

# Jersey House Price Index

## First Quarter 2014

Statistics Unit: [www.gov.je/statistics](http://www.gov.je/statistics)



### Summary

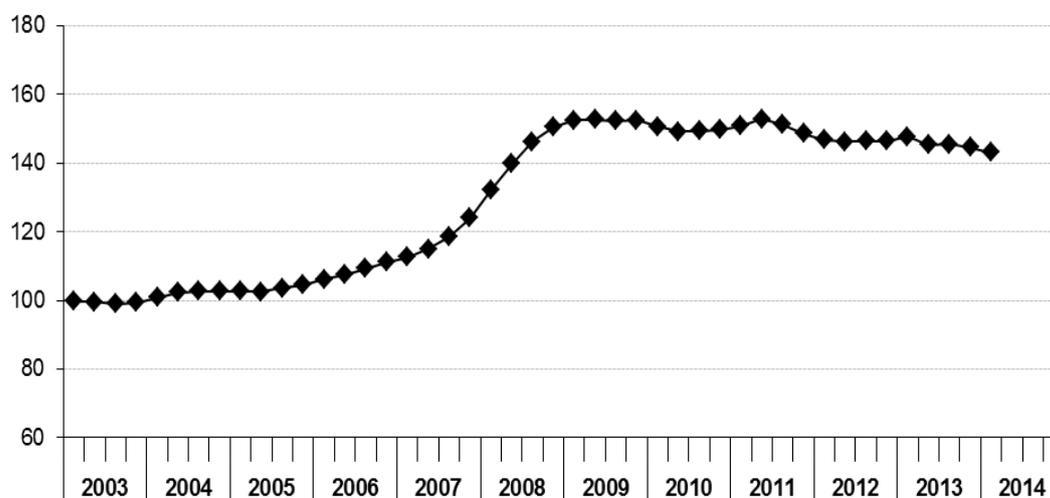
- On a rolling four-quarter basis, the mix-adjusted average price of dwellings sold in Jersey in Q1 2014 was:
  - 1% lower than in the previous quarter;
  - 2% lower than in calendar year 2013.
- On a quarterly basis:
  - the mean price of 3-bedroom houses in Q1 2014 was almost 7% lower than in the previous quarter and the lowest recorded for this property type since 2007;
  - in contrast, the mean prices of 2-bedroom flats and 2- and 4-bedroom houses sold in the latest quarter were slightly higher than in the previous quarter.
- The **turnover** of properties in Q1 2014 was at a similar level to the quarterly average seen in 2013.
- **Share transfer** transactions accounted for around two-thirds of all eligible flat sales in Q1 2014, a greater proportion than recorded in 2013 when share transfers accounted for around half of such sales.

### Overall mix-adjusted Index

The Jersey House Price Index measures the combined average price of 1- and 2-bedroom flats and 2-, 3- and 4-bedroom houses; the index includes share transfer properties and is seasonally adjusted (s.a).

Figure 1 shows the Jersey House Price Index presented on a rolling four-quarter basis from 2003 to 2014 (see Note 6 and, for the actual mix-adjusted index values, see Appendix A).

**Figure 1 – Jersey House Price Index, presented on a rolling four-quarter basis**  
(2002 = 100; including share transfer properties and seasonally adjusted, s.a.)

