



Business ONE Group

PROJECT MANAGEMENT - REAL ESTATE INVESTMENT
CONSTRUCTION - PROPERTY MANAGEMENT



Project Analysis Mallorca Property, Business ONE Group

Prepared by **Business ONE Group**

March 2025

Executive Summary

This document provides my personal review of the finca project located on “**Finca project in Mallorca**”, based on the available documentation and my visit to the property.

The project benefits from a **large rural plot of over 21,000 m²** and has already received a **favourable report from the Consell de Mallorca**, which means an important part of the approval process has been completed. The municipal building licence from the **Ayuntamiento** is still pending.

The existing building is an **older agricultural structure**, partly used in the past as a stable, and will require substantial renovation work in order to become a modern residential property. Although the walls appear structurally solid, the renovation will likely involve rebuilding significant parts of the roof and technical infrastructure.

The current project design includes a house of approximately **200 m² with swimming pool**, while the planning regulations appear to allow for a larger built area of around **300 m²**, leaving some potential flexibility for future development.

Based on comparable projects and the additional works required to bring the property to a finished and marketable standard, the **realistic construction costs are likely to be higher than the basic estimate in the contract**, particularly when including exterior works, landscaping, driveway access and potential noise buffering along the road.

Taking the current permit status into account, my rough estimate of the project value would be in the range of **€300k–€400k in its current state**, potentially increasing to **€400k–€480k once the building licence is granted**.



Introduction

Over the past weeks I reviewed the available documentation and visited the property located at **“Finca project in Mallorca”**.

The purpose of this document is to give a practical overview of the project based on:

- the available project documentation
- the architectural plans
- my observations during the site visit
- and a general market comparison.

This is not a formal valuation report but rather **my personal assessment of the project, its current status and its potential positioning on the market.**

Location

The finca is located in the rural area between **“Finca project in Mallorca”**.

The closest coastline is **“Playa de Mallorca”**, which is one of the largest beaches in Mallorca.

Distance to the beach:

approximately **13–14 km**

around **10–15 minutes by car**

For many international buyers this type of location is attractive: a quiet rural setting but still relatively close to the coast and the main towns in the north of the island.

The general area around **“Finca project in Mallorca”** is also considered one of the stronger property markets in northern Mallorca. It is an area that is rapidly growing, delivering a substitution for the saturated and top priced south-west coast

Legal status of the project

Based on the documents provided, the project has already passed an important administrative step.

The **Consell de Mallorca** has issued a **favourable report (“informe favorable”)** regarding:

- the legalisation of the unfinished building
- the renovation and extension of the structure
- and the construction of a **single-family house with swimming pool.**

The final **building licence (licencia de obras)** still has to be issued by the **Municipality of “Finca project in Mallorca”**.

However, since the Consell has already issued a positive report, the project seems to have passed the most complex part of the administrative process and is for approximately 80% done.

Plot and building parameters

Registered plot size:

21,000 m²

According to the planning regulations in this area the **minimum plot size for a residential building is 14,000 m²**. The plot therefore clearly complies with the minimum requirement.

Maximum buildable area

The planning calculation provided in the documentation shows:

0.015 m² per m² of land

21,000 m² × 0.015 = approximately **300 m² maximum residential construction**

This is an important detail because the current project does **not yet use the full building potential of the plot**. This will give options for a potential buyer.

Current project size

Based on the architectural drawings the project currently consists of:

Element	Surface
Main house	approx. 180 m ²
Porch / terraces	approx. 20 m ²
Total built area:	approx. 200 m²

This means there is still **additional building capacity available** within the legal limits.

Layout of the house

According to the current plans:

Ground floor

- living room / kitchen
 - two bedrooms
 - bathroom
 - terrace / porch
-

Upper floor

- bedroom
- office or study
- bathroom
- terrace

Total program:

3 bedrooms plus a small office

The project also includes a **swimming pool**.

