

# Guernsey Quarterly Residential Property Prices Bulletin

Quarter 1 2021

Issue date 14 May 2021

The Guernsey Residential Property Prices Bulletin measures average price changes in residential properties sold on the island each quarter and provides a headline analysis of trends in average purchase prices and rents.



States of Guernsey  
Data and Analysis

## 1.1 Introduction

The Guernsey Residential Property Prices bulletin measures average price changes in residential properties sold on the island each quarter and provides a headline analysis of trends in average purchase prices. It also now incorporates information previously published in the Supplementary Property bulletin, including a rental index, a purchase price to earnings ratio and the average purchase price and rent by type of property and number of bedrooms.

Data compiled on the island's housing stock in 2011 enabled the development of new methods for calculating average purchase prices. Compared with previously published measures, the mix adjusted average (the method of calculation of which is defined in [section 2.1](#)) is much less susceptible to changes from one quarter to the next in the profile of properties sold.

The measures put in place to slow the spread of the coronavirus impacted on residential property conveyances towards the end of quarter 1 2020 and the beginning of quarter 2 2020, and again in quarter 1 of 2021. The volume of conveyances across these quarters was large enough for average prices to still be reliably calculated.

## 1.2 Headlines

- The mix adjusted average purchase price for Local Market properties was £509,906 in the first quarter of 2021, 3.4% higher than the previous quarter and 14.8% higher than the first quarter of 2020. The mix adjusted price is a measure of the value of the sales, not a reflection of the values of individual properties. Many factors, including age, location and quality, determine the actual value of individual properties.
- There were 167 Local Market transactions during the first quarter of 2021, 178 fewer than the previous quarter and seven fewer than the same quarter of 2020. The January and February sale numbers were affected by restrictions put in place to slow the spread of coronavirus, but the March figure of 79 sales was the highest March figure since 2011.
- The raw median price (realty only) of the 18 Open Market transactions in the first quarter of 2021 was £1,404,272.
- The mix adjusted average rental price for Local Market properties was £1,498 in the first quarter of 2021, 8.9% higher than the previous quarter and 9.9% higher than the first quarter of 2020.
- The purchase price to earnings ratio for 2020 was 5.6% higher than for 2019, indicating that residential property purchase prices increased at a faster rate than earnings from 2019 to 2020. The rent to earnings ratio for 2020 was 1.1% higher than for 2019, indicating that rental prices also increased at a faster rate than earnings from 2019 to 2020, albeit at a slower rate than purchase prices.

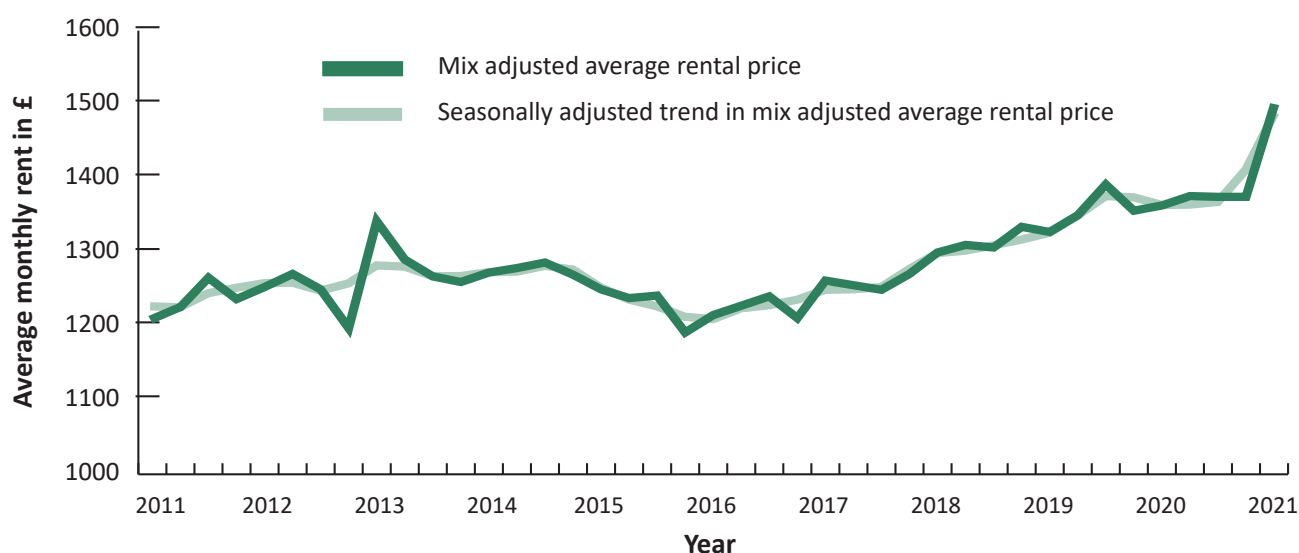
## 1.2 Headlines (continued)

**Figure 1.2.1 Local Market mix adjusted average purchase price**



**Figure 1.2.1** shows the overall mix adjusted average purchase price for Local Market residential properties. Further information on Local Market properties purchased during the first quarter of 2021 can be found in [section 3.1](#).

**Figure 1.2.2 Local Market mix adjusted average rental price**



**Figure 1.2.2** shows the overall mix adjusted average rental price for Local Market residential properties. This is the first time this information has been published. In the past, an annual mix adjusted rental index and averages for each of the categories within that had been provided in the Annual Supplementary Bulletin. However, now there is a sufficiently long time series to provide this information on a quarterly basis, along with a seasonally adjusted trend. A new section has been included within this report comparing purchase and rental prices with each other and with earnings, see [section 9.2](#).

## 2.1 Local Market purchases - mix adjusted average

The Local Market mix adjusted average purchase price is a measure of the average cost (including both realty and personalty) of purchasing a property in Guernsey. Realty relates to fixed assets, e.g. buildings and land, and personalty is the term used for the moveable assets, such as carpets, fixtures and fittings. The mix adjusted average prices include a measure of personalty, which is included in most property purchases, better reflecting the actual prices paid for purchases.

From the latter part of 2017 the most common adjustment for personalty used at the Greffe was changed from 5% to 2.5%.

Transactions are weighted according to their type and number of bedrooms to reflect the profile (or “mix”) of all the island’s owner occupied and buy to let property units. The resulting average, presented in **Table 2.1.1** and represented graphically by the dark green line in **Figure 1.2.1** on **page 3**, is not affected by changes in the types of properties sold from one quarter to the next in the way that median average prices can be.

This measure was published for the first time in the fourth quarter of 2011. Average prices calculated using this methodology are available from the fourth quarter of 2008 onwards.

It should be noted that the measure is still susceptible to fluctuations due to the size, quality and location of properties of any particular type and number of bedrooms, varying from one quarter to the next. Due to the relatively small sample sizes it is not possible to eliminate these variations completely.

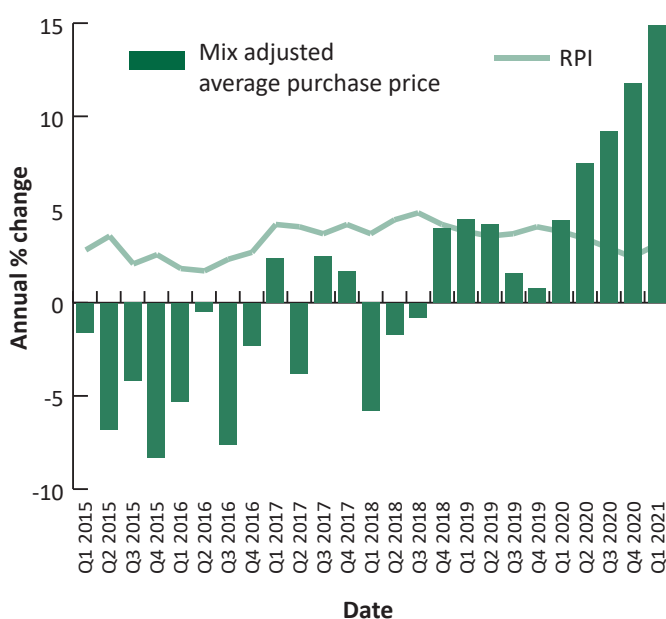
As shown in **Table 2.1.1**, in the first quarter of 2021, the mix adjusted average purchase price was £509,906, 3.4% higher than the previous quarter and 14.8% higher than the first quarter of 2020.

