

Guernsey Quarterly Residential Property Prices Bulletin

Quarter 1 2022

Issue date 11th May 2022

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. For more information, see the methodology section at the end of this bulletin and the Guide to the Guernsey Inflation Indices 2022, which can be downloaded from <https://gov.gg/property>.

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

1.2 Headlines

- The mix adjusted average purchase price for the Local Market properties transacted during the first quarter of 2022 was £573,155, 4.0% higher than the previous quarter and 12.4% higher than the first quarter of 2021. **NB: the mix adjusted price is a measure of the value of the properties sold during the quarter, not a reflection of the values of individual properties nor the change in the value of any one property over time.** Many factors, including age, location and quality, determine the actual value of individual properties.
- There were 199 Local Market transactions during the first quarter of 2022, 36 fewer than the previous quarter and 32 more than the same quarter of 2021. This is the highest recorded first quarter number since 2007.
- The average time between a local market property becoming available for purchase and its subsequent sale has been decreasing since the first quarter of 2018.
- The difference in the advertised price of properties and their final sale price has also been decreasing since the first quarter of 2018, but was larger in Q1 2022 than the previous two quarters.
- The raw median price (realty only) of the 26 Open Market transactions in the first quarter of 2022 was £1,216,313.
- The mix adjusted average rental price for Local Market properties was £1,661 per calendar month in the first quarter of 2022, 0.7% higher than the previous quarter and 10.9% higher than the first quarter of 2021.

1.2 Headlines (continued)

Figure 1.2.1 Local Market mix adjusted average purchase price

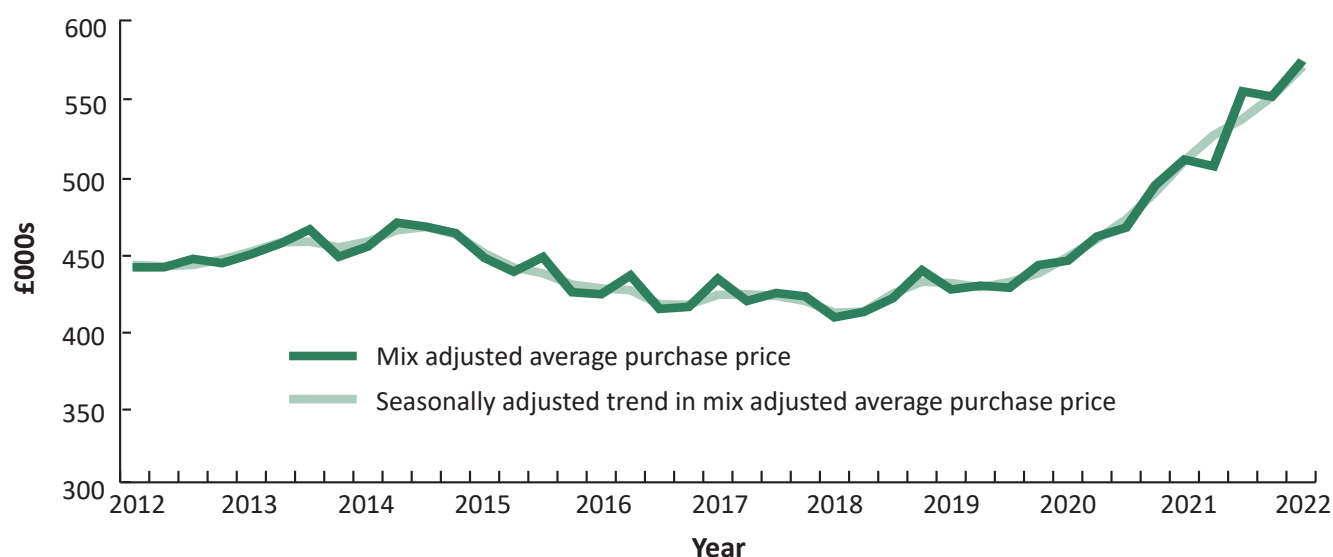


Figure 1.2.1 shows the overall mix adjusted average purchase price for Local Market residential properties. Further information on Local Market properties purchased during the first quarter of 2022 can be found in [section 3.1](#).

Figure 1.2.2 Local Market mix adjusted average rental price

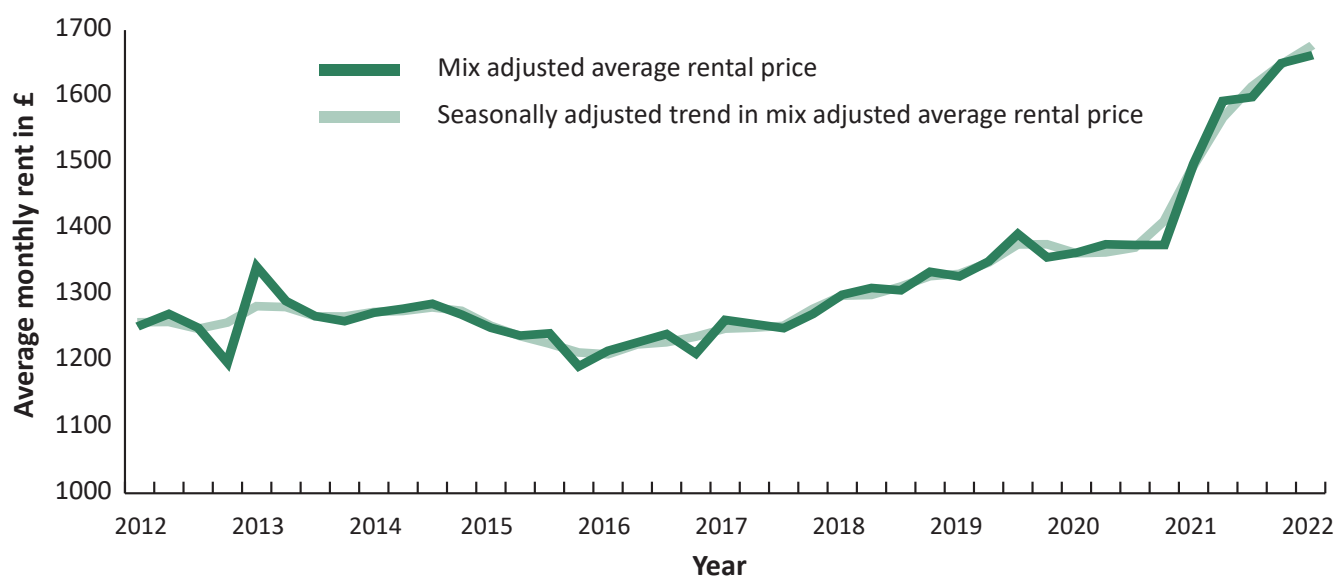


Figure 1.2.2 shows the overall mix adjusted average rental price for Local Market residential properties. Further information on rentals can be found in [section 8](#).

