



GUERNSEY PROPERTY UPDATE - JULY

AUGUST 2019

A few months have passed since our last report as we've been hard at work in the Guernsey property sphere, and it's fair to say that work is paying dividends as we reflect on the recently released statistics from ABConveyances for July.

In the combined open and local markets, July saw 160 transactions completed worth a total of £64 million, bringing the year sum to a whopping 870 transactions worth over £320 million. These figures demonstrate the highest total transactions compared to the same period each year since 2011, when there were 926 transactions, and the highest total value in at least a decade, up from last year's £265 million (762 transactions).

In the local market, the combined total of both flats and houses exceeds that from the same period last year. The average local market house price has increased by 4.8% to £458,250, while the average local market flat price has dropped by 2% to £238,875 from this time last year.

In the open market, average prices tend to fluctuate more than on the local market, largely due to the smaller number of transactions, so any observations should be interpreted with this in mind.

There have been 51 open market house transactions this year so far, compared to 54 over the same period last year, although the average price of £1.37 million is up from £1.07 million. With open market apartment transactions, there have been four this year to date, which is down from 12 this time last year.

Similar to open market house prices, the average price of open market flats so far this year has increased to £1.35 million, up from £1.02 million over the same period in 2018.

As conveyancing transaction numbers are up, so too are the number of bonds completed this year to date. 127 bonds were completed in July, bringing the year total to 711 bonds worth a total of £278 million. These figures compare to just 563 bonds worth a total of £190 million last year, and 563 bonds worth a total of £201 million in 2017. This total also represents the largest number of bonds since 2012 for the same period (746) and the highest value since 2010's £275 million.

Breaking down this year's bonds so far we find that 82 of July's 127 were property purchase bonds, bringing the year total to 421, with a value of over £149 million. Compared to previous years, this demonstrates a large step up in total value; 2018 stood at £112 million (342 bonds), £115 million in 2017 (335 bonds), £112 million in 2016 (323 bonds) and £93 million in 2015 (249 bonds).

Looking at lenders, we can see that Lloyds completed 33 bonds in July as they continue to top property purchase bonds.

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In summary, both conveyancing transaction numbers and the number of bonds completed have continued to rise after a strong start to the year in Q1. With increases in both the local and open markets, numbers for the year so far have reached heights not seen for almost a decade, demonstrating increasing confidence in the Guernsey property market, something we expect will continue through the remainder of this year.

Remaining cautious to draw too many conclusions from a comparatively smaller set of data for open market property, the improved number of open market transactions when compared with two years ago must reflect the uneasy position in the UK as Brexit uncertainty continues. With Boris recently appointed at the helm, and a no-deal Brexit still on the cards, those must be a sure thing for continued improvement in the open market position.

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