



Guernsey property update: January 2018

February 2018

Analysing the transactions from this year so far, of the 96, 10 were flats and 45 were houses on the local market. There were 5 open market house transactions of which the Woodlands and its neighbouring property Herries made up two of that number. Many will know that the Woodlands at Les Eturs sold for just over £6 million and had been for sale for probably about ten years and had started at a significantly higher figure than that it sold for.

The remainder were boundary rectifications and fields.

In terms of value there were 15 transactions worth between £200,000 and £300,000 and 14 between £300,000 and £400,000 – typical flat territory and exactly the same number as in January 2017.

By the end of 2017, there were 168 transactions between 200,000 and £300,00 and 211 in the £300,000 to £400,000 bracket – an improvement on 2016. In relation to new builds, only 34 flats and 35 houses were bought in 2017.

If you were then to extrapolate from these figures, the numbers of true first time buyers as opposed to investors, the number would be, in our view, surprisingly low.

With relatively limited choice of mortgage products (although that hopefully will soon change) and significant prices for small units, unless the Bank of Mum and Dad are on standby or there are significant savings in the bank, it is very challenging to get on the Housing ladder. Many may be able to afford the monthly mortgage payments but without the first financial injection, a good proportion of potential first time buyers are stuck.

The KPMG report of Housing needs identified this as a real issue and recommended various ways to ease the blockage. The report is likely to be debated by the States towards the end of this quarter. We do not yet know what the proposals from Environment and Infrastructure, the Committee now responsible for this, will be.

Now is the time for a basket of carefully considered measures to help things for first time buyers – not just a saving on document duty as that won't cure the issue. Another scheme run by the GHA will be good but it will not unblock the free movement of flats and houses on the local market. That needs various initiatives if we want to see a true return to the dizzy heights of 2012 and a truly buoyant market which will be good for the economy.

We need the first time buyers as without activity at the lower end of the market, second time buyers are stifled from moving and so on all the way up the ladder.

Lets hope our States members are prepared to fix the issue in a real meaningful way.

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