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.

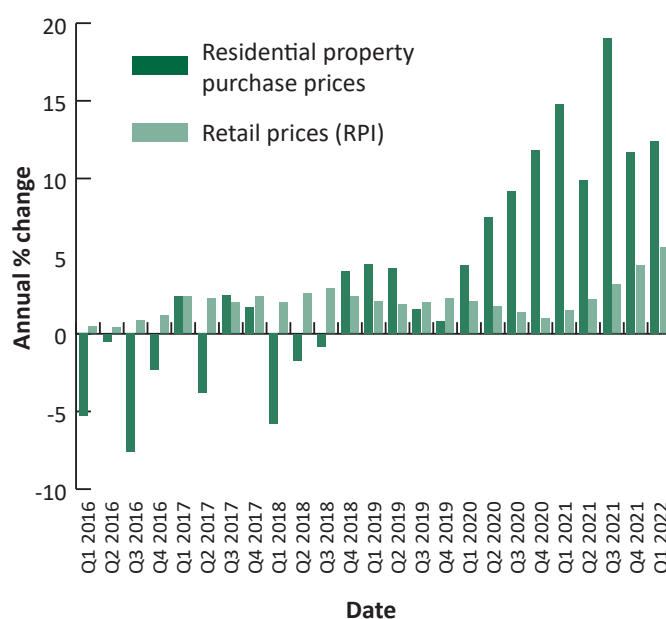
As shown in **Table 2.1.1**, in the first quarter of 2022, the mix adjusted average purchase price was £573,155, 4.0% higher than the previous quarter and 12.4% higher than the first quarter of 2021.

For Q1 2022, 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 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% |
| Q2 2021 | £505,579 | -0.8% | 9.9% |
| Q3 2021 | £554,290 | 9.6% | 19.0% |
| Q4 2021 | £550,893 | -0.6% | 11.7% |
| Q1 2022 | £573,155 | 4.0% | 12.4% |

Figure 2.1.1 Annual percentage change in prices



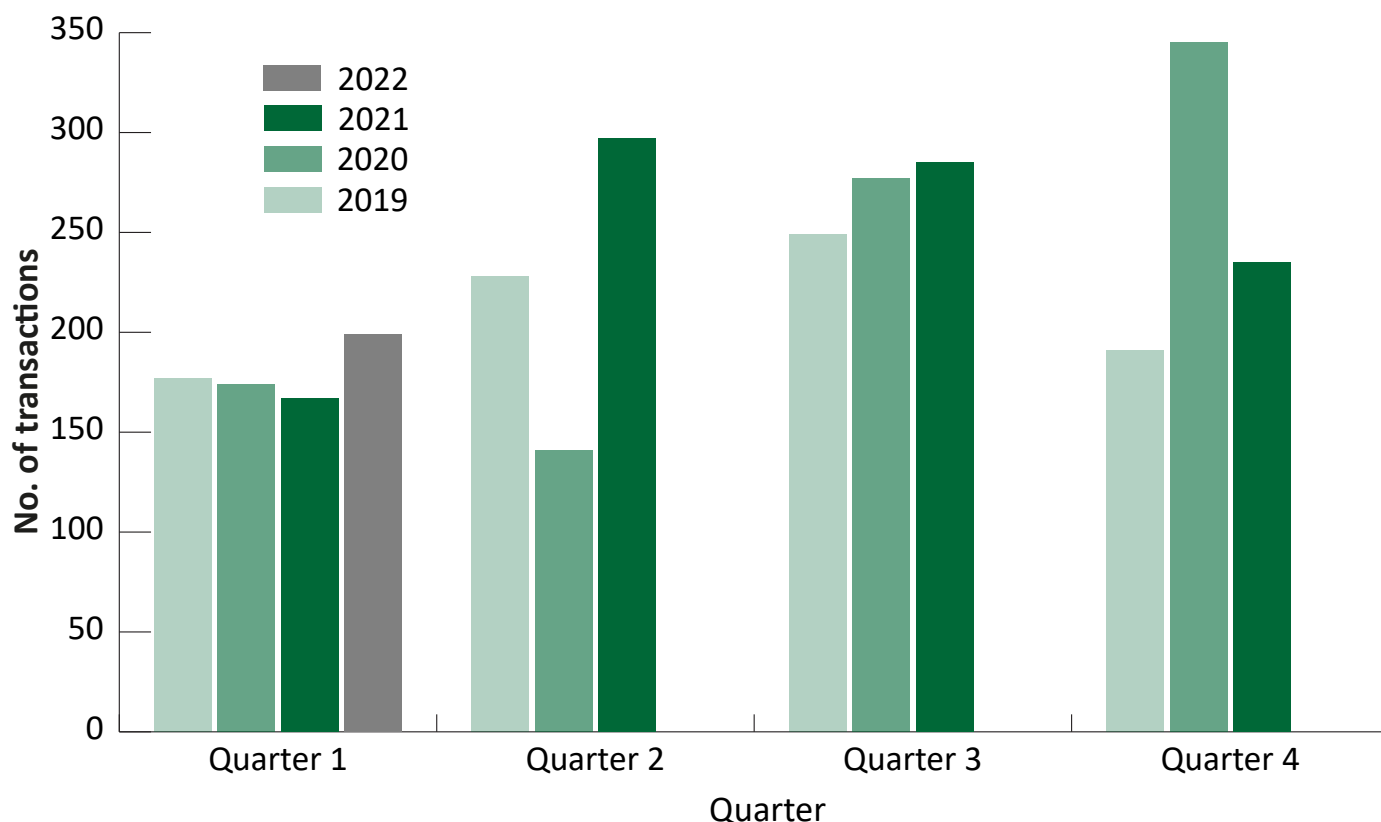
2.2 Local Market purchases - by month and quarter

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 | |
| 2018 | 51 | 34 | 55 | 140 | 55 | 75 | 53 | 183 | 91 | 80 | 80 | 251 | 67 | 98 | 71 | 236 | 810 |
| 2019 | 65 | 49 | 63 | 177 | 81 | 81 | 66 | 228 | 86 | 89 | 74 | 249 | 78 | 49 | 64 | 191 | 845 |
| 2020 | 64 | 68 | 42 | 174 | 14 | 49 | 78 | 141 | 93 | 103 | 81 | 277 | 130 | 95 | 120 | 345 | 937 |
| 2021 | 63 | 25 | 79 | 167 | 90 | 100 | 107 | 297 | 113 | 97 | 75 | 285 | 88 | 84 | 63 | 235 | 984 |
| 2022 | 56 | 62 | 81 | 199 | | | | | | | | | | | | | |

The measures put in place to slow the spread of 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. There were 199 conveyances in the first quarter of 2022, the highest recorded first quarter number since 2007.

