

Mallorca Residential Market Insight



2026

Knight Frank's assessment of current market conditions across
Mallorca's prime residential markets

knightfrank.co.uk/research



Foreign demand moderates as buyers move upmarket

Fewer foreign purchases, but rising prices point to a more selective, higher-value phase in the Balearics. As transaction volumes ease, Mallorca's prime market continues to outperform, supported by strong demand for renovated fincas, exceptional homes above €15 million and a broadening international buyer base.



LOWER VOLUMES, HIGHER VALUES

Mallorca's prime residential market, and the Balearics more broadly, appear to be moving into a lower-volume, higher-value phase. Foreign buyer home purchases across the islands fell 10% year-on-year in the second half of 2025, to 2,776 transactions. The decline was more pronounced than across Spain overall, where foreign purchases fell 4.4% to 66,629.

The longer-term series also shows a sharper moderation in the islands following the post-pandemic rebound. Balearic foreign purchases peaked at 4,440 in H2 2021 and had fallen to 2,776 by H2 2025. National volumes peaked later, at 73,467 in H1 2022, and stood at 66,629 in H2 2025.

Yet pricing continued to rise. The average price paid by overseas buyers in the Balearics increased 7% to

€5,201 per sq m in H2 2025 versus a year earlier, the highest of any Spanish region and more than double the €2,479 per sq m average paid by foreign buyers across Spain. This divergence suggests demand is becoming more selective and increasingly concentrated at the upper end.

The same pattern is evident at the top end of Mallorca's residential market. Prime prices have outperformed many European peers since the pandemic, even as overall foreign buyer activity across the Balearics has moderated. Agents report that demand remains strongest for exceptional homes, particularly renovated fincas and best-in-class properties above €15 million, suggesting international wealth continues to concentrate at the top end of the market.

MALLORCA'S PRIME MARKET

Agents describe an increasingly polarised market. The formerly liquid €3 million to €7 million segment has slowed, while exceptional homes above €15 million are attracting stronger demand. Limited supply of renovated, best-in-class properties is helping to support values at the top.

Renovated fincas and new homes that combine traditional Mallorcan architecture with modern, functional interiors are particularly sought after. Buyers want authenticity without the time, cost and uncertainty of a major renovation, while larger plots, privacy, mature landscaping and dependable shade are becoming more important.

AT A GLANCE



Foreign purchases in the Balearics fell 10% year-on-year in H2 2025, yet average foreign-buyer prices rose 7% to the highest level of any Spanish region



Mallorca's prime residential market has outperformed many European peers since the pandemic



Demand is increasingly concentrated in renovated fincas and exceptional homes above €15 million

WHO'S BUYING?

Across the Balearics, the buyer profile is concentrated in the prime earning years: three-quarters of purchasers are aged between 31 and 60, with the 41 to 50 group the largest cohort, according to official data. Mallorca's prime market is younger still, according to agents, with many purchasers now in their thirties and forties rather than approaching retirement.

Flexible working has accelerated this longer-term reduction in buyer age. Agents report that founders,

Mallorca in numbers



Population:
949,047



208 beaches



300 days of sunshine



23 golf courses



47 marinas & yacht clubs



15 hospitals & major medical centres



19 international schools



10 Michelin-star restaurants



65 five-star hotels

Source: Knight Frank Research, Mallorca Property Collection

company owners and professionals in finance, technology and other entrepreneurial sectors can work between locations and are treating Mallorca as a genuine second home. The island's infrastructure, international schools and air links make that model increasingly viable.

A BROADER PRIME BUYER MIX

Across the Balearic Islands, looking at all price points, Italians were the

largest foreign buyer group in the 12 months to May 2026, accounting for 18.4% of home purchases by foreign buyers (resident and non-resident), ahead of Germans (16.5%) and Britons (8.6%), according to the Spanish Notaries Statistical Portal.