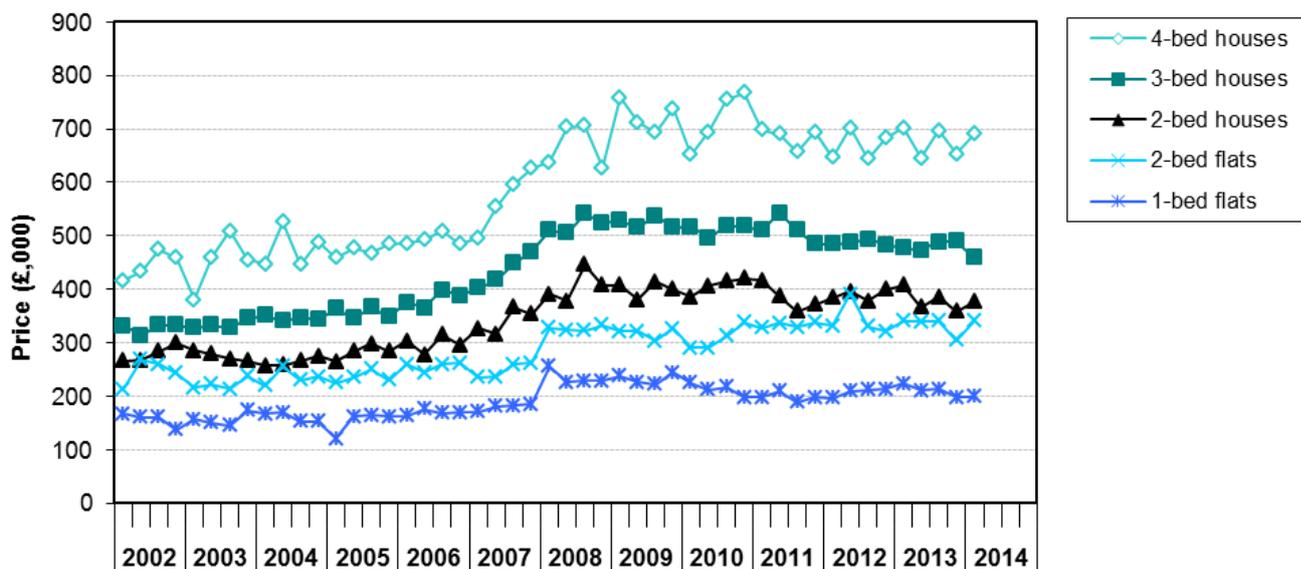


In Q1 2014, on a rolling four-quarter basis, the Jersey House Price Index was 1% lower than in the previous quarter and 2% lower than in calendar year 2013.

## Individual property types

The mean prices for the individual categories of dwelling are shown in Figure 2 and Table 2.

**Figure 2 – Mean prices (£,000) for the individual property types**



**Table 2 – Mean prices (£,000) for the individual property types**

Period	Flats		Houses			
	1-bed	2-bed	2-bed	3-bed	4-bed	
<b>2012</b>	Q1	196	331	384	485	647
	Q2	209	391	396	487	702
	Q3	212	331	378	494	645
	Q4	213	322	400	483	682
<b>Annual Average</b>	<b>205</b>	<b>342</b>	<b>391</b>	<b>487</b>	<b>671</b>	
<b>2013</b>	Q1	224	340	407	477	702
	Q2	211	340	367	473	645
	Q3	213	340	385	488	697
	Q4	197	304	358	490	654
<b>Annual Average</b>	<b>210</b>	<b>332</b>	<b>375</b>	<b>484</b>	<b>674</b>	
<b>2014</b>	Q1	199	340	377	458	691

Prices are rounded to the nearest £1,000

Notwithstanding a degree of volatility which can occur quarter-on-quarter in the mean prices of individual property types, some themes are apparent:

#### 1-bedroom flats:

In 2008 and 2009 the mean price of 1-bedroom flats had been essentially stable at around £230,000. During the next two years (2010 and 2011) a reduction in the mean price of this property type was observed, largely attributable to an increase in the turnover of lower priced share transfer properties. The mean price then increased slightly during 2012, to around £210,000, where it remained before falling below £200,000 in the final quarter of 2013.

In Q1 2014 the mean price of 1-bedroom flats (£199,000) was essentially the same as in the previous quarter and about 11% lower than in the corresponding quarter of 2013.

#### 2-bedroom flats:

Following a period of stability throughout 2008 and 2009, when the mean price of 2-bedroom flats was around £320,000, the subsequent two years saw increases, taking the annual mean price of this property type to around £340,000 in 2012. Since the first quarter of 2013 the average price of 2-bedroom flats has remained essentially stable at around this level, except for a downward fluctuation observed in Q4 2013.

In the first quarter of 2014 the average price of 2-bedroom flats (£340,000) was 12% higher than in the previous quarter (Q4 2013), returning to the level recorded throughout the first three quarters of 2013.

#### 2-bedroom houses:

The mean price of 2-bedroom houses sold throughout the three-year period 2008 to 2010 was around £400,000. The mean price of this property type has since fallen, with the annual average price recorded in each year from 2011 to 2013 being below £400,000.

In the latest quarter, the mean price of 2-bedroom houses (£377,000) was similar to the calendar year average for 2013 and some 5% higher than in the previous quarter.

#### 3-bedroom houses:

After a period of strong growth from 2006 to early 2008, the mean price of 3-bedroom houses remained 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, and has remained below this level.

In Q1 2014, the mean price of 3-bedroom houses (£458,000) was almost 7% lower than in the previous quarter, 5% lower than the calendar year average for 2013, and was the lowest recorded since 2007.

#### 4-bedroom houses:

Although this category of property has seen some volatility in price on a quarterly basis since 2008, for the most part the mean price of this property type has fluctuated around £700,000.

In Q1 2014 the mean price of 4-bedroom houses (£691,000) was 6% higher than in the previous quarter (Q4 2013), but similar to the average recorded over the last six calendar years (2008 to 2013, inclusive).

## Turnover

Table 3 shows that 263 eligible properties (see Notes) were reported as being sold in Jersey in the latest quarter (Q1 2014).