Figure 2.2.1 Number of local market transactions by quarter



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 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% |
| Q2 2021 | 9% | 12% | 10% | 12% | 12% | 17% | 14% | 14% |
| Q3 2021 | 12% | 12% | 7% | 18% | 8% | 14% | 13% | 16% |
| Q4 2021 | 9% | 11% | 7% | 17% | 13% | 14% | 15% | 14% |
| Q1 2022 | 16% | 12% | 11% | 14% | 10% | 15% | 13% | 10% |

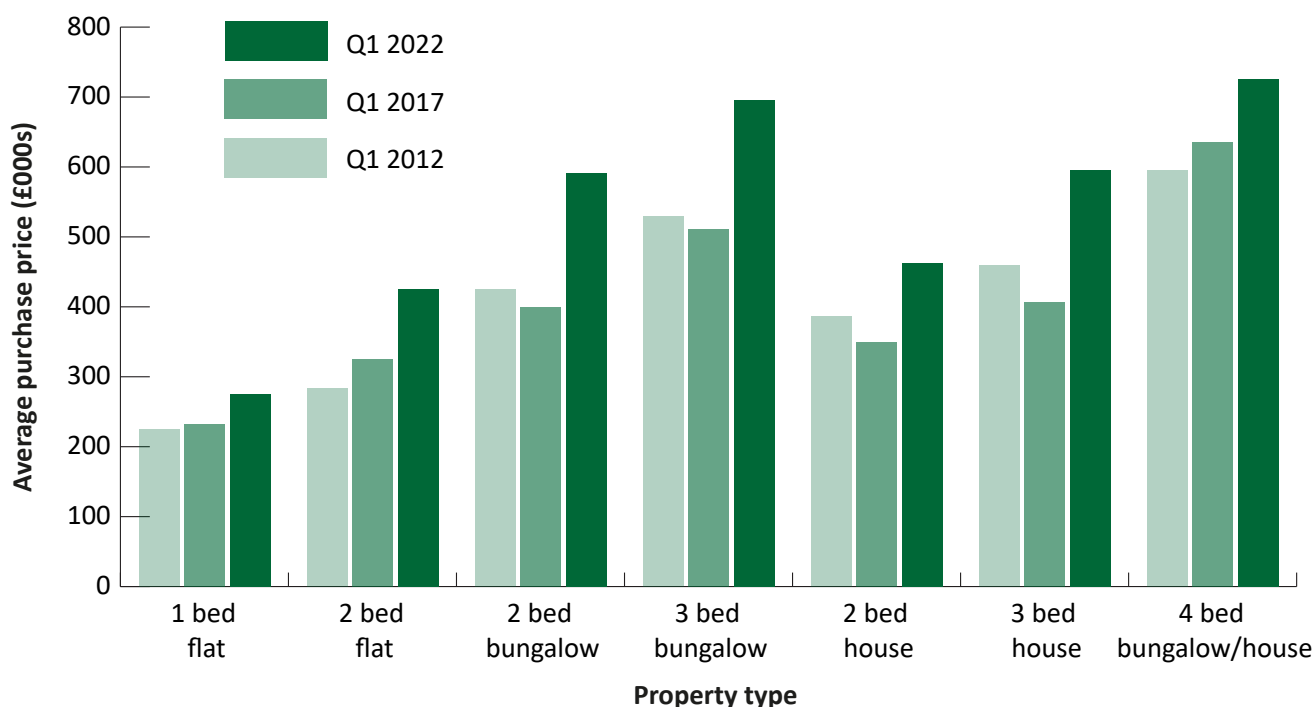
The “mix” of property transactions in each quarter is shown in [Table 2.3.1](#) and illustrated in [Figure 2.3.1](#). (N.B. Due to rounding, the total figure may not always add up to precisely 100%.) The proportion of transactions in each category varies from one quarter to the next. In the first quarter of 2022, the one bed apartment category had the highest proportion (16%) 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 2022)



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 (five year intervals)



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 2012, 2017 and 2022. 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 each quarter and annual percentage change

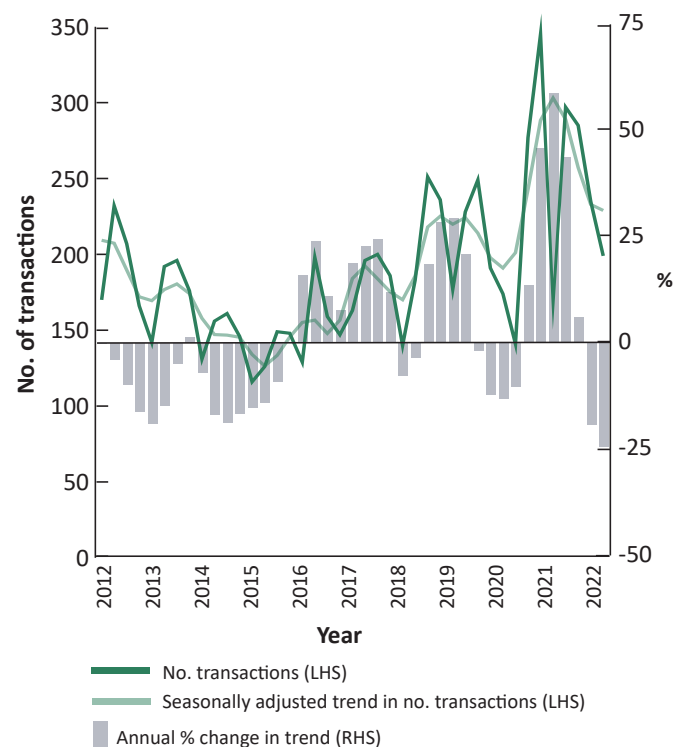


Figure 3.1.2 Seasonally adjusted trend in number of transactions by realty price each quarter (nominal)

