

Context

This year has seen a significant proportion of transactions (39%) take place as the result of completions occurring in new developments. These sales have impacted prices differently during each quarter and inflated the level of turnover in the year. The level of turnover would be 58% lower when compared to 2022 (rather than 43% lower), when excluding new builds in both years.

Average prices for most property types were largely unaffected by these new developments. However, in Q1 the mean price for 1-bedroom flats would have been considerably higher. Conversely in Q2 and Q4 the mean price for 2-bedroom flats would have been considerably lower. Without the transactions within these new developments this year the overall House Price Index would have decreased by 5% compared with 2022, rather than the decrease of 3% recorded.

These sales from new developments make up a significant proportion of turnover, which means that they have a large impact on the composition of market sales statistics, particularly for flats.

Annual Summary

In 2023:

- on a calendar year basis:
 - **the Jersey House Price Index was 3% lower than in 2022**, which was:
 - the first annual decrease in price since 2013
 - the second highest annual price decrease seen since at least 1986
 - 1-bedroom flats and 2- & 3-bedroom houses saw annual decreases in mean price
 - 2-bedroom flats and 4-bedroom houses saw annual increases in mean price and recorded their highest annual mean prices seen to date
 - all property types saw decreases in annual median price
 - **advertised private sector** rental prices were 1% lower than in 2022
 - **turnover** of properties was 43% lower compared with 2022, due to decreased sales of all property types but in particular 3- & 4-bedroom houses (both down by 55%); 2023 saw the lowest annual turnover seen since at least 2002
- **overall housing affordability** worsened on an annual basis:
 - all property types were less affordable to purchase than in 2022
 - a working household with mean net income was able to service a mortgage affordably on the purchase price of a median-priced 1-bedroom flat
 - a working household with mean net income was not able to service a mortgage affordably on the purchase price of a median-priced house of any size or a 2-bedroom flat
 - the ratio of median dwelling price to equivalised median household income in Jersey was lower compared to 2022 for all property types; however, this was outweighed by higher mortgage interest costs, resulting in worse housing affordability overall

In 2021/2022, **rental stress** improved since 2014/2015 for lower-income households in social rent and non-qualified accommodation, and was unchanged for lower-income households in qualified rent.

Quarterly Summary

In the fourth quarter of 2023:

- on a rolling **four-quarter basis**, the mix-adjusted average price of dwellings sold in Jersey during the year ending Q4 2023 was 2% lower when compared with the previous quarter (year ending Q3 2023)
- on a **quarterly basis**:
 - the seasonally adjusted mix-adjusted average price was 8% lower than in the previous quarter and 8% lower than in the corresponding quarter of 2022 (Q4 2022)
 - 2-bedroom flats saw an increase in their mean price compared to the previous quarter, reaching their highest mean price to date, although this was highly influenced by new developments
 - all other property types saw a decrease in price compared with the previous quarter
- the **turnover** of properties was 36% lower than in Q4 2022 and 22% higher than in the previous quarter (Q3 2023)
 - without newly built properties, turnover would have been 56% lower than in Q4 2022 and 39% lower than in the previous quarter (Q3 2023)
 - 28% of properties transacted were not purchased to be the main residence of the purchaser(s), a 20 percentage point increase from the previous quarter
- overall **housing market activity**, on a rolling four-quarter basis, was around 13% lower than in the previous quarter (Q3 2022) and 44% lower than in the corresponding quarter of 2022
- on a rolling four-quarter basis, **advertised private sector** rental prices were 1% lower during the year ending Q4 2023 compared with the year ending Q3 2023

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The fourth quarter report presents the following information and analysis:

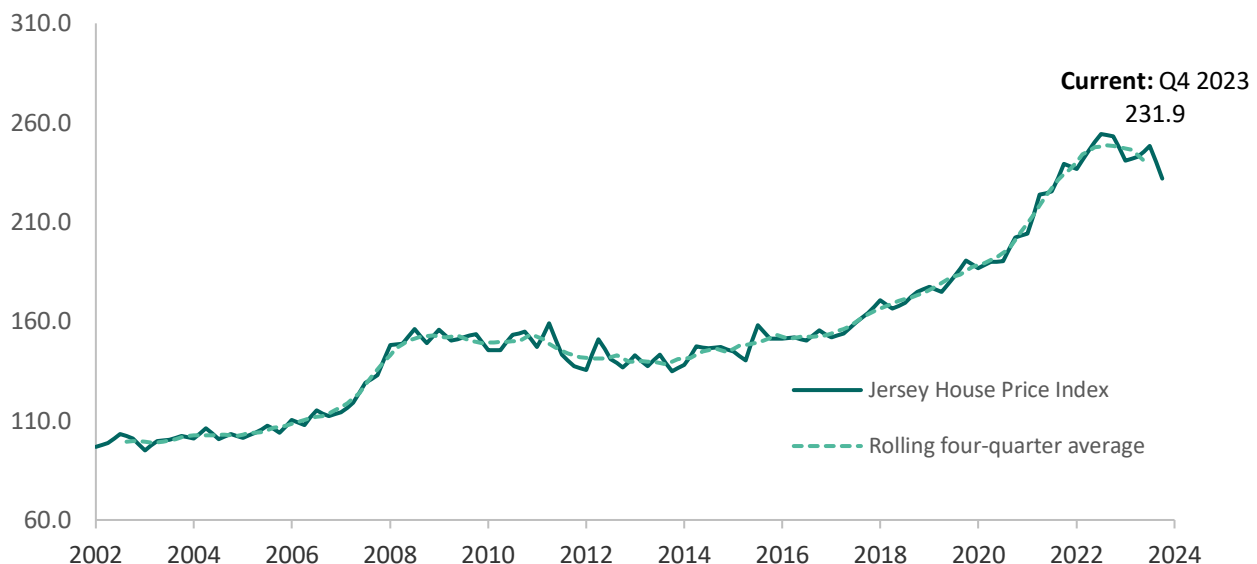
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Overall mix-adjusted Index

The Jersey House Price Index (HPI) measures the combined average price of 1- and 2-bedroom flats together with 2-, 3- and 4-bedroom houses. The index includes share transfer properties.

Figure 1 shows the Jersey House Price Index from 2002 to date on a non-seasonally adjusted basis and the rolling four-quarter average (see [Note 6](#) and [Appendix A](#)).

Figure 1 – Jersey House Price Index, Q1 2002 to Q4 2023
(2002 = 100; including share transfer properties and non-seasonally adjusted)



On a rolling four-quarter basis, the mix-adjusted average price of dwellings sold in Jersey during the year ending Q4 2023 was 2% lower when compared with the previous quarter (year ending Q3 2023).

On a quarterly basis, the *seasonally adjusted* mix-adjusted average price (see [Note 7](#)) in Q4 2023 was 8% lower than in the previous quarter and 8% lower than in the corresponding quarter of 2022.

Figure 2 shows the Jersey House Price Index in the more recent period from 2017 to 2023.

Figure 2 – Jersey House Price Index, Q1 2017 to Q4 2023
(2002 = 100; including share transfer properties and non-seasonally adjusted)

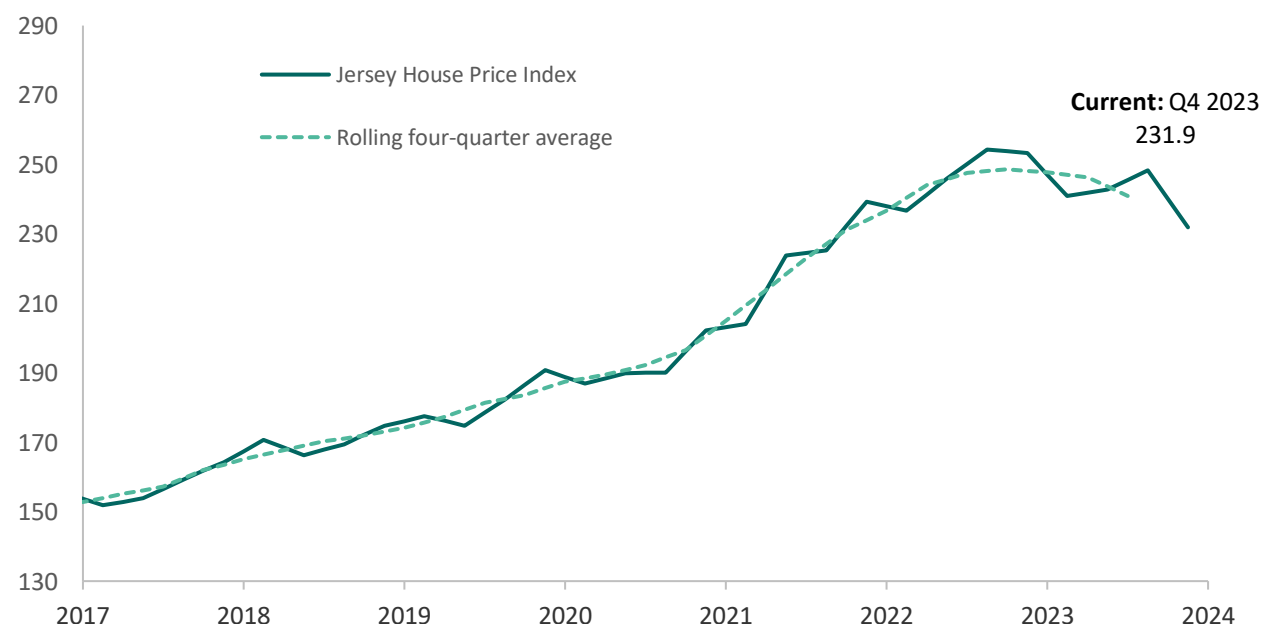
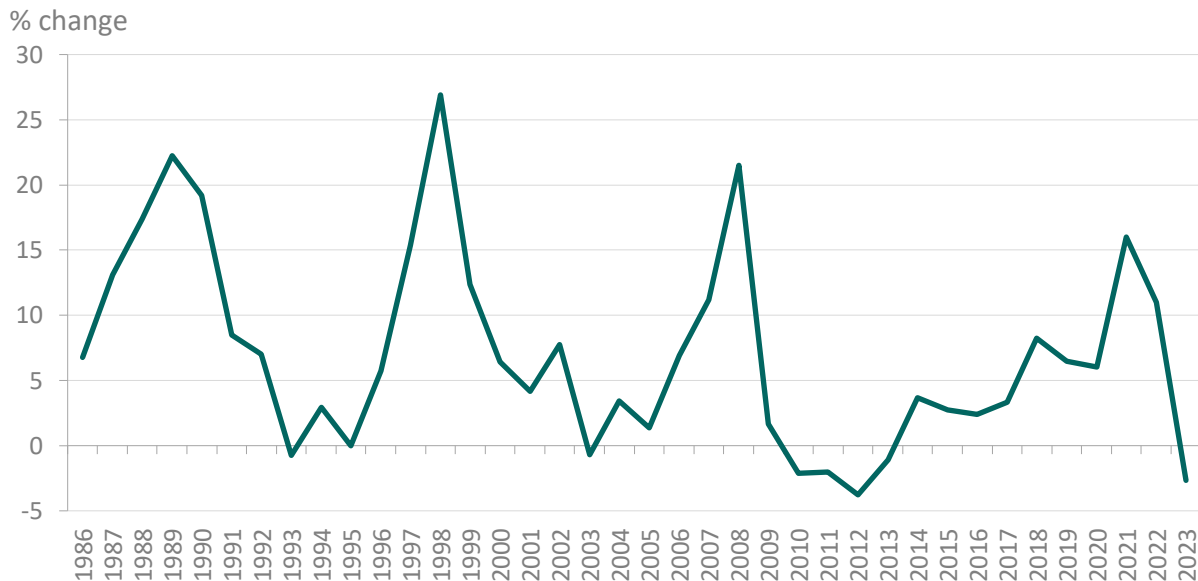


Figure 3 shows the overall property price changes in Jersey on a calendar year basis from 1986 to 2023.

Figure 3 – Annual percentage change in the Jersey House Price Index, 1986 to 2023



As is apparent from Figure 3, property prices in Jersey have seen four periods of strong growth during the last four decades, with peaks in the annual rate of increase occurring in 1989, 1998, 2008 and 2021; each of these years recorded annual price increases of 16% or higher.

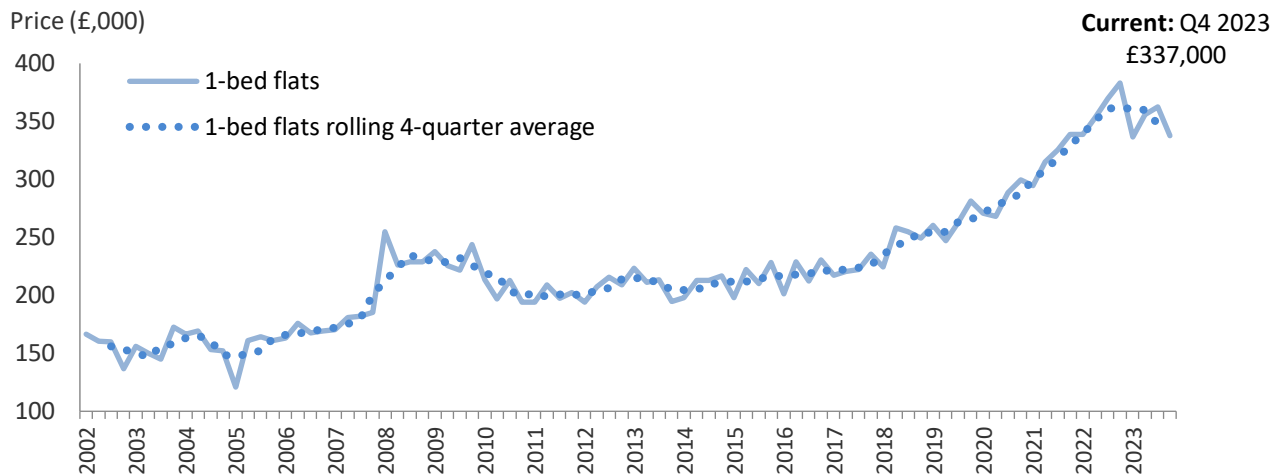
In the past, such peaks were followed by periods of lower rates of increase or, more recently from 2010 to 2013, by a period of decline in overall average price on an annual basis.

On a calendar year basis, the Jersey House Price Index in 2023 was 3% lower than in 2022. This was the first decrease in price since 2013 and the second highest price decrease seen since at least 1986.