A degree of caution is required in making comparisons between quarters due to the variation in the frequency of sittings of the Royal Court, and hence in the number of Jersey Property Bulletins published per quarter, and also due to seasonal variations.

Nevertheless, the number of properties sold in the current quarter (Q1 2014) was similar to the quarterly average seen in 2013.

On a quarterly basis, turnover in Q1 2014 was almost 9% lower than in the previous quarter and more than 50% higher than in the corresponding quarter of 2013 (Q1 2013) which was particularly affected by severe weather conditions in the Island.

**Table 3 - Number of dwellings included in the Jersey HPI  
by property type and including share transfer transactions.**

Period	Flats		Houses			Total	Bulletins published
	1-bed	2-bed	2-bed	3-bed	4-bed		
<b>2012</b> Q1	94	59	27	84	35	299	6
Q2	61	48	36	85	42	272	6
Q3	47	55	22	73	30	227	6
Q4	48	48	28	98	30	252	7
<b>Total 2012</b>	<b>250</b>	<b>210</b>	<b>113</b>	<b>340</b>	<b>137</b>	<b>1,050</b>	<b>25</b>
<b>2013</b> Q1	34	34	20	51	32	171	6
Q2	58	54	30	63	40	245	6
Q3	68	39	38	120	50	315	7
Q4	48	39	48	107	46	288	6
<b>Total 2013</b>	<b>208</b>	<b>166</b>	<b>136</b>	<b>341</b>	<b>168</b>	<b>1,019</b>	<b>25</b>
<b>2014</b> Q1	39	56	33	102	33	263	6

In Q1 2014 share transfer properties accounted for two-thirds (67%) of all eligible sales of flats, a larger proportion than that observed in 2013 when share transfer properties accounted for around half of such sales.

## Comparison with the UK and Guernsey

The mix-adjusted average prices of dwellings sold in the UK (overall and by region)<sup>1</sup> in the latest quarter are shown in Table 4.

**Table 4: Mix-adjusted average prices in Jersey, Guernsey and the UK (in £ 000's)**

	Q1 2014
<b>Jersey</b>	<b>398</b>
<b>Guernsey</b>	<b>453</b>
<b>UK</b>	<b>252</b>
<b>England</b>	<b>263</b>
<b>Wales</b>	<b>166</b>
<b>Scotland</b>	<b>182</b>
<b>Northern Ireland</b>	<b>131</b>
Greater London	456
South East (excl. London)	312
East	264
South West	237
West Midlands	188
East Midlands	177
North West	166
Yorkshire & Humber	169
North East	146

### United Kingdom

In the latest quarter (Q1 2014) the mix-adjusted index for the UK was 8% higher than in the corresponding quarter of 2013 and 3% higher than in the previous quarter (Q4 2013).

The mix adjusted average dwelling price in the UK in Q1 2014 was £252,000.

### Guernsey

The mix-adjusted average purchase price for Local Market properties sold in Guernsey<sup>2</sup> in Q1 2014 was £453,000, 1% higher than in the corresponding quarter of the previous year, Q1 2013.

Turnover in Guernsey in the first quarter of this year was 8% lower than in the corresponding quarter of 2013.

<sup>1</sup> Figures for the UK are derived from: ONS, House Price Index January to March 2014. These UK figures are based on mortgaged purchases, and hence do not include purely cash purchases; the Jersey figures include both mortgaged and cash purchases.

<sup>2</sup> Guernsey Policy and Research Unit: Guernsey Quarterly Residential Property Prices Bulletin Q1 2014.

## Notes

### 1. Data sources:

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

- the Jersey Property Bulletin for freehold and flying freehold properties;
- the States of Jersey Income Tax Department for share transfer transactions.

The above price data are supplemented by information on the type and size of each property provided by the States of Jersey Population Office.

### 2. Excluded properties:

Derelict buildings, commercial properties with associated residential units, apparent intra-family transactions, retirement community developments and properties designated by the States of Jersey 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 Jersey Property Bulletin. Price data is instead provided by the States of Jersey Tax Department. Share transfer transactions have constituted around three-fifths of all sales of flats since Q1 2002, with the proportion 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, which came into effect on 1<sup>st</sup> 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.

Comparative studies have shown that including share transfer properties in the assembly of the House Price Index does not significantly affect annual or quarterly percentage changes, although including share transfer properties does reduce the level of the mix-adjusted mean property price by around 8% - see Annex B of "*Jersey House Price Index – First Quarter 2011*", States of Jersey Statistics Unit, May 2011.