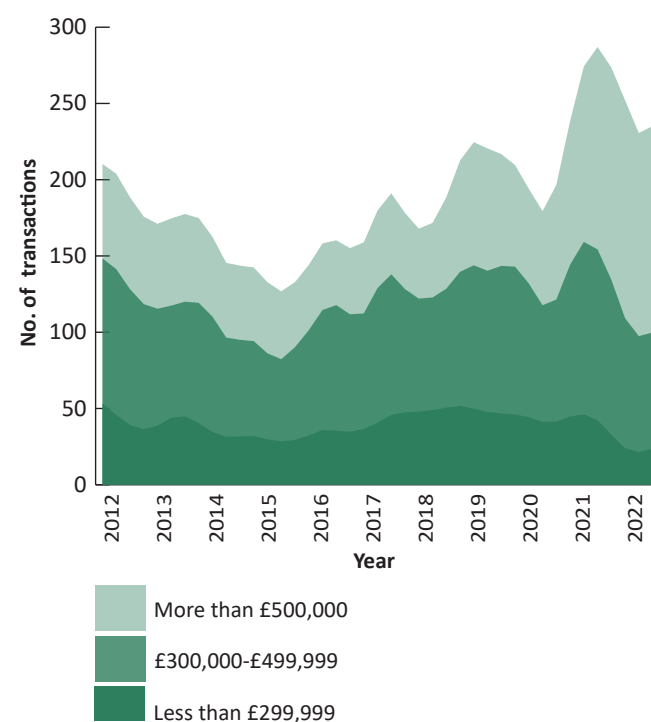


Table 3.1.1 Number of transactions by realty price (in £000s)

| Date | Less than £200 | £200 to £299 | £300 to £399 | £400 to £499 | £500 to £599 | £600 to £999 | More than £999 | Total |
|---------|----------------|--------------|--------------|--------------|--------------|--------------|----------------|-------|
| Q1 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 |
| Q2 2021 | 11 | 30 | 54 | 54 | 60 | 71 | 17 | 297 |
| Q3 2021 | 4 | 24 | 47 | 50 | 49 | 89 | 22 | 285 |
| Q4 2021 | 2 | 18 | 36 | 38 | 49 | 76 | 16 | 235 |
| Q1 2022 | 1 | 23 | 36 | 27 | 29 | 62 | 21 | 199 |

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 199 Local Market residential property transactions recorded in the first quarter of 2022.

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 2022, the largest numbers of transactions (62) were in the £600,000 to £999,999 value band. There were 21 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)

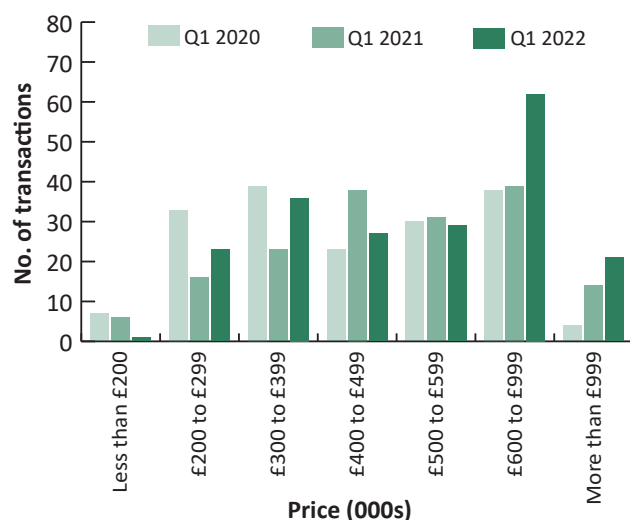
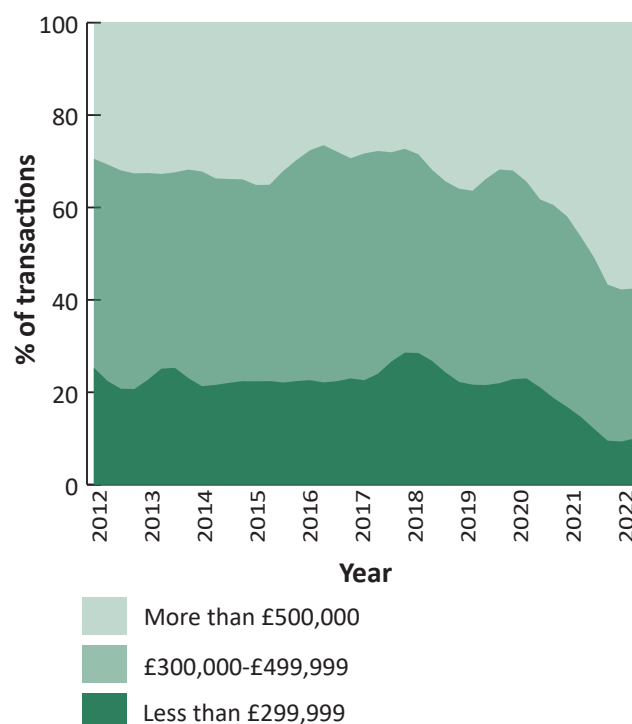


Figure 3.1.4 Seasonally adjusted trend in % of transactions by realty price (nominal)



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 2020, 2021 and 2022. There was a notable peak in the number of transactions for the first quarter of 2022 in the £600,000 to £999,999 band (62 transactions).

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 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% |
| Q2 2021 | 4% | 10% | 18% | 18% | 20% | 24% | 6% | 100% |
| Q3 2021 | 1% | 8% | 16% | 18% | 17% | 31% | 8% | 100% |
| Q4 2021 | 1% | 8% | 15% | 16% | 21% | 32% | 7% | 100% |
| Q1 2022 | <1% | 12% | 18% | 14% | 15% | 31% | 11% | 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 2022, the median loan to value was 82%.

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 2022 was £182 million, of which £60 million related to the analysis on this page.