For Q1 2021, the annual percentage change in house prices was higher than the annual percentage change in the Retail Prices Index (a measure of inflation) as shown in **Figure 2.1.1**.

**Table 2.1.1 Mix adjusted average purchase price**

Date	Mix adjusted average purchase price	Quarterly percentage change	Annual percentage change
Q1 2019	£425,425	-2.9%	4.5%
Q2 2019	£427,893	0.6%	4.2%
Q3 2019	£426,560	-0.3%	1.6%
Q4 2019	£441,295	3.5%	0.8%
Q1 2020	£444,150	0.6%	4.4%
Q2 2020	£459,837	3.5%	7.5%
Q3 2020	£465,664	1.3%	9.2%
Q4 2020	£493,174	5.9%	11.8%
Q1 2021	£509,906	3.4%	14.8%

**Figure 2.1.1 Annual percentage change in mix adjusted average purchase price**



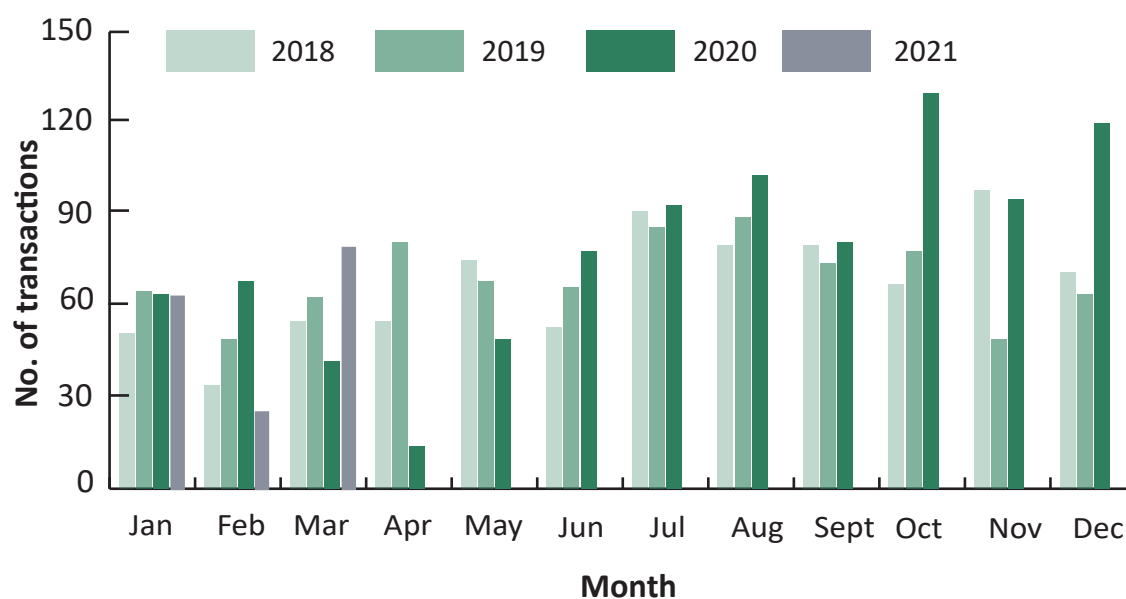
## 2.2 Local Market purchases - by month

**Table 2.2.1 Number of local market transactions by month**

	Quarter 1				Quarter 2				Quarter 3				Quarter 4				Year
	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	
<b>2018</b>	51	34	55	140	55	75	53	183	91	80	80	251	67	98	71	236	810
<b>2019</b>	65	49	63	177	81	68	66	215	86	89	74	249	78	49	64	191	832
<b>2020</b>	64	68	42	174	14	49	78	141	93	103	81	277	130	95	120	345	937
<b>2021</b>	63	25	79	167													

The measures put in place to slow the spread of the coronavirus impacted on residential property conveyances in the first two quarters of 2020 and the first quarter of 2021. The volume of conveyances across these quarters was still large enough for average prices to be reliably calculated. The level of transactions from June to December 2020 was higher than previous years, and the March 2021 figure was the highest March figure since 2011.

**Figure 2.2.1 Number of local market transactions by month**



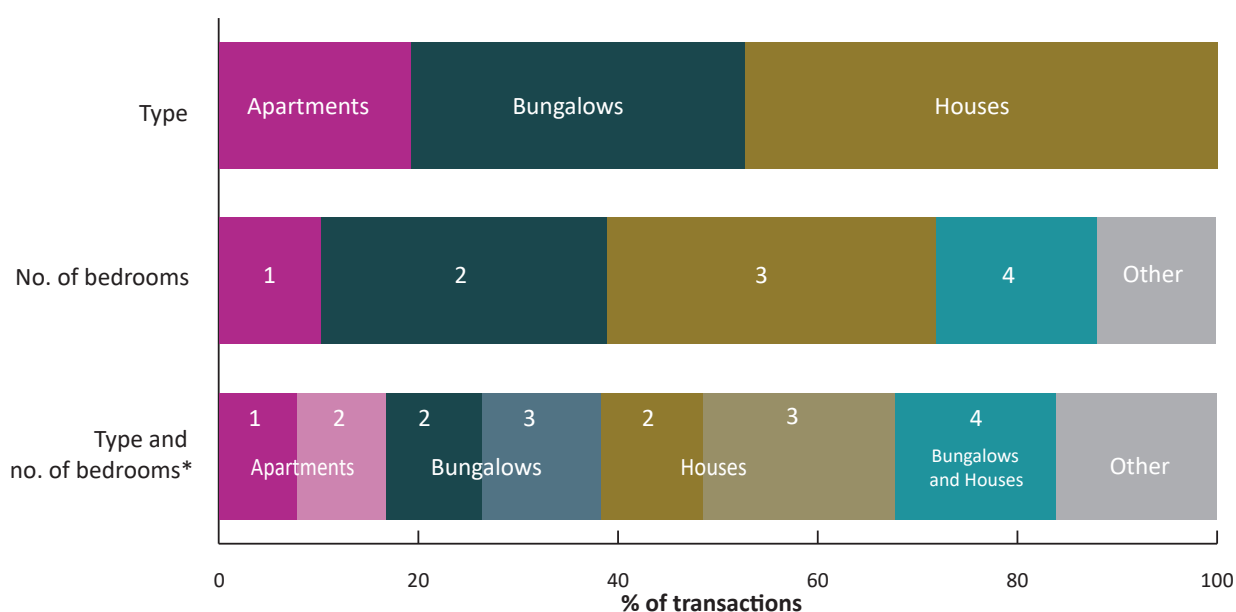
## 2.3 Local Market purchases - type and number of bedrooms