### 4. Mean price

The mean average price of dwellings is calculated by weighting together the 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. Seasonal-adjustment

The Jersey House Price Index has been published on a quarterly basis since Q1 2002 and is now of sufficient length to warrant seasonal adjustment. The seasonally adjusted (s.a.) index series, including share transfer transactions, should now be considered as the principal output of this analysis.

6. Four quarter rolling average

Due to the relatively low turnover of properties in Jersey, the mix-adjusted House Price Index (s.a.) remains susceptible to quarterly fluctuations which occur due to variations 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. To moderate such effects, from Q1 2014 the headline measure will be the Jersey House Price Index (s.a.) presented on a rolling four-quarter basis.

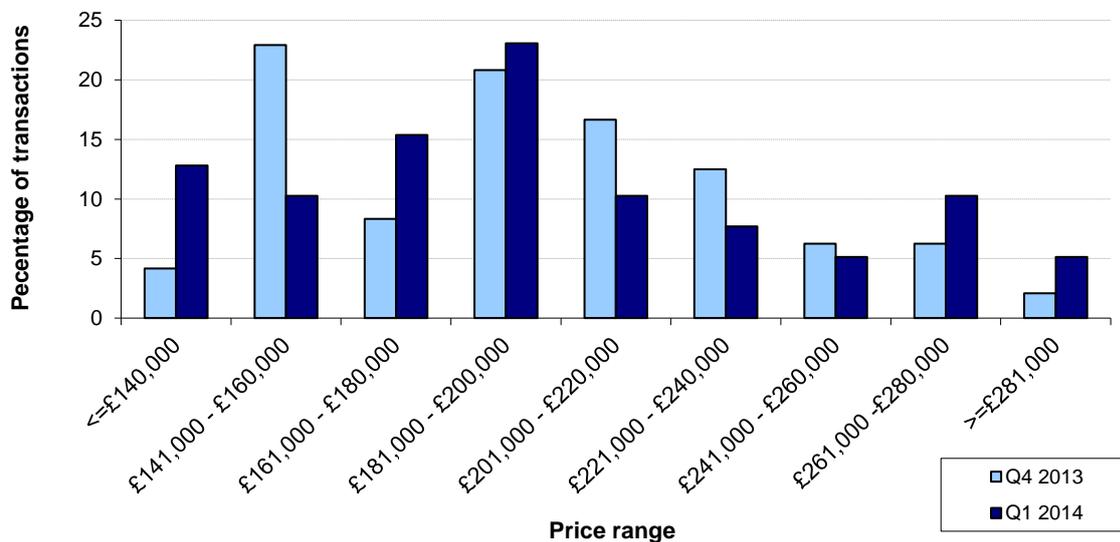
**Statistics Unit**  
**22 May 2014**

**Jersey House Price Index (including share transfer properties and s.a.)**

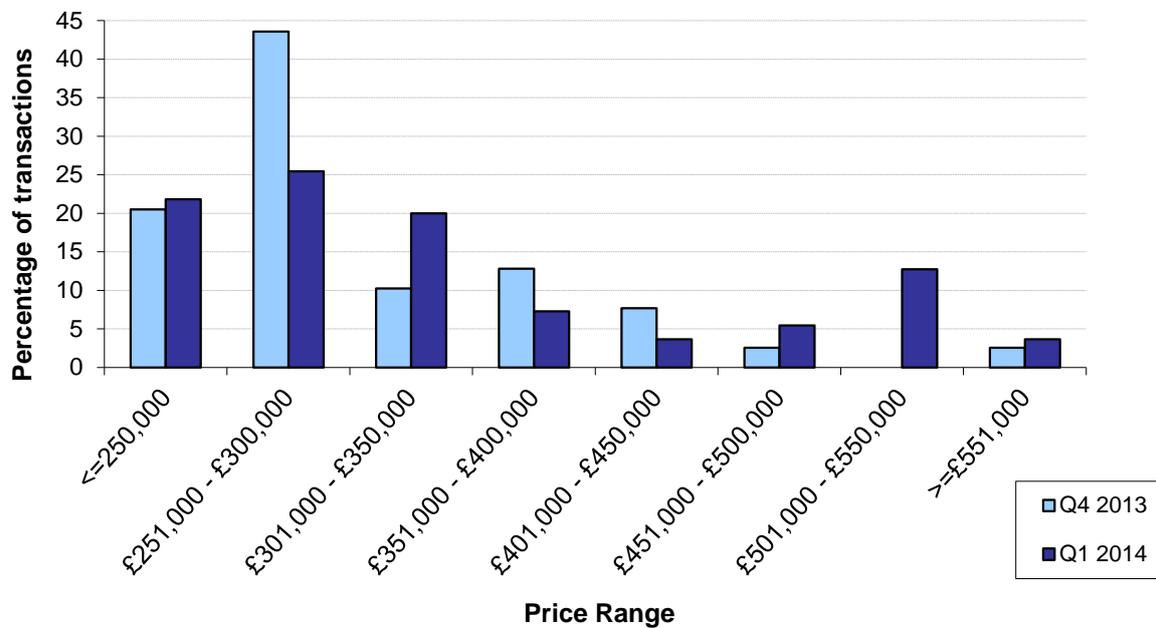
Period		Index
<b>2004</b>	Q1	102.3
	Q2	104.4
	Q3	102.3
	Q4	102.0
<b>2005</b>	Q1	101.9
	Q2	104.1
	Q3	106.2
	Q4	105.8
<b>2006</b>	Q1	108.3
	Q2	109.8
	Q3	113.4
	Q4	113.1
<b>2007</b>	Q1	113.7
	Q2	119.8
	Q3	127.6
	Q4	135.0
<b>2008</b>	Q1	145.6
	Q2	151.1
	Q3	153.4
	Q4	151.8
<b>2009</b>	Q1	153.5
	Q2	151.6
	Q3	152.2
	Q4	152.6
<b>2010</b>	Q1	146.1
	Q2	145.8
	Q3	152.8
	Q4	154.2
<b>2011</b>	Q1	150.3
	Q2	153.9
	Q3	146.2
	Q4	143.8
<b>2012</b>	Q1	143.2
	Q2	151.6
	Q3	146.9
	Q4	144.1
<b>2013</b>	Q1	148.0
	Q2	142.4
	Q3	147.3
	Q4	140.2
<b>2014</b>	Q1	142.6