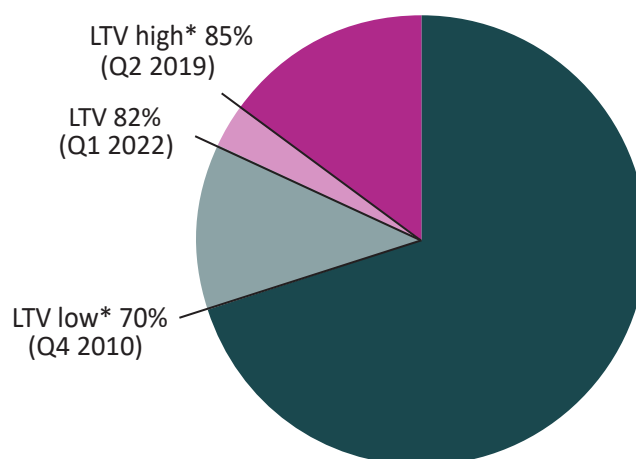
The total value of all the conveyances recorded by the Greffe during the first quarter of 2022 was £237 million, of which £122 million related to local market residential sales used in the analysis in this report. Other conveyances include those related to open market sales, sales of commercial property 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 2020 | 80% |
| Q2 2020 | 83% |
| Q3 2020 | 83% |
| Q4 2020 | 80% |
| Q1 2021 | 73% |
| Q2 2021 | 79% |
| Q3 2021 | 75% |
| Q4 2021 | 76% |
| Q1 2022 | 82% |

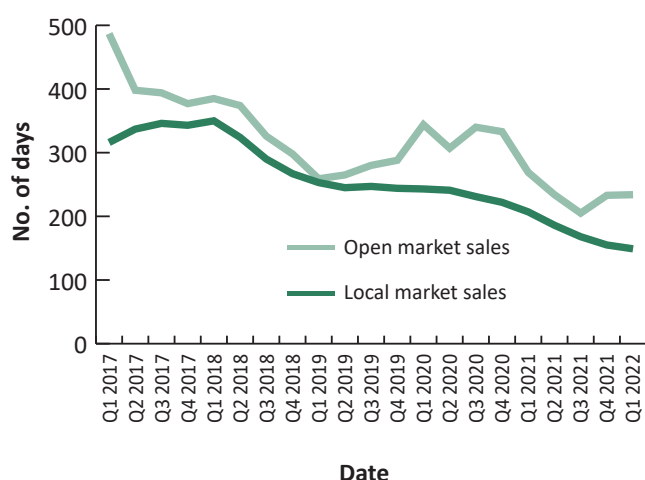
Figure 4.1.1 Average loan to value (Q1 2022)



*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 Limited¹, 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.

¹ <https://cortex.gg>

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

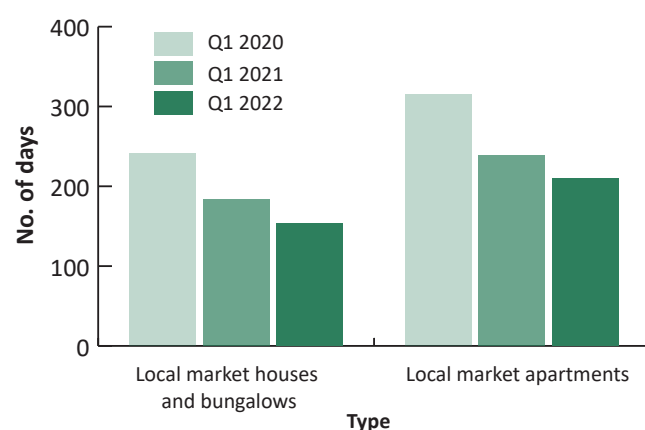
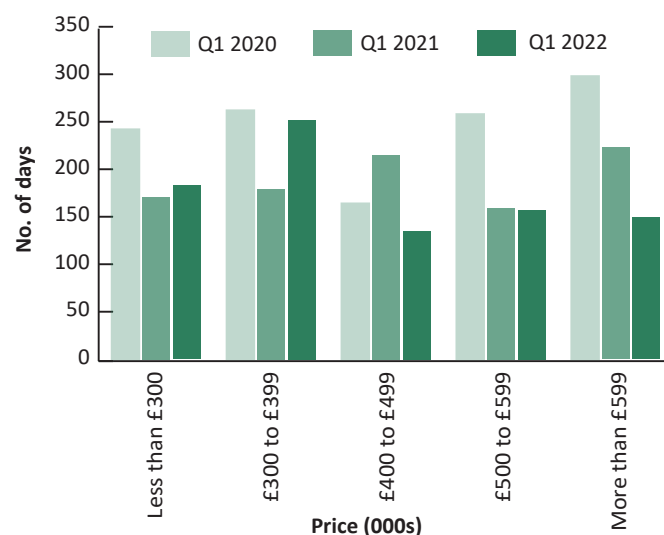


Figure 5.1.3 Average length of time between first being advertised and sale completion during Q1



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 2022 were on the market for a shorter 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, 2021 and 2022.

5.1 Local Market purchases - market data

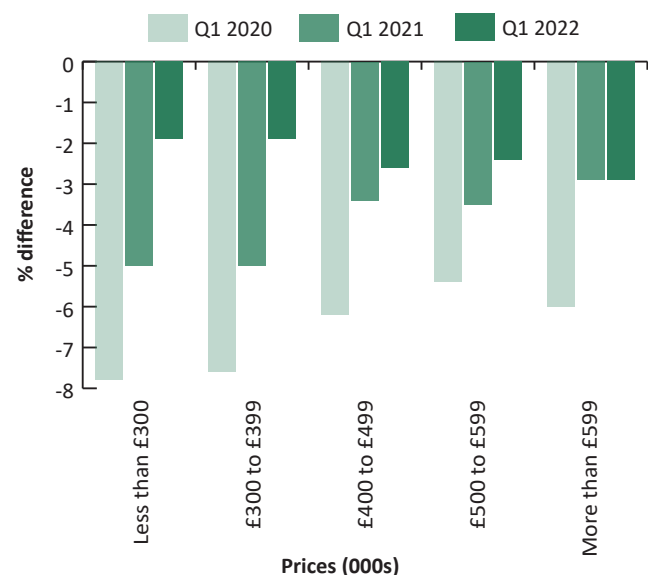
Figure 5.1.4 Difference between prices advertised by estate agents and final sales prices



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.

Figure 5.1.4 shows 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 1.9% and 2.9% in the first quarter of 2022 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 3.4% and 10.3% since the period ending March 2015. The same figure for properties less than one year old has varied between 2.2% and 8.5%. The number of newer builds being sold in the first quarter of 2022 was the lowest since this data has been recorded, in 2015. 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.