Condition of the existing structure

During my visit to the property, I looked closely at the existing building.

The structure appears to have originally been an **agricultural building**, most likely a **stable**, with a smaller part used as simple living space.

One section of the building clearly shows the typical layout of a former livestock area.

The building itself is quite old and was constructed using traditional methods.

The walls appear to be thick structural masonry and seem solid, which is typical for agricultural buildings from that period.

At the same time the building obviously lacks modern construction elements such as:

- insulation
- modern installations
- contemporary finishes.

Another observation is that it looks as if **some construction work had already started in the past but was later stopped**.

From a buyer's perspective this can sometimes raise questions such as:

- why the works were stopped
- what exactly has already been done
- and what still needs to be rebuilt or replaced.

This is not unusual for projects involving the **legalisation and renovation of older agricultural buildings**, but it is something that will probably require a clear explanation during a future sales process.

Technical considerations

Even though the existing walls appear structurally solid, renovation projects of this type usually require a significant part of the building structure and technical infrastructure to be rebuilt.

One of the main challenges in this case is the **roof height**. The current roof structure is relatively low and will need to be **fully replaced and raised** in order to create comfortable interior ceiling heights suitable for residential use.

Another point is the **roof terrace included in the design**. At the moment it is not entirely clear how the terrace and the access to it will be integrated into the final structure. Designing a proper access route and integrating the terrace with a raised roof structure will require careful architectural planning and could become one of the more complex parts of the renovation.

Since the building originally appears to have functioned partly as an **agricultural structure (stable)**, it is also worth considering that buildings of this type were often constructed without modern foundation systems. Even if the walls themselves are solid, additional structural work may be required during the renovation process to meet current building standards.

Typical renovation work for a project like this would therefore include:

- rebuilding or modifying the roof structure
- installing completely new electrical and plumbing systems
- adding proper insulation
- structural adjustments where necessary
- completing all internal finishes.

In addition, the property does **not appear to be connected to a public sewage system** and currently relies on a **septic tank**, which is common for rural properties but still something that should be taken into account when evaluating the overall technical setup of the project.

Because of these factors, the final construction cost will likely end up **closer to new-build costs per square metre**, rather than a simple refurbishment of an existing structure.

Garage / storage

One element that currently seems to be missing from the project is a **garage or proper storage space**.

This was something I also mentioned during my visit.

For rural properties with plots of over **20,000 m²**, buyers usually expect some space for:

- cars
- bicycles
- garden equipment
- technical installations.

Pergola option

One possible solution could be a **pergola for two cars** behind the house.

However, in my opinion this would only be a **partial solution**, since it does not provide enclosed storage.

Estimated cost:

Element	Cost estimate
Structure	€6,000 – €10,000
Foundation / floor	€4,000 – €6,000
Total estimate:	€10,000 – €16,000

Agricultural storage building

A better long-term solution might be the construction of a small **agricultural storage building (almacén agrícola)**.

This could function as:

- garage
- storage room
- workshop.

Estimated cost:

Type	Cost estimate
Basic structure	€20,000 – €30,000
Higher quality finish	€30,000 – €45,000

Adding such a structure would make the property more functional and more attractive to potential buyers. I recommend starting the license process as soon as possible.

Boundary Considerations

During the review, it was noted that there may be minor boundary-related aspects that should be clarified within the official property documentation.

While this does not appear to impact the current licence process, situations of this nature can sometimes raise questions during a future sale, particularly from buyers, banks, or notaries.

For this reason, it is advisable to ensure that the status is clearly documented and can be explained if the property is brought to the market.

Realistic construction costs

According to the contract documentation, the estimated construction budget for the project is in the range of **approximately €300,000**.

While this figure may be achievable under certain conditions, it generally reflects mainly the **core construction works**. In practice, rural renovation projects of this type usually require additional elements in order to reach a finished and marketable result.