1-bedroom flats

The mean prices for 1-bedroom flats are shown in Figure 4.

Figure 4 – Mean prices (£,000) for 1-bedroom flats, Q1 2002 to Q4 2023



Following a sharp increase in mean prices in early 2008, the remainder of 2008 and 2009 saw the mean price of 1-bedroom flats remain essentially stable at around £230,000. During 2010 and 2011 the mean price of this property type decreased, largely due to an increase in turnover of lower priced share transfer properties. Since that time, the mean price has increased, with the annual average in 2023 being £345,000, although this is a decrease from the annual average in 2022.

The mean price of 1-bedroom flats sold in the latest quarter was **£337,000**, which was £25,000 lower than in the previous quarter (Q3 2023). It should be noted that the level of turnover this quarter was largely influenced by new developments.

The *median* price of 1-bedroom flats sold in the latest quarter was £330,000.

Figure 5 shows the distribution of prices for these properties sold in 2022 and 2023.

Figure 5 – Price distributions for 1-bedroom flats, 2022 and 2023



The largest volume sold in 2023 (18% of transactions) was in the £285,001 - £310,000 price bracket.

Table 1 – Mean prices for 1-bedroom flats

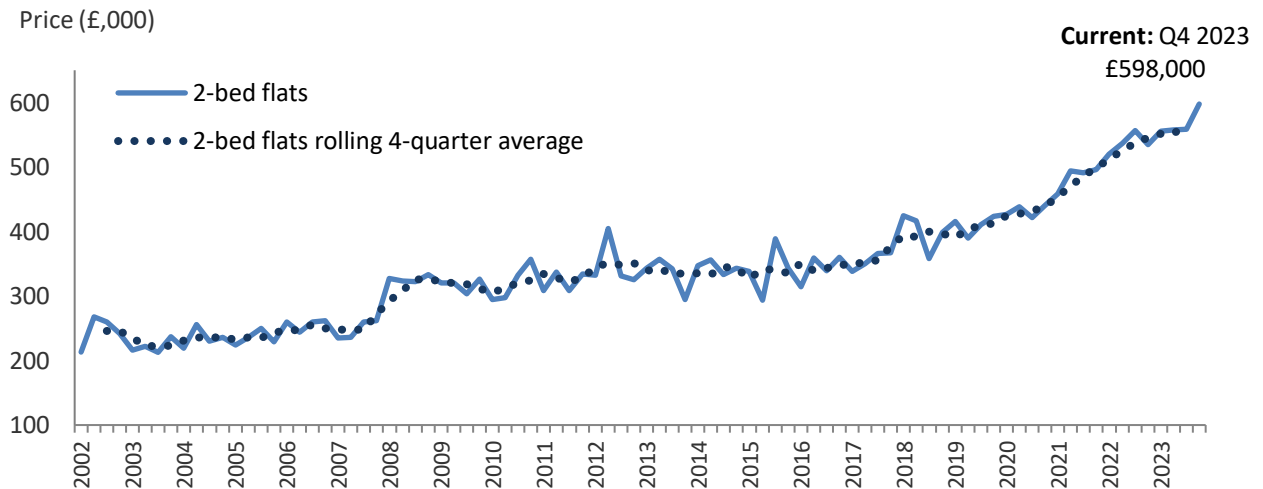
1-bed Flats	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Price (£,000)	271	268	289	300	294	315	325	339	339	353	370	383	337	356	362	337

The Q4 2023 mean price has a 95% confidence interval of \pm £16,000

2-bedroom flats

The mean prices for 2-bedroom flats are shown in Figure 6.

Figure 6 – Mean prices (£,000) for 2-bedroom flats, Q1 2002 to Q4 2023



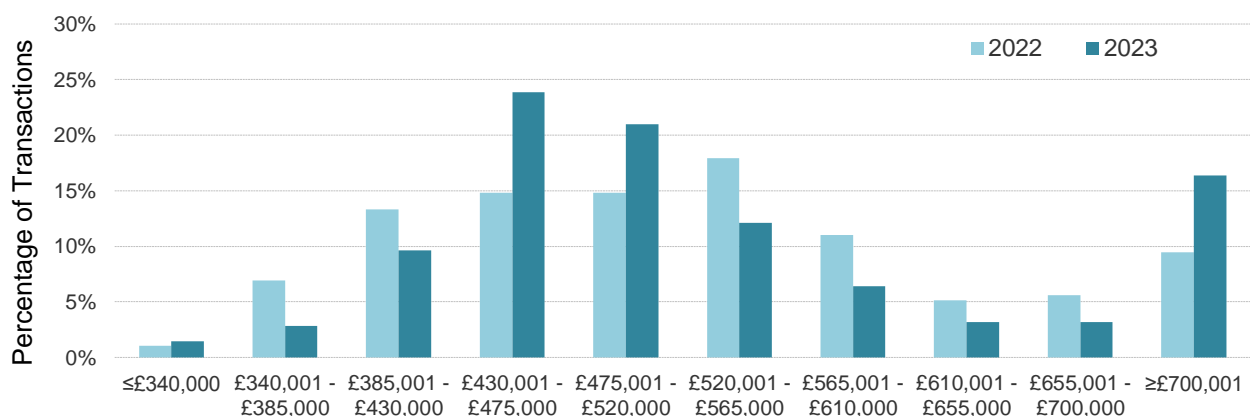
During 2008 and 2009 the mean price was relatively stable at around £320,000. Subsequently the mean price increased, taking the annual mean price of this property type to around £350,000 by 2012. More recently, the mean price has increased further, with the annual average price in 2023 being £566,000.

The mean price of 2-bedroom flats sold in the latest quarter was **£598,000**, which was £40,000 higher than in the previous quarter (Q3 2023) and was the highest price seen to date. It should be noted that both the level of turnover and the increase in price this quarter were largely influenced by new developments.

The *median* price of 2-bedroom flats sold in the latest quarter was £528,000.

Figure 7 shows the distribution of prices for these properties sold in 2022 and 2023.

Figure 7 – Price distributions for 2-bedroom flats, 2022 and 2023



The largest volume sold in 2023 (24% of transactions) was in the £430,001 - £475,000 price bracket.

Table 2 – Mean prices for 2-bedroom flats

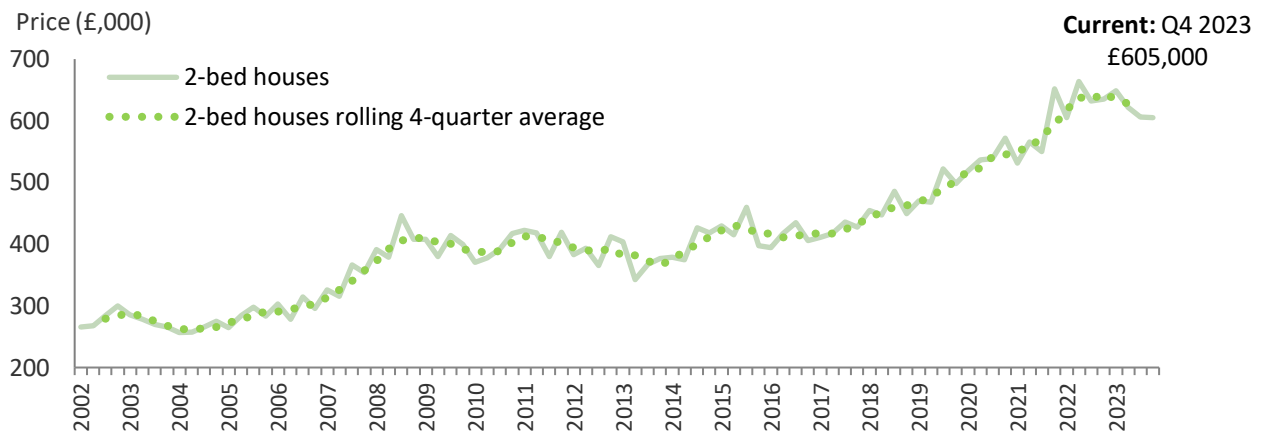
2-bed Flats	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Price (£,000)	427	439	422	440	459	494	491	496	519	536	557	535	556	558	558	598

The Q4 2023 mean price has a 95% confidence interval of \pm £58,000

2-bedroom houses

The mean prices for 2-bedroom houses are shown in Figure 8.

Figure 8 – Mean prices (£,000) for 2-bedroom houses, Q1 2002 to Q4 2023



The annual mean price of 2-bedroom houses sold from 2008 to 2010 was between £400,000 and £410,000. The mean price of this property type subsequently decreased, with the annual average price recorded in 2013 being £371,000.

In the latter half of 2014 the mean price of 2-bedroom houses rose above £400,000 for the first time since early-2011. More recently in 2023 the annual average price increased to £622,000, although this is a decrease from the annual average in 2022.

The mean price of 2-bedroom houses sold in the latest quarter was **£605,000**, which was £1,000 lower than in the previous quarter (Q3 2023). Although this value is similar, when compared with previous quarters, it is worth noting that there was very low turnover for this property type and as such the average is more sensitive to values at either end of the distribution.

The *median* price of 2-bedroom houses sold in the latest quarter was £600,000.

Figure 9 shows the distribution of prices for these properties sold in 2022 and 2023.

Figure 9 – Price distributions for 2-bedroom houses, 2022 and 2023



The largest volumes sold in 2023 were in the £460,001 - £520,000 and £700,001 - £760,000 price brackets (both 17% of transactions).

Table 3 – Mean prices for 2-bedroom houses

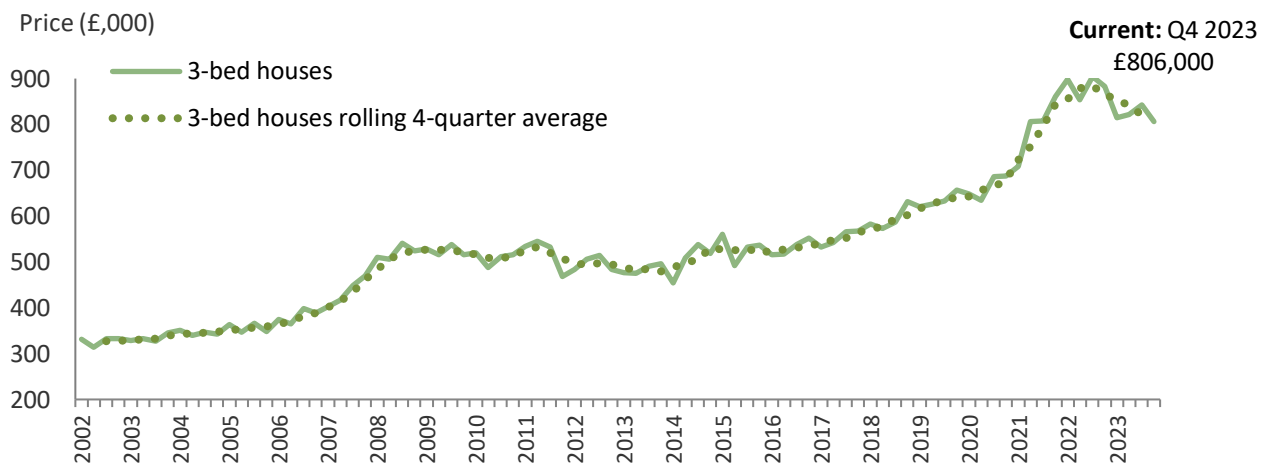
2-bed Houses	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Price (£,000)	519	537	538	572	532	566	550	652	606	664	632	635	649	621	606	605

The Q4 2023 mean price has a 95% confidence interval of \pm £70,000

3-bedroom houses

The mean prices for 3-bedroom houses are shown in Figure 10.

Figure 10 – Mean prices (£,000) for 3-bedroom houses, Q1 2002 to Q4 2023



After a period of considerable increase from 2006 to early 2008, the mean price of 3-bedroom houses remained relatively stable throughout the subsequent four-year period from 2008 to 2011, at between £510,000 and £520,000.

At the end of 2011 the mean price of this property type fell below £500,000 for the first time since 2007. In Q1 2019 the mean price rose above £600,000 and has since continued to increase, with the annual average in 2023 being £823,000. Although this was lower than the annual average in 2022.

The mean price of 3-bedroom houses sold in the latest quarter was **£806,000**, which was £36,000 lower than in Q3 2023.

The *median* price of 3-bedroom houses sold in the latest quarter was £750,000.

Figure 11 shows the distribution of prices for these properties sold in 2022 and 2023.

Figure 11 – Price distributions for 3-bedroom houses, 2022 and 2023



The largest volume sold in 2023 (20% of transactions) was in the £630,001 - £710,000 price bracket.

Table 4 – Mean prices for 3-bedroom houses

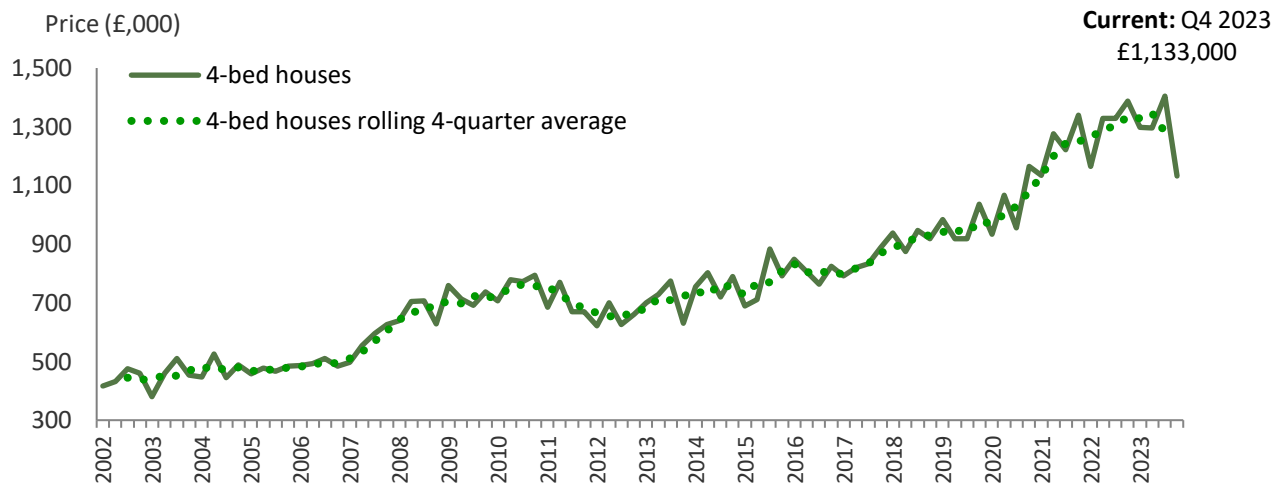
3-bed Houses	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Price (£,000)	649	634	687	687	709	806	808	861	898	853	904	883	815	821	842	806

The Q4 2023 mean price has a 95% confidence interval of ± £69,000

4-bedroom houses

The mean prices for 4-bedroom houses are shown in Figure 12.

