

Guernsey Quarterly Residential Property Prices Bulletin

Quarter 2 2021

Issue date 13th August 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 £505,579 in the second quarter of 2021, 0.8% lower than the previous quarter and 9.9% higher than the second 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 297 Local Market transactions during the second quarter of 2021, 130 more than the previous quarter and 156 more than the same quarter of 2020. The sales numbers for the first quarter of 2021 were affected by restrictions put in place to slow the spread of coronavirus, as were the numbers for the second quarter of 2020.
- The raw median price (realty only) of the 35 Open Market transactions in the second quarter of 2021 was £1,228,500.
- The mix adjusted average rental price for Local Market properties was £1,593 in the second quarter of 2021, 6.3% higher than the previous quarter and 15.7% higher than the second quarter of 2020.

1.2 Headlines (continued)

Figure 1.2.1 Local Market mix adjusted average purchase price

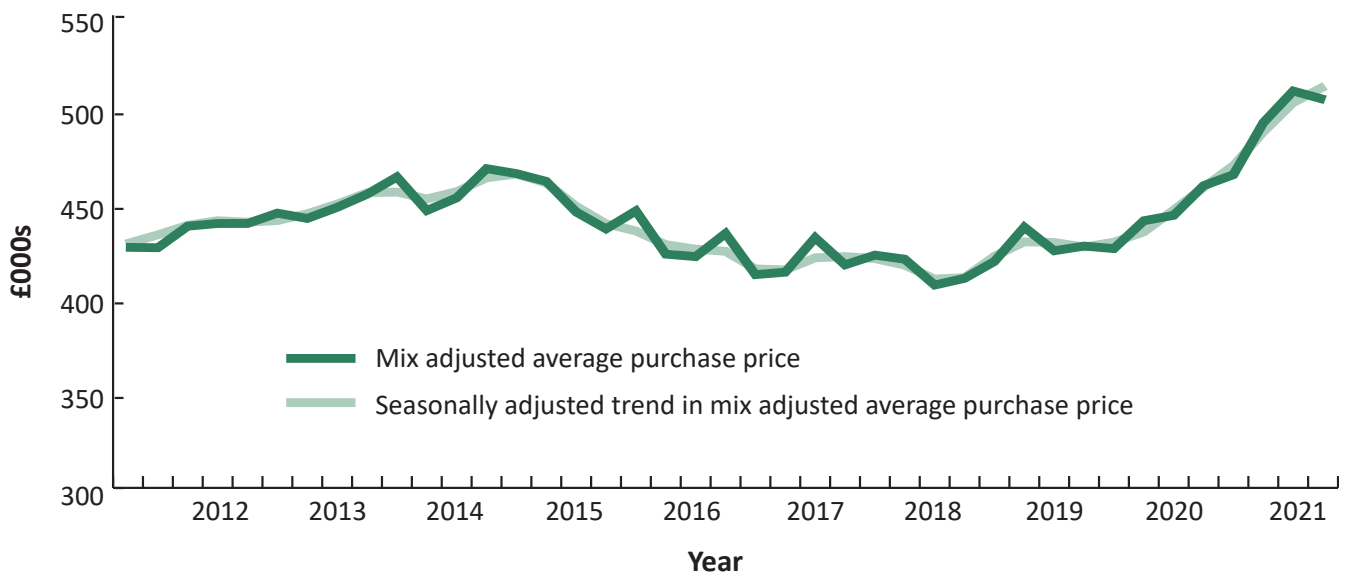


Figure 1.2.1 shows the overall mix adjusted average purchase price for Local Market residential properties. Further information on Local Market properties purchased during the second quarter of 2021 can be found in [section 3.1](#).

Figure 1.2.2 Local Market mix adjusted average rental price

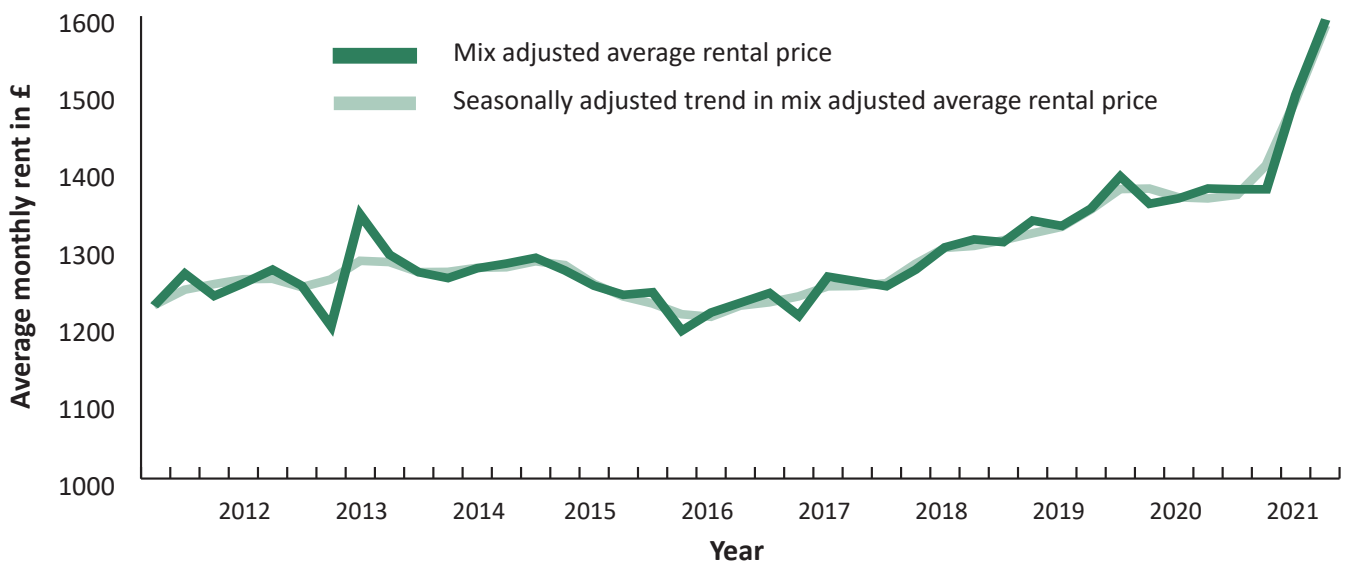


Figure 1.2.2 shows the overall mix adjusted average rental price for Local Market residential properties. This is the second time this information has been published. In the past, an annual mix adjusted rental index and averages for each of the categories within that had been provided in the Annual Supplementary 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.

