

## 2017: a year of positive changes in the Guernsey property market

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2017 has been a strong year for the Guernsey property market, and we've seen a number of welcome developments for home owners, buyers and sellers, and some significant changes to property legislation on the Island.

In terms of the market's overall health, we end the year on a high note, with figures for Q3 showing measured rises in both prices and turnover. The 2.5% rise in property prices compared to the same period last year, and the fact that turnover has increased around 20% in the same period, point to a sustainable improvement and give us reason for optimism. Significantly, the number of transactions for Q3 was the highest since 2012 with evidence that sellers are still flexible on price; price reductions of around 13% on the maximum advertised price being fairly normal, showing a willingness to get deals across the finish line.

It was also encouraging to see the States approve proposals in the Guernsey budget for a three year plus tax break to attract more High Net Worth individuals to the Island. The lower tax cap of £50,000 for three years for new residents who have paid a minimum of £50,000 in Document Duty when acquiring an Open Market property will, hopefully, give a boost to Open Market sales. A person paying Document Duty of £50,000 will be acquiring a house worth a little over £1.5m.

On the legislative front, we've seen a number of new laws introduced in 2017 which have particular impact on home owners, buyers and sellers, particularly the new Document Duty Law and related Anti-Avoidance Law. One of the main changes brought about by these new laws is that the purchaser of shares in a company which owns Guernsey realty (residential or commercial property) will now have to pay Document Duty in the same way as if buying by normal conveyance. Previously those transactions could be completed, quite legally, without payment of any Document Duty, so this is likely to be a significant income generator for the States.

Another important legislative change has been the introduction of the new High Hedges Law, which has introduced for the first time a formal procedure to protect individuals negatively

affected by neighbouring hedges that cause loss of light to their property. Intended as a last resort, the new complaints procedure is a welcome development, not only because it will give islanders a remedy to nuisance hedges, but also because in other places where similar laws have been introduced, the simple fact of having specific legislation in place has encouraged agreement between neighbours without the need for formal intervention.

From the Ogier team's perspective, a particular highlight this year was sponsoring the Guernsey Construction Awards, which recognised and celebrated the quality construction

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