**Table 2.3.1 Percentage of transactions by property type and number of bedrooms**

Date	Percentage of total transactions by type and number of bedrooms							
	Apartment		Bungalow		House		House/ Bungalow	Other
	1	2	2	3	2	3	4	
Q1 2019	11%	11%	6%	12%	9%	20%	18%	12%
Q2 2019	7%	11%	10%	16%	13%	16%	13%	13%
Q3 2019	11%	10%	12%	13%	9%	16%	17%	12%
Q4 2019	8%	14%	6%	15%	18%	14%	15%	10%
Q1 2020	11%	10%	5%	17%	15%	14%	15%	13%
Q2 2020	13%	13%	7%	15%	9%	15%	16%	11%
Q3 2020	10%	14%	12%	13%	10%	17%	13%	11%
Q4 2020	12%	13%	8%	13%	10%	17%	11%	15%
Q1 2021	8%	9%	10%	12%	10%	19%	16%	16%

The “mix” of property transactions in each quarter is shown in [Table 2.3.1](#) and illustrated in [Figure 2.3.1](#). (N.B. Due to rounding, the total figure may not always add up to precisely 100%.) The proportion of transactions in each category varies from one quarter to the next. In the first quarter of 2021, the 3 bed house category had the highest proportion (19%) of transactions. Definitions of the types of properties which are included in the categories used (apartment, house and bungalow) are provided on [page 19](#) of this bulletin. Properties in the “Other” category are those which do not fall into the categories shown in [Table 2.3.1](#), either because they have a different (or unknown) number of bedrooms or because they are a different type of property. These are excluded from the mix adjusted calculations described on [page 4](#).

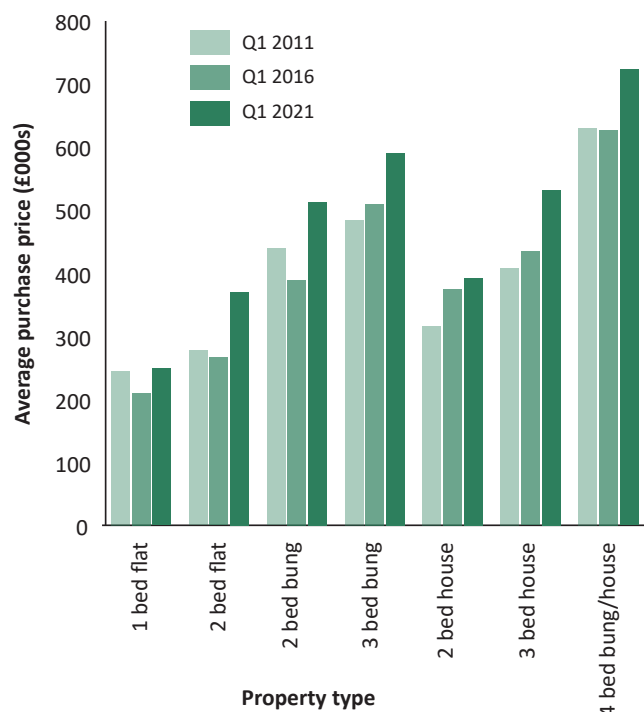
**Figure 2.3.1 Percentage of transactions by type and number of bedrooms (Q1 2021)**



\*As used in mix-adjusted calculations and presented in [Table 2.3.1](#)

## 2.4 Local Market purchases - price by type and number of bedrooms

**Figure 2.4.1 Local market average purchase price by type of property**



The breakdown of average purchase prices of properties by type and number of bedrooms is shown in **Figure 2.4.1** for the first quarters of 2011, 2016 and 2021. It shows the average prices of the component categories which, when combined with information on the island's property stock, are used to calculate average, mix adjusted property purchase prices and rents (see **Figures 1.2.1** and **1.2.2** on **page 3**).

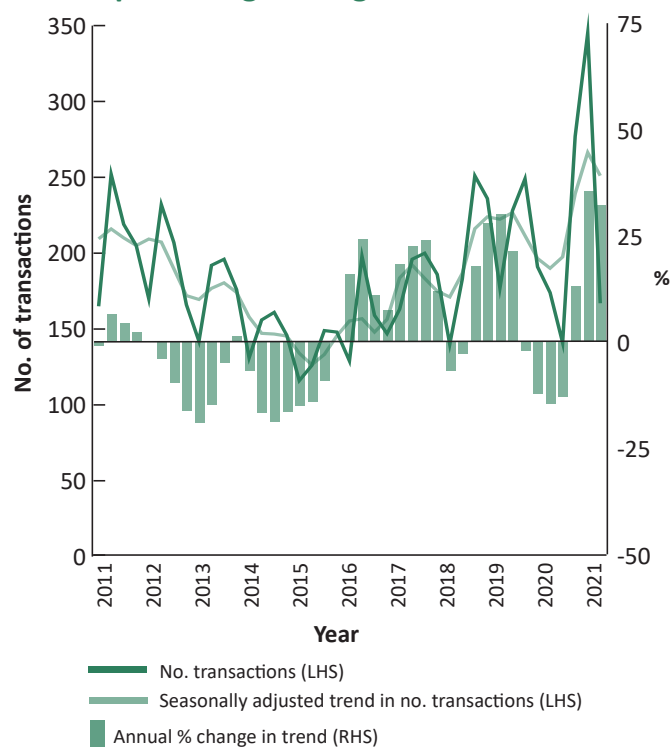
**Figure 2.4.1** shows how average purchase prices for all property types and numbers of bedrooms increased over time.

It should be noted that these prices are based on relatively small sample sizes and, as such, fluctuations due to the changes in mix of size, quality or location of properties in each category are unavoidable.

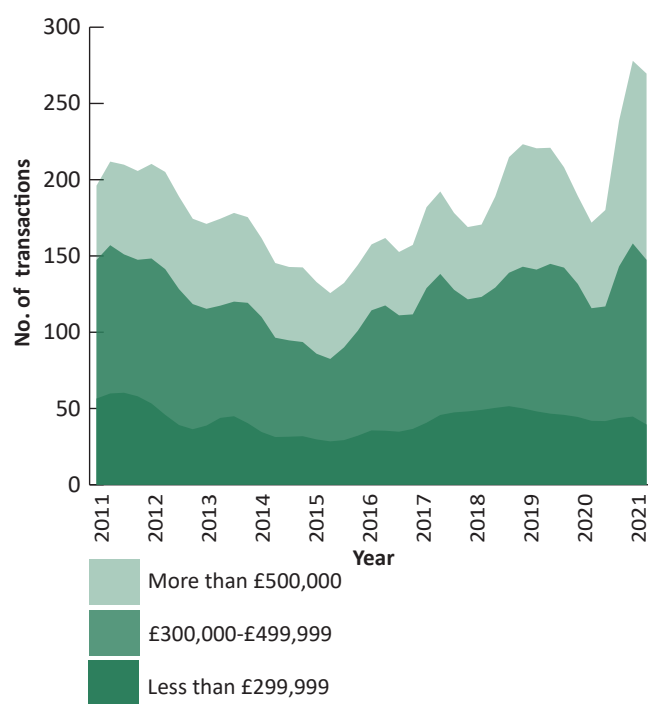
These prices are not intended to imply the value of any given property, but to reflect historic average values and changes. Many factors, including age, location and quality, determine the actual value of individual properties.