**Price distributions – comparison with previous quarter: Q1 2014 and Q4 2013**

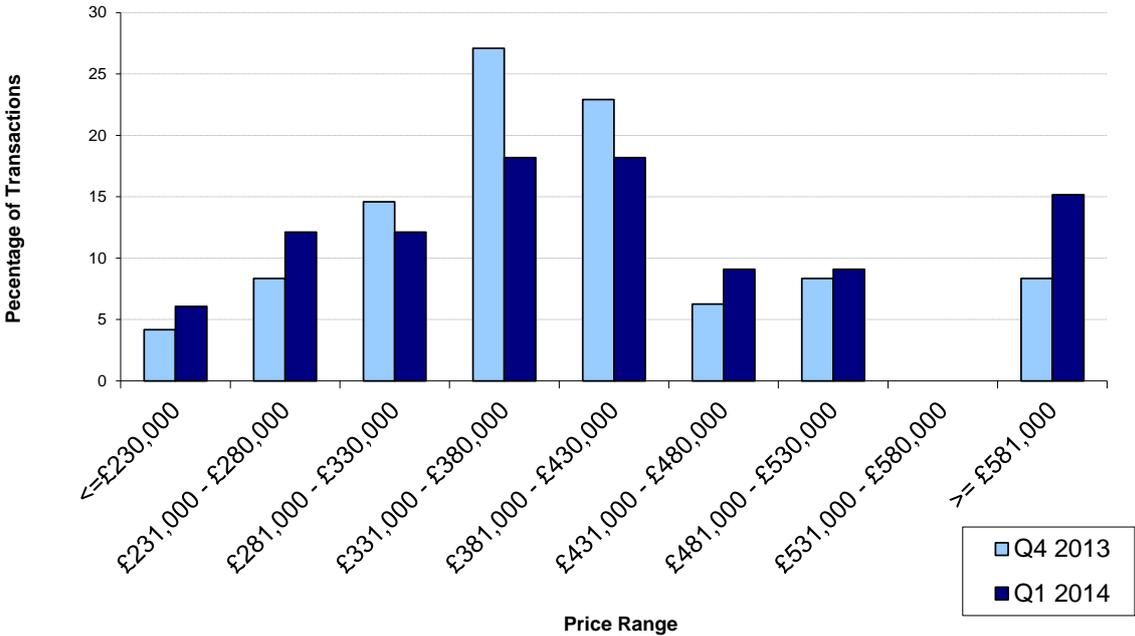
**Figure B1 - 1-bedroom flats**



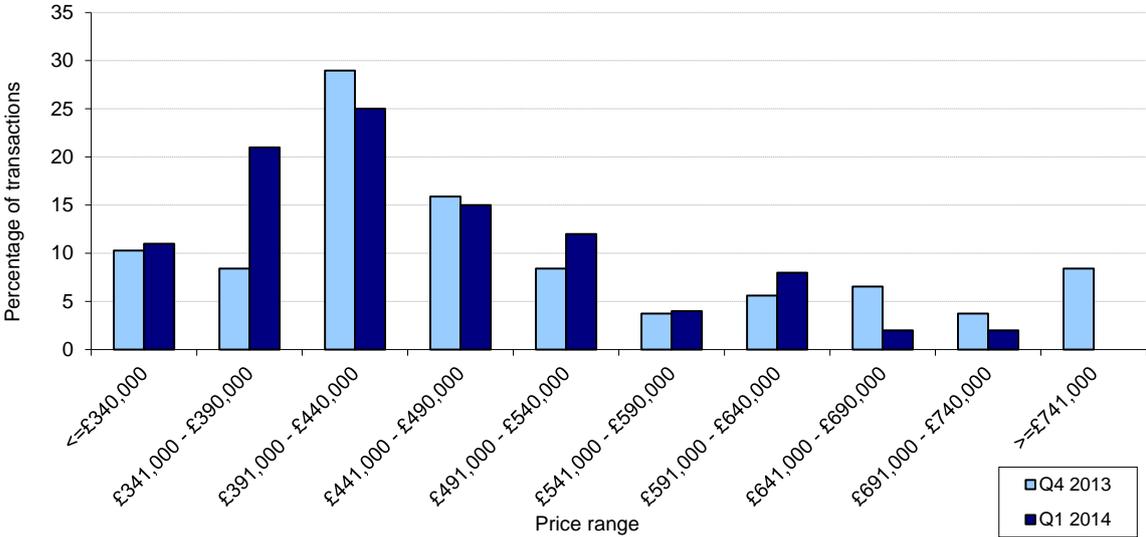
**Figure B2 - 2-bedroom flats**



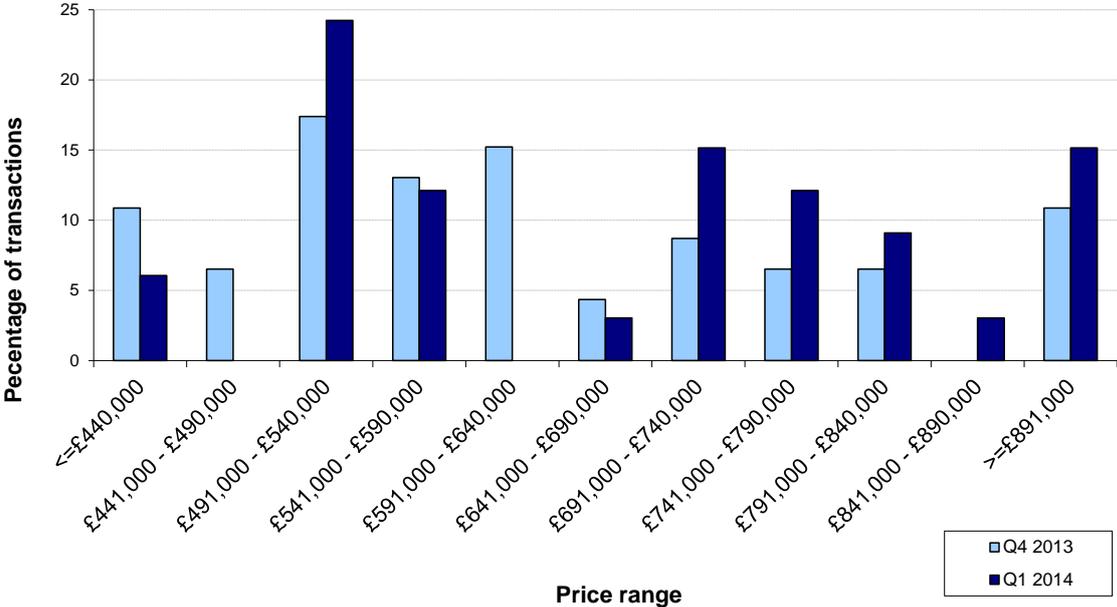
**Figure B3 - 2-bedroom houses**



**Figure B4 - 3-bedroom houses**



**Figure B5 - 4-bedroom houses**



Price distributions – comparison with corresponding quarter of previous year:  
Q1 2014 and Q1 2013