Figure 6.1.2 Percentage of local market property transactions by age of property (Q1 2022)

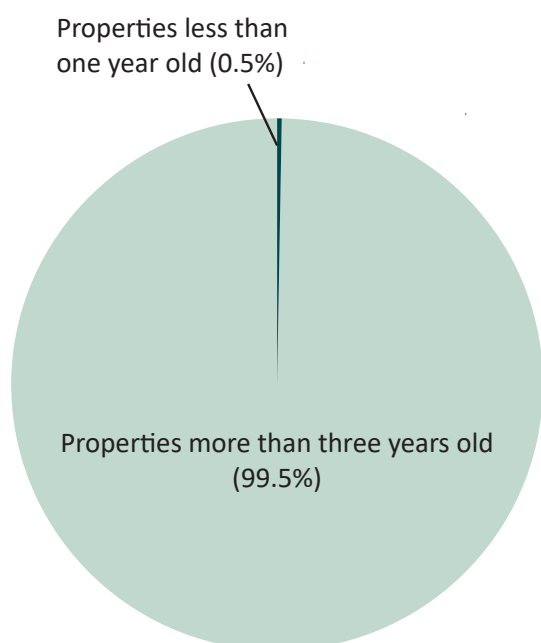


Figure 6.1.2 shows a breakdown by age of the 199 local market residential property transactions during the first quarter of 2022. In this quarter, 0.5% of properties had been built within the twelve months prior to being sold.

7.1 Open Market purchase - raw median

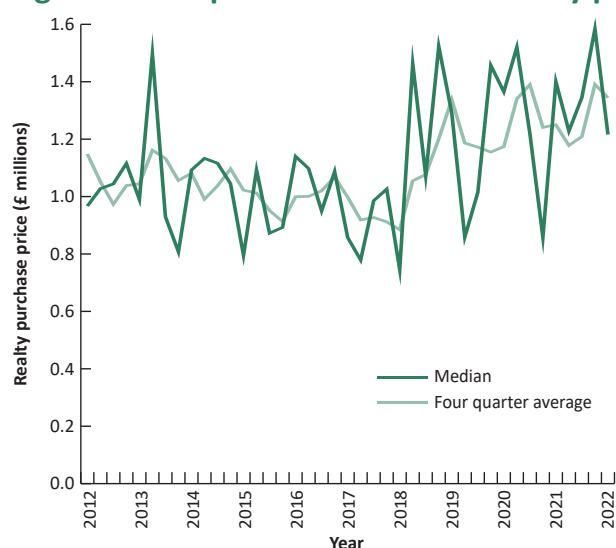
Table 7.1.1 Open Market median realty price

| Date | Median realty purchase price (£) | Four quarter average (£) | Annual % change in four quarter average | Five year % change in four quarter average |
|---------|----------------------------------|--------------------------|---|--|
| Q1 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 |
| Q2 2021 | 1,228,500 | 1,178,256 | -12.0 | 17.8 |
| Q3 2021 | 1,345,500 | 1,209,068 | -13.1 | 18.5 |
| Q4 2021 | 1,584,375 | 1,390,662 | 12.0 | 30.1 |
| Q1 2022 | 1,216,313 | 1,343,672 | 7.4 | 34.6 |

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 £1,216,313 in the first quarter of 2022. The four quarter average, which reduces the effect of seasonal fluctuations, increased by 7.4% between the first quarter of 2021 and the first quarter of 2022. In the five years ending in December 2021, the Open Market four quarter average increased by 34.6%.

Figure 7.1.1 Open Market median realty price



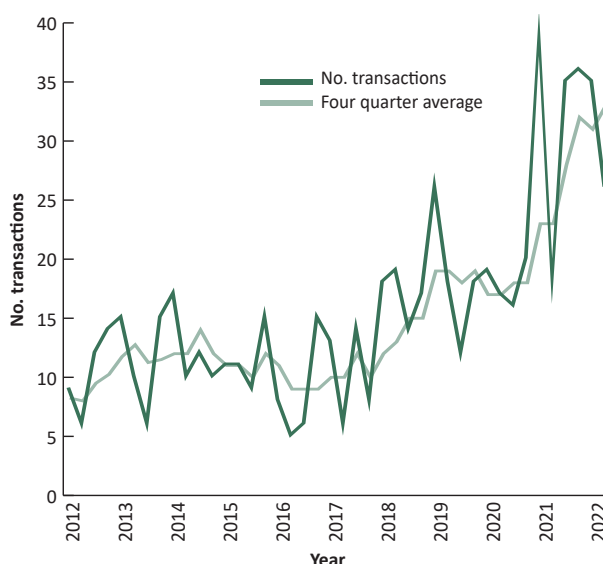
There were 26 Open Market residential property transactions during the first quarter of 2022, eight more than in the first quarter of 2021 (see **Table 7.1.2** and **Figure 7.1.2**).

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 1.8% in the first quarter of 2022.

Table 7.1.2 Open Market transaction volumes

| Date | No. of transactions | No. of transactions as a % of total open market units |
|---------|---------------------|---|
| 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% |
| Q2 2021 | 35 | 2.4% |
| Q3 2021 | 36 | 2.5% |
| Q4 2021 | 35 | 2.4% |
| Q1 2022 | 26 | 1.8% |

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 third 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.

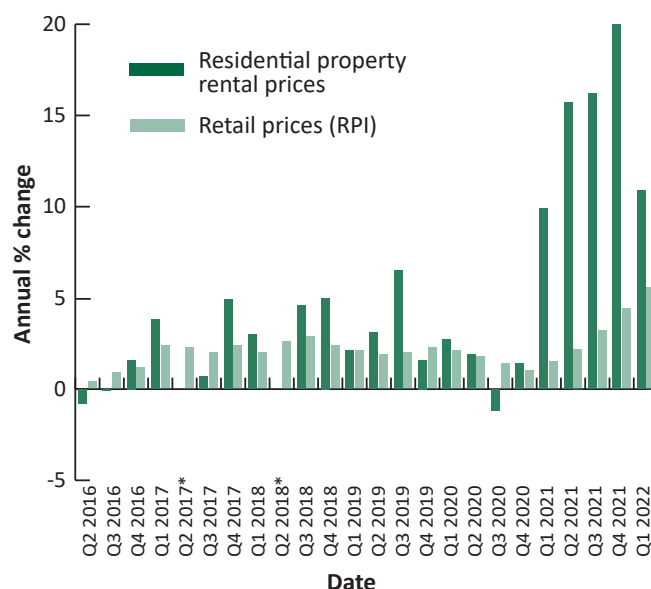
As shown in **Table 8.1.1**, in the first quarter of 2022, the mix adjusted average rental price was £1,661 per month, 0.7% higher than the previous quarter and 10.9% higher than the first quarter of 2021.