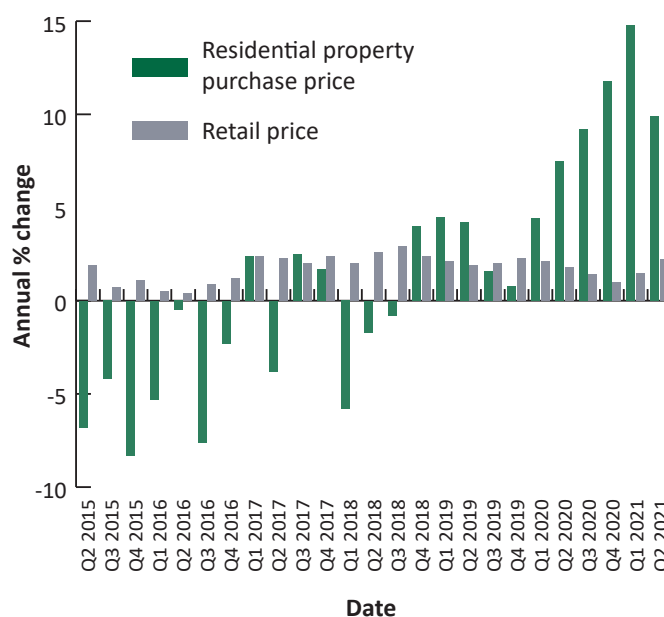
As shown in **Table 2.1.1**, in the second quarter of 2021, the mix adjusted average purchase price was £505,579, 0.8% lower than the previous quarter and 9.9% higher than the second quarter of 2020.

For Q2 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
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%
Q2 2021	£505,579	-0.8%	9.9%

Figure 2.1.1 Annual percentage change in prices



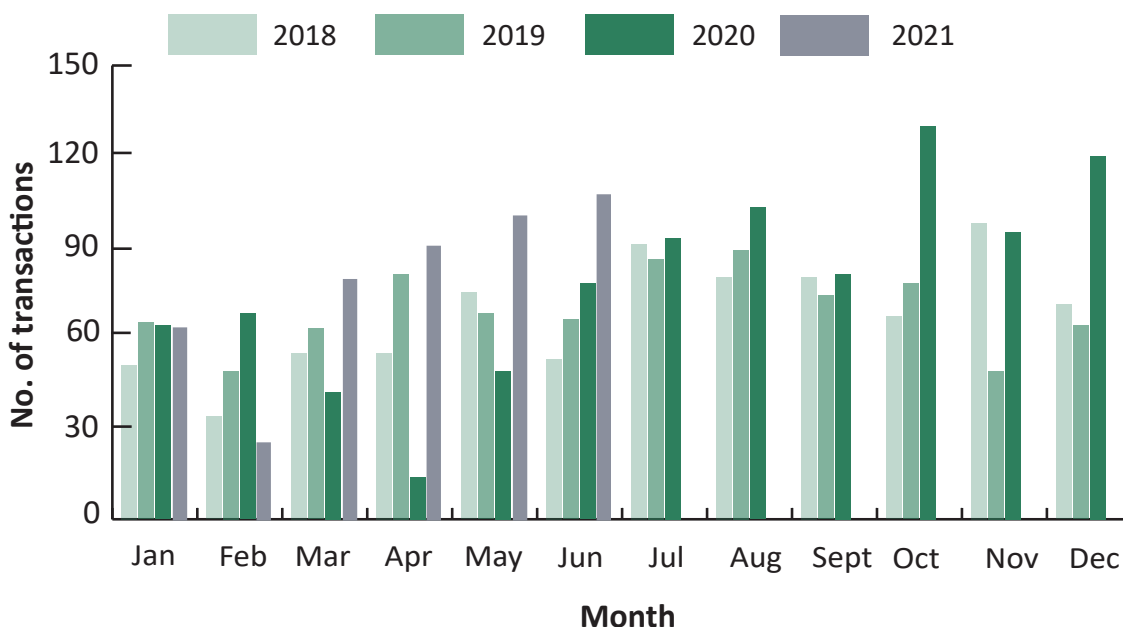
2.2 Local Market purchases - by month

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	
2018	51	34	55	140	55	75	53	183	91	80	80	251	67	98	71	236	810
2019	65	49	63	177	81	68	66	215	86	89	74	249	78	49	64	191	832
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									

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 Q2 2021 number was the highest recorded Q2 number since these figures started to be collected, in 1999.