Figure C1 - 1-bedroom flats

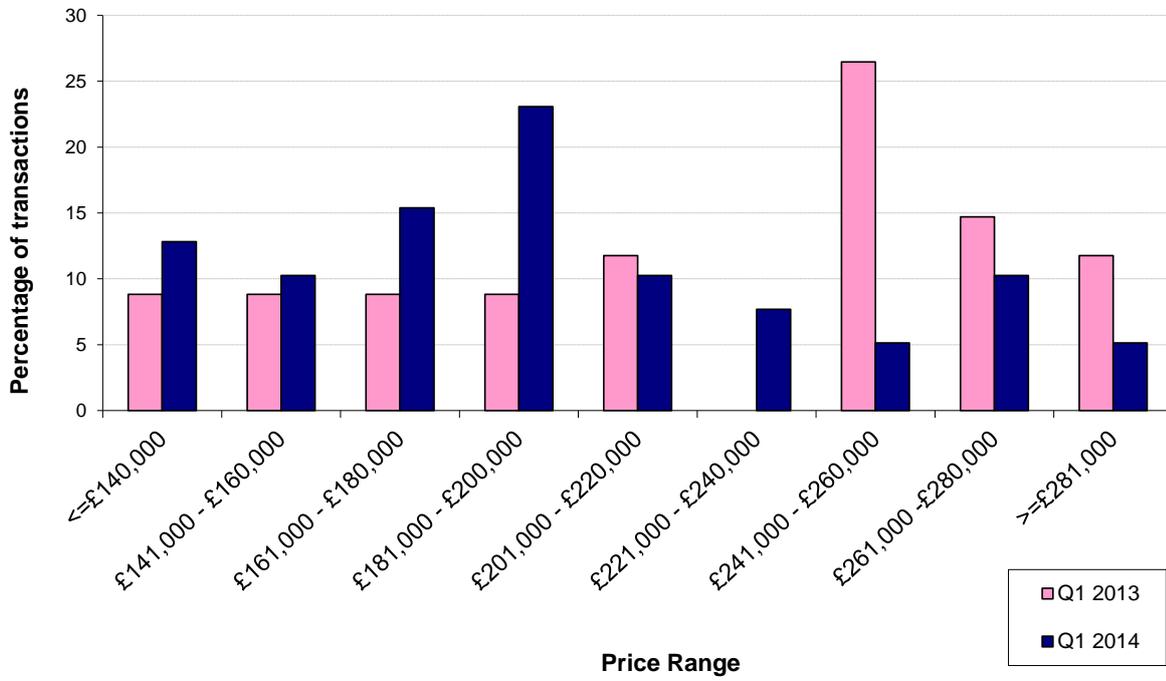