For Q1 2022, the annual percentage change in house rental 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 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% |
| Q2 2021 | £1,593 | 6.3% | 15.7% |
| Q3 2021 | £1,599 | 0.4% | 16.2% |
| Q4 2021 | £1,650 | 3.2% | 20.0% |
| Q1 2022 | £1,661 | 0.7% | 10.9% |

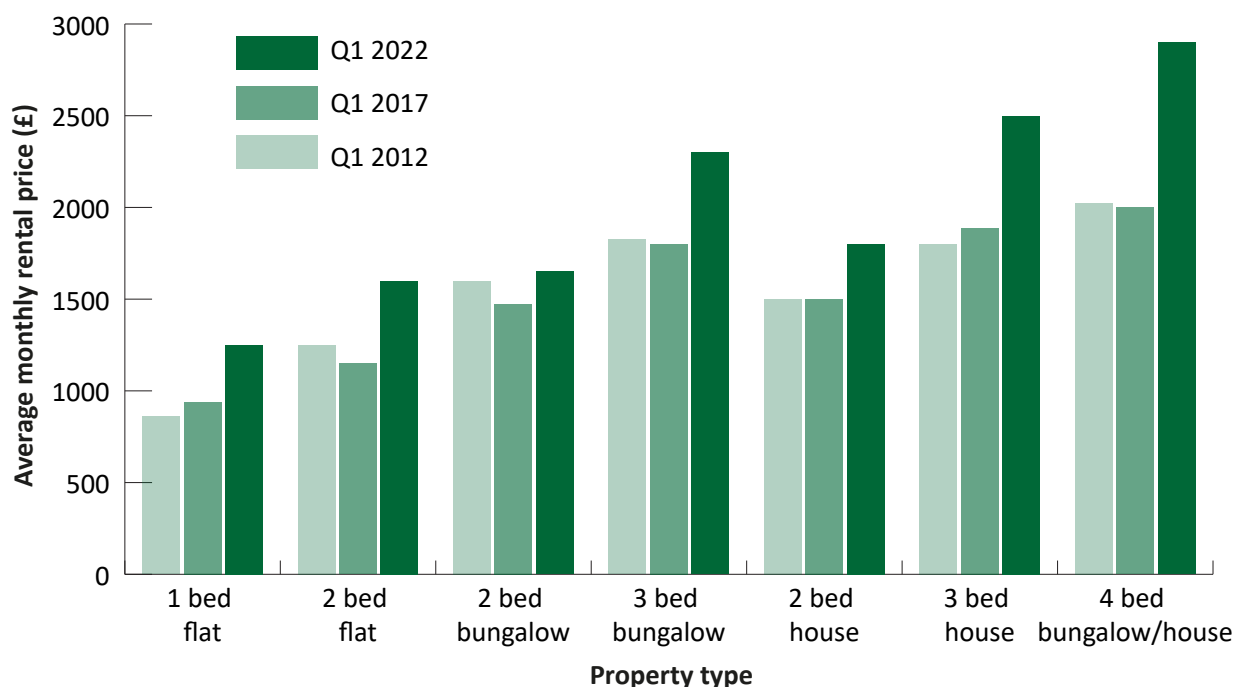
Figure 8.1.1 Annual percentage change in prices



*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 (five year intervals)



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 2012, 2017 and 2022. 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 residential property purchase and rental prices are presented as indices (based at 100 in the fourth quarter of 2009) in **Figure 9.1.1**. The annual percentage changes in the indices are shown side by side in **Table 9.1.1** and **Figure 9.1.2** for ease of comparison. These annual changes are the same as those for the mix-adjusted prices themselves; the mix-adjusted prices are notional averages constructed from weighted indices, which give these overall indices.

A rental price index was provided each year in the Annual Supplementary Bulletin (based on four quarter averages). In this bulletin both rental and purchase price indices have been provided for individual quarters.

These changes are intended to better align the way the various price indices are presented, making them easier to compare with each other. Residential property prices indices found in this bulletin and rental price indices, which can be sourced from <https://gov.gg/rpi>, are groups of price indices.

Figure 9.1.1 Purchase and rental price indices

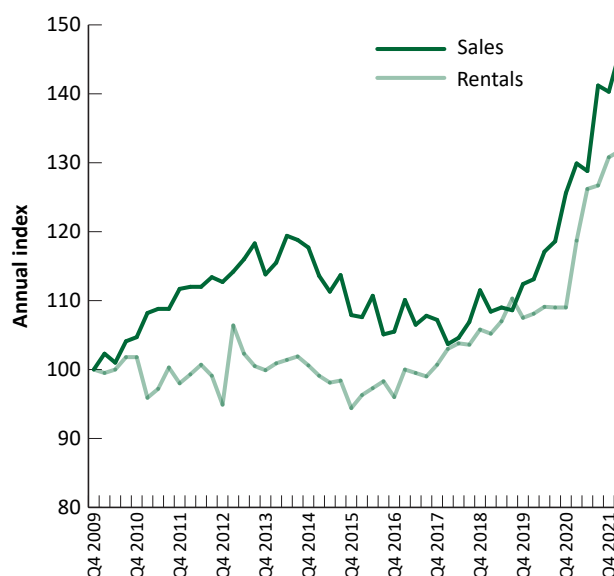
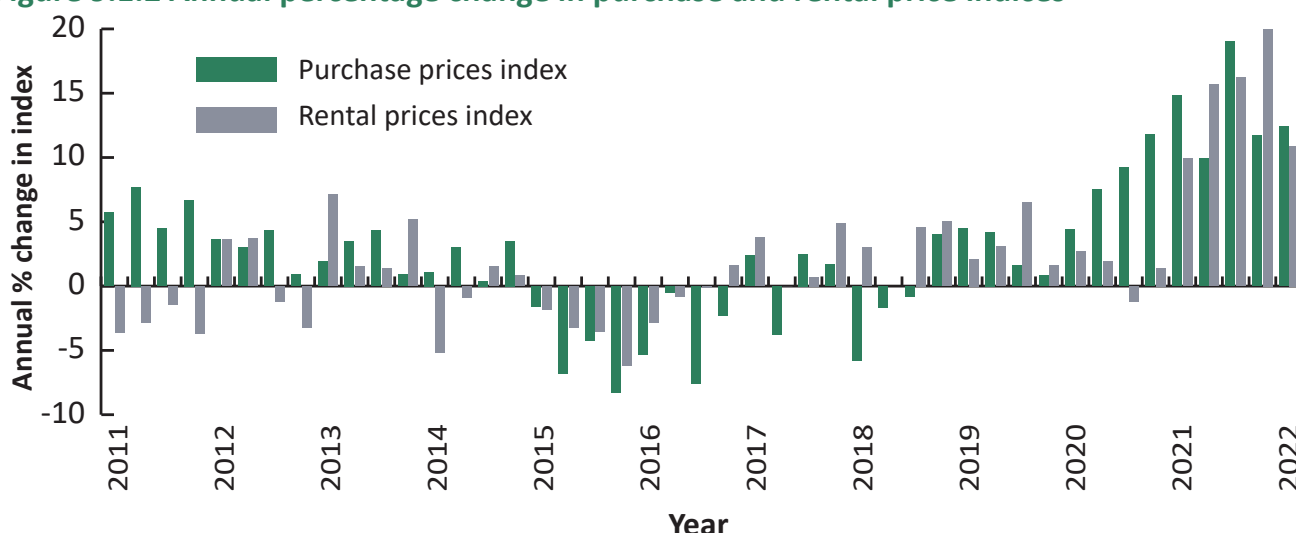