Figure 2.2.1 Number of local market transactions by month



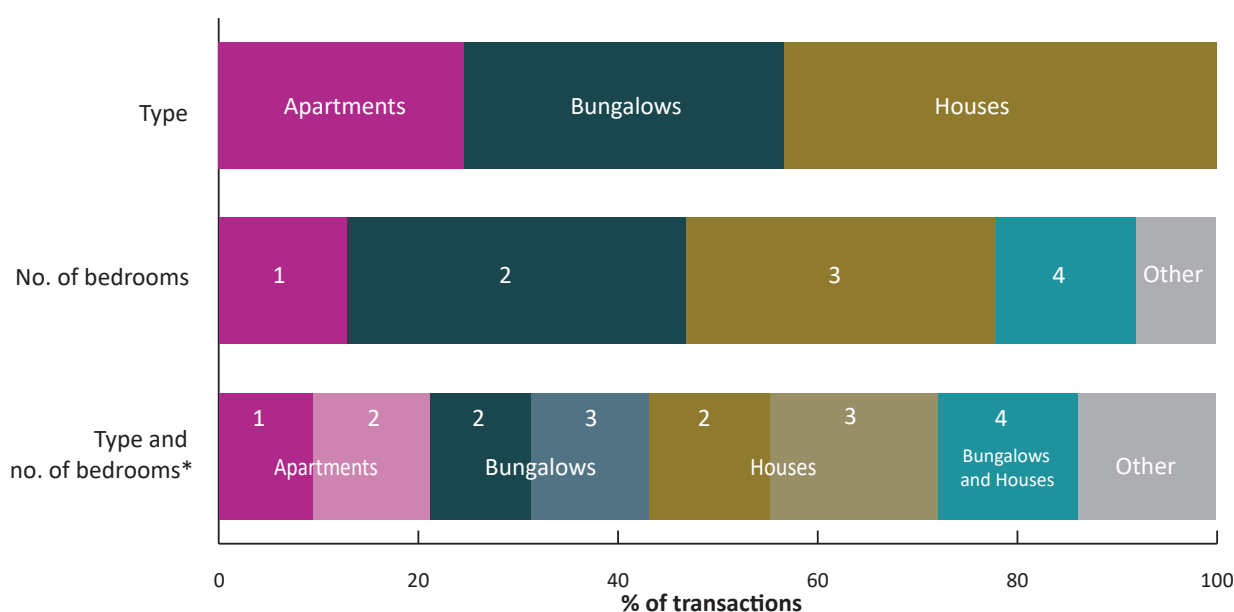
2.3 Local Market purchases - type and number of bedrooms

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	
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%
Q2 2021	9%	12%	10%	12%	12%	17%	14%	14%

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 second quarter of 2021, the 3 bed house category had the highest proportion (17%) 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**.

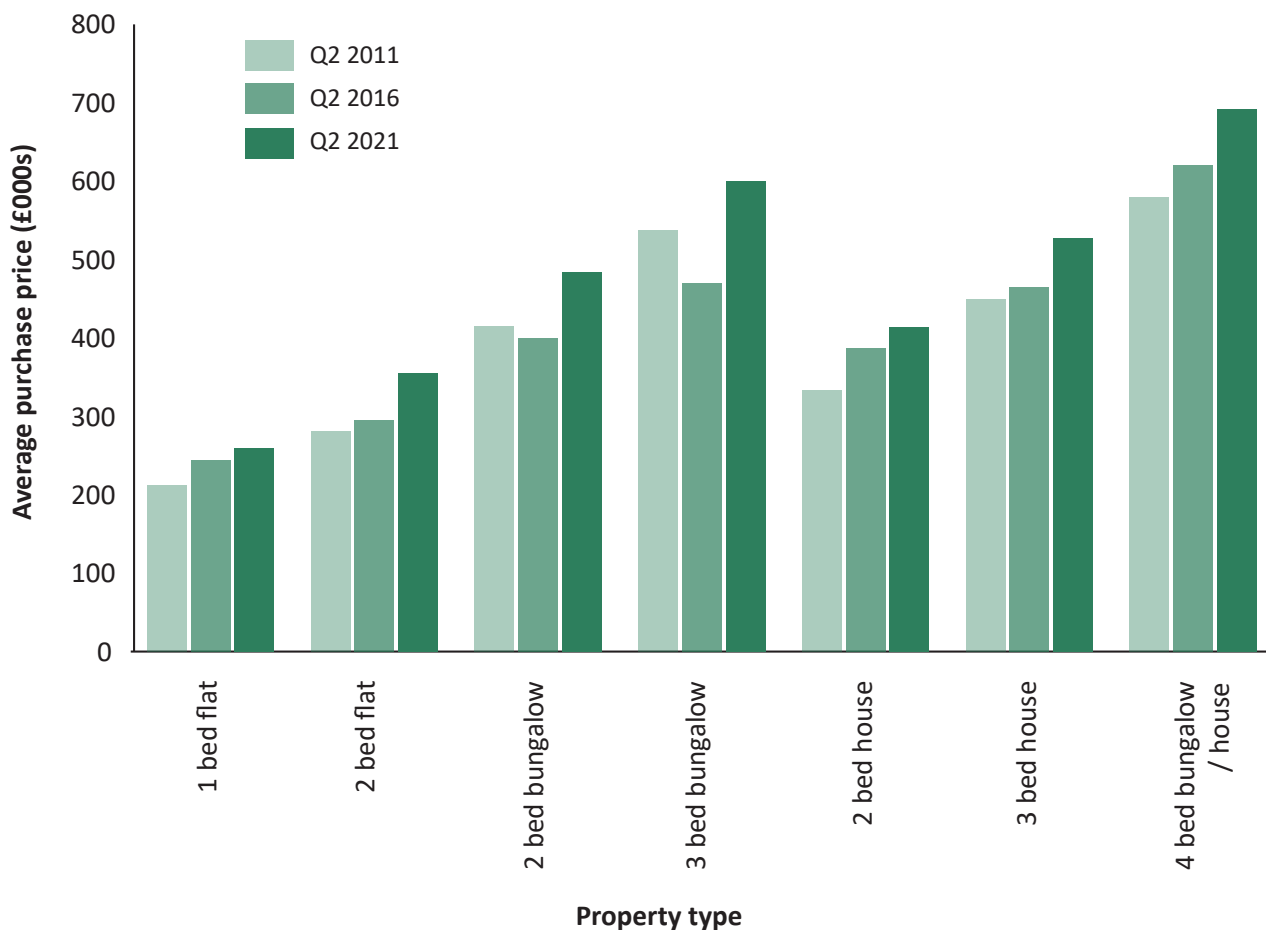
Figure 2.3.1 Percentage of transactions by type and number of bedrooms (Q2 2021)



*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 (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 second 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