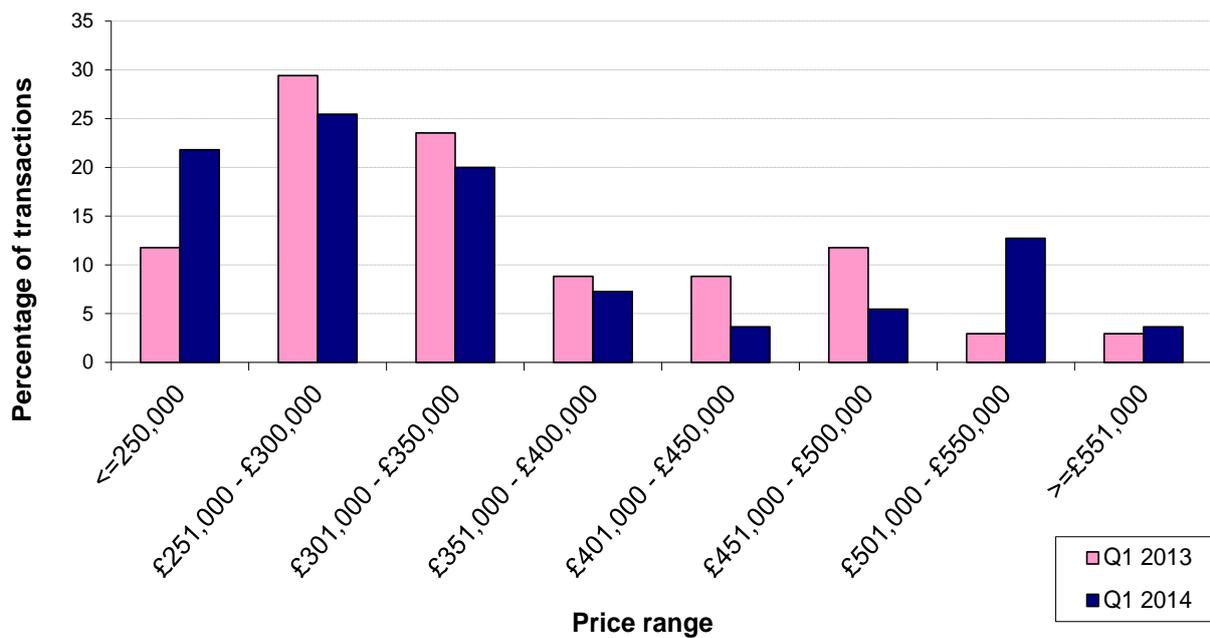
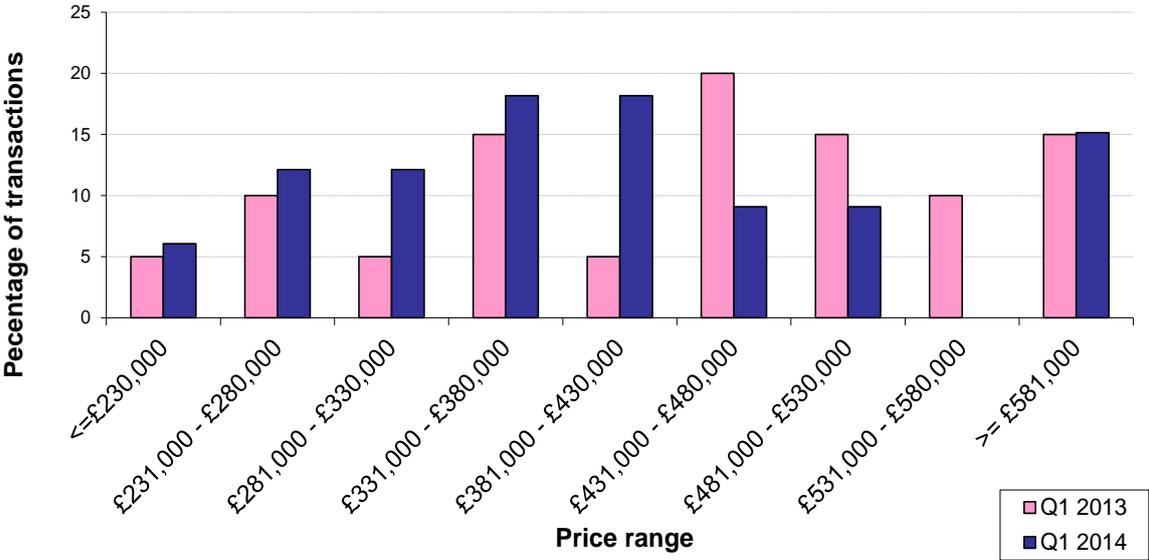