In Mallorca, German buyers remain central to the prime market, but demand is becoming more diverse, with growing interest from British, American, Italian, Swiss, Dutch,

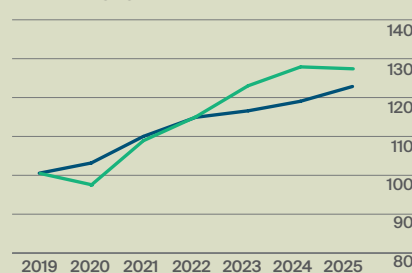
French and mainland Spanish purchasers. Renewed demand from Madrid and rising British and American interest on the east coast are broadening the prime buyer mix.

Flight trends also demonstrate this diversification. Direct flight arrivals to Mallorca increased by 18% between 2019 and 2026 and by 29% over the decade to 2026. UK arrivals were 15% higher in 2026 than in 2019 and 21% above 2016 levels, while German

Post-pandemic, Mallorca pulls ahead of European peers

Prime price index, 100 = 2019

— MALLORCA — EUROPE AVERAGE

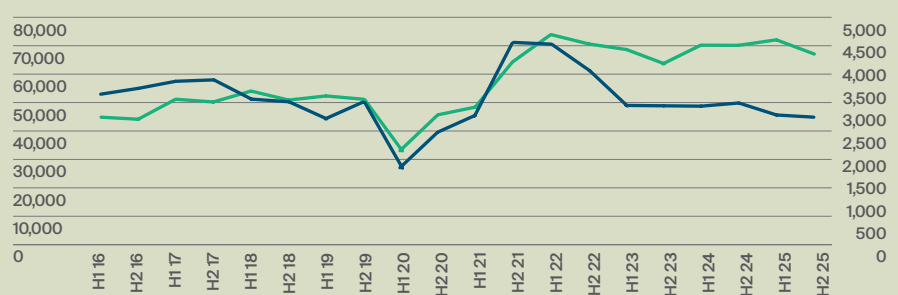


Source: Knight Frank Research

Foreign demand moderates as buyers move upmarket

Half-yearly number of home purchases by foreign buyers, 2016-2025

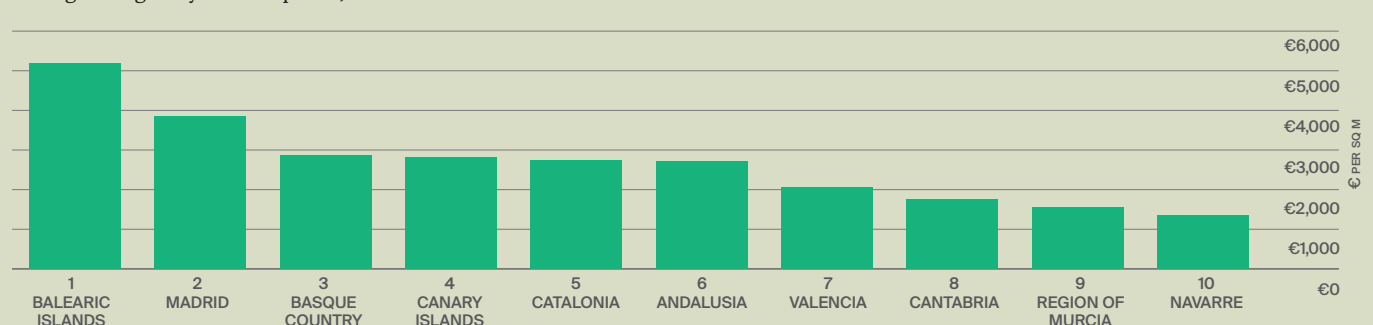
— SPAIN (LHS) — BALEARIC ISLANDS (RHS)



Source: Knight Frank Research, Spanish Notariat (CIEN)

Balearic Islands top Spain's foreign buyer spending ranking

Average foreign buyer house prices, H2 2025



Source: Knight Frank Research, Spanish Notariat (CIEN)

“Across the Balearic Islands, Italians were the largest foreign buyer group, ahead of Germans and Britons.”

arrivals were broadly stable over both periods. French arrivals rose by 70% from 2019 and by 141% over the decade, and Spanish domestic arrivals increased by 5% and 26%, respectively. These trends align with agents’ observations that British, French and mainland Spanish buyers are becoming more influential alongside Mallorca’s established German market.

