COLLAS CRILL

2023: Jersey property market review

FEBRUARY 2024

Newly released figures from Statistics Jersey regarding the island's property market reveal that, overall, 2023 saw a decline in house prices.

The report on the House Price Index (**HPI**) for the fourth quarter of 2023, released on 15 February 2024, provides collective figures for the year - let's turn to the figures:

Property transactions

Overall figures for 2023 show the first decrease in house prices since 2013 and prior to that 1986.

The most noticeable price decreases were on one bedroom flats and two to three bedroom houses, with varying factors determining these price drops such as a stagnation in the investment market due to the implementation of the additional 3% stamp duty payable on properties acquired for use other than as a main residence and higher interest rates on mortgages.

Two bedroom flats and four bedroom houses show an upward turn in price, albeit these statistics are impacted by acquisitions of large more valuable properties pushing up the average price of four bedroom houses.

Interestingly, whilst purchases within new developments represented 39% of the annual residential property transactions for 2023, it is noted that average prices for most property types were mostly unaffected by these new developments.

The rental market saw a reduction on rental prices of 1% from the previous year.

Lending

Turning to affordability, figures show that overall property was less affordable than that of 2022, with working households (those with at least one adult in paid employment) affording only a one bedroom flat and with the capability of servicing the mortgage on only a two bedroom flat. This is reflected in the 1% decrease in "The First Time Buyer Market Index".

Overall, 2023 showed a total turnover of 43% less than 2022 with an average property purchase price for the last quarter of the year at £636,000.

The outlook for 2024

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Turning to the current year, we don't yet have any statistics available to refer to, however with interest rates on the slight decline, there is an air of optimism that the local property market is moving in a more positive direction, albeit investment buyers remain cautious due to the additional 3% stamp duty payable and in this area, the market continues to adjust.

Collas Crill has one of the largest property teams in Jersey and around 200 years of collective experience. Should you require any advice or guidance on buying or selling property, please contact the team on 01534 601700.

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