## 3.1 Local Market purchases - volumes by price

**Figure 3.1.1 Number of transactions and annual percentage change**



**Figure 3.1.2 Seasonally adjusted trend in number of transactions by realty price (nominal)**



**Table 3.1.1 Number of transactions by realty price (in £000s)**

Date	Less than £200	£200 to £299	£300 to £399	£400 to £499	£500 to £599	£600 to £999	More than £999	Total
Q1 2019	11	30	34	39	36	23	4	177
Q2 2019	9	31	66	34	40	33	2	215*
Q3 2019	10	49	57	57	38	34	4	249
Q4 2019	7	36	53	35	26	28	6	191
Q1 2020	7	33	39	23	30	38	4	174
Q2 2020	8	24	25	29	22	29	4	141
Q3 2020	10	45	58	59	53	46	6	277
Q4 2020	11	53	62	67	61	76	15	345
Q1 2021	6	16	23	38	31	39	14	167

\* In Q2 2019 there were an additional thirteen properties sold which could not be broken down by individual residential unit and so were not included in some calculations

**Table 3.1.1** and **Figure 3.1.1** provide information on the number of Local Market transactions recorded by the States of Guernsey Greffe each quarter. There were 167 Local Market residential property transactions recorded in the first quarter of 2021.

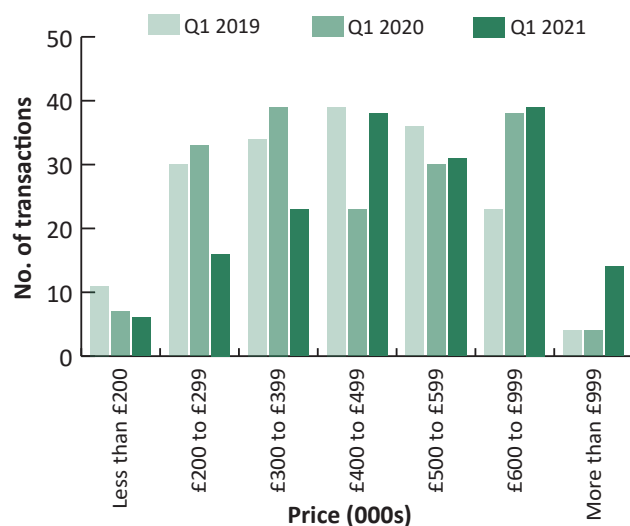
**Table 3.1.1** shows the number of Local Market residential property transactions each quarter by (realty only) price band, which can vary significantly from one quarter to the next. During the first quarter of 2021, the largest numbers of transactions (39) were in the £600,000 to £999,999 value band. There were 14 Local Market transactions of £1 million or more.

A seasonally adjusted trend in transactions by (realty only) price band is presented in **Figure 3.1.2**.

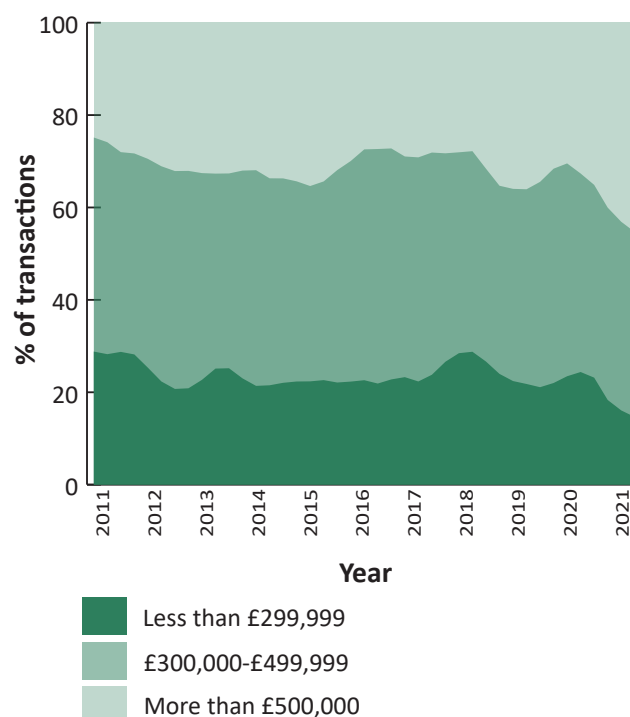


## 3.1 Local Market purchases - volumes by price

**Figure 3.1.3 Number of transactions by realty price (in £000s)**



**Figure 3.1.4 Seasonally adjusted trend in % of transactions by realty price (nominal)**



The number of transactions in each realty price band is shown as a distribution graph in **Figure 3.1.3**, comparing the distribution of transactions in the first quarters of 2019, 2020 and 2021. The distribution of sales in the first quarter of 2021 shows transactions were fairly evenly distributed between the £400,000 to £999,999 value bands, varying between 31 and 39 transactions per value band, with a peak of 39 in the £600,000 to £999,999 band.

The percentage of transactions by price band is shown in **Table 3.1.2**. (N.B. Due to rounding, the total figure may not always add up to 100%).

**Table 3.1.2 Percentage of transactions by realty price (in £000s)**

Date	Less than £200	£200 to £299	£300 to £399	£400 to £499	£500 to £599	£600 to £999	More than £999	Total
Q1 2019	6%	17%	19%	22%	20%	13%	2%	100%
Q2 2019	4%	14%	31%	16%	19%	15%	1%	100%
Q3 2019	4%	20%	23%	23%	15%	14%	2%	100%
Q4 2019	4%	19%	28%	18%	14%	15%	3%	100%
Q1 2020	4%	19%	22%	13%	17%	22%	2%	100%
Q2 2020	6%	17%	18%	21%	16%	21%	3%	100%
Q3 2020	4%	16%	21%	21%	19%	17%	2%	100%
Q4 2020	3%	15%	18%	19%	18%	22%	4%	100%
Q1 2021	4%	10%	14%	23%	19%	23%	8%	100%

Note: figures may not add up to 100% due to rounding

## 4.1 Local Market purchases - average loan to value

The loan to value is calculated for each of the property transactions for which a bond is registered with the Greffe. The median value of those figures each quarter is shown in **Table 4.1.1**.

In the first quarter of 2021, the median loan to value was 73%.

Since first measured, in 2009, the average loan to value has varied within a 15% range (see **Figure 4.1.1**).

The total value of all the bonds issued during the first quarter of 2021 was £129 million, of which £50 million related to the analysis on this page.

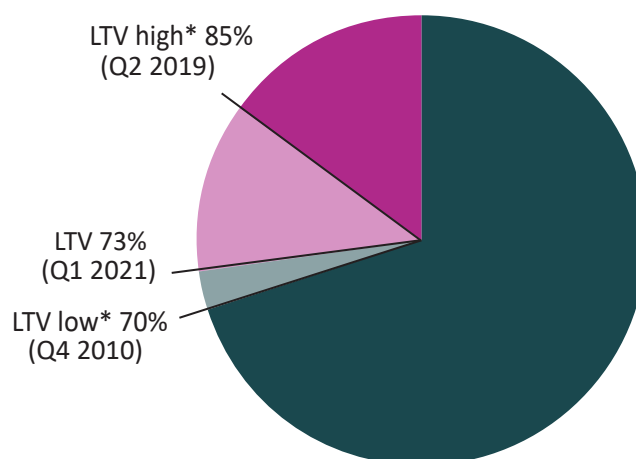
The total value of all the conveyances recorded by the Greffe during the first quarter of 2021 was £139 million, of which £95 million related to local market residential sales used in the analysis in this report. Other conveyances include those related to open market sales, sales of commercial property or sales of land.

These figures for bonds and conveyances are recorded each quarter and some trend analysis will be included in future reports.