Figure 12 – Mean prices (£,000) for 4-bedroom houses, Q1 2002 to Q4 2023



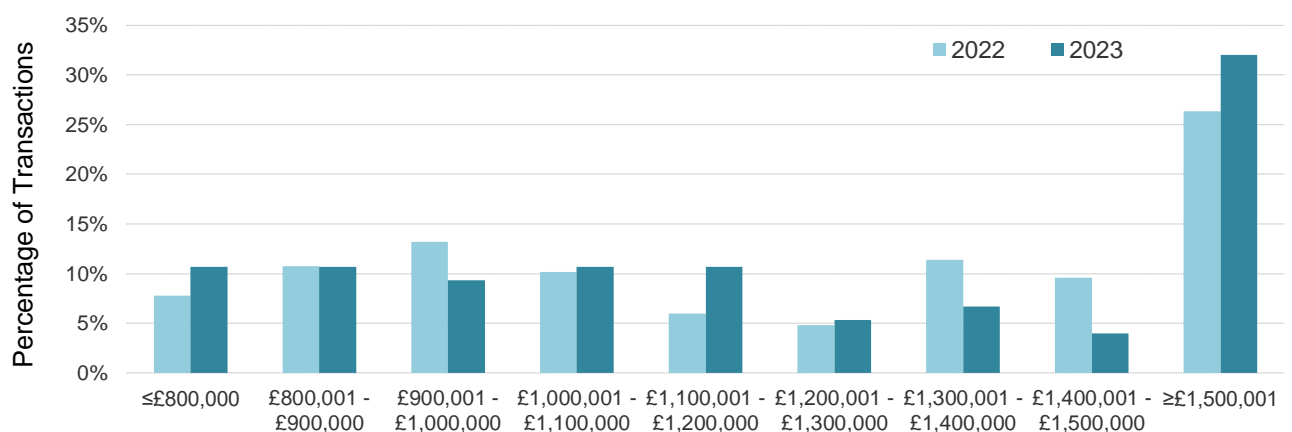
Although this category of property has seen some volatility in price on a quarterly basis, the mean price of this property type generally remained above £700,000 between 2008 and 2015. Since then, the average price has increased; with mean prices exceeding £800,000 in Q1 2016, £900,000 in Q1 2018 and then exceeding £1,000,000 in Q4 2019. The annual average in 2023 was £1,310,000.

The mean price of 4-bedroom houses sold in the latest quarter was **£1,133,000**, which was £271,000 lower than in the previous quarter (Q3 2023). It is worth noting that there was very low turnover for this property type and as such the average is more sensitive to values at either end of the distribution.

The *median* price of 4-bedroom houses sold in the latest quarter was £990,000.

Figure 13 shows the distribution of prices for these properties sold in 2022 and 2023.

Figure 13 – Price distributions for 4-bedroom houses, 2022 and 2023



The largest volume sold in 2023 (32% of transactions) were in the greater than £1,500,000 price bracket.

Table 5 – Mean prices for 4-bedroom houses

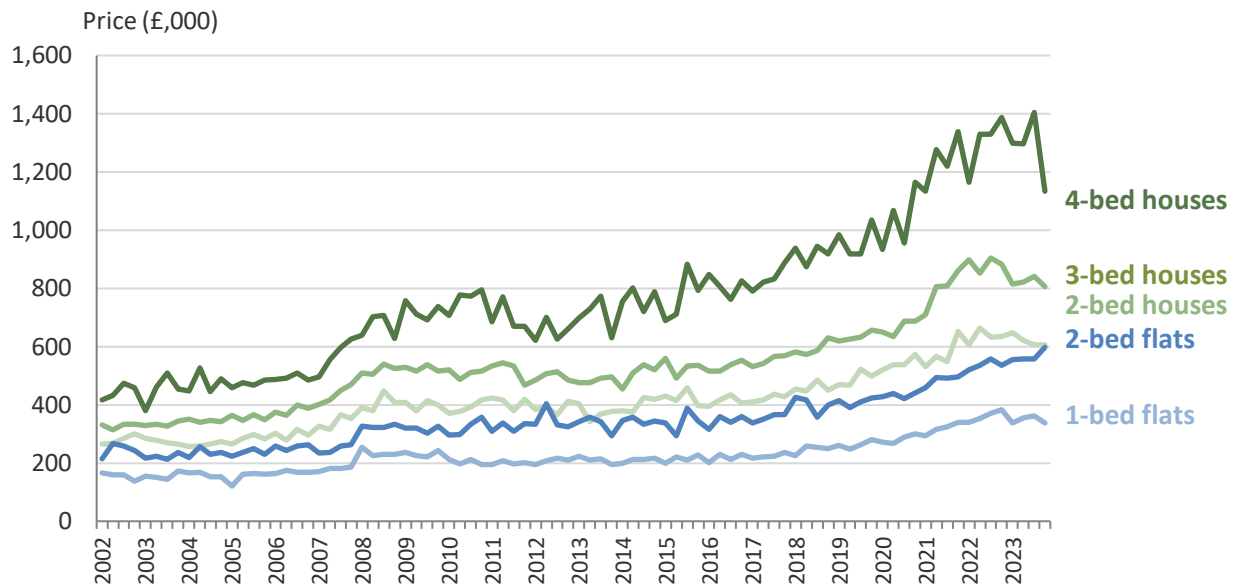
4-bed Houses	2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Price (£,000)	934	1,067	955	1,164	1,134	1,277	1,220	1,339	1,166	1,329	1,329	1,387	1,299	1,297	1,404	1,133

The Q4 2023 mean price has a 95% confidence interval of ± £269,000

All individual property types

The mean prices of the individual categories of dwelling over the period from 2002 to date are shown in Figure 14.

Figure 14 – Mean prices (£,000) for the individual property types, Q1 2002 to Q4 2023



In the latest quarter:

- 2-bedroom flats recorded their highest mean price to date, at £598,000
- 1-bedroom flats saw prices decreases 7% from the previous quarter
- 4-bedroom houses recorded the largest annual decrease in mean price, by around 18%. Although caution is advised due to the low turnover of this property type in Q4 2023

Turnover

In total during 2023, turnover of properties was:

- 43% lower compared with 2022, due to decreased sales of all property types but in particular 3- & 4-bedroom houses (both down by 55%)
- the lowest annual turnover seen since at least 2002

In Q4 2023, 189 HPI eligible properties (see [Note 2](#)) were sold in Jersey¹. A degree of caution is required in making direct comparisons between quarters due to the variation in the frequency of sittings of the Royal Court and due to seasonal variations. Nevertheless, the number of properties sold in Q4 2023 was:

- 36% lower than in Q4 2022, corresponding to 107 fewer properties sold
- 22% higher than in the previous quarter, Q3 2023, corresponding to 34 additional properties sold

Figure 15 – Number of dwellings included in the Jersey House Price Index by property type

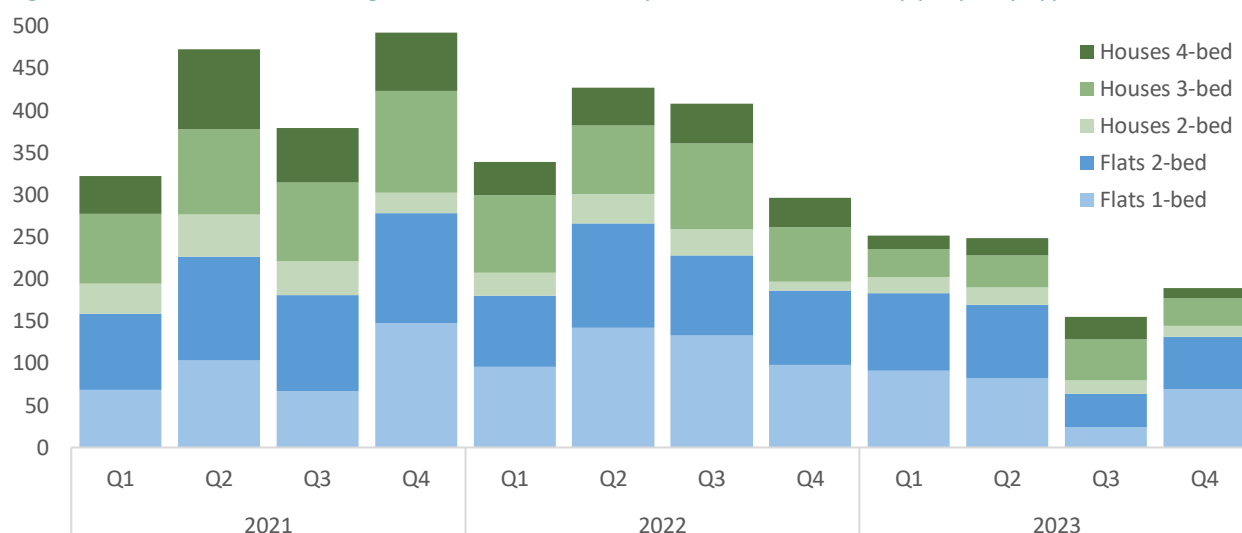


Table 6 – Number of dwellings included in the Jersey House Price Index by property type

		Flats		Houses			Total	Court Sittings
		1-bed	2-bed	2-bed	3-bed	4-bed		
2021	Q1	68	91	35	83	45	322	12
	Q2	103	123	50	101	95	472	12
	Q3	67	114	40	93	65	379	13
	Q4	147	131	24	121	69	492	13
	Total 2021	385	459	149	398	274	1,665	50
2022	Q1	96	84	27	92	40	339	12
	Q2	142	124	35	81	45	427	11 ²
	Q3	133	95	31	102	47	408	14
	Q4	98	88	11	64	35	296	12
	Total 2022	469	391	104	339	167	1,470	49
2023	Q1	91	92	19	33	16	251	13
	Q2	82	87	21	38	20	248	12
	Q3	24	40	16	48	27	155	13
	Q4	69	62	13	33	12	189	12
	Total 2023	266	281	69	152	75	843	50

In Q4 2023, share transfer transactions (see [Note 3](#)) accounted for 79% of all eligible flat sales, a considerably higher proportion to that recorded in calendar year 2022 (51%).

¹ Due to methodological changes this figure is not directly comparable to those published in reports prior to Q1 2020; [Appendix E](#) of the Q1 2020 report provides details of these changes and an analysis of the effect which the introduced changes would have had in prior years.

² There was one less court sitting in this quarter, due to the public holiday that took place on 3 June 2022 to celebrate Queen Elizabeth II's Platinum Jubilee.

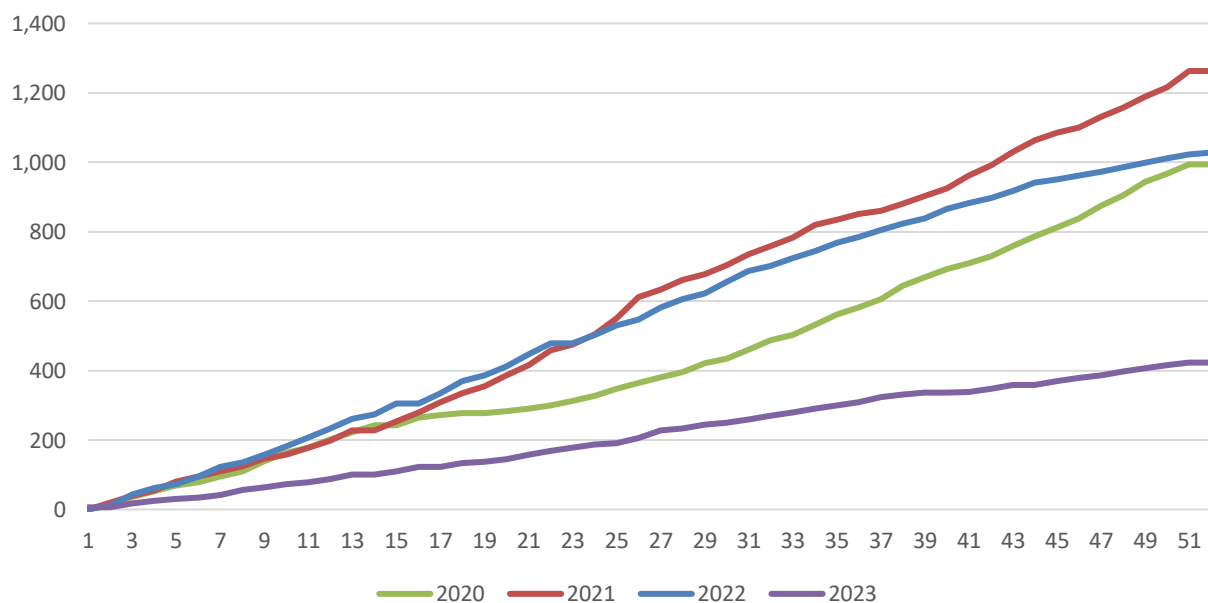
Annual turnover for HPI eligible properties can be broken down by parish for each year 2011 to 2023. Table 7 shows the data for the latest five years, earlier years are available on open data.

Table 7 – Annual number of dwellings included in the Jersey House Price Index by parish

Parish	2019	2020	2021	2022	2023 ³
St Helier	807	696	843	840	490
St Clement	150	111	94	101	40
St Saviour	128	151	165	155	110
St Brelade	146	117	164	94	50
St Lawrence	47	65	70	53	20
Trinity	35	32	27	24	20
Grouville	74	62	66	54	40
St Martin	35	50	31	42	20
St Mary	13	17	25	13	~
St Ouen	43	26	36	28	10
St Peter	61	42	124	40	30
St John	16	27	20	26	20

Royal Court transactions represent essentially all the residential house sales and around 30% of residential flat sales in Jersey. Generally, Royal Court transactions account for around three-quarters of the residential properties that are included in the House Price Index, the remaining property transactions that make up the House Price Index data are transacted by share transfer. However, as a significant proportion of new builds transacted via share transfer, the level of turnover through the Royal Court was considerably less than in prior years. Figure 16 shows the cumulative total of HPI eligible Royal Court transactions for years 2020, 2021, 2022 and 2023. It should be noted there was one less Royal Court sitting in 2022.