Table 9.1.1 Annual percentage change in purchase and rental price indices

| | Annual % change in purchase price index | Annual % change in rental price index |
|---------|---|---------------------------------------|
| Q1 2020 | 4.4% | 2.7% |
| Q2 2020 | 7.5% | 1.9% |
| Q3 2020 | 9.2% | -1.2% |
| Q4 2020 | 11.8% | 1.4% |
| Q1 2021 | 14.8% | 9.9% |
| Q2 2021 | 9.9% | 15.7% |
| Q3 2021 | 19.0% | 16.2% |
| Q4 2021 | 11.7% | 20.0% |
| Q1 2022 | 12.4% | 10.9% |

Figure 9.1.2 Annual percentage change in purchase and rental price indices



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

9.2 Local Market purchase and rental ratios

Table 9.2.1 provides the ratios of both the mix adjusted average rental and the mix adjusted purchase prices to the median earnings of employees. Annual rents are compared with annual earnings, and purchase prices (including realty) are also compared with annual earnings. Annual rents are also compared with purchase prices (including realty).

It should be noted that the median earnings figure increased in 2020 and 2021, despite the restrictions put in place to limit the impact of COVID-19. This is due to the loss of more lower paid roles than higher paid roles, which has the effect of increasing the median, although less people in total were employed. More details on earnings can be found in the Population, Employment and Earnings bulletin at www.gov.gg/population.

The longer term trends are shown graphically in **Figure 9.2.1**. It can be seen that both ratios trended downwards for some time (i.e. purchase and rental prices increased at a slower rate than earnings). The ratios have both been increasing in more recent quarters.

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

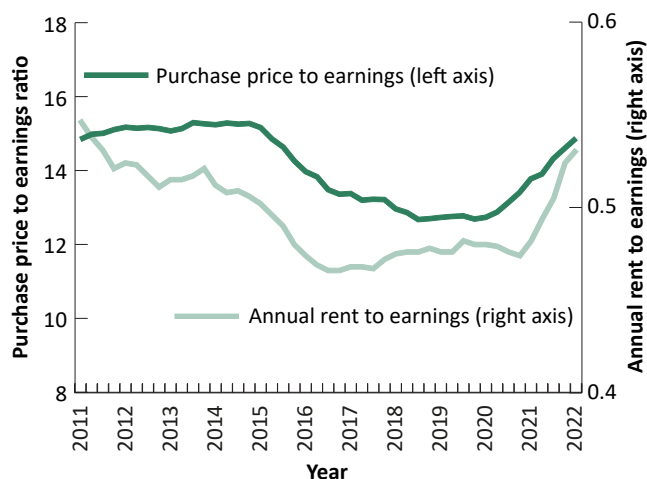


Figure 9.2.2: Local market purchase price to annual rent ratio

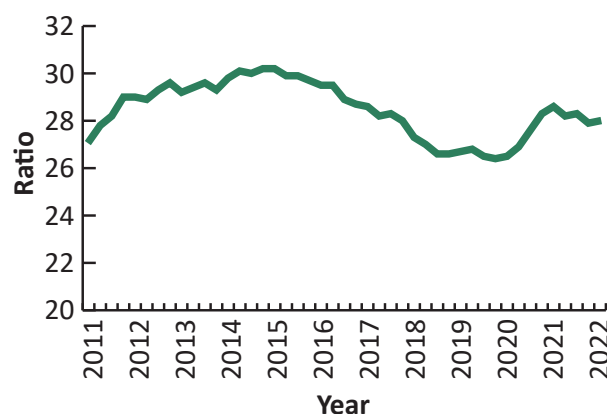


Table 9.2.1 also provides the ratio of the mix adjusted average rent to the mix adjusted purchase price (quarterly, using four quarter average figures). This measure gives a direct comparison of trends in rent and purchase prices (shown for the longer term in **Figure 9.2.2**).

Table 9.2.1 Local market annual rent and purchase price to earnings 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 |
| Q3 2020 | 0.48 | -1.3% | 13.1 | 2.8% | 27.6 | 4.1% |
| Q4 2020 | 0.47 | -1.3% | 13.4 | 5.6% | 28.3 | 7.0% |
| Q1 2021 | 0.48 | 0.5% | 13.8 | 8.2% | 28.6 | 7.6% |
| Q2 2021 | 0.49 | 3.2% | 13.9 | 8.0% | 28.2 | 4.7% |
| Q3 2021 | 0.51 | 6.1% | 14.3 | 9.0% | 28.3 | 2.8% |
| Q4 2021 | 0.52 | 10.5% | 14.6 | 8.9% | 27.9 | -1.4% |
| Q1 2022 | 0.53 | 10.2% | 14.9 | 7.9% | 28.0 | -2.1% |

*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.

To enable this time series to be provided quarterly and with the minimal time lag, it has been recalculated using property prices over four quarters and earnings over the four quarters from a quarter earlier (as earnings for the most recent quarter only become available two months after property prices).

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). 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 and the current weights are published in the Guide to the Guernsey Price Inflation Indices, which can be downloaded from <https://gov.gg/property>.

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. Please contact us for further information.

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