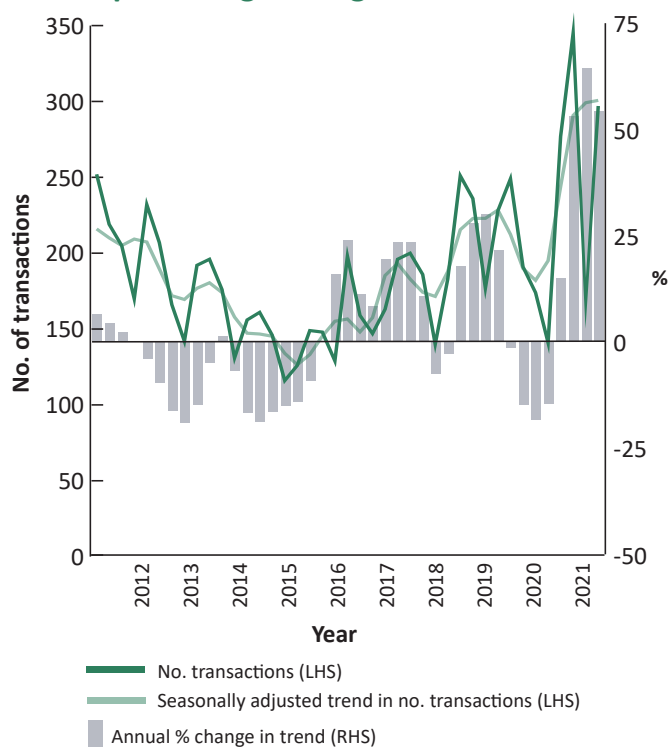


Figure 3.1.2 Seasonally adjusted trend in number of transactions by realty price (nominal)

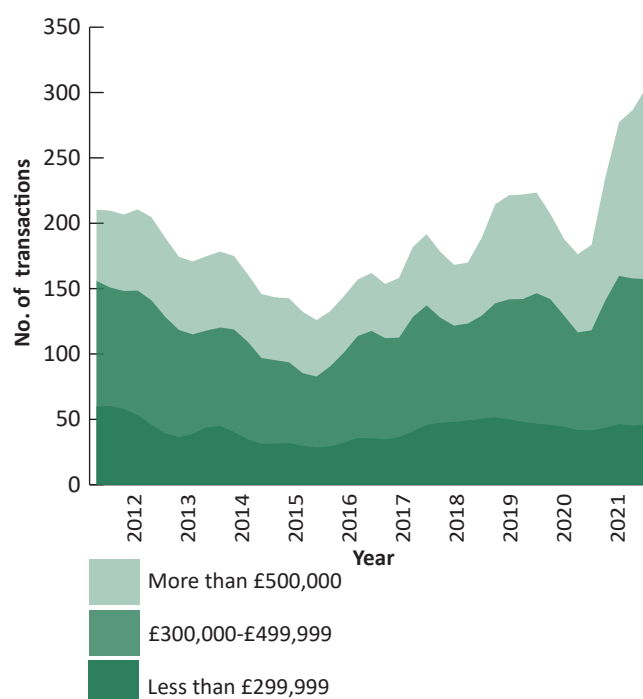


Table 3.1.1 Number of transactions by realty price (in £000s)

Date	Less than £200	£200 to £299	£300 to £399	£400 to £499	£500 to £599	£600 to £999	More than £999	Total
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
Q2 2021	11	30	54	54	60	71	17	297

* 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 297 Local Market residential property transactions recorded in the second 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 second quarter of 2021, the largest numbers of transactions (71) were in the £600,000 to £999,999 value band. There were 17 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)

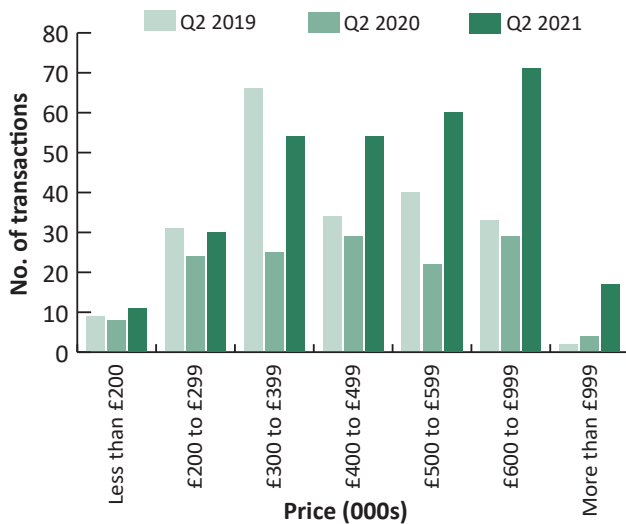
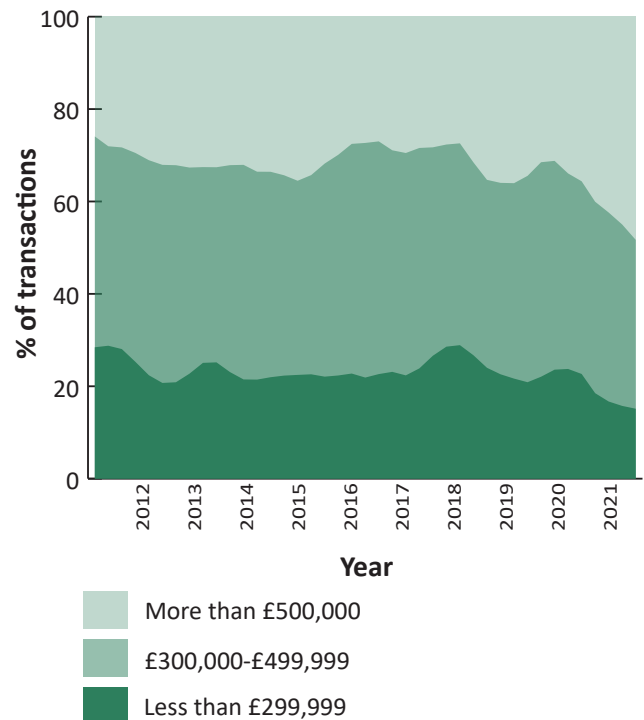


Figure 3.1.4 Seasonally adjusted trend in % of transactions by realty price (nominal)



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 second quarters of 2019, 2020 and 2021. The distribution of sales in the second quarter of 2021 shows transactions were fairly evenly distributed between the £300,000 to £599,999 value bands, varying between 54 and 60 transactions per value band, and a peak of 71 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
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%
Q2 2021	4%	10%	18%	18%	20%	24%	6%	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 second quarter of 2021, the median loan to value was 79%.