Figure 16 – Cumulative total of HPI eligible Royal Court transactions for all sittings each year, 2020 to 2023



From Figure 16 it can be seen that 2023 saw consistently lower Royal Court turnover than in previous years, even than 2020 which was impacted by COVID-19 measures. Around 420 HPI eligible transactions went through the Royal Court in 2023, which was around 570 lower than in 2020 and 840 lower than in 2021.

³ Due to low overall turnover in 2023, numbers have been rounded to the nearest 10. ~ indicates a value less than 10.

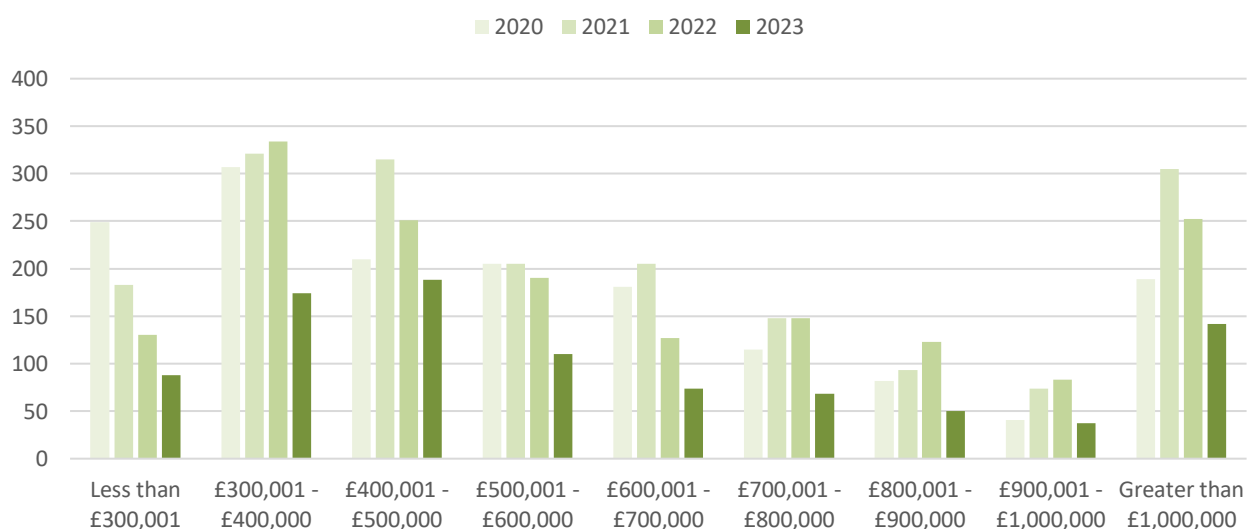
Price distributions

In order to provide a more complete picture of the Jersey residential property market, the counts in this table include properties in the HPI and additional property types which are not included in the Jersey House Price Index; bedsits, 3- or more bedroom flats, 1- and 5- or more bedroom houses. Properties sold via the housing gateway, First Time Buyer restricted and age restricted properties are still excluded.

Table 8 – Property sales by price band, 2020 to 2023

Price band	2020	2021	2022	2023
Less than £300,001	249	183	130	88
£300,001 - £400,000	307	321	334	174
£400,001 - £500,000	210	315	251	188
£500,001 - £600,000	205	205	190	110
£600,001 - £700,000	181	205	127	74
£700,001 - £800,000	115	148	148	68
£800,001 - £900,000	82	93	123	50
£900,001 - £1,000,000	41	74	83	50
£1,000,001 - £1,500,000	108	165	148	85
£1,500,001 - £2,000,000	42	72	55	31
Greater than £2,000,000	39	68	49	26

Figure 17 – Property sales by price band, 2020 to 2023



Composition of market sales

From 1 January 2023 there has been a new higher rate of stamp duty or land transaction tax (LTT) on transactions where the property is not the main residence of one or more of the purchasers. This higher rate applies to cases where the property is a:

- buy-to-let
- second home
- holiday home

Please note that this is only the fourth quarter the data is available and not all cases may be captured⁴.

Additionally, those buying property for the first time sometimes pay a reduced level of stamp duty or land transaction tax, where the price is £500,000 or lower. This means that a baseline proportion of sales for those buying their first home can be calculated.

It is important to note that this will not match with those properties included in the annual first time buyer market analysis. That includes properties where the sale is restricted to first time buyers, however there are ways for individuals to regain first time buyer status to buy such properties. This is not the case with stamp duty and land transaction tax. First time buyer in this instance just applies to the first purchase by an individual for any property.

The below figures should be taken to be baseline proportions and not complete totals, particularly for first time buyers. A more comprehensive breakdown may be possible in the Q1 2024 report, as at that time those individuals moving within the market during 2023 will also be known.

Overall, in Q4 2023 28% of properties transacted were not purchased to be the main residence of the purchaser(s), an increase of 20 percentage points from the previous quarter. While 18% of properties were purchased by first time buyers, an increase of 4 percentage points from the previous quarter. It should be noted that Q1, Q2 and Q4 all saw a high level of newly built properties transacting, whereas Q3 did not.

Table 9 – Turnover, higher rate and first-time buyer proportions of sales, Q1 2023 to Q4 2023

	Flats				Houses				Overall			
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Not main residence “Higher rate”	49%	41%	14%	37%	3%	1%	4%	7%	36%	28%	8%	28%
First time buyer rate	22%	28%	30%	25%	3%	5%	2%	2%	17%	21%	14%	18%
Unknown purchase type	29%	31%	56%	38%	94%	94%	93%	91%	47%	51%	78%	54%
Turnover	183	169	64	133	68	79	91	56	251	248	155	189

The above analysis covers properties eligible for inclusion in the House Price Index, including share transfer properties. Several property types are not included in the Jersey House Price Index (see [Note 9](#)); if they were included most results would be essentially the same. The only major difference being that the proportion of houses purchased by first time buyers would be slightly higher for each quarter.

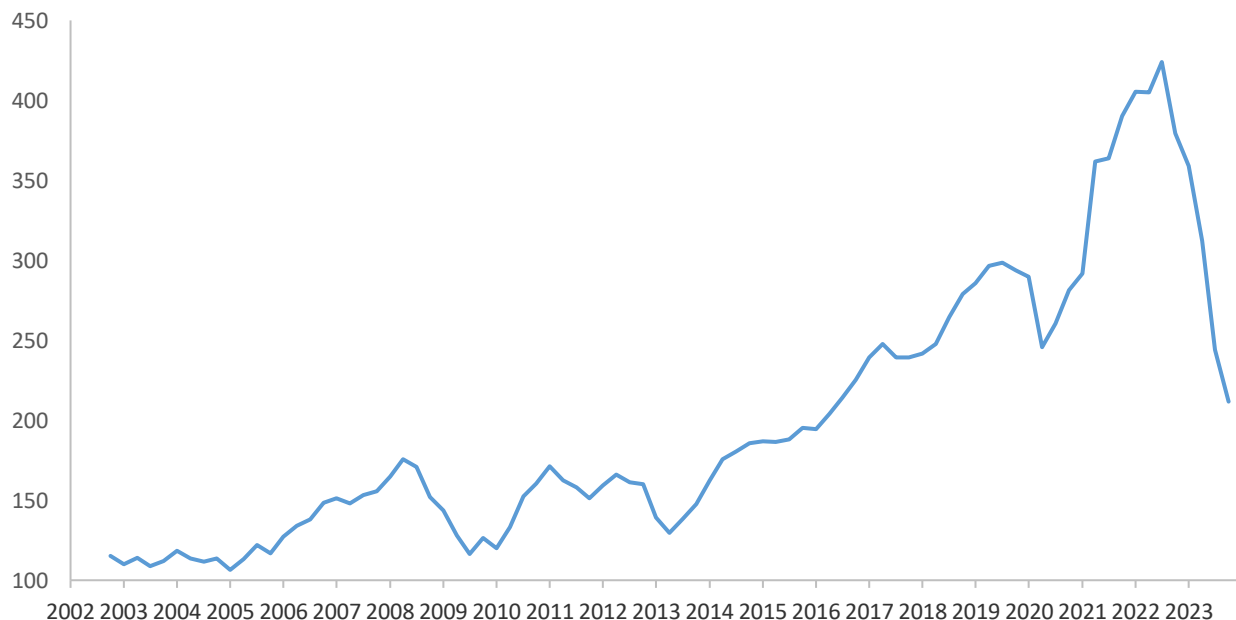
⁴ Initial analysis of these transactions, based on multiple purchases, purchases by corporate entities and those conducted by known investors indicates that these figures are in line with expectations.

Housing Market Activity

The Housing Market Activity Index (HMAI) measures the total market activity of 1- and 2-bedroom flats and 2-, 3- and 4-bedroom houses in Jersey (see [Note 8](#)). The index includes share transfer properties. Figure 18 shows the HMAI from 2002 to date as a rolling four-quarter average (see [Note 8](#) and [Appendix B](#)).

Figure 18 – Jersey Housing Market Activity Index⁵

(2002 = 100; including share transfer properties and on a rolling four-quarter basis)



On a **rolling four-quarter basis**, the total activity of the Jersey housing market during the year ending Q4 2023 was 13% lower compared with the year ending Q3 2023 and was 44% lower than in the corresponding quarter of 2022 (Q4 2022).

A degree of caution is required in making comparisons between quarters due to seasonal variations. Nevertheless, on a **quarterly** basis, total market activity in Q4 2023 was:

- 14% higher than that in the previous quarter (Q3 2023)
- 42% lower than in the corresponding quarter of 2022 (Q4 2022)

Comparison with Guernsey

Calculated using the methodology implemented in Guernsey⁶, the mix-adjusted average price of properties sold in Jersey in the most recent quarter was £702,000. This figure is £93,000 higher than the mix-adjusted average price of Local Market properties sold in Guernsey of £609,000; see Figure 19.

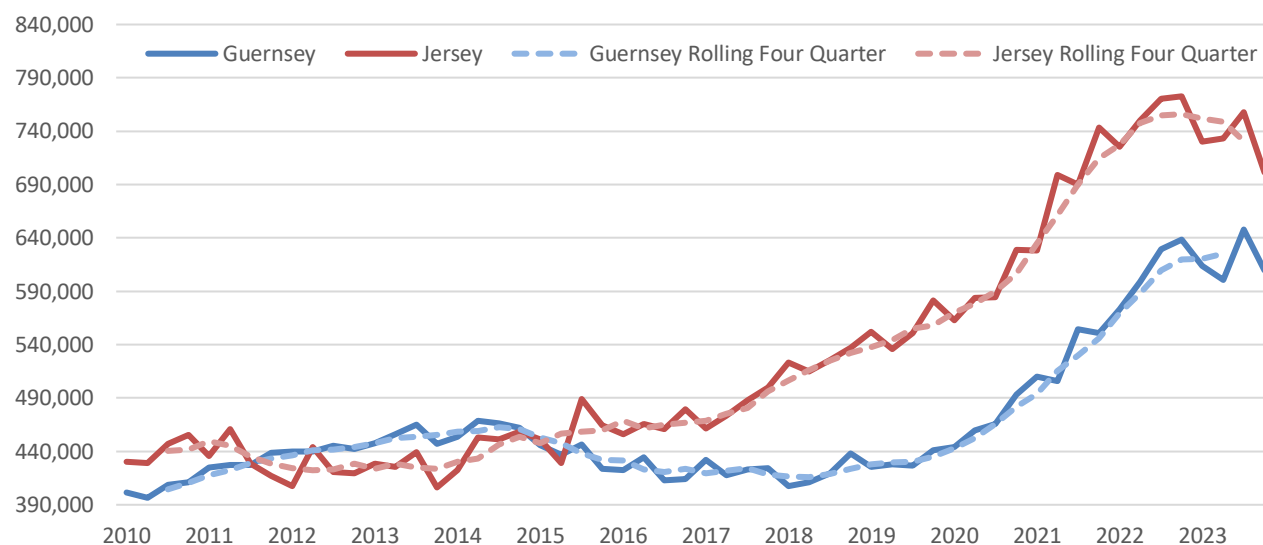
In Guernsey, the mix adjusted average purchase price for Local Market properties in Q4 2023 was 6% lower than in the previous quarter and 5% lower than in the corresponding quarter of 2022.

Turnover in Guernsey during the fourth quarter of 2023 was 9% higher than in the previous quarter and 17% lower than in the corresponding quarter of 2022.

⁵ The index has been revised between Q1 2010 and Q1 2020 due to the changes introduced in the Q1 2020 publication of the HPI leading to the revision of turnover numbers.

⁶ The Guernsey House Price Index mix-adjusts using arithmetic means and stock weightings. The Jersey House Price Index mix-adjusts using geometric means and 3-year turnover weights (see [Note 4](#) and [Note 5](#)). For the purposes of this comparison, the Guernsey methodology has been used to create a comparable figure for Jersey.

Figure 19 – Comparable (mix-adjusted) house prices in Guernsey and Jersey; Q1 2010 to Q4 2023



Comparison with United Kingdom

The UK House Price Index⁷ in the fourth quarter of 2023 (October to December 2023) was 2% lower on an annual basis (non-seasonally adjusted) and was essentially unchanged on a quarterly basis (compared with July to September 2023, seasonally adjusted). On a rolling four-quarter basis, the mix-adjusted index for the UK was essentially unchanged compared with the previous quarter.

The mix-adjusted average prices of dwellings sold in the UK (overall and by region) in the latest quarter are shown in Table 10.

Table 10 – Mix-adjusted average prices in Jersey and the UK (in £,000's)

	Q4 2023
Jersey	636
UK	286
England	303
Wales	213
Scotland	191
Northern Ireland	178
London	511
South East (excluding London)	384
East	345
South West	322
West Midlands (region)	250
East Midlands	247
North West	216
Yorkshire & The Humber	209
North East	159

The mix-adjusted average price for Jersey was greater than that of London and more than twice that of the UK and England.