Based on comparable projects on Mallorca, a more complete estimate for the physical works could look roughly as follows (**excluding licence and administrative costs**):

Element	Estimated cost
House construction	€300k – €350k
Swimming pool and exterior terraces	€20k – €40k
Agricultural storage building / garage	€20k – €45k
Noise protection wall or landscaped buffer along the road	€20k – €50k
Access driveway from the road to the house	€10k – €25k
Basic landscaping / garden works	€10k – €20k

Estimated total construction cost (excluding licences and permits):

€400k – €500k

Basic landscaping is particularly important for a rural property such as this. Even relatively simple garden work can significantly improve the overall appearance of a finca and plays an important role when presenting the property to potential buyers.

In addition, creating a proper **driveway from the road to the house** will be necessary to make the property easily accessible and visually coherent. This is a common element in rural projects and contributes to the overall perception of quality and completeness.

Finally, considering the proximity of the road, some form of **visual and acoustic buffering** such as a stone wall or landscaped earth berm may also improve both privacy and the overall living experience on the property.

Market comparison (“Source”)

I have made a small investigation regarding comparable properties in the area (for example listings on **“Finca project in Mallorca”** surrounding region), there is a clear difference between fully finished fincas and renovation or project-based properties.

Fully completed finca properties in this area are often listed in the range of **€1.1M to €1.6M and above**, typically offering larger built areas, completed landscaping and a ready-to-use living environment.

At the same time, properties that still require renovation or have projects pending are generally positioned significantly lower, often in the range of **€250k to €400k**, depending on the level of completion and permit status.

This difference highlights the gap between a finished product and a project in development, which is an important factor when considering the positioning and expected sale value of this property.

When looking at comparable properties in the area, there is a clear difference between fully finished finca properties and projects that are still in a development or renovation phase.

For example, a completed finca in the Mallorca area with a living area of around 350 m² is currently being offered at approximately €1,100,000:

[*Source: internal market review based on comparable listings in the north of Mallorca*](#)

In the higher segment, larger and more refined properties quickly move beyond that level. A finca in the same region with around 335 m² of built area is currently listed at approximately €1,500,000:

[*Source: internal market review based on comparable listings in the north of Mallorca*](#)

At the same time, there is a noticeable difference when looking at properties that are not yet completed. Projects or renovation properties in the region are typically positioned much lower in the market. For example, properties that still require substantial work or are in a legalisation phase can be found around the €300k–€400k range:

[*Source: internal market review based on comparable listings in the north of Mallorca*](#)

What this shows quite clearly is the gap between a finished product and a project that still requires development. While completed fincas can reach well above €1M depending on quality and location, projects like this are valued very differently until the licence is granted and the construction has been completed.

Project value estimate

Based on the plot size, the project plans, the current licence status and the general market comparison, my personal estimate would be roughly:

Current situation (licence still pending)

€300,000 – €400,000

With final building licence issued

€420,000 – €460,000

An asking price of **€460,000** therefore seems possible, but it would be at the **upper end of the realistic range** and would likely depend on the final licence being granted.

Developer perspective (indicative)

If I look at this from a developer's point of view, it basically comes down to a simple question: what goes in, and what realistically comes out at the end.

Looking at similar finished fincas in the area, I would expect a completed property like this to sell somewhere around:

€800k – €900k, depending on the final size, finish and overall presentation.

At the same time, the total investment would probably end up somewhere around the following range.

If the project is acquired somewhere between **€400k – €500k**, and construction plus exterior works come in around **€300k – €400k**, then you are already looking at a total investment of roughly:

€700k – €900k

At that point the margin starts to become quite tight. Especially when you take into account time, permit risk and general construction uncertainties.

In my experience, projects like this almost always end up slightly more expensive than initially expected. For that reason, most developers would usually try to enter at a lower level, just to leave enough room for unexpected costs and a reasonable margin. This project looks therefore to me a project for a "private use" orientated client. The good thing is, that in the project there is plenty of room to add personal additions as the planned m² build is far from maximum.

