



“ In 2012, the island consolidated its reputation as one of the top luxury Mediterranean holiday destinations ”

Maxim Rettich
Director Ibiza
Lucas Fox

Ibiza Real Estate Market: Summary

It could be that 2012 will be seen as the year that Ibiza was finally recognized amongst international buyers as a key location in which to own luxury residential property. While interest in this idyllic Spanish island has been building over the past several years, 2012 showed clear signs that it has a strong property market with higher volumes of property sales trading across the summer months, and the Ibiza tourism sector standing firm against national downward trends in air travel numbers.

Lucas Fox Ibiza Director, Maxim Rettich explains: “Ibiza has always had an image as a party island, but in 2012, the island consolidated its reputation as one of the top luxury Mediterranean

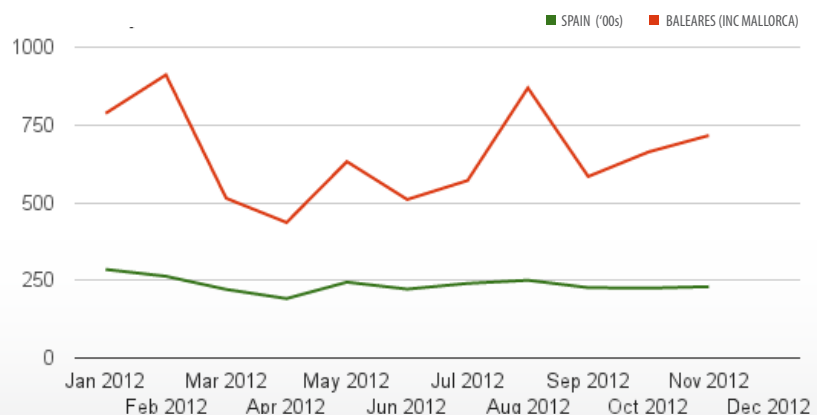
holiday destinations. There has been growing awareness of the island’s well preserved natural beauty which has led to international recognition of Ibiza as a luxury paradise with pristine green spaces, crystal clear waters, and white sandy beaches. Growing interest from non-EU buyers, and the continuing high level of performance for properties that are rented short term, have been key factors in the strengthened demand and sales trading throughout the year.”

Bucking national downward trends in average sales prices, Ibiza properties held and slightly increased their value, ending the year at an average sales price of €2,955 per square metre, a full €1,000 more than the national average.

“2013 will continue to see international interest in Ibiza properties,” said Maxim Rettich. “We expect foreign investment buyers to react quickly to any upward price signals or demand increases, as few will want to lose a chance to take advantage of the current opportunities available in the Ibiza property market.”

Property Transactions

Ibiza property sales transactions have shown a unique trend throughout 2012, reflecting the local dynamics of the market, which operate differently to the national influences on property demand and pricing.



Property Sales Transactions: Ibiza and Spain: 2011 – 2012 / Source: ine.es

While national monthly sales transactions remained fairly steady and muted across Spain, Ibiza experienced stronger surges in sales transactions, especially in February, May and August, and ended the year with further strong sales activity.

Sales activity reflects the global interest in Ibiza villas evident from international trends in Google search data. Statistics for 2012 show peak interest at the start and end of the year, with the continued seasonal trend in the midyear summer months. The majority of internet searches for "Ibiza villas" in 2012 came from the Netherlands, Switzerland and the UK.

Ibiza Property Sales Prices

In contrast to Spanish averages, property prices in Ibiza rose slightly in 2012, according to both Idealista and Fotocasa property webportals.

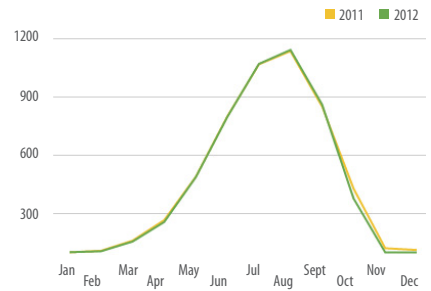
At the end of 2011, average property prices recorded in Eivissa, the island's capital averaged €3,026 per square

metre according to Idealista and €2,929 according to Fotocasa. By the end of 2012, after some brisk trading that saw a 30% increase in property sales transactions on the island, properties in the capital of Eivissa averaged €2,955 per square meter across both property websites.

The average sales prices and steady market behaviour was in strong contrast to the Spanish averages, which continued to see a decline each quarter since Q3 2010, ending 2012 at a full €1,000 per square metre less than the Ibiza average. This is the strongest sign yet that the market has bottomed out in Ibiza as sales prices held steady and edged upward.

Ibiza Rental Market

In 2012, airport arrivals followed similar patterns and arrival numbers as in 2011. By the end of 2012, over 5.5 million passenger arrivals had been recorded at Ibiza airport, a slight drop of 1.6% on 2011 figures, resisting the trend in national airport arrivals, which