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 second quarter of 2021 was £166 million, of which £84 million related to the analysis on this page.

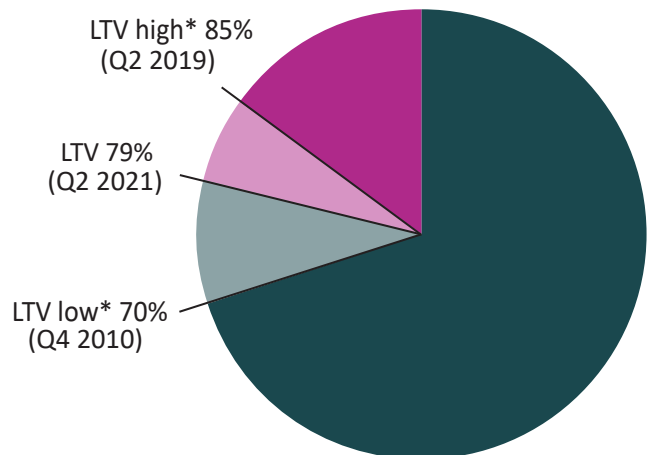
The total value of all the conveyances recorded by the Greffe during the second quarter of 2021 was £257 million, of which £163 million related to local market residential sales used in the analysis in this report. Other conveyances include those related to open market sales, sales of commercial property 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
Q2 2019	85%
Q3 2019	82%
Q4 2019	82%
Q1 2020	80%
Q2 2020	83%
Q3 2020	83%
Q4 2020	80%
Q1 2021	73%
Q2 2021	79%

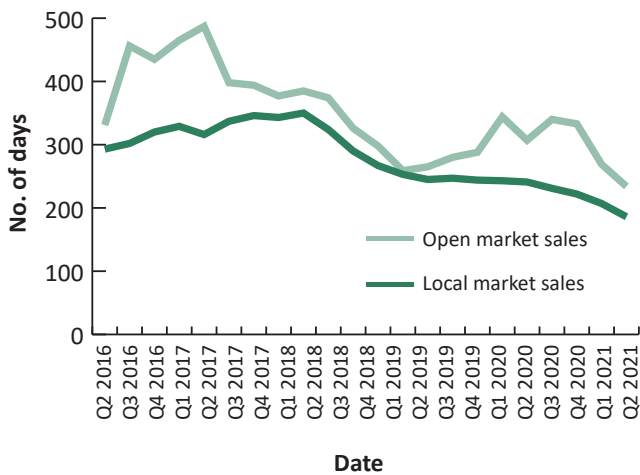
Figure 4.1.1 Average loan to value (Q2 2021)



*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 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 Q2

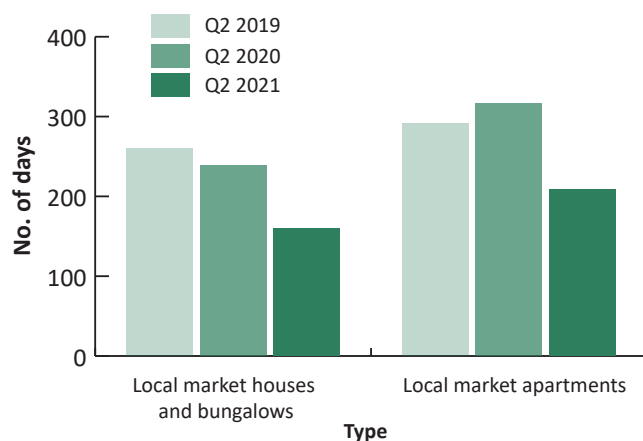
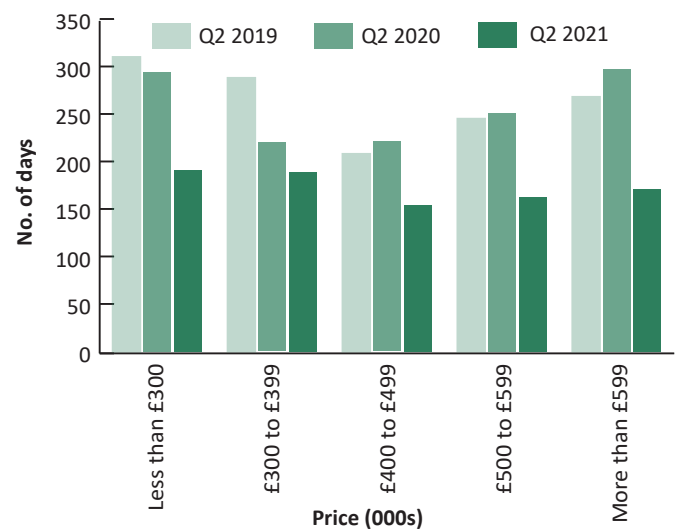


Figure 5.1.3 Average length of time between first being advertised and sale completion during Q2

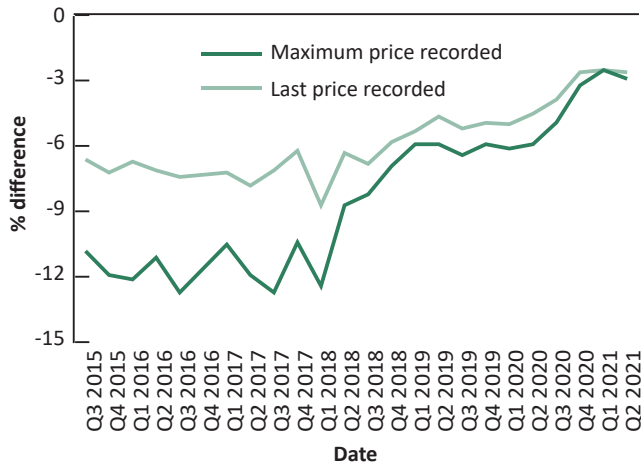


There is very little difference between the length of time between first being advertised and sale completion for local market bungalows and local market houses, so these are grouped together in Figure 5.1.2 for comparison with apartments. On average, for advertised properties, houses and bungalows sold during the second 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 second quarters of 2019, 2020 and 2021.