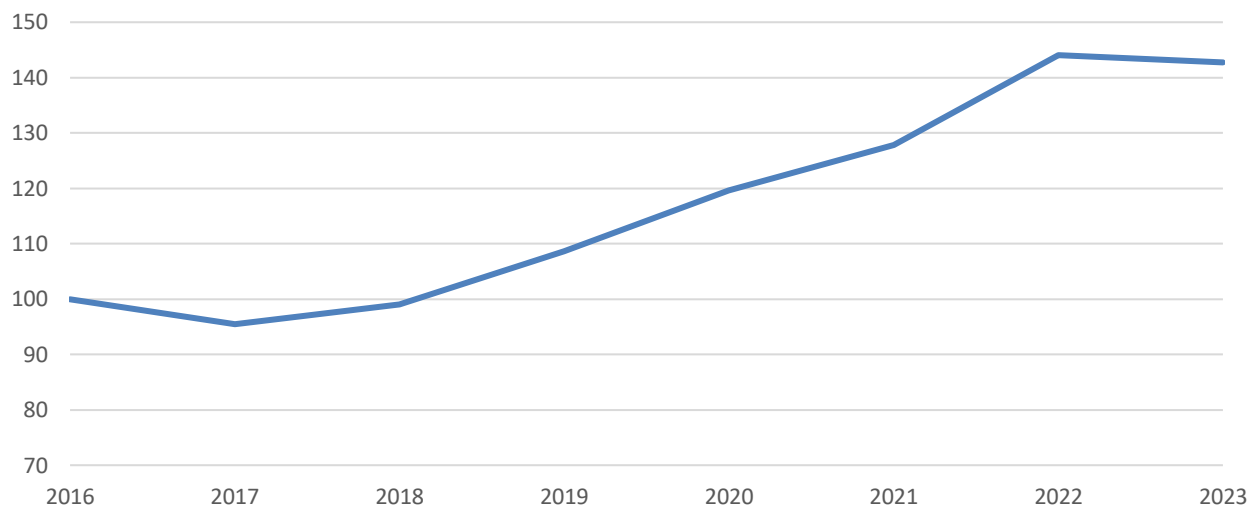
⁷ Contains HM Land Registry data © Crown copyright and database right 2017. This data is licensed under the Open Government Licence v3.0. Quarterly averages are calculated by Statistics Jersey from the published data for these comparisons.

First Time Buyer (FTB) market⁸

The Jersey House Price Index specifically excludes transactions which have restrictions on who can purchase the properties. Whilst excluded from the HPI, a particular group of interest are those properties that are specifically targeted towards first time buyers (FTB), either because of planning restrictions on their sale, or that are sold through the housing gateway. Figure 20, and Table 11, below, detail transactions of properties that fall within this group.

Housing gateway properties are often sold with a portion of the property price retained in the form of a bond. This analysis uses the full property price to be comparable with FTB restricted properties.

Figure 20 – First Time Buyer Market Index, 2016 to 2023⁹



The First Time Buyer Market Index saw an annual decrease of 1% compared with 2022. Included in the First Time Buyer Market Index are 1- and 2-bedroom flats as well as 2-, 3- and 4-bedroom houses. Mix-adjusted average prices and turnover numbers, grouped into flats and houses, are shown in Table 11.

Table 11 – First Time Buyer market, 2018 to 2023

		Mean price (£,000)	Turnover
Flats	2018	226	40
	2019	283	39
	2020	346	33
	2021	344	56
	2022	395	31
	2023	391	20
Houses	2018	452	41
	2019	479	54
	2020	509	71
	2021	568	65
	2022	638	58
	2023	631	34

⁸ Analysis from 2016 onwards as this is when sales began through the housing gateway. FTB analysis prior to the Q4 2021 is not comparable with these figures.

⁹ Variations in turnover between years can affect the mix-adjustment of the price, as such a chain-linked index should be used to compare between years.

Housing Affordability

The Jersey Housing Affordability Index (JHAI) is an indicator of whether a working household with an average (mean) income is able to purchase property affordably.

In respect of the separate indices presented for individual property types, a value greater than 100 indicates that that type of property is considered “affordable” based on the central assumption criteria (see below). The level of the overall index does not represent any specific level of affordability but instead is designed to track overall affordability over time.

Central assumptions

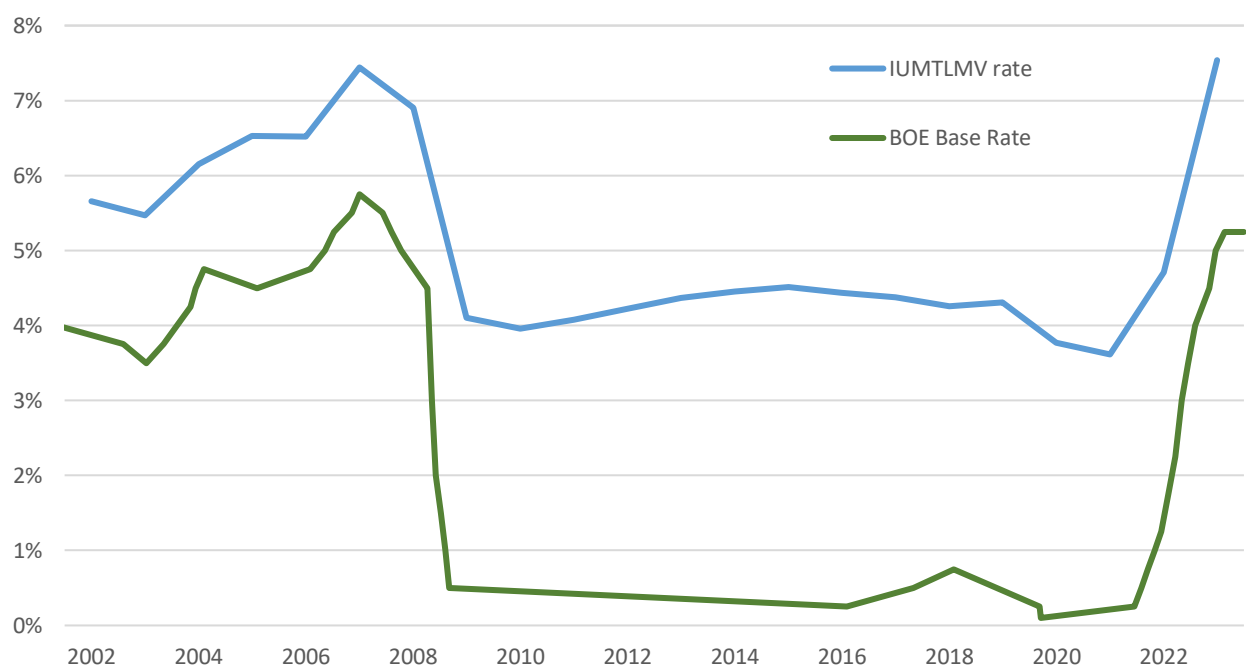
The central assumptions through which the JHAI attempts to quantify housing affordability are:

- mortgage payments (principal and interest) should consume no more than 40 percent of net income or 30 percent of gross income (internationally used thresholds for rental and mortgage stress)
- the purchaser has a cash deposit of 10 percent of the purchase price
- the purchaser is financing a 90 percent mortgage at a variable interest rate for a term of 25 years, with both principal and interest payments paid each month throughout the term

The interest rates used in this report are derived from data published by the Bank of England: the sterling standard variable mortgage rates quoted to households by UK monetary financial institutions (excluding the central bank), the IUMTLMV rate.

It is important to note that this is an average rate across the year and as such the value for 2023 has not seen increases at the same point in time as the Bank of England base rate. Figure 21 shows the change in the sterling standard variable mortgage rates quoted to households by UK monetary financial institutions (excluding the central bank), compared with the Bank of England base rate.

Figure 21 – Bank of England base rate and IUMTLMV rate, 2002 to 2023



From Figure 21 it can be seen that the IUMTLMV rate has seen a significant increase, around 3 percentage points, between 2022 and 2023. This has driven the downward trend of the housing affordability indices in 2023.

Overall affordability index

The overall index measures affordability using mean net household income and the median price for all HPI eligible property – see Figure 22.

Figure 22 – Affordability indices based on household income of working households, 2002 to 2023

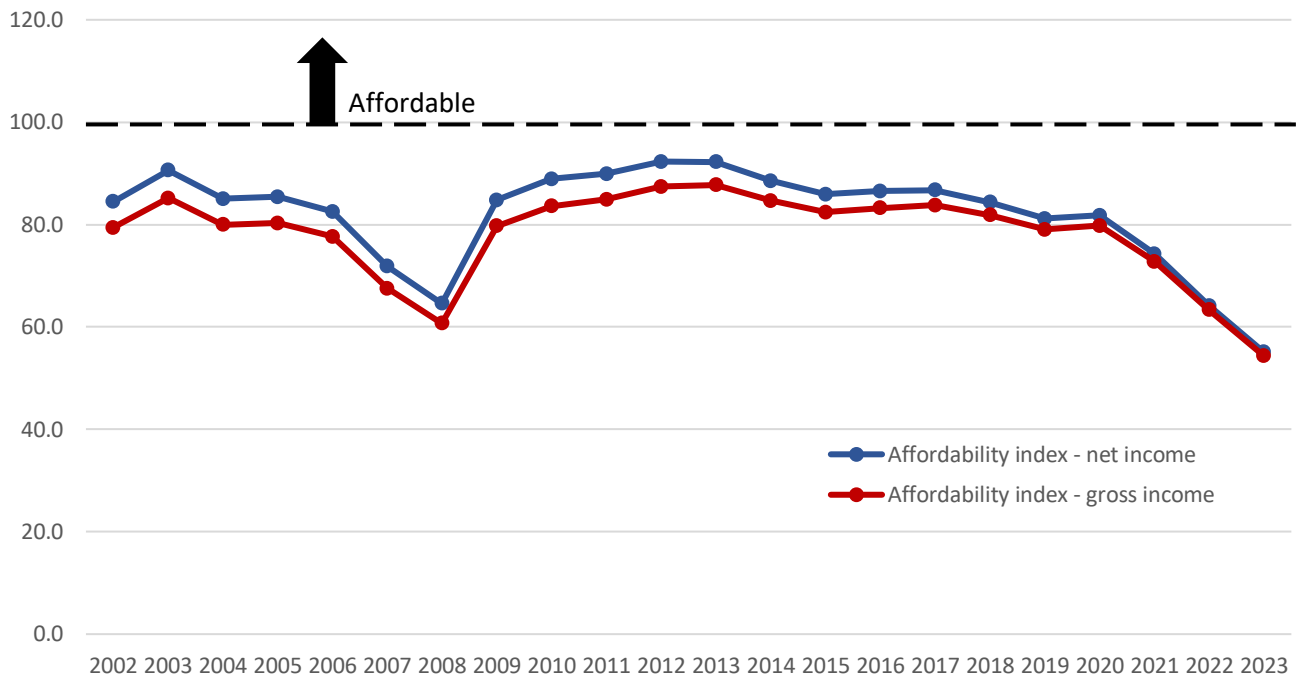


Figure 22 shows that overall, housing was significantly less affordable in 2023 compared with 2022, due to the increase in interest rates. This is despite the increase in household income (based on the change in average earnings) being 7.7% and property prices decreasing by around 3%.

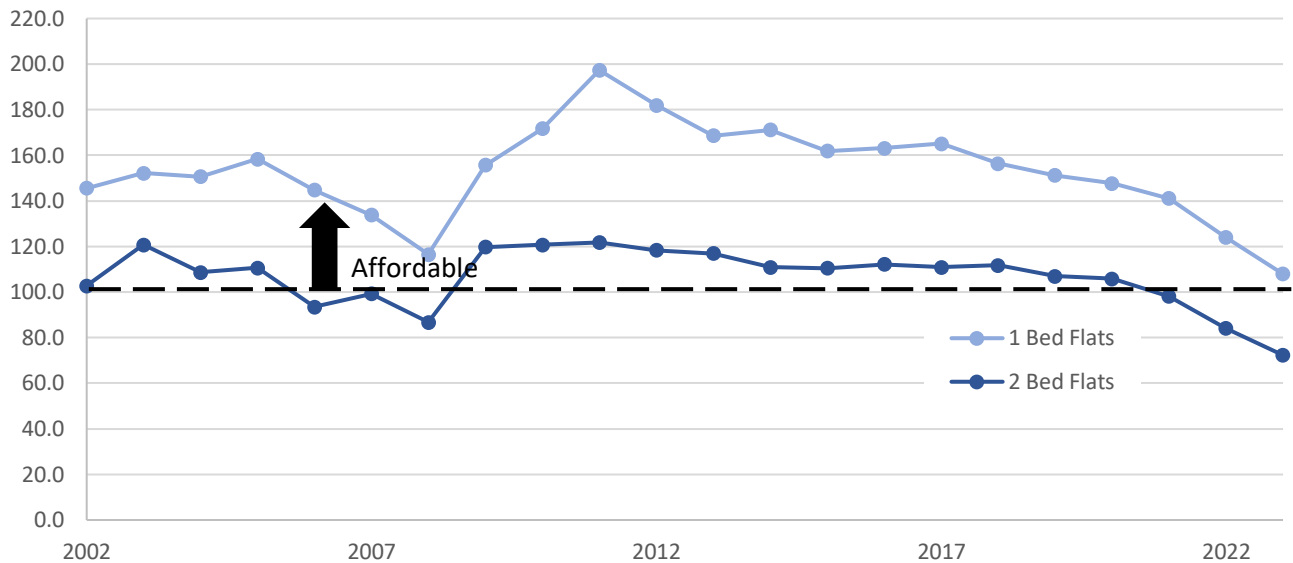
Effect of property type and size

Separate indices are calculated for each type and size of dwelling (1- and 2-bedroom flats and 2-, 3- and 4-bedroom houses). These indices, shown in Figures 23 and 24, are based on mean net household income and the respective median prices for each category of property.

Flats

The affordability of 1-bedroom flats improved significantly throughout the period 2008 to 2011 due to decreases in median price and lower mortgage interest rates. In 2012 and 2013 the affordability of 1-bedroom flats declined, due to annual increases in the median price of this property type coupled with increases in the mean mortgage interest rate. From 2015 onwards increases in house prices were above that of earnings so decreases in affordability were seen. In 2023, affordability for this type of property worsened due to increases in interest rates.