**Table 4.1.1 Average loan to value**

Date	Median bond as a % of purchase price
Q1 2019	81%
Q2 2019	85%
Q3 2019	82%
Q4 2019	82%
Q1 2020	80%
Q2 2020	83%
Q3 2020	83%
Q4 2020	80%
Q1 2021	73%

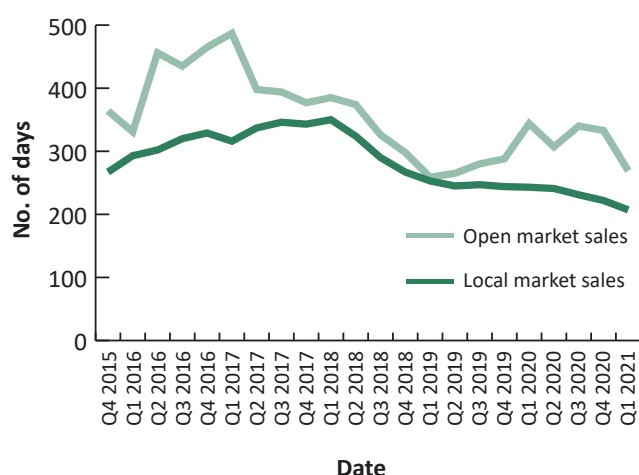
**Figure 4.1.1 Average loan to value (Q1 2021)**



\*High and low since data first collected Q3 2009

## 5.1 Local Market purchases - market data

**Figure 5.1.1 Four quarter rolling average length of time between first being advertised and sale completion**

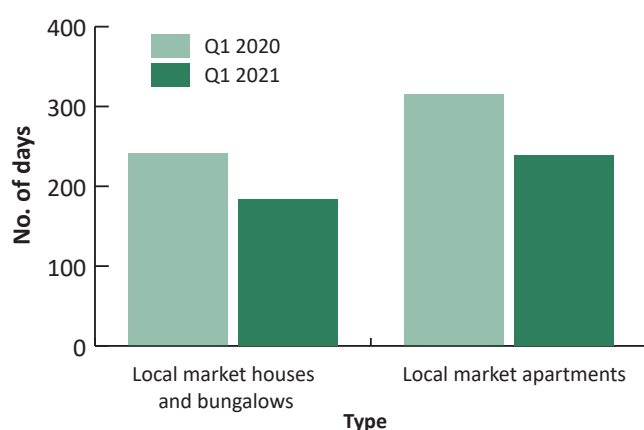


Data published by Estate Agents regarding properties for sale is being provided by local IT company Cortex Technologies Limited<sup>1</sup>, who have developed an IT system to collect the data automatically. It should be noted that not all properties are advertised. However, the method is consistent over time and as such, the data is presented to facilitate trend analysis and does not focus on particular values.

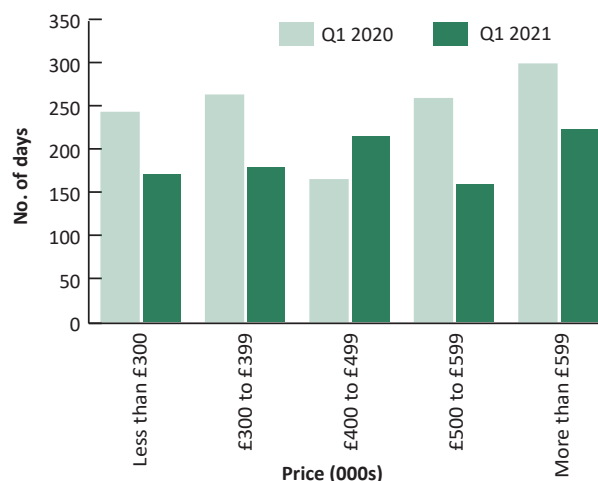
**Figure 5.1.1** shows the four quarter rolling average length of time taken between a property first being recorded as being advertised and its sale completion date. It shows that, for each of the last five years, the advertised open market properties sold had been on the market, on average, longer than the advertised local market properties.

<sup>1</sup> <https://cortex.gg>

**Figure 5.1.2 Average length of time between first being advertised and sale completion during Q1**



**Figure 5.1.3 Average length of time between first being advertised and sale completion during Q1**

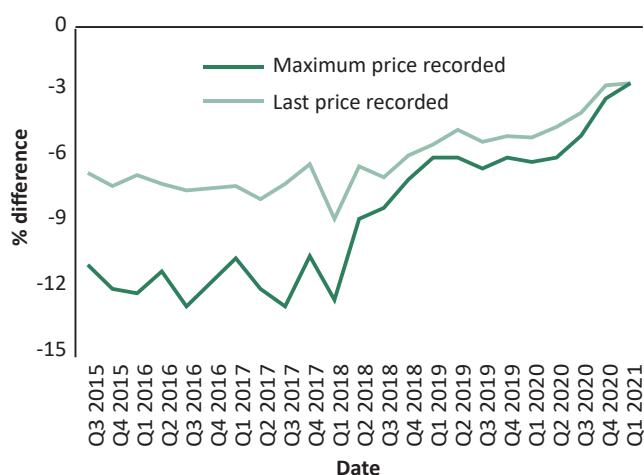


There is very little difference between the length of time between first being advertised and sale completion for local market bungalows and local market houses, so these are grouped together in **Figure 5.1.2** for comparison with apartments. On average, for advertised properties, houses and bungalows sold during the first quarter of 2021 were on the market for less time than apartments.

**Figure 5.1.3** shows the average time taken across the price brackets for sales of advertised properties in the first quarters of 2020 and 2021.

## 5.1 Local Market purchases - market data

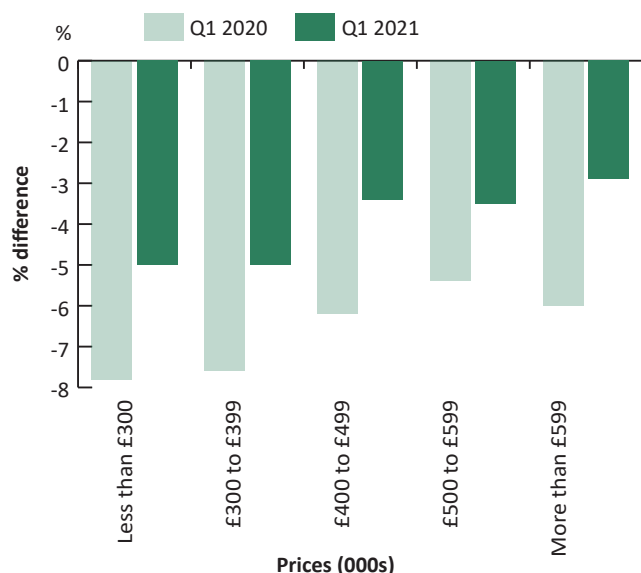
**Figure 5.1.4 Difference between prices advertised by estate agents and final sales prices**



The price at which a property is advertised with an estate agent is often different to its actual transaction price. The trend in this information provides an indicator of market conditions, but can be influenced by many factors: the numbers of particular types of property on the market and the urgency of the vendor's requirement to sell, for example. The initially advertised price may be reduced (or in some cases, increased) before a sale is finalised.

The transaction price as recorded by the Greffe covers realty only, so an adjustment is made (to all transactions) to include personality, which is included within the advertised price. It is noted that in practice this adjustment may not always apply. From the latter part of the fourth quarter of 2017 the most common adjustment for personality used at the Greffe was changed from 5% to 2.5%.

