimo.

It's clear that circumstances vary across the island. Most agents agree, however, that business in 2009 might not be as bad as they feared as the market returns slowly but surely.

The types of properties buyers are looking for has also changed in recent years. The last decade has seen an end to Mallorca's package-tour image and a renaissance for sophistication. Jumeirah, Sheraton, Hilton, Marriott and St Regis have all opened five-star

hotels on the island, Philippe Starck has made his mark on Port Adriano, which is being enlarged to accommodate 60-metre superyachts, and the petite airport of Son Bonet is in line for an upgrade to welcome more private jets and helicopters.

Combine this modern infrastructure with verdant countryside, lofty mountains, vibrant culture and a rugged coastline of sandy coves and turquoise waters and you can imagine the kind of clientele Mallorca is now attracting. Certainly the island has a reputation for being a wealth magnet.

Its 42 marinas, ranging from the super-swanky 670-berth Puerto Portals (a favourite with Sirs Richard Branson and Philip Green) to the capital's endless marina dwarfed by Palma's Gothic cathedral at one end and huge cruise ships at the other, attract a sophisticated yachting fraternity.

The same can be said for Mallorca's notable part-time residents. The names may be big – Claudia Schiffer, Sir Andrew Lloyd Webber, Boris Becker and tennis supremo Rafa Nadal – but the level of showiness is low. Islanders

allow them to mingle and conduct hassle-free lives out of the spotlight. It's no coincidence that yachting fanatics King Juan Carlos and his son Prince Felipe are regular guests at the family retreat, Palma's Marivent Palace, enjoying sun and scenery without being plagued by paparazzi.

The obvious upshot of its starry appeal is that Mallorca has some exquisite real estate. A quick browse of Mallorca Sotheby's website immediately throws up a €50-million (£43-million) mega-mansion close to Alcudia on the island's northern coastline, and a dozen more in the €10-million (£8.5-million)-plus price bracket, most of which are clustered in the elite south-west of the island.

Not just for millionaires

At first glance Mallorca is not for the lighter of wallet. Surely such star quality prices Average Joe out of the market? On the contrary – 2009 could be his lucky year. In some areas Mallorca's property market is much more forgiving – with a helping hand from the global slowdown.

Opposite Want an affordable slice of waterside living? Try Porto Colom
Top Palma's marina is a magnet for the yachting elite
Above With their green shutters and sandy hue, these houses are a hallmark of Palma architecture

Paul Edwards of local experts Imperial Properties says: "The less-than-£300,000 price bracket is probably the one hardest hit both in terms of a lack of buyers and owners needing to sell. These are the people most likely to have or need a mortgage against the property."

This means that those who could only window-shop can now step in and take advantage of financially pressurised vendors – both private individuals and developers. These buyers will find that affordability is at its peak in the marina resorts of Porto Cristo, Porto Colom and Cala d'Or on the eastern coastline and, perhaps surprisingly, in the capital itself.

Taylor Woodrow is one developer under pressure to keep sales at a high level. As demand tails off it has started to offer large discounts to drum up interest. At its new El Puerto II development, close to Cala d'Or in the southeast of the island, prices have been reduced by 20 per cent or more. A two-bedroom, two-bathroom apartment can now be picked up for as little as €220,000 (£188K), reduced from €298,000 (£255K).

Cala d'Or is a smart, purpose-built marina resort (complete with 18-hole Vall d'Or golf course just behind), which still manages to retain Mallorquin charm.

While the 563-berth harbour oozes



Palma Airport can be reached direct from a massive 28 UK and Irish airports although frequency varies according to season. Jet2 flies from Belfast, Blackpool, Leeds Bradford, Manchester and Newcastle. Ryanair flies from Birmingham, Bournemouth, Dublin, East Midlands, Edinburgh, Liverpool, London Stansted and Shannon. BA flies to Palma from London Gatwick. Bmibaby flies from Birmingham, Cardiff, East Midlands and Manchester. EasyJet flies from Belfast, Bristol, East Midlands, Edinburgh, Glasgow, Liverpool, London Luton, London Stansted, Gatwick and Newcastle. Monarch flies from Birmingham, London Luton and Manchester.