Mallorca’s connectivity remains a significant advantage. Knight Frank analysis of Official Airline Guide data shows Palma Airport recorded 76,619

direct flight arrivals in 2026, 16% more than three years earlier. That compared with growth of 8% in Ibiza and 23% in Menorca.

WHERE DEMAND IS SHIFTING

Southwest markets, including Port d’Andratx, Bendinat, Portals and Son Vida, retain international recognition and liquidity. Deià and Sóller remain sought after among buyers wanting traditional architecture, dramatic landscapes and village life.

Buyers are increasingly following the quality of the property rather than insisting on a single address. This is directing attention towards inland areas, the Tramuntana foothills and parts of the east coast, where larger plots, privacy, authenticity and gentler coastal topography can offer better value than the most established southwest markets.

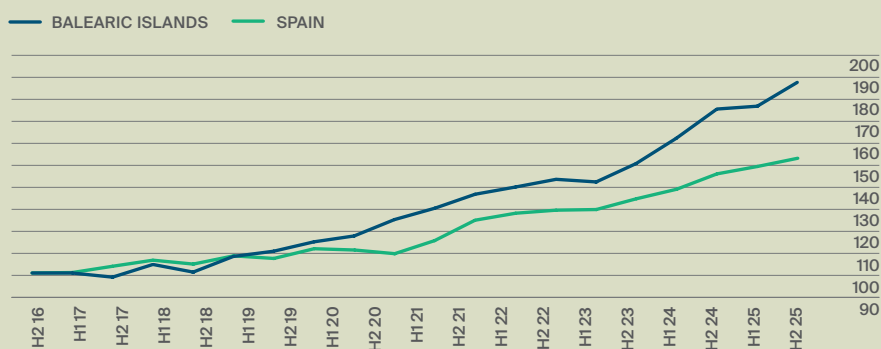
OUTLOOK

Mallorca’s outlook is positive but increasingly differentiated by price point. Values below €15 million are broadly flat, while scarcity and stronger demand for exceptional homes above that threshold are lifting headline performance. The lower-volume, higher-value pattern seen across the Balearics is therefore consistent with agents’ evidence from Mallorca.

While the sub-€15 million market remains relatively subdued, a gradual trickle-down effect is likely as developers deliver desirable finca-style homes at more attainable price points, broadening buyer appeal beyond the ultra-prime segment. Limited renovated stock, longer stays and a wider international buyer base should support measured growth, but performance will increasingly depend on property quality, architectural authenticity, micro-location and access to year-round amenities.

Foreign buyers now spend over two times more in the Balearics

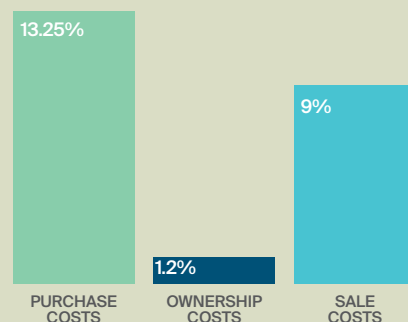
Foreign buyer house price index, 100 = H1 2016



Source: Knight Frank Research, Spanish Notariat (CIEN)