**Figure 5.1.5 Difference between last recorded price advertised by estate agents and transaction price**



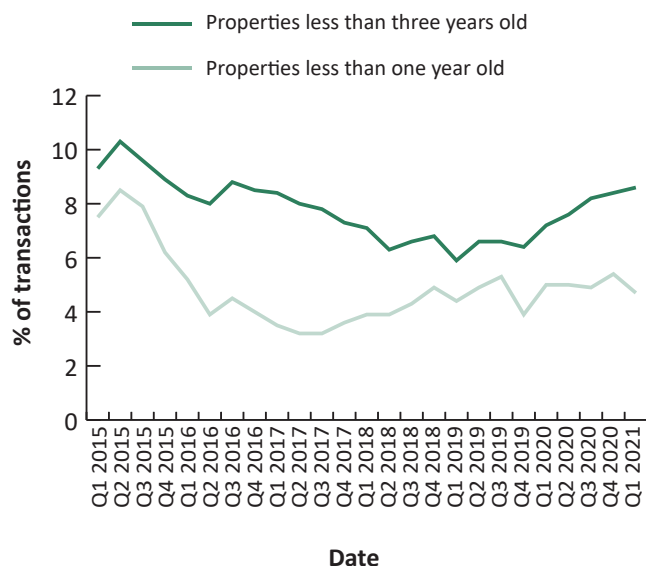
The Data and Analysis team record a maximum advertised price (based on data provided by Cortex Technologies Limited, collated from the local estate agents' websites) and also the last known price advertised before a property is sold. Both figures are subject to a small degree of error due to lag in collecting the data, but the method is consistent over time. As such, it is felt that there is value in including an analysis of the trends in these figures, however the potential error should be borne in mind when looking at absolute values.

**Figures 5.1.4 and 5.1.5** show the differences between both maximum and last advertised prices and transaction prices for properties sold from 2015 (when this information began to be collected by Data and Analysis).

**Figure 5.1.5** shows that the differential between the last recorded price advertised by estate agents and the transaction price was between 2.9% and 5.0% in the first quarter of 2021 for all value bands.

## 6.1 Local Market purchases - new builds

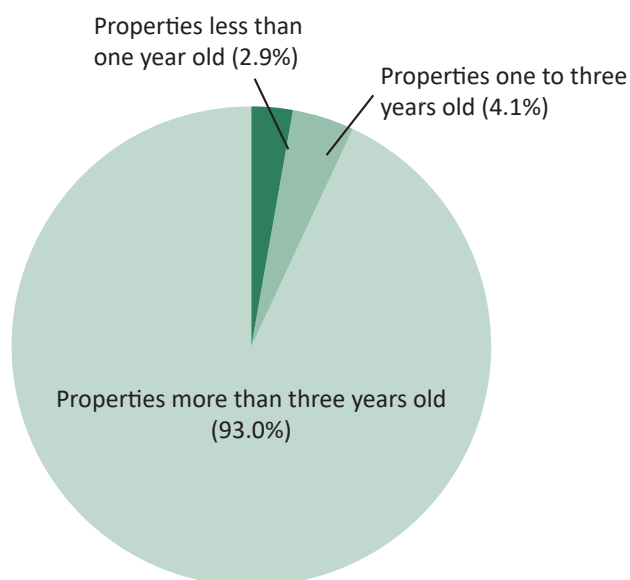
**Figure 6.1.1 Percentage of local market property transactions by age of property - four quarter average**



Using data from the Corporate Housing Monitoring database combined with transaction information, it is possible to identify the portion of property transactions by the age of the properties. New build completion dates have been recorded since 2011, so it is possible to look at transactions of properties aged three years or less from 2014, and the four quarter average from Q1 2015.

As can be seen in **Figure 6.1.1** the four quarter average number of transactions where the properties were less than three years old has varied between 5.9% and 10.3% since the period ending March 2015. The same figure for properties less than one year old has varied between 3.2% and 8.5%. These figures will be heavily dependent on the volumes of newly built properties constructed, which are reported in the **Guernsey Annual Residential Property Stock Bulletin**, see [www.gov.gg/property](http://www.gov.gg/property).

**Figure 6.1.2 Percentage of local market property transactions by age of property (Q1 2021)**



**Figure 6.1.2** shows a breakdown by age of the 167 local market residential property transactions during the first quarter of 2021. In this quarter, 2.9% of properties had been built within the twelve months prior to being sold and a further 4.1% had been built more than a year, but less than three years prior to being sold.

## 7.1 Open Market purchase - raw median

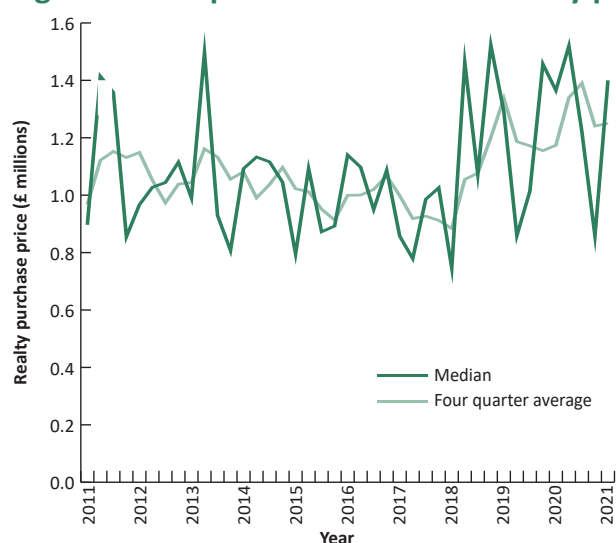
**Table 7.1.1 Open Market median realty price**

Date	Median realty purchase price (£)	Four quarter average (£)	Annual % change in four quarter average	Five year % change in four quarter average
Q1 2019	1,291,875	1,337,578	51.3	23.7
Q2 2019	858,750	1,186,641	12.5	19.8
Q3 2019	1,014,000	1,172,016	8.8	13.0
Q4 2019	1,457,625	1,155,563	-3.8	5.4
Q1 2020	1,365,000	1,173,844	-12.2	14.8
Q2 2020	1,520,719	1,339,336	12.9	32.3
Q3 2020	1,222,250	1,391,398	18.7	46.3
Q4 2020	858,000	1,241,492	7.4	36.0
Q1 2021	1,404,272	1,251,310	6.6	25.2

Average residential property prices on the Open Market tend to fluctuate more than Local Market prices due to the very wide ranging sale types and prices, and the small number of transactions. Care must be taken when interpreting such volatile trends. Values of Open Market property sales are shown in **Table 7.1.1** and **Figure 7.1.1**.

The (raw) median Open Market price calculated using realty only purchase prices, as recorded by the Greffe was £1,404,272 in the first quarter of 2021. The four quarter average, which reduces the effect of seasonal fluctuations, increased by 6.6% between the first quarter of 2020 and the first quarter of 2021. In the five years ending in March 2021, the Open Market four quarter average increased by 25.2%.

**Figure 7.1.1 Open Market median realty price**



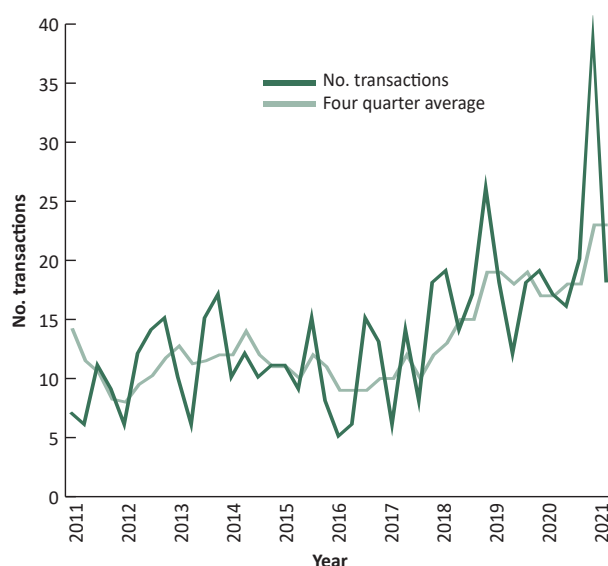
There were 18 Open Market residential property transactions during the first quarter of 2021, one more than in the first quarter of 2020 (see **Table 7.1.2** and **Figure 7.1.2**).