5.1 Local Market purchases - market data

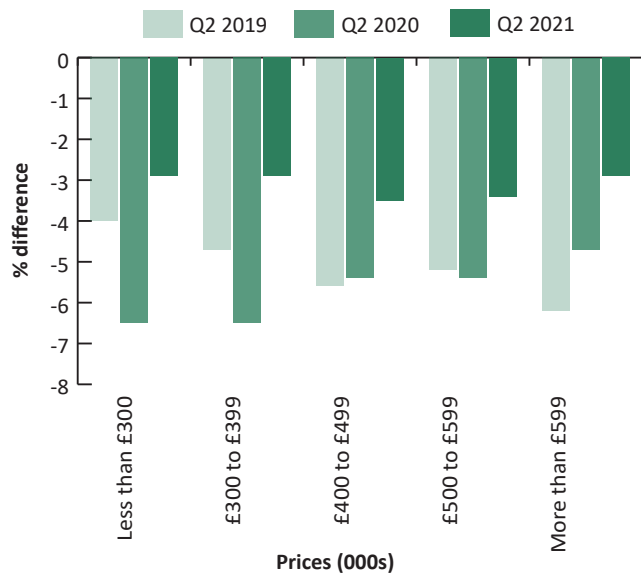
Figure 5.1.4 Difference between prices advertised by estate agents and final sales prices



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 personalty, 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 personalty 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



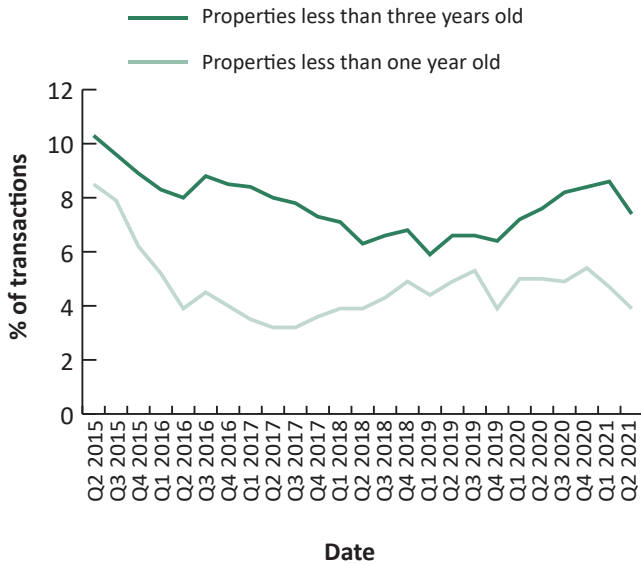
The Data and Analysis team record a maximum advertised price (based on data provided by Cortex Technologies Limited, collated from the local estate agents' websites) and also the last known price advertised before a property is sold. Both figures are subject to a small degree of error due to lag in collecting 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 2.9% and 3.5% in the second 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.

Figure 6.1.2 Percentage of local market property transactions by age of property (Q2 2021)

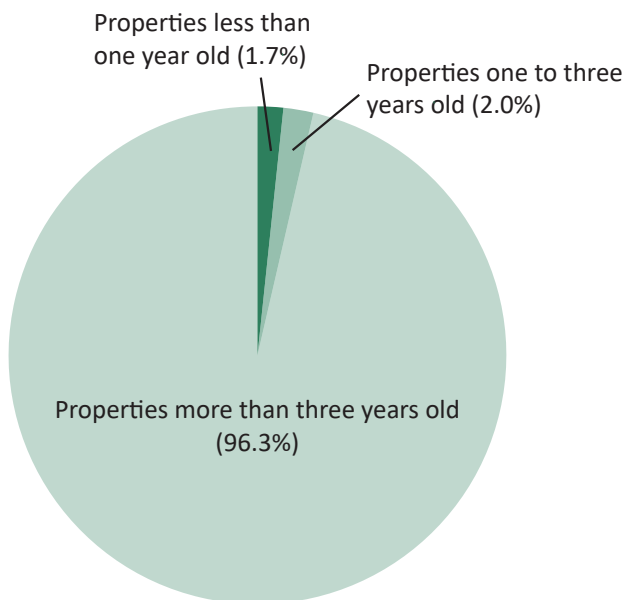


Figure 6.1.2 shows a breakdown by age of the 297 local market residential property transactions during the second quarter of 2021. In this quarter, 1.7% of properties had been built within the twelve months prior to being sold and a further 2.0% had been built more than a year, but less than three years prior to being sold.

7.1 Open Market purchase - raw median

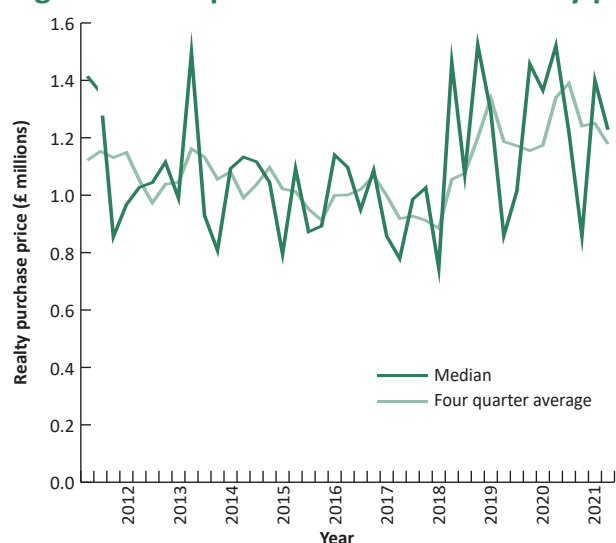
Table 7.1.1 Open Market median realty price

Date	Median realty purchase price (£)	Four quarter average (£)	Annual % change in four quarter average	Five year % change in four quarter average
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
Q2 2021	1,228,500	1,178,256	-12.0	17.8

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 £1,228,500 in the second quarter of 2021. The four quarter average, which reduces the effect of seasonal fluctuations, decreased by 12.0% between the second quarter of 2020 and the second quarter of 2021. In the five years ending in June 2021, the Open Market four quarter average increased by 17.8%.