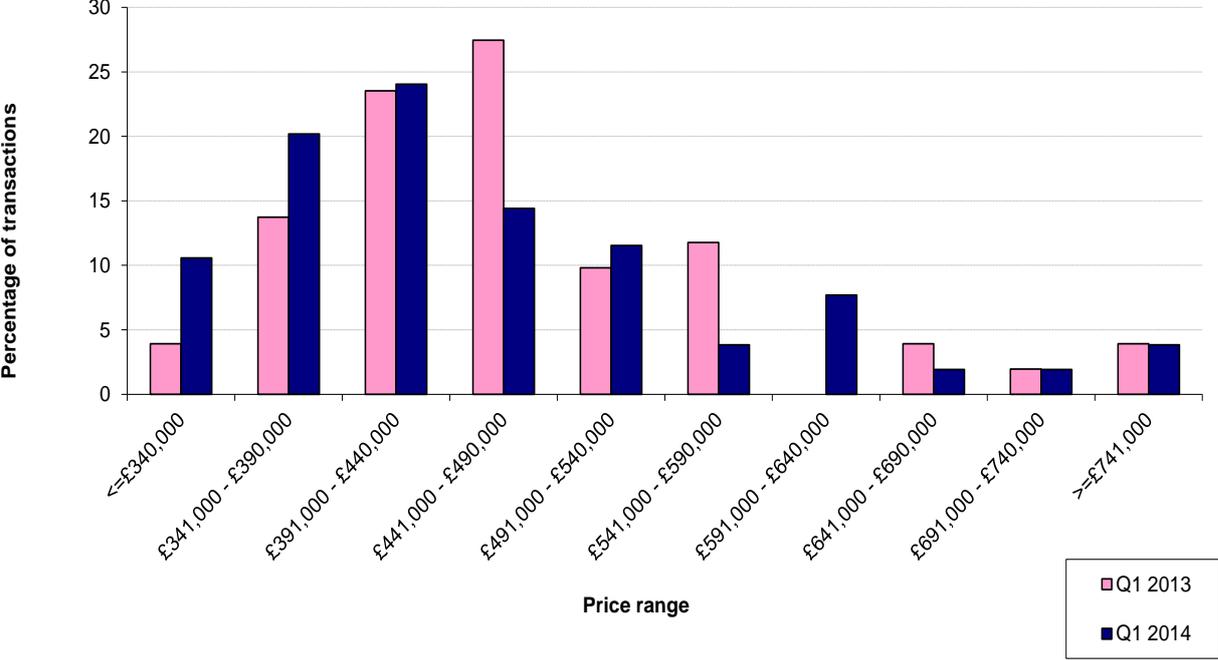
Figure C2 - 2-bedroom flats



**Figure C3 - 2-bedroom houses**



**Figure C4 - 3-bedroom houses**



**Figure C5 - 4-bedroom houses**

