



# GUERNSEY PROPERTY UPDATE - MARCH

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## APRIL 2018

Now that April is upon us, the first quarter's statistics are now available and show us that there remains a steady performance on the house sales side of things.

We saw 294 transactions over the first quarter, of which 151 were local market sales of houses or flats and 17 were open market. This compares with 311 this time last year, of which 171 were local market and 5 were open market.

So slightly less activity on the local market side but a bit of a proper uptick on the open market side (although bear in mind this time last year, sales by share transfer of open market homes would have been not publically available).

**Still not quite the number of total transactions we witnessed in 2011 and 2012 – 369 and 341 respectively.**

For the first quarter, the median average local market house price stands at £390,000 and for flats at £234,975 – a bit down on this time last year and on the last quarter of 2017. The current median average house price on the open market is £972,500 for this quarter.

In terms of bonds, RBSI leads the way for the quarter in terms of number of bonds completed for linked purchases although Barclays have loaned a bit more in terms of value of bonds.

So are we now seeing a bit of a plateau on the local market? Well, the first quarter of any year is always the most difficult so we would expect to see more of an increase in transactions over the next few months but only time will tell. It would be great to see much more activity but we think that that may only come with some form of States intervention. Agents report that their supplies of local market housing is starting to dwindle with shortage of good quality family properties in the £500,000 to £800,000 range.

On the open market, things appear promising as agents are reporting that they are very busy with viewings including people from the UK and elsewhere as they make use of the Easter holidays to view houses in this idyllic island.

To conclude, we do believe that we should be looking at ourselves and asking what else can we do to really make our housing market as buoyant as it used to be. One idea is for the States to consider permitting some of its land only to be developed for first time buyers. This could be achieved through the use of planning covenants and other restrictions so as to keep prices aimed at first time buyers. It is currently happening in Jersey and there has been no shortage of demand for the houses now that they are constructed. However, for this to happen here, political will power is needed.

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