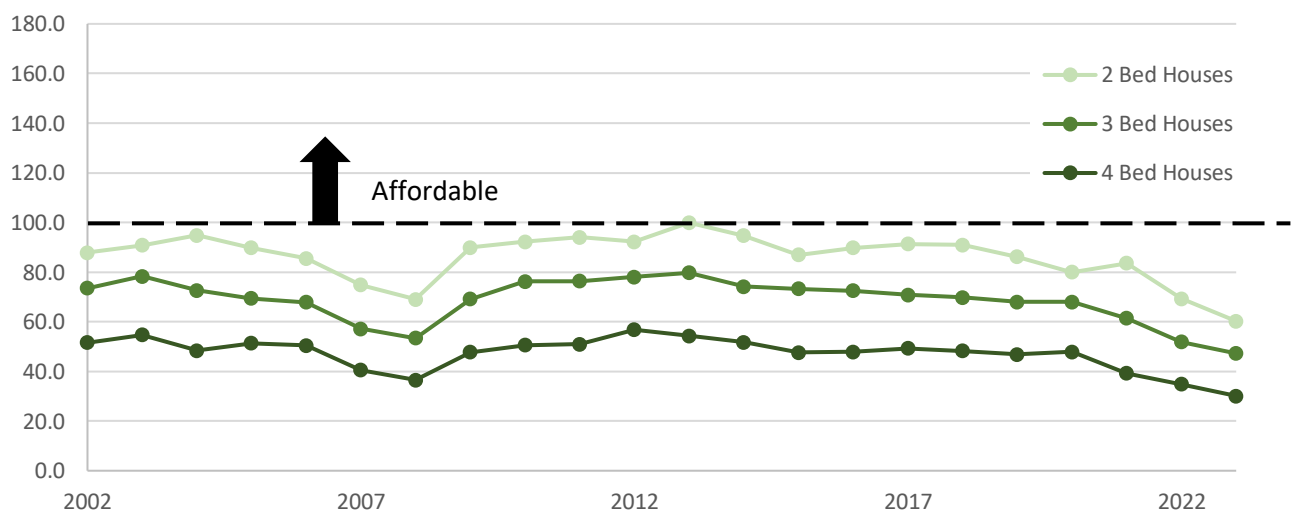
Figure 23 – Affordability indices based on net household income, 2002 to 2023 – flats



The indices for both 1- and 2-bedroom flats were both at the lowest points seen to date, driven by the increase in interest rates.

Houses

Figure 24 – Affordability indices based on net household income, 2002 to 2023 – houses



The affordability indices shown for houses in Figure 24 indicate that during the period from 2002 to 2023 a working household with mean net income was not able to service a mortgage affordably on the purchase price of a median-priced house of any size at any time.

The affordability of houses generally improved during the period 2008 to 2013, driven by falls in median price and lower mortgage interest rates. From 2018 to 2022, significant increases in the median dwelling price of houses resulted in worsening affordability. This year median property prices have decreased (3%) and earnings have increased (7.7%), but interest rate increases have led to worsening affordability for all house types.

Table 12 shows the median prices in 2023 and the qualifying net income that would be required in order to service a mortgage affordably, under the JHAI assumptions, on the purchase price of each dwelling type. The 'deposit gap' represents the difference by which the median dwelling price exceeds the affordability threshold, expressed as a factor of mean net household income (£92,900).

Table 12 – Median prices, qualifying household income and deposit gap, 2023

	Median House Price	Qualifying Net Income	Additional deposit required	Deposit Gap* as a factor of mean net income
1-bed flat	£335,000	£65,400	-	-
2-bed flat	£500,000	£97,600	£125,600	1.8
2-bed house	£600,000	£117,000	£215,000	3.0
3-bed house	£765,000	£149,000	£363,000	5.1
4-bed house	£1,200,000	£234,000	£755,000	10.7

*Gap between the median house price and the affordability threshold, as a factor of mean net household income.

For the purchase of a median-priced 3- or 4-bedroom house by a household with mean net income, the total deposit required¹⁰ was £363,100 and £754,600, respectively. These figures represent a deposit gap of over five for a 3-bedroom house and over 10 for a 4-bedroom house.

Sensitivity to central assumptions

The effects of changes in property prices, mortgage interest rates and the central assumptions underpinning the JHAI (e.g. the percentage of gross or net income consumed by mortgage payments) can be examined. In this section, the effect of such variations on the affordability of 2-bedroom flats and of 3-bedroom houses is considered.

Two-bedroom flats

In 2023:

- a median-priced 2-bedroom flat (£500,000) was affordable to a household with annual gross income of at least £130,000 and net income of at least £98,000
- the mortgage payments on a median-priced 2-bedroom flat accounted for around 42% of the mean gross income and around 55% of the mean net income of working households
- if mortgage interest rates and household incomes remained constant at 2023 levels, then the median price of a 2-bedroom flat would need to decrease by around £140,000 (28%) before such a property would be considered affordable to a household with mean income
- if household incomes and property prices remained constant then the mortgage interest rate would have to decrease by around 3.7 percentage points before a property would be considered affordable to a household with mean income
- the gross earnings of 2.7 FTE average employees were required in order to service a mortgage affordably on the purchase of a median-priced 2-bedroom flat

Three-bedroom houses

In 2023:

- a median-priced 3-bedroom house (£765,000) was affordable to a household with annual gross income of at least £199,000 and net income of at least £149,000
- the mortgage payments on a median-priced 3-bedroom house accounted for around six-tenths (64%) of the mean gross income and 85% of the mean net income of working households
- if mortgage interest rates and household incomes remained at 2023 levels, the median price of a 3-bedroom house would need to fall by around £405,000 (53%) in order to make the purchase of such a property affordable to a household with mean income
- the gross earnings of 4.2 FTE average employees were required in order to service a mortgage affordably on the purchase of a median-priced 3-bedroom house

¹⁰ It is assumed as part of the JHAI criteria that the household has a 10% cash deposit available.

Ratio analysis

The ratio of property price to income is a widely used measure of housing affordability and is particularly useful for examining trends in affordability over time.

Several versions of this indicator are used internationally; for example, the UK Office for National Statistics calculates a ratio using median property price to equivalised median net household income¹¹. Therefore, in order to compare with the UK, the ratio of median property price to equivalised median *household* (net) income is also used for Jersey.

Ratio of median property price to equivalised median net household income

Figures 25 and 26 show the ratio of median property price to equivalised median net household income for flats and houses in Jersey during the period from 2002 to 2023.

Figure 25 – Ratio of median property price to equivalised median net household income, 2002 to 2023 – flats

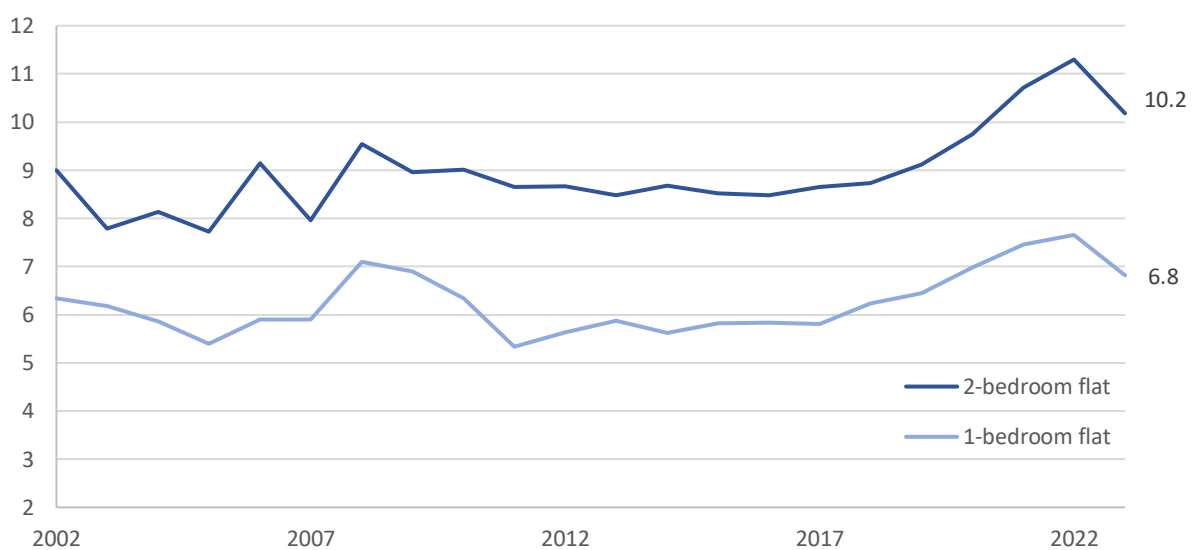
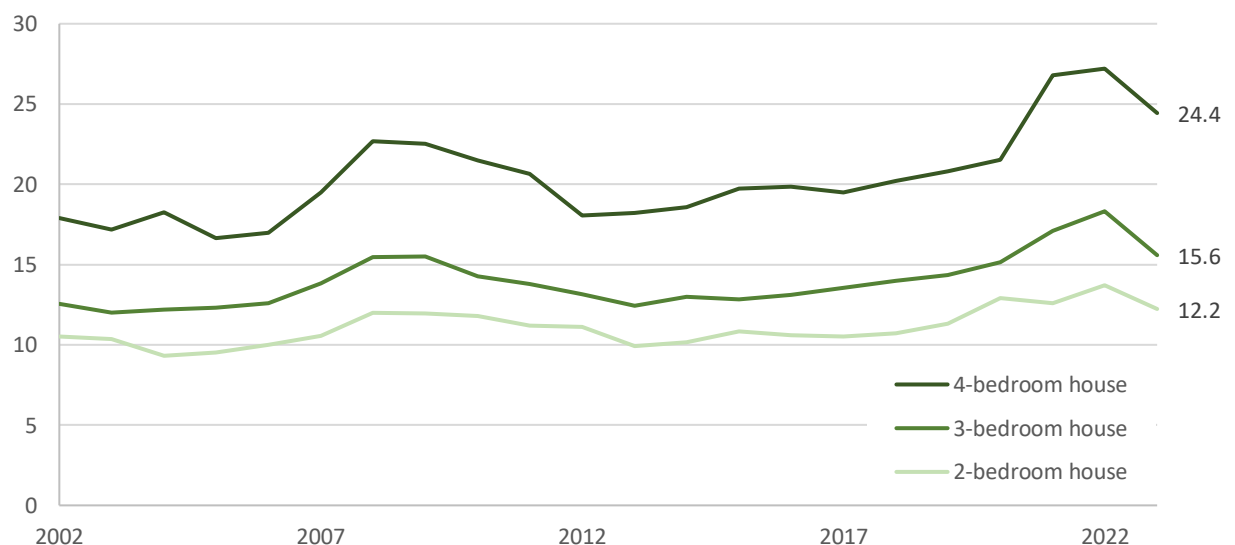


Figure 26 – Ratio of median property price to equivalised median net household income, 2002 to 2023 – houses



In the latest year (2023) the ratio of median dwelling price to equivalised median household income in Jersey was lower compared to 2022 for all property types. This was due to decreased median house prices and increased earnings in 2023.

¹¹ This section previously incorrectly compared with ONS “residence-based” affordability ratios, which used individual earnings instead of household.

Comparison with UK – ratio analysis

This section compares the 2022 UK housing affordability information, as it is the most recent available data for the UK, with that of Jersey. This uses the ratio of median property price to equivalised median net annual household earnings¹² as a measure of affordability.

Figure 27 compares Jersey's property price to earnings ratio with those of England, London and Wales over the period from 2002-2022¹³.

Figure 27 – Ratio of median property price to equivalised median net household income, 2002 to 2022 – Overall

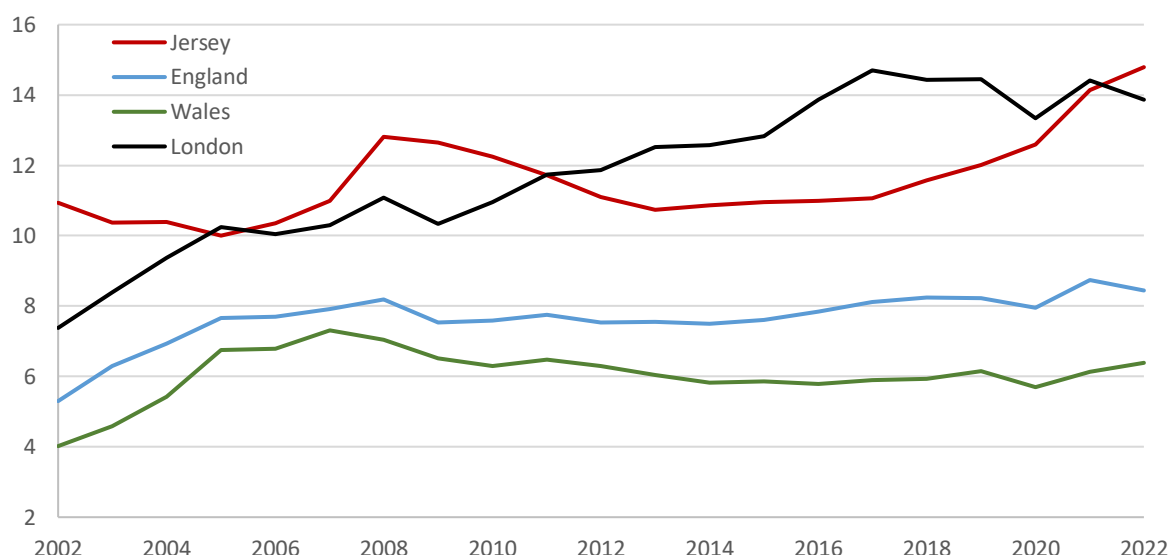


Table 13 compares Jersey's property price to earnings ratio with available regions of the UK in 2022.

Table 13 – Ratio of median property price to equivalised median net household income, 2022

	2022
Jersey	14.8
England	8.4
Wales	6.4
Scotland	5.3
Northern Ireland	5.1
London	13.9
South East (excluding London)	9.8
East	9.4
South West	8.9
West Midlands (region)	7.4
East Midlands	7.1
North West	6.4
Yorkshire & The Humber	6.1
North East	5.3

The ratio of median property price to equivalised median net household income for Jersey was higher than all available regions of the UK, increasing above London for the first time since 2010.

It should be noted that the overall value for Jersey decreased to 13.4 in 2023.

¹² For further information on UK data and methodologies:

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/bulletins/housingpurchaseaffordabilitygreatbritain/2022>

¹³ 2022 is the most recent available data for the UK.

Rental stress (30/40 method)

The 30/40 method refers to the point at which a household in the lowest 40 percent of the entire equivalised¹⁴ income distribution spends more than 30 percent of its gross income (including benefits) on housing costs. The methodology was introduced in the early 1990s by the Australian Federal Government to provide a measure of the proportion of households that were over-burdened by their housing costs.