The number of transactions as a percentage of all Open Market (Part A) property units (i.e. turnover) is also presented in **Table 7.1.2**. The turnover of Open Market properties was 1.2% in the first quarter of 2021.

**Table 7.1.2 Open Market transaction volumes**

Date	No. of transactions	No. of transactions as a % of total open market units
Q1 2019	18	1.2%
Q2 2019	12	0.8%
Q3 2019	18	1.2%
Q4 2019	19	1.3%
Q1 2020	17	1.2%
Q2 2020	16	1.1%
Q3 2020	20	1.4%
Q4 2020	39	2.7%
Q1 2021	18	1.2%

**Figure 7.1.2 Open Market transactions**



## 8.1 Local Market rentals - mix adjusted average

The Local Market mix adjusted average rental price is a measure of the average monthly cost of properties advertised for rent in Guernsey. Since the start of 2010, data on local market private rental properties has been regularly collected from web and classified adverts (including managed properties). It is now being provided by local IT company, Cortex Technologies Limited, who have developed an IT system to collect the data automatically, providing greater coverage and enabling the number of full time equivalents within the Data & Analysis team to be reduced.

Advertised rentals are weighted according to their type and number of bedrooms to reflect the profile (or “mix”) of all the island’s privately rented property units. The resulting average, presented in **Table 8.1.1** and represented graphically by the dark green line in **Figure 1.2.2** on **page 3**, is not affected by changes in the types of properties advertised from one quarter to the next in the way that median average prices can be.

This measure was calculated for the first time in 2010 and used to determine an annual rental price index, provided each year in the Annual Supplementary Bulletin. This is the first time this information has been published on a quarterly basis.

It should be noted that the measure is still susceptible to fluctuations due to the size, quality and location of properties of any particular type and number of bedrooms, varying from one quarter to the next. Due to the relatively small sample sizes it is not possible to eliminate these variations completely.

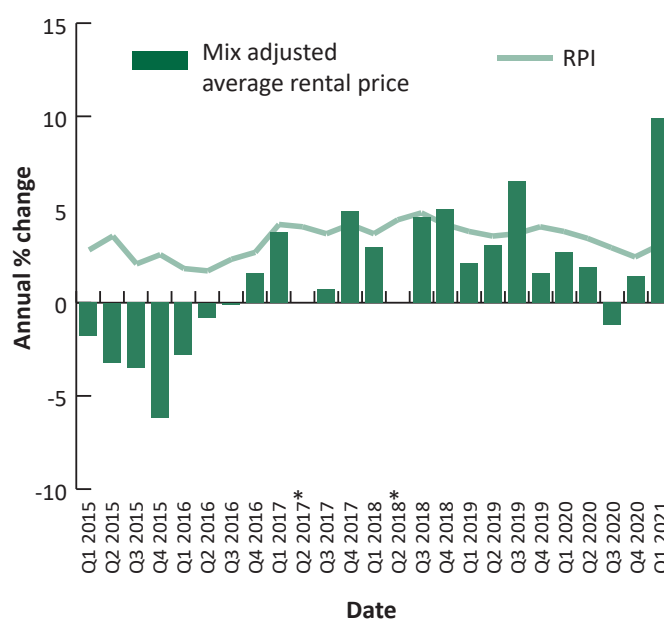
As shown in **Table 8.1.1**, in the first quarter of 2021, the mix adjusted average rental price was £1,498 per month, 8.9% higher than the previous quarter and 9.9% higher than the first quarter of 2020.

For Q1 2021, the annual percentage change in house prices was higher than the annual percentage change in the Retail Prices Index (a measure of inflation) as shown in **Figure 8.1.1**.

**Table 8.1.1 Mix adjusted average rental price**

Date	Mix adjusted average rental price	Quarterly percentage change	Annual percentage change
Q1 2019	£1,328	-0.5%	2.1%
Q2 2019	£1,350	1.7%	3.1%
Q3 2019	£1,392	3.1%	6.5%
Q4 2019	£1,356	-2.5%	1.6%
Q1 2020	£1,364	0.5%	2.7%
Q2 2020	£1,376	0.9%	1.9%
Q3 2020	£1,375	-0.1%	-1.2%
Q4 2020	£1,375	0.0%	1.4%
Q1 2021	£1,498	8.9%	9.9%

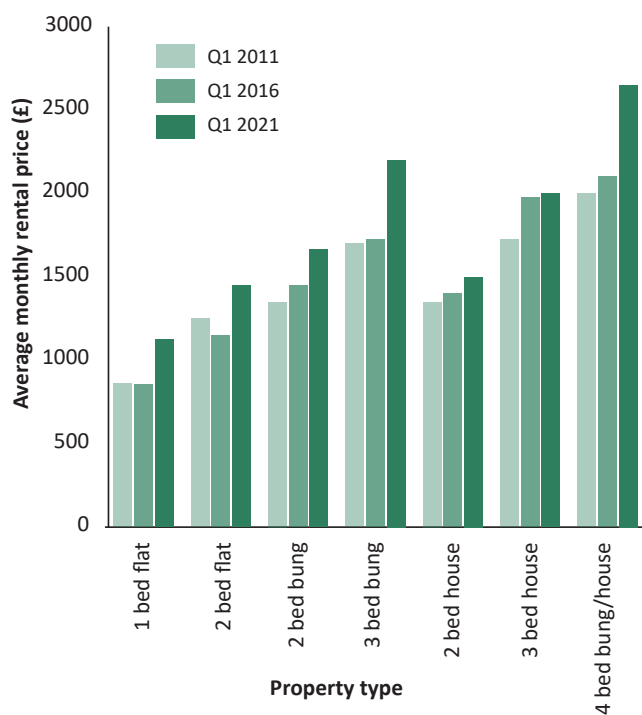
**Figure 8.1.1 Annual percentage change in mix adjusted average rental price**



\*Data was not collected in Q2 2017 and the annual change therefore could also not be calculated in Q2 2018

## 8.2 Local Market rentals by type and number of bedrooms

**Figure 8.2.1 Local market average rent by type of property**



The breakdown of average rental prices of properties by type and number of bedrooms is shown in **Figure 8.2.1** for the first quarters of 2011, 2016 and 2021. It shows the average prices of the component categories which, when combined with information on the island's property stock, are used to calculate average, mix adjusted property rental prices (see **Figure 1.2.2** on **page 3**).

**Figure 8.2.1** shows that average rental prices for all property types and numbers of bedrooms increased over time.

It should be noted that these prices are based on relatively small sample sizes and, as such, fluctuations due to the changes in mix of size, quality or location of properties in each category are unavoidable.

These prices are not intended to imply the value of any given property, but to reflect historic average values and changes. Many factors, including age, location and quality, determine the actual value of individual properties.