Figure 7.1.1 Open Market median realty price



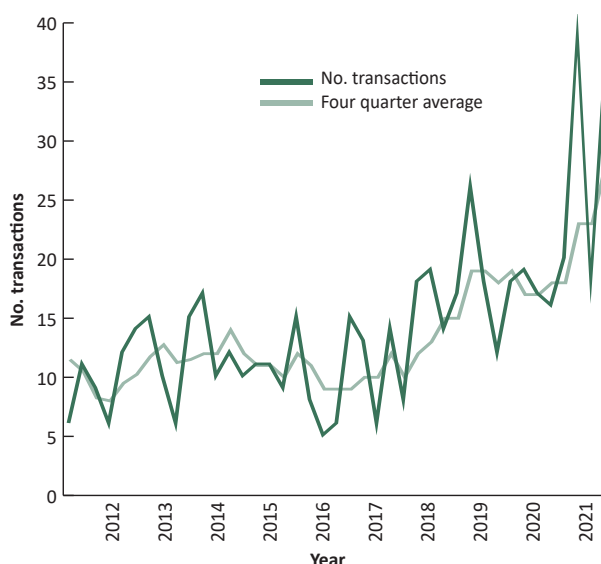
There were 35 Open Market residential property transactions during the second quarter of 2021, 19 more than in the second quarter of 2020 (see **Table 7.1.2** and **Figure 7.1.2**).

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 2.4% in the second 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
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%
Q2 2021	35	2.4%

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 second 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.

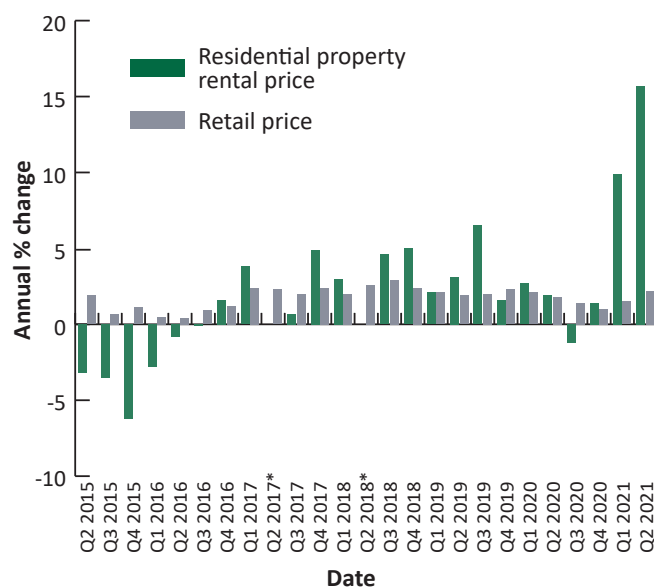
As shown in **Table 8.1.1**, in the second quarter of 2021, the mix adjusted average rental price was £1,593 per month, 6.3% higher than the previous quarter and 15.7% higher than the second quarter of 2020.

For Q2 2021, 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
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%
Q2 2021	£1,593	6.3%	15.7%

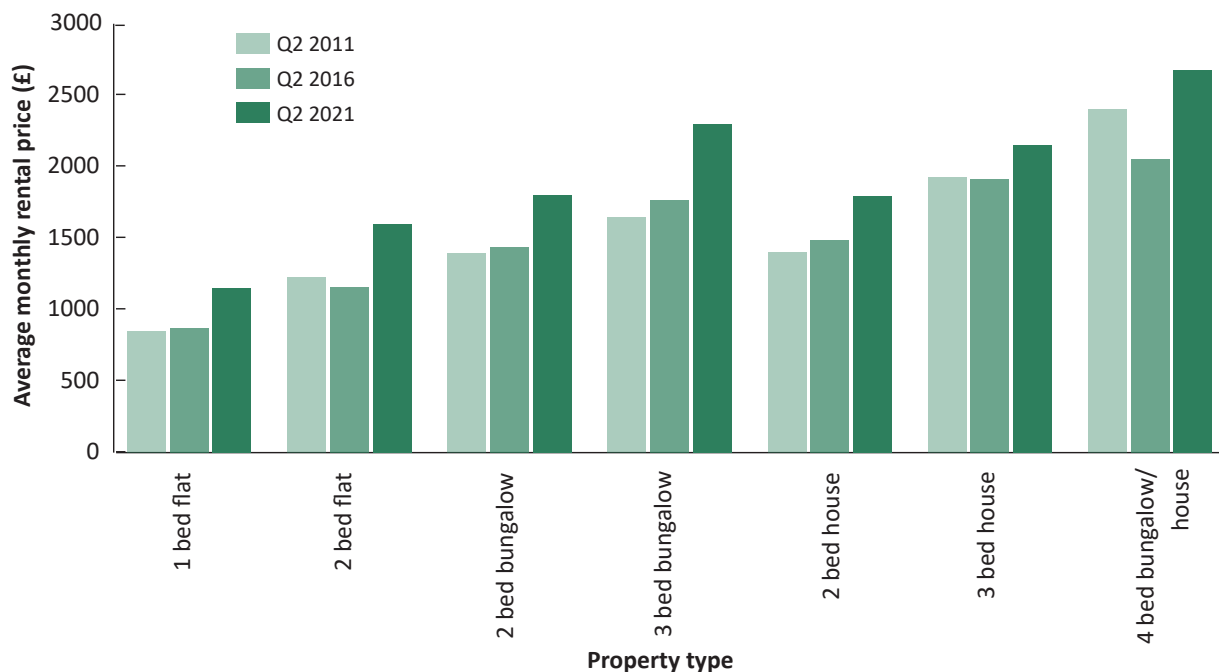
Figure 8.1.1 Annual percentage change in prices



*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 second 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 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). This is the first time 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