Prior to the adoption of the 30/40 method, a widely used measure of rental 'stress' assumed that any household, regardless of their income level, which spent more than 30 percent of their gross income on mortgage or rental costs was in housing stress. However, this approach has the potential to overestimate housing stress, since some high earning households are able to spend more than 30 percent of their income on housing costs and still have sufficient funds remaining to pay for non-housing expenses.

Table 14 shows the percentage of households in Jersey which are in the lower 40% of the household equivalised income distribution and are paying more than 30% of their gross income on rental payments; such households would be classified as being in rental stress according to the 30/40 criterion.

Table 14 – Percentage of lower-income households living in rental stress (30/40 method); by tenure¹⁵

	Social rental	Private rental	Non-qualified rental
2009/2010	60%	43%	61%
2014/2015	79%	82%	70%
2021/2022	71%	82%	44%

In 2021/2022 the greatest proportion of lower-income households living in rental stress were in the private rental sector. Of households with the lowest 40% of incomes living in private rental, over four-fifths (82%) were paying more than 30% of their gross income on housing costs, and were thus in rental stress. This was essentially the same as in 2014/2015, but much higher than in 2009/2010. The proportion of lower-income households in social rented accommodation in rental stress decreased from 79% in 2014/2015 to 71% in 2021/2022, but remained above the proportion of 60% seen in 2009/2010.

¹⁴ Equivalisation is the process used to standardise household income levels, accounting for differences in household size and composition; the modified OECD equivalence scale is applied.

¹⁵ Values from prior years have been revised to include all survey responses with sufficient data for this analysis, not just those with fully completed responses.

Notes

1. Data sources:

The principal data sources on the transaction prices of property sales used in the Jersey House Price Index are:

- the Public Registry Index and Document Enrolment (PRIDE) database for freehold and flying freehold properties transacted through the Royal Court
- Revenue Jersey for share transfer transactions

The above price data are supplemented by information on the type and size of each property sourced from estate agent advertisement brochures and planning documents as well as information provided by the Island's Parishes and Customer and Local Services.

2. Excluded properties:

Derelict buildings, commercial properties with associated residential units, apparent intra-family transactions, age-restricted properties, properties sold via the housing gateway and properties designated solely for purchase by first-time buyers are excluded from the final data set from which the average prices and the Index are determined. Furthermore, due to the small numbers of properties and high variability of prices, the following categories of dwelling are also excluded: bedsits; 3- or more bedroom flats; 1- and 5- or more bedroom houses; and multi-dwelling properties. New dwellings, other than those removed by the above exclusion criteria, are implicitly included in the final data set.

3. Share transfer transactions:

Sales occurring via share transfer are not processed through the Royal Court and hence do not appear in the PRIDE database. Price data are instead provided by Revenue Jersey. Share transfer transactions have constituted around three-fifths of all sales of flats since Q1 2002, with the proportion generally varying between half and three-quarters at the quarterly level as new developments come onto the market.

Although the transaction prices of properties purchased by share transfer were not included in the compilation of the Jersey House Price Index prior to Q1 2011, the Land Transaction Tax (LTT), which came into effect on 1 January 2010, has enabled the transaction prices of properties purchased by share transfer to be recorded. Share transfer property transactions are therefore now incorporated in the compilation of the Jersey House Price Index.

In respect of these transactions, the value recorded in the Land Transaction Tax data will only reflect the value of the shares transferred that confer a right of occupation to a dwelling within their articles of association. They will therefore not include any transactions that do not relate to a dwelling, such as the separate sale of parking spaces and storage areas which may ordinarily be included in the sale price of other property types.

4. Mix-adjusted average price

The mix-adjusted average price of dwellings is calculated by weighting together the geometric mean price for each of the following five categories: 1- and 2-bedroom flats; 2-, 3- and 4-bedroom houses ("houses" includes houses and bungalows). The resulting mix-adjusted average dwelling price (see [Note 5](#)) is converted into the Jersey House Price Index (based to 100 for calendar year 2002).

5. Mix-adjustment:

In order that the average price in a given period is independent of the particular "mix" of properties sold in that period, a "mix-adjusted" average is calculated for each period by weighting each property type by a constant proportion.

Each year revised property-type weights are incorporated within each Q1 analysis, derived from the full preceding three-year period and including share transfer properties. In order to produce a continuous index series over time, the Q1 results are chain-linked.

It should be emphasised that, as a consequence of re-weighting, mix-adjusted mean prices will not be comparable between calendar years, although they will be comparable within each calendar year. In order to calculate change between years, the mix-adjusted index should be used.

6. Four-quarter rolling average

Due to the relatively low turnover of properties in Jersey, the mix-adjusted House Price Index is susceptible to fluctuations which occur due to variance in the mix of properties sold from one quarter to another, in terms of quality, location and age, particularly when a number of properties from a new development become available for purchase in the same period. Therefore, the average of four quarters (the quarter of interest itself, and the three prior) is calculated to provide an indication of the trend.

For the purposes of [Figure 1](#), the depiction of the rolling average has been adjusted on the horizontal axis to be able to be compared to the HPI on a more consistent time basis.

7. Seasonal adjustment

Housing markets can, in principle, exhibit seasonal effects that affect property prices. In order to enable meaningful quarter-on-quarter comparison, the mix-adjusted house price index is seasonally adjusted using the Eurostat Demetra software package.

Seasonal adjustment is based on ongoing estimation of seasonal trends and as such is subject to revision. In order to ensure a reasonably stable series of data for the user, the seasonal model is revised once a year, in Q1, at which point the entire historic seasonally adjusted series will potentially be revised. These revisions are welcome as they derive from an expanded set of data and lead to better estimates of the seasonal pattern. Throughout the calendar year the most recent model will be utilised and therefore the quarterly figures will not be subject to revision.

All other figures presented in this report, are based on the non-seasonally adjusted measures, unless otherwise stated.

8. Jersey Housing Market Activity Index

The Jersey Housing Market Activity Index is a derived index compiled from existing data sourced to produce the Jersey House Price Index and combines the mix-adjusted average price of dwellings sold in Jersey with the total number of transactions that occurs during the same period to provide an indication of the total market activity.

The principal data sources are therefore the same as utilised for the Jersey House Price Index, and the list of excluded properties is the same as listed in [Note 2](#) above.

In respect of share transfer properties, whilst the individual share transfer transactions were not included in the compilation of the Jersey House Price Index prior to Q1 2011, the total number of transactions in each period were recorded via the share transfer consent process. This has allowed us to provide a full historical series back to Q1 2002, when the current House Price Index methodology commenced.

The nature of the Jersey property market is that the turnover of properties is susceptible to seasonal fluctuations and therefore to moderate such effects, the Index is presented on a rolling four-quarter basis.

9. Additional inclusions

Appendix C of this report include sales which are excluded from the House Price Index, these being: age restricted properties; properties designated for first time buyers; properties sold via the housing gateway; bedsits; 3- or more bedroom flats; 1-bedroom houses; and 5- or more bedroom houses.

10. Housing loan interest rates

Housing loan interest rates are derived from figures published by the Bank of England and represent a yearly mean average of interest rates offered by UK monetary financial institutions. The rates used are those for sterling variable rate mortgages quoted to households.

It should be acknowledged that a different range of mortgage products from that in the UK may have been available to Jersey residents throughout the period covered by this report.

11. Income

Measures of net and gross household income have been derived from data collected from both the 2009/2010, 2014/2015 and 2021/22 Jersey Living Costs and Household Income Survey. Some revisions to the affordability indices from 2016 to 2020 have occurred to make income values consistent with these reports. Household-level data are weighted by tenure.

A process of winsorisation was applied for the calculation of mean household incomes, to prevent exceptionally high or low values from overly influencing the estimate of the mean.

Since the Jersey Living Costs and Household Income Survey is not conducted annually, measures of household income for the years falling outside these surveys have been calculated by deflating/inflating values derived from the nearest relevant survey according to the annual percentage changes determined by the Jersey Index of Average Earnings.

Data on individual employment income is sourced from the annual survey for compiling the Jersey Index of Average Earnings; this survey enables estimation of the mean full-time weekly earnings for both private and public sector workers in Jersey (gross earnings, including overtime, but excluding bonuses, employers' insurance contributions, holiday pay and benefits in kind).

For this survey, firms report the total gross wages and salaries paid to employees before any deductions (e.g. for income tax, social security or pensions) as well as the number of people employed (part-time employees are converted to full-time equivalents, FTEs). Mean earnings are compiled for each sector and the sectoral means are weighted according to the sectoral share of total employment in order to provide an estimate of the overall mean weekly earnings per FTE employee in Jersey.

12. Housing affordability definitions

"Average" property price

(the same statistical definitions apply to income)

- the **mean** average of a distribution of property prices (purchase or rental) is calculated by adding together the prices of all the properties and then dividing by the number of properties
- the **median** average is the 'middle' price if all the properties were listed in order of their price, from lowest to highest; half of all properties lie below the median and half lie above
- a small number of very highly priced properties will tend to increase the mean average but not the median average
- the median average may, therefore, be considered to be a more representative measure of the 'central' property price

Gross household income: all gross earned and unearned income, pensions and gifts (e.g. inheritance), plus benefits.

Net household income: gross household income, plus benefits in kind, minus income tax, social security contributions and pension contributions; before the deduction of housing costs.

Qualifying income: the income required to service a mortgage affordably on the purchase of a dwelling at a specified purchase price or the mean monthly rental payments in the private sector (based on the assumptions of affordability considered in this report).

Working household: a household with at least one adult in paid employment.

Appendix A
Table A1 – Jersey House Price Indices (including share transfer properties)

		House Price Index (<i>n.s.a.</i>)	HPI Rolling four-quarter average (<i>n.s.a.</i>)	HPI Seasonally adjusted series	Housing market activity index (<i>n.s.a.</i>)	HMAI rolling four-quarter average (<i>n.s.a.</i>)
2013	Q1	142.7	142.9	144.5	96.4	139.2
	Q2	137.5	139.5	136.0	142.2	129.8
	Q3	143.2	140.1	142.0	182.2	138.4
	Q4	134.9	139.6	136.1	169.9	147.7
2014	Q1	138.0	138.4	139.1	155.4	162.4
	Q2	147.5	140.9	146.6	195.6	175.7
	Q3	146.4	141.7	145.3	201.4	180.6
	Q4	147.1	144.7	147.8	190.2	185.6
2015	Q1	144.8	146.4	145.4	160.0	186.8
	Q2	140.4	144.7	140.2	195.0	186.7
	Q3	158.2	147.6	157.7	207.8	188.2
	Q4	151.3	148.7	151.1	219.0	195.5
2016	Q1	151.4	150.3	151.6	155.3	194.3
	Q2	151.8	153.2	152.6	234.9	204.3
	Q3	150.3	151.2	150.3	246.3	213.9
	Q4	155.5	152.2	154.3	264.6	225.3
2017	Q1	151.8	152.3	151.7	212.1	239.5
	Q2	153.8	152.8	155.1	267.5	247.6
	Q3	159.3	155.1	159.9	213.9	239.5
	Q4	164.3	157.3	162.2	264.4	239.5
2018	Q1	170.6	162.0	170.5	220.5	241.6
	Q2	166.3	165.1	168.0	291.9	247.7
	Q3	169.5	167.6	170.3	280.6	264.4
	Q4	174.7	170.3	172.0	322.0	278.8
2019	Q1	177.5	172.0	177.9	248.7	285.8
	Q2	174.8	174.1	176.4	335.3	296.6
	Q3	182.3	177.3	183.2	288.1	298.5
	Q4	190.7	181.3	187.5	302.2	293.6
2020	Q1	186.9	183.7	187.9	233.0	289.7
	Q2	189.8	187.4	191.3	159.9	245.8
	Q3	190.1	189.4	190.8	347.3	260.6
	Q4	202.3	192.3	198.8	385.5	281.4
2021	Q1	204.0	196.6	205.8	273.9	291.7
	Q2	223.7	205.0	224.8	440.3	361.8
	Q3	225.3	213.8	225.6	356.1	364.0
	Q4	239.2	223.0	235.7	490.8	390.3
2022	Q1	236.6	231.2	239.1	334.5	405.4
	Q2	245.9	236.8	246.7	438.0	404.8
	Q3	254.3	244.0	254.3	432.7	424.0
	Q4	253.3	247.5	249.8	312.6	379.4
2023	Q1	240.9	248.6	243.8	252.2	358.9
	Q2	242.7	247.8	243.3	251.0	312.1
	Q3	248.3	246.3	248.2	160.5	244.1
	Q4	231.9	241.0	228.7	182.8	211.6

n.s.a. non-seasonally adjusted

Table A2 – Calendar year, mean property prices, 2012 to 2023

	Flats		2-bed	Houses	
	1-bed	2-bed		3-bed	4-bed
2012	£204,000	£350,000	£388,000	£496,000	£654,000
2013	£210,000	£335,000	£371,000	£488,000	£708,000
2014	£211,000	£346,000	£402,000	£506,000	£766,000
2015	£215,000	£341,000	£425,000	£529,000	£774,000
2016	£219,000	£348,000	£413,000	£533,000	£803,000
2017	£224,000	£356,000	£423,000	£552,000	£832,000
2018	£248,000	£397,000	£459,000	£592,000	£915,000
2019	£261,000	£408,000	£489,000	£635,000	£962,000
2020	£285,000	£431,000	£548,000	£671,000	£1,034,000
2021	£322,000	£487,000	£567,000	£803,000	£1,256,000
2022	£361,000	£537,000	£636,000	£886,000	£1,302,000
2023	£345,000	£566,000	£622,000	£823,000	£1,310,000