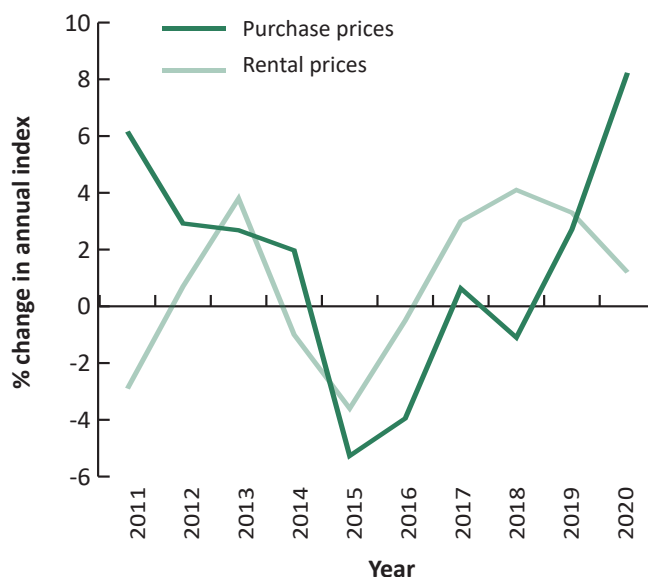


## 9.1 Local Market purchase and rental price indices

The annual purchase and rental price indices are calculated as averages of the mix adjusted rental and property purchase prices over the four quarters in each calendar year. The percentage changes in the indices are shown in [Table 9.1.1](#) and [Figure 9.1.1](#).

The rental price index has been provided each year in the Annual Supplementary Bulletin. This is the first time an equivalent index for purchase prices has been provided for comparison.

**Figure 9.1.1 Percentage change in annual purchase and rental price indices**



**Table 9.1.1 Percentage change in annual purchase and rental price indices**

	% change in annual purchase price index	% change in annual rental price index
2011	6.2	-2.9
2012	2.9	0.7
2013	2.7	3.8
2014	2.0	-1.0
2015	-5.3	-3.6
2016	-4.0	-2.7
2017	0.6	5.3
2018	-1.1	4.1
2019	2.7	3.3
2020	8.2	1.2

## 9.2 Local Market purchase and rental ratios

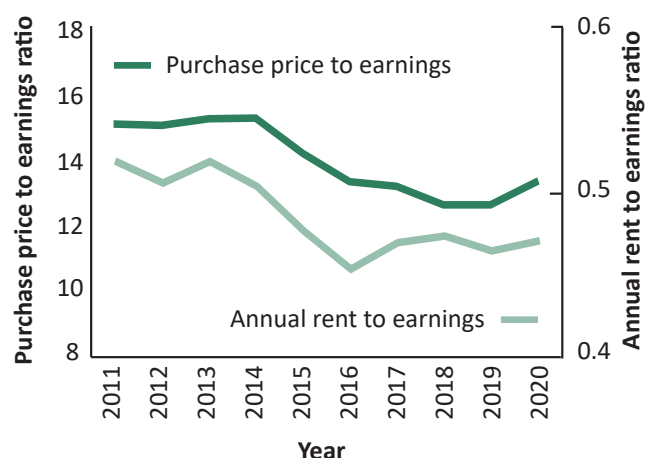
**Table 9.2.1** provides the ratios of both the mix adjusted average rent (per calendar year) and the mix adjusted purchase price (both of Local Market properties only) to median annual earnings.

The trends are shown graphically in **Figure 9.2.1**. It can be seen that the purchase price to earnings ratio trended slightly downwards over the five years ending in 2018, i.e. house purchase prices increased at a slower rate than earnings. The ratio increased in 2020.

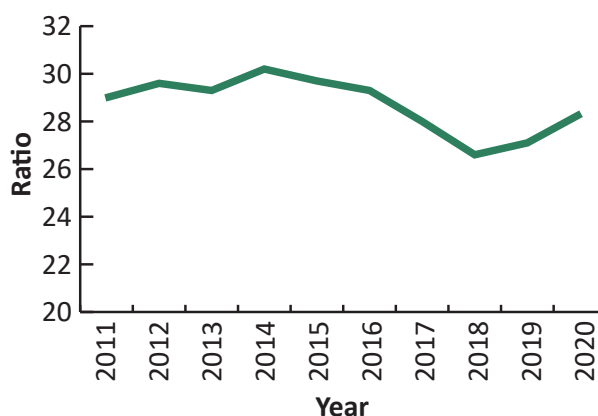
The rent to earnings ratio has shown a generally downward trend since 2013, although it increased between 2016 and 2017. It has been fairly stable since 2017.

**Table 9.2.1** also provides the ratio of the mix adjusted average rent (per calendar year) to the mix adjusted purchase price. This measure gives a direct comparison of trends in rent and purchase prices (shown in **Figure 9.2.2**). The trend in this ratio has been upward since 2018 but is still lower than it was prior to 2017.

**Figure 9.2.1 Local market annual rent to earnings and purchase price to earnings ratios**



**Figure 9.2.2: Local market purchase price to annual rent ratio**



**Table 9.2.1 Local market annual rent to earnings, purchase price to earnings\* and purchase price to annual rental ratios**

	Annual rent to earnings ratio		Purchase price to earnings ratio		Purchase price to annual rent ratio	
	Ratio	Annual % change	Ratio	Annual % change	Ratio	Annual % change
2011	0.52	-6.0%	15.0	2.8%	29.0	9.3%
2012	0.51	-2.5%	15.0	-0.3%	29.6	2.2%
2013	0.52	2.4%	15.2	1.3%	29.3	-1.1%
2014	0.50	-2.8%	15.2	0.2%	30.2	3.0%
2015	0.48	-5.4%	14.2	-7.0%	29.7	-1.7%
2016	0.45	-4.9%	13.3	-6.1%	29.3	-1.3%
2017	0.47	3.6%	13.2	-1.1%	28.0	-4.5%
2018	0.47	0.8%	12.6	-4.3%	26.6	-5.0%
2019	0.47	-1.7%	12.6	0.0%	27.1	1.8%
2020	0.47	1.1%	13.3	5.6%	28.3	4.5%

\*There is no international standard methodology for the calculation of these figures, so their values may not be directly comparable with other jurisdictions. The trends in these figures are more noteworthy than the actual values.

## 10.1 Methodology

The mix adjusted measure used to measure Local Market property prices reflects the price of both realty and personalty and uses weighting to reduce fluctuations due to changes in the profile of properties sold from one quarter to the next. Average prices calculated using this methodology are available from the fourth quarter of 2008 onwards. Prior to this, purchase prices were calculated using a (raw) median average which reflected realty prices only. In order to calculate an overall average, first the average purchase price (realty plus personalty) is calculated for each category separately. Each of these averages is then weighted by category to reflect the proportions of the whole island's owner occupied and rented housing stock (see the [Guernsey Annual Residential Property Stock Bulletin](#) via [www.gov.gg/property](http://www.gov.gg/property)). The weighted prices are combined to give the mix adjusted average. The weights are updated annually in line with changes to the island's housing stock.

Seven categories of property are used in the calculation of the mix adjusted measure: 1 and 2 bedroom apartments, 2 and 3 bedroom houses, 2 and 3 bedroom bungalows and (combined as one category) 4 bedroom houses and bungalows. The building types (apartment, bungalow, house) are determined by the property's physical attributes and proximity to other buildings:

Apartment is the title used for a unit of accommodation that is attached to or contained within a larger building (the remainder of which may or may not be used for domestic purposes). This category covers flats, bedsits, wings, annexes, maisonettes. These units can span one or more storeys.

Bungalow is the title used for a property unit (including chalet bungalows and cottages), which has one or one and a half storeys, is not contained within a larger building and can be detached, semi-detached or terraced. It can also have an apartment identified by having a separate postal address.

Units which have two or more storeys and (as per bungalows), are not contained within a larger building, can be detached, semi-detached or terraced and can have an apartment attached or contained within them, referred to as houses.

## 10.2 Contact details

You may also be interested in other States of Guernsey Data and Analysis publications, which are all available online at [www.gov.gg/data](http://www.gov.gg/data). Please contact us for further information.

E-mail: [dataandanalysis@gov.gg](mailto:dataandanalysis@gov.gg)

Write: Data and Analysis  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
Guernsey  
GY1 1FH



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