

Guernsey quarterly residential property prices - Q2 2018

Insights - 10/08/2018

Following on from last month's disappointing news, which saw a 3.2% drop on the previous quarter and a whopping 5.8% drop over the previous year, this month we are back in more comfortable territory with a 0.9% rise on the quarter, with 43 more transactions in Q2 than there were in Q1 – being 183 against 140.

The average purchase price for Q2 2018 was still 1.7% lower than the same quarter 2017, but the latest stats may just mean that Q1 was a blip and that the market is stabilising.

The full title for the average house price is the "mix adjusted average purchase price". It is a convenient way to keep an eye on what is happening in the local market, but closer analysis of the other information can also be interesting:

For the same quarter over the last three years, the number of transactions in the middle of the range, £200k to £499k, has fallen year on year, but the number of transactions in the £500k to £999k category has risen year on year.

The average price of a flat today is £235k, having reached a high of £313k in 2014. That large rise may have been as a consequence of increased activity among buy-to-let investors who were looking for better returns on their money than they were getting from the banks. Generally though, the average price of a flat is back to where it was in 2010.

An interesting change is the average loan to value (LTV). Figures only go back to Q3 2016, when the average LTV was 75%. That dropped to 72% the next quarter and then sat around 80% for all of 2017 and Q1 2018, but Q2 sees an increase to 83%. The average could have been dragged up by Skipton re-introducing their 100% mortgage, and lenders generally feeling more confident about the market.

Across the whole price range the average number of days between a property first being advertised and completion has dropped – and in the £400k to £499k bracket the drop is quite

noticeable, falling from 450 days to 200.

Open market has always difficult to analyse because the sample is so small. However, with document duty now being charged on share transfers (the sale of the shares in a company that owns the house), the trend is for more open market properties to be conveyed through the courts, meaning there will be more data available to us in the future. It will seem more open market house are being bought and sold, but that may not be the case. The most recent figures are encouraging though, the average open market house price has increased by 0.2% over the year. That may not sound like much, but prices fell through the whole of 2017, and by as much as 17.8% last quarter - so that small number is actually a very large improvement.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

Disclaimer

This client briefing has been prepared for clients and professional associates of Ogier. The information and expressions of opinion which it contains are not intended to be a comprehensive study or to provide legal advice and should not be treated as a substitute for specific advice concerning individual situations.

Regulatory information can be found under [Legal Notice](#)

Meet the Author



Martyn Baudains

Partner

Guernsey

E: martyn.baudains@ogier.com

T: [+441481 752217](tel:+441481752217)

Related Services

Property law

Channel Islands Local Legal Services

Legal