Possible project positioning

After reviewing the documents and visiting the property myself, my impression is that the project has several elements that make it interesting, but also a few aspects that will likely influence how it can best be positioned on the market.

One of the clear strengths is the size of the plot. With just over **21,000 m²**, the property offers a good amount of space and privacy, which is something many buyers are looking for when searching for a finca-style home in Mallorca. The surrounding area is mostly agricultural land, which keeps the setting relatively open and rural.

From a planning perspective, the plot also allows for a **larger total built area than what is currently proposed**. The current design is around **200 m² built**, while the planning allowance appears to be closer to **300 m²**, so there is still some flexibility if the project were to evolve further in the future.

At the same time there are a few elements that will probably need to be taken into account when presenting the project.

The existing building is clearly an **older agricultural structure**, which seems to have been used partly as a stable with a smaller section functioning as basic living space. Although the walls appear solid, the building will require significant renovation work to reach modern residential standards. (See my comments in **Technical considerations**)

When visiting the property, what stood out to me was the openness of the surrounding landscape. The fields around the plot create wide views across the area, but at the same time they also mean that there is very little natural sound buffering in the immediate surroundings.

A landscaped **earth berm combined with vegetation** could be an effective solution here. If something like this is implemented early in the process, the vegetation would have time to grow and could help create a more private and mature finca setting by the time the project is brought to market. In case you are willing to invest before sale, I would advise you to do this as first.

The current design also does not yet include a **garage or enclosed storage space**, which many buyers would normally expect on a rural property of this size.

Finally, it was mentioned that there may be a **small neighbouring claim concerning part of the boundary**, which would ideally be clarified before presenting the project to buyers, simply to avoid uncertainty during a potential sale.

Overall, the project seems to have solid fundamentals thanks to the size of the land and the progress already made in the approval process. With realistic positioning and a clear presentation, it could become an interesting opportunity either for a private buyer looking for a renovation project or for an investor interested in developing a finca in the north of Mallorca.

My possible role

At this stage I see my role mainly in **preparing and structuring the project for a potential sale**.

This could include:

Project preparation

- structuring all available documentation
- collecting plans and licence information
- creating a clear overview of the project.

Sales preparation

- preparing a clear project presentation
- highlighting the strengths of the property
- explaining possible questions in advance.

Sales strategy

- helping define a realistic price position
 - supporting discussions with potential buyers or investors.
-

Fee structure

For this role I would propose the following structure:

Consultancy fee

€10,000 – €15,000

Success fee upon sale

1% of the final sale price

Important note

The scope of this analysis is focused on project preparation, evaluation, and strategic positioning. Execution and construction activities fall outside this scope and are managed by the relevant professionals involved in the project.

Conclusion

The project has clear potential thanks to:

- the large plot size
- the positive report from the Consell de Mallorca
- the possibility of expanding the house up to around 300 m²
- and the inclusion of a swimming pool in the project.

At the same time there are several aspects that may influence the value and the way the project is presented on the market, including:

- the proximity to the road
- the absence of a garage or storage building
- the current condition of the existing structure
- and the possible boundary claim from a neighbouring property.

With the current setup, I would personally position this project more towards a private buyer who is looking to create a finca for personal use. For a typical developer, the margin and risk balance would likely be less attractive.

In that context, I believe I can add real value as a project manager, by structuring and coordinating the different parties involved and keeping the project clear and manageable throughout the process.

My way of working is quite direct and personal, which usually works well for clients who prefer a more personal and hands-on way of managing their project. This also allows for closer communication, making it easier to translate individual preferences and ideas into the project, rather than following a more standard developer-driven approach.



Business ONE Group

PROJECT MANAGEMENT - REAL ESTATE INVESTMENT
CONSTRUCTION - PROPERTY MANAGEMENT

www.business1group.com

12 | Page