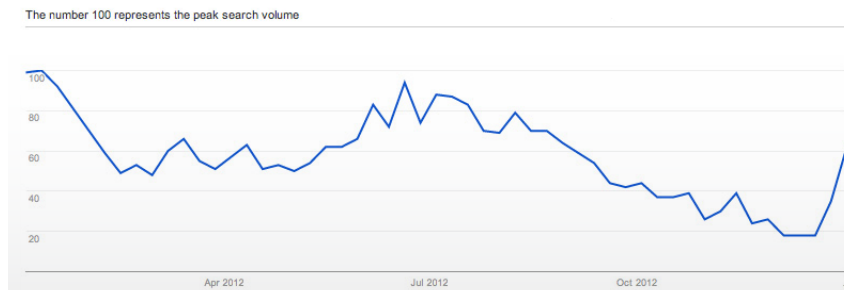


Ibiza Airport Arrivals ('000s): 2011 & 2012
Source: Aena.es

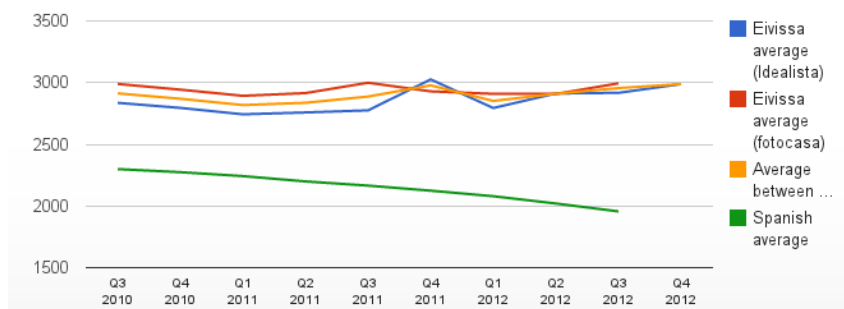
dropped 5%, mostly due to reductions in Spanish resident tourism. As an international luxury destination, Ibiza is able to resist fluctuations from negative inbound tourism influences. Across Ibiza and Mallorca, foreign tourist arrivals grew 10.1% in 2012, accounting for 18.1% of all international traveller arrivals in Spain in 2012.

Foreign Investment Interest

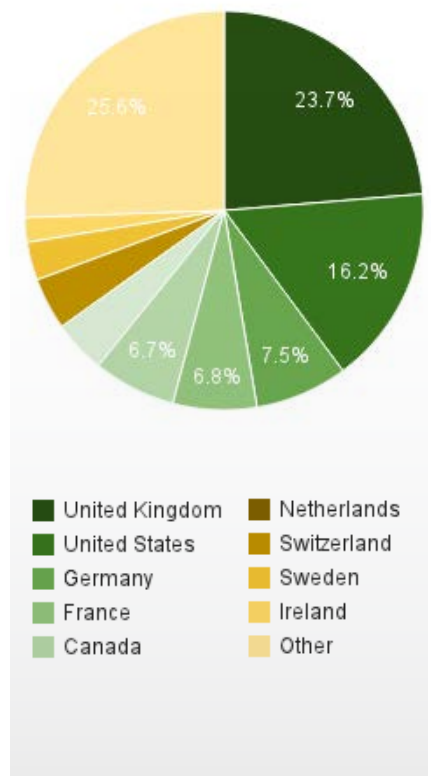
In 2012 we saw continuing strong interest from key northern European



Global internet search interest for "Ibiza villas" 2012 Source: Google Trends



Ibiza Average Property Sales Prices Q3 2010 – Q4 2012
Source: Fotocasa.es, Idealista.com



International Visitors to Lucas Fox webpages for Ibiza property Q3 – Q4 2012
Source: Google Analytics for Lucas Fox website

markets, in particular the UK, France, Netherlands and Switzerland. There is also growing interest in Ibiza property ownership from several non-EU territories including Switzerland, the Middle East, and South East Asia.

The Ibiza property pages on the Lucas Fox website remained of key interest to our online readers, with around 16% of our Q3 & Q4 2012 website visitors looking at Ibiza properties. In the second half of 2012, outside of Spain, website traffic for our Ibiza properties came from the UK, France, The Netherlands and the United States.

Lucas Fox Analysis and Predictions

“We expect the strong end to 2012 to continue through 2013 with a number of high value transactions already in the pipeline for Q1 2013,” said Maxim Rettich, Lucas Fox Director of Sales for

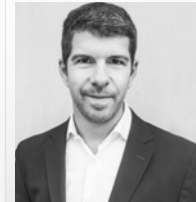
Ibiza. “Ibiza properties tick all the boxes that international investors in luxury property are looking to fill:

- They offer great long-term investment value with close proximity to the finest leisure and recreational opportunities
- Ibiza has strong planning and land preservation laws protecting the island’s natural beauty, and
- There is ongoing interest from the international jet set, who help maintain the Island’s economy.

“The excellent year-round climate and growing reputation as an island paradise beyond the unique party atmosphere that the island offers in the summer months are drawing a growing number of international buyers who are looking for investment properties that also match lifestyle demands.”

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HOUSE / VILLA

LOCATION:
SPAIN » IBIZA » IBIZA

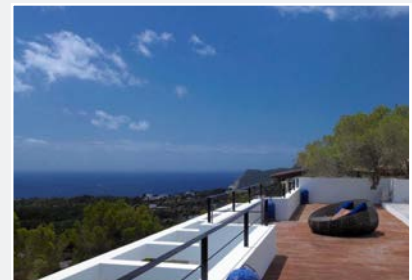
LFB501 **1.950.000€**



HOUSE / VILLA

LOCATION:
SPAIN » IBIZA » IBIZA

LFB496 **2,800,000€**



HOUSE / VILLA

LOCATION:
SPAIN » IBIZA » SAN JOSÉ

LFB493 **2.450.000€**



HOUSE / VILLA

LOCATION:
SPAIN » IBIZA » SAN ANTONIO

LFB452 **1,150,000€**



HOUSE / VILLA

LOCATION:
SPAIN » IBIZA » SAN JUAN

LFB406 **2,800,000**



COUNTRY HOUSE

LOCATION:
SPAIN » IBIZA » IBIZA

LFB508 **1,900,000€**