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➔ Mallorca

class, with expensive toys tied to anchor and stylish bars and restaurants fringing the quayside, the surrounding coastline is typified by white sandy bays and lush Mediterranean vegetation.

Gems along the coast here are the countless small coves. These include the traditional picture-postcard fishing ports of Cala Figuera and Porto Petro and the blink-and-miss-it Calas Ferrera and Serena with their postage-stamp-sized beaches flanked by turquoise waters.

Meanwhile the 785-hectare Mondragó Natural Park at the south-eastern tip of the island is a near-perfect collection of dunes, wetlands, cliffs and beaches lapped by clear water. Nils Haase from Engel & Völkers describes the area as:



Above Porto Cristo is one of the places where buyers can find reasonably priced properties

“Original Mediterranean living without missing any comforts.” Although he adds that some may find: “The winters to be slow-paced and the drive of 45 minutes to Palma Airport a little far.” Seems a small sacrifice to secure a well-priced property.

Engel & Völkers has an idyllic two-bedroom finca on the outskirts of Mondragó for just €400,000 (£342K) and a three-bedroom home within minutes of Cala Murada for an attractive €239,000 (£204K). And, as Haase points out, there could be a chance to shave the price down further, speaking of “an increased need for negotiation, both parties must be flexible in these times to close a sale”.

More for less in Palma

When it comes to Mallorca’s impressive capital city, which some describe as a ‘smaller, less frenetic Barcelona’, you wouldn’t expect a low budget to be welcome in this property market, but you might be surprised.

Palma provides an enchanting ensemble of elegant shopping areas, tasty bodega-style restaurants, modish nightclubs, ancient alleyways with open plazas, a gargantuan Gothic cathedral, a host of internationally renowned museums and an elongated harbour-front where fishermen still mend their nets by hand against a backdrop of glittering superyachts.

The Palma office of First Mallorca specialises in old palaces and grand mansions which have been converted into apartments. Robert Maunder says: “Despite the worldwide situation, developers are active in

buying up prime historic real estate to convert into modern apartments. Prices in the Old Town, favoured paseos and along the waterfront have held but there is more room for negotiation than 18 months ago. It is feasible to pick up a well-located, characterful two-bedroom apartment with a budget of £300,000.”

First Mallorca is promoting a boutique project of seven apartments in a beautifully restored period building. With plenty of eateries, shops and the town beach within walking distance, prices start from just €210,000 (£179K) for a one-bedroom apartment.

Mallorca Property Partners can offer a renovated two-bedroom property complete with exposed beams and sandstone walls also in the city centre for €264,500 (£226K).

Before you buy in Palma, Stefan Greim of Mallorca Sotheby’s offers a couple of quiet words of warning. “Whilst ideal for couples and culture-loving singletons, Palma is not so suitable for families with small children as there’s normally no direct access to the beach and city-centre apartments do not have pools.”

Parking can also be tricky in the city; it’s best to walk, and in the height of summer the heat can be a little uncomfortable – you’ll need that air conditioning. ☀

www.mallorcacpropertypartners.com
www.novipropertymallorca.com
www.engelvoelkers.com
www.firstmallorca.com
www.mallorca-sothebysrealty.com
www.imperial-properties.com
www.taylorwoodrow.es

ON THE MARKET IN MALLORCA



Where Mondragó
Price €400,000 (£342K)

Idyllic two-bedroom finca with private courtyard, barbecue area and air conditioning throughout.

Contact Engel & Völkers:
00 34 971 642 101; www.engelvoelkers.com/southeast



Where Cala Murada
Price €239,000 (£204K)

Three-bedroom home close to the beach. Open fireplace and various external terraces.

Contact Engel & Völkers:
00 34 971 642 101; www.engelvoelkers.com/southeast



Where Cala D’Or
Price from €220,000 (£188K)

Discounted new two-bedroom apartments close to the marina. Three communal pools.

Contact Taylor Woodrow:
08000 121 020;
www.taylorwoodrow.es



Where Palma Historical Centre
Price from €210,000 (£180K)

One- and two-bed apartments in a restored 19th-century building. Close to Plaza Mayor and beach.

Contact First Mallorca:
00 34 971 425 262;
www.firstmallorca.com