Table A3 – Calendar year, median property prices, 2012 to 2023

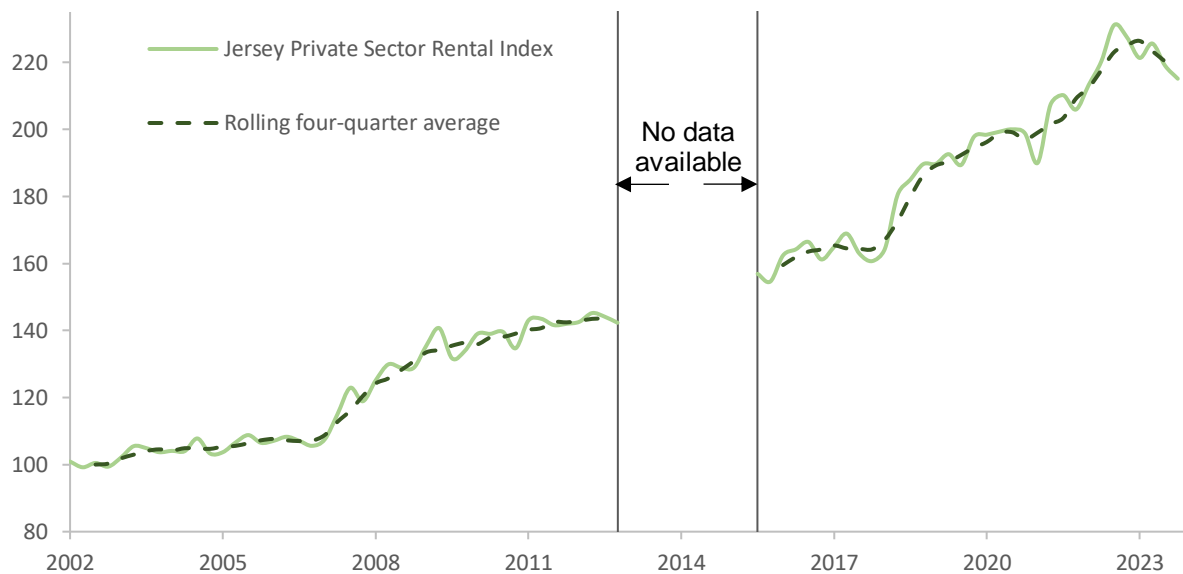
	Flats		2-bed	Houses	
	1-bed	2-bed		3-bed	4-bed
2012	£195,000	£300,000	£385,000	£455,000	£625,000
2013	£208,000	£300,000	£351,000	£440,000	£645,000
2014	£204,000	£315,000	£369,000	£471,000	£675,000
2015	£215,000	£315,000	£400,000	£475,000	£730,000
2016	£220,000	£320,000	£400,000	£495,000	£750,000
2017	£225,000	£335,000	£407,000	£525,000	£754,000
2018	£250,000	£350,000	£430,000	£560,000	£810,000
2019	£265,000	£375,000	£465,000	£590,000	£856,000
2020	£290,000	£405,000	£536,000	£630,000	£895,000
2021	£320,000	£460,000	£540,000	£735,000	£1,150,000
2022	£349,000	£515,000	£625,000	£835,000	£1,240,000
2023	£335,000	£500,000	£600,000	£765,000	£1,200,000

Jersey Private Sector Rental Index

Statistics Jersey published a rental index from 2007 until 2012 using prices recorded by the Population Office. The index could not be produced for more than two years (from Q4 2012 to Q2 2015) following a change in law that meant the Population Office no longer recorded this data. Since June 2015 Statistics Jersey have produced the index using advertised rental prices collected from a variety of both internet and classified sources.

The resulting mix-adjusted average rental price is converted into the Jersey Private Sector Rental Index (based to 100 for calendar year 2002) and Figure B1 and Table B1 below detail this index.

Figure B1 – Jersey Private Sector Rental Index, Q1 2002 to Q4 2023
(2002 = 100; non-seasonally adjusted)



On a **rolling four-quarter basis**, advertised rental prices in Jersey were:

- 1% lower during the year ending Q4 2023 compared with the year ending Q3 2023
- 1% lower during the year ending Q4 2023 compared with the year ending Q4 2022

On a **quarterly basis**, advertised rental prices in Jersey were:

- 2% lower compared with the previous quarter
- 5% lower than in the corresponding quarter of 2022 (Q4 2022)

It should be noted that the rental index is subject to a degree of seasonality, with factors such as the availability of winter lettings and the availability of accommodation during the summer season affecting prices between individual quarters.

Table B1 – Jersey rental index

		Rolling four-quarter average	
		Index	
2009	Q1	135.6	130.8
	Q2	140.7	133.5
	Q3	131.7	134.2
	Q4	133.9	135.5
2010	Q1	139.0	136.3
	Q2	139.0	135.9
	Q3	139.6	137.9
	Q4	134.7	138.1
2011	Q1	143.0	139.1
	Q2	143.5	140.2
	Q3	141.6	140.7
	Q4	142.0	142.5
2012	Q1	142.6	142.4
	Q2	145.2	142.9
	Q3	144.1	143.5
	Q4	142.3	143.6
No data available			
2015	Q3	156.9	Not available
	Q4	154.6	Not available
2016	Q1	162.4	Not available
	Q2	164.2	159.5
	Q3	166.4	161.9
	Q4	161.2	163.6
2017	Q1	164.9	164.2
	Q2	168.9	165.4
	Q3	162.9	164.5
	Q4	160.7	164.4
2018	Q1	164.4	164.2
	Q2	180.5	167.1
	Q3	185.0	172.7
	Q4	189.6	179.9
2019	Q1	189.7	186.2
	Q2	192.6	189.2
	Q3	189.4	190.3
	Q4	197.8	192.4
2020	Q1	198.4	194.6
	Q2	199.3	196.2
	Q3	200.0	198.9
	Q4	198.8	199.1
2021	Q1	190.0	197.0
	Q2	207.3	199.0
	Q3	210.2	201.6
	Q4	205.9	203.4
2022	Q1	213.2	209.2
	Q2	220.3	212.4
	Q3	231.1	217.6
	Q4	227.5	223.0
2023	Q1	221.3	225.1
	Q2	225.6	226.4
	Q3	219.0	223.4
	Q4	215.1	220.3

Appendix C

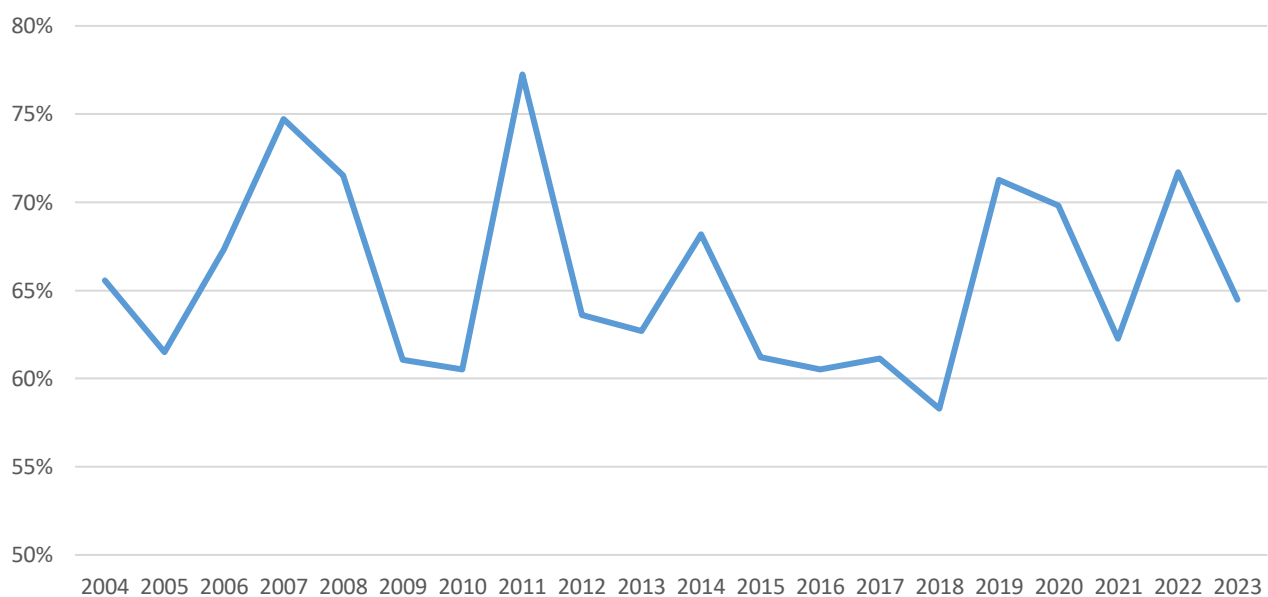
Loan Data

Throughout this section “loan to value” refers to the percentage of a property transaction price that is accounted for by a loan¹⁶. For property transactions passed by the Royal Court, loan information is available from the Public Registry. Hence, for each transaction involving a loan, the loan to value ratio may be calculated and from the resulting distribution of all such transactions the mean and median loan to value ratio in a given period determined.

Several property types are included in this analysis which are not included in the Jersey House Price Index (see [Note 9](#)). Share transfer properties are currently not included in this analysis.

Under two-thirds (64%) of eligible residential properties transacted in the Royal Court in calendar year 2023 were purchased including a loan. Figure C1 shows the changes in this proportion from 2004 to 2023.

Figure C1 – Percentage of eligible residential properties purchased in the Royal Court with a loan, 2004 to 2023



Mean loan to value – Q1 2004 to Q4 2023

Figure C2 shows the rolling four-quarter average of the mean loan to value of property transactions in Jersey during the period Q4 2004 to Q4 2023.

¹⁶ A hypothec as passed by the Royal Court.

Figure C2 – Rolling four-quarter mean of loan to value percentage, Q4 2004 to Q4 2023

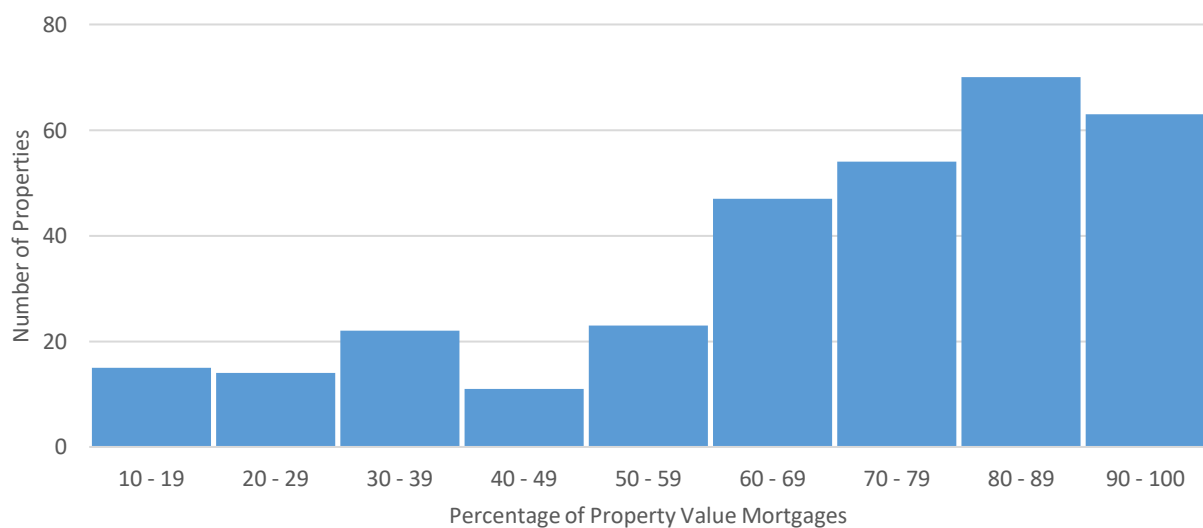


Prior to the global financial downturn in 2008, the loan to value ratio of property transactions in Jersey was greater than 75%. The ratio of loan to value then decreased to around two-thirds (67%) in 2009 and 2010. Between 2016 and 2022 the loan to value ratio was around 70%. More recently this has decreased, with the rolling four-quarter average for Q4 2023 being 69%.

Latest year distribution – 2023

Figure C3 shows the distribution of loan to value of property transactions in Jersey in 2023.

Figure C3 – Distribution of loan to value, 2023

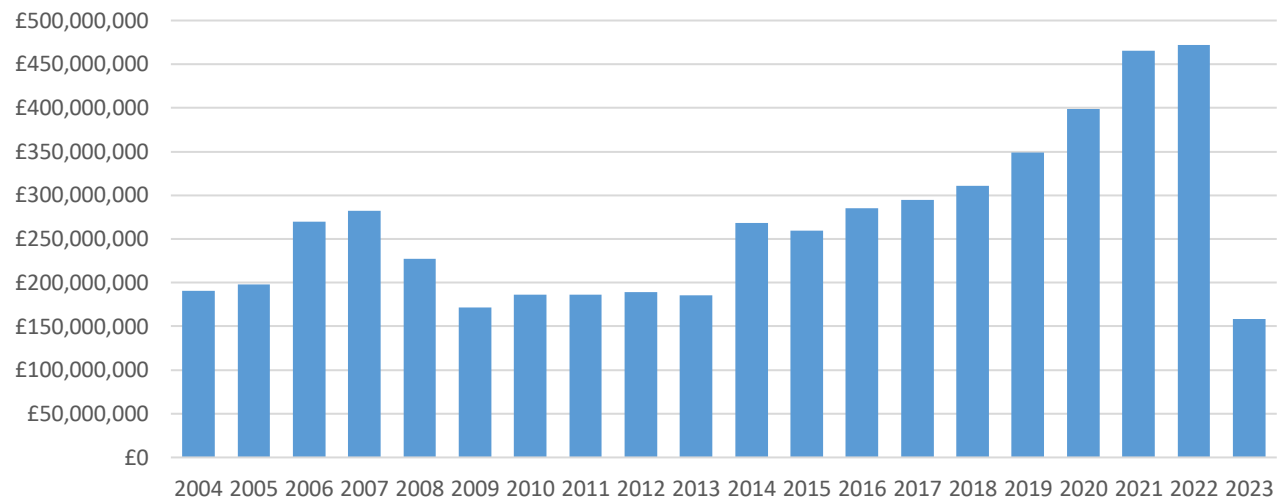


The greatest numbers of properties transacted with a loan in Jersey during 2023 were in the 80%-89% loan to value bracket.

Total borrowing

For those Royal Court transactions which have been matched to a loan in the above process, it is possible to sum the amount borrowed for these purchases. This will not be the total of loans passed through the Royal Court. Figure C4 shows this total from 2004 to 2023. 2023 saw a substantial decline in the total amount of borrowing, with less borrowed in 2023 than in any other year from 2004 onwards.

Figure C4 – Total amount of borrowing matched to a Royal Court residential purchase, 2004 to 2023



Median loan to value

Guernsey calculates a median loan to value of property transactions for which a bond has been registered with the States of Guernsey Greffe. In Q4 2023, the median loan to value of such property transactions in Guernsey was 75%, compared with 73% in Jersey.

The annual median loan to value ratio for Jersey in 2023 was 75%.