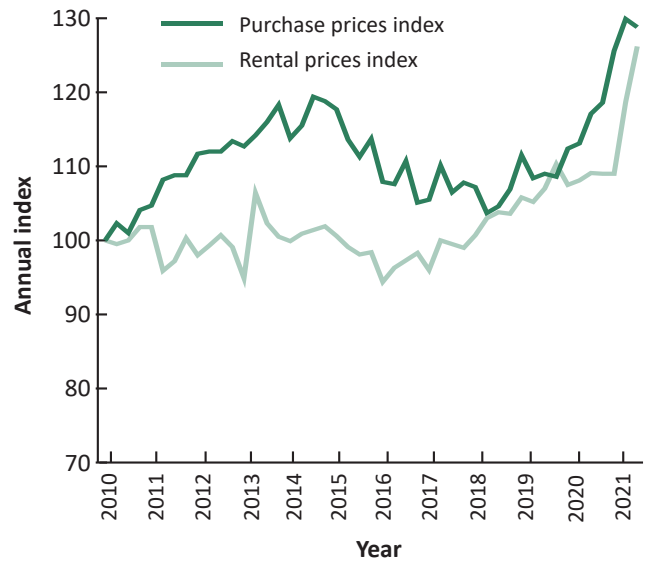
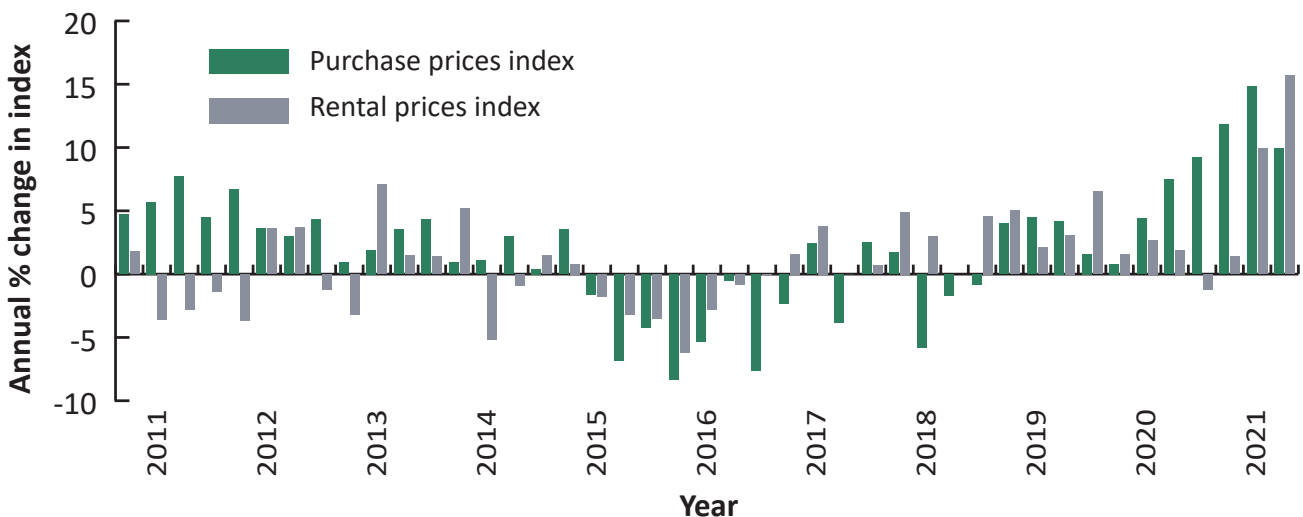


Table 9.1.1 Annual percentage change in purchase and rental price indices

	Annual % change in purchase price index	Annual % change in rental price index
Q2 2019	4.2%	3.1%
Q3 2019	1.6%	6.5%
Q4 2019	0.8%	1.6%
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%

Figure 9.1.2 Annual percentage change in purchase and rental price indices



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

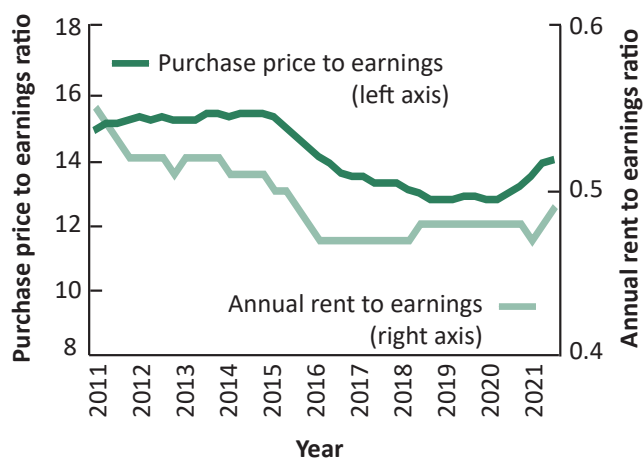


Figure 9.2.2: Local market purchase price to annual rent ratio

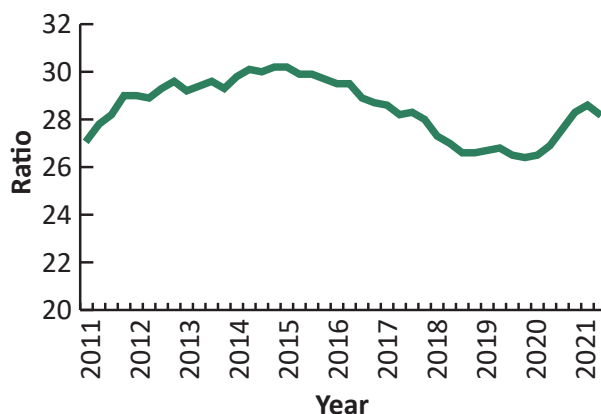


Table 9.2.1 also provides the ratio of the mix adjusted average rent to the mix adjusted purchase price (quarterly, using four quarter average figures). This measure gives a direct comparison of trends in rent and purchase prices (shown for the longer term in **Figure 9.2.2**).

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
Q1 2020	0.48	0.7%	12.7	0.1%	26.5	-0.7%
Q2 2020	0.48	0.5%	12.9	1.0%	26.9	0.4%
Q3 2020	0.48	-1.3%	13.1	2.9%	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	7.4%	28.6	7.6%
Q2 2021	0.49	3.2%	13.9	8.2%	28.2	4.7%

*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.

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.

E-mail: dataandanalysis@gov.gg

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



For more information
go to gov.gg/data