Property costs

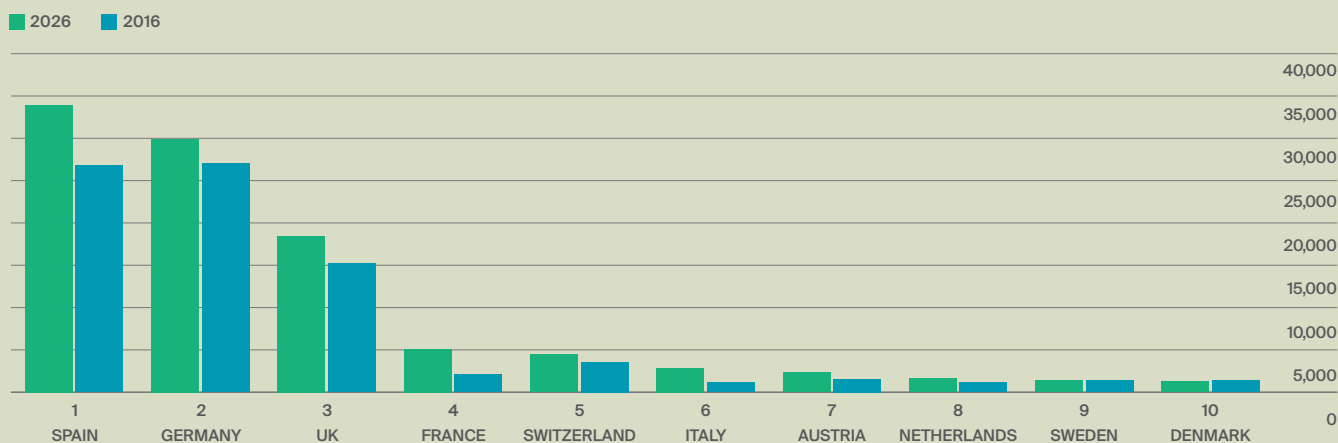
% of property price



Note: Ownership costs exclude maintenance costs. Sales costs exclude CGT.
Source: Knight Frank Research

Spain, Germany and the UK lead flight arrivals to Mallorca

Top 10 sources of direct flight arrivals to Palma Airport scheduled in 2026 vs ten years ago*



Top 10 sources of direct flight arrivals to Palma Airport scheduled in 2026 vs ten years ago*

Expert Insight

Knight Frank's Jack Harris (JH) and Julian Cunningham-Bond (JCB) of Mallorca Property Collection explain how demand, design and buyer priorities are evolving.

WHY ARE FINCAS BECOMING CENTRAL TO MALLORCA'S MARKET?

JH: Buyers increasingly want authentic homes that feel rooted in Mallorca, but they generally prefer properties already renovated.

JCB: The shift is also influencing new development. Buyers want traditional materials, craftsmanship and architecture that will not date, so developers are returning to finca styles while combining historic character with functional, high-quality interiors.

HOW IS THE MARKET DIVIDING BY PRICE POINT?

JH: The formerly liquid €3 million–€7 million market has been quieter, partly because conditions in Britain and Germany affect buyers' ability to release capital.

JCB: At the top end, safety and perceived stability are important, with stronger demand for exceptional homes above €15 million.

WHICH LOCATIONS ARE BENEFITING FROM CHANGING PREFERENCES?

JH: Buyers are increasingly prioritising locations with year-round life rather than purely seasonal appeal. Access to restaurants, markets, schools and everyday amenities is becoming more important as owners spend longer periods on the island and use their properties beyond the summer months.

JCB: Established markets such as Bendinat, Deià and Sóller still matter because buyers value liquidity and proven appeal. However, the east coast is drawing more British and American interest, particularly where gentler topography provides easier access to the water.

HOW ARE LONGER STAYS CHANGING PROPERTY REQUIREMENTS?

JH: Flexible working means owners can spend six to eight weeks or longer on the island. Extra bedrooms are becoming offices, while households need practical

layouts and access to places with restaurants, markets and services operating throughout the year.

JCB: Owners are using Mallorca across more seasons and increasingly avoiding peak summer, supporting greater year-round activity.

IS MALLORCA JUST A SUMMER DESTINATION?

JH: Buyers are increasingly looking for homes that work comfortably throughout the year, reflecting Mallorca's growing appeal as a destination for extended stays and year-round living, rather than simply a summer retreat.

JCB: Not at all. Many owners make most use of their homes during the shoulder seasons, particularly spring and autumn, when the weather is warm and the island is less crowded. Modern homes are increasingly designed for seamless indoor-outdoor living.

Recent Research



Wealth Report 2026



The Residence Report 2026

Keep up to speed with global property markets with our range of dedicated sector newsletters

[SIGN UP ONLINE](#)

We like questions, if you've got one about our research, or would like some property advice, we would love to hear from you.



Research
Anna Ward, International
07971 014769
anna.ward@knightfrank.com



Sales Enquiries
Jack Harris
+44 20 7861 1139
jack.harris@knightfrank.com



PR Enquiries
Astrid Recaldin
+44 20 7861 1182
astrid.recaldin@knightfrank.com



Sales Enquiries
Julian Cunningham-Bond
+34 637 365 500
julian@mallorcapropertycollection.com