

Jersey House Price Index

First Quarter 2015

Statistics Unit: www.gov.je/statistics



Summary

- On a **rolling four-quarter basis**, the mix-adjusted average price of dwellings sold in Jersey during Q1 2015 was 2% higher than in the previous quarter (Q4 2014).
- On a **quarterly basis**:
 - the *seasonally adjusted* mix-adjusted average price in Q1 2015 was 1% lower than in the previous quarter (Q4 2014);
 - flats (1- and 2-bedroom) recorded lower mean prices than in the previous quarter; while 1-, 2- and 3-bedroom houses had essentially unchanged mean prices.
- The **turnover** of properties in Q1 2015 was slightly lower than in the previous quarter (Q4 2014), but was essentially unchanged compared to Q1 2014.
- **Share transfer** transactions accounted for slightly more than two thirds (69%) of all eligible flat sales in Q1 2015, an increased proportion to that recorded in calendar year 2014. This figure was largely driven by the increased sale of 1- bedroom flats.

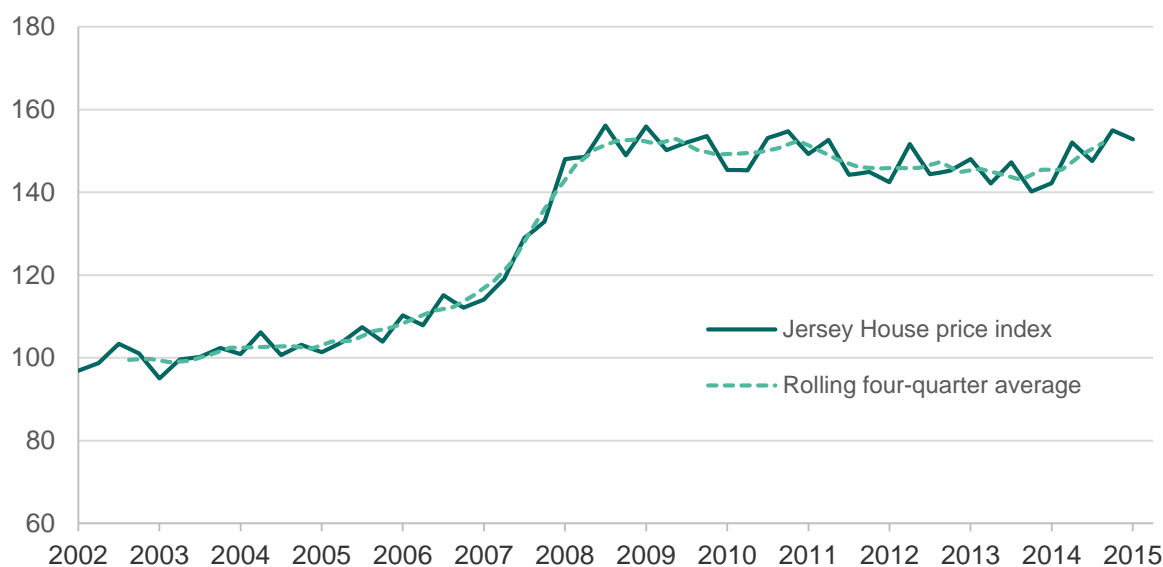
Overall mix-adjusted Index

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.

Figure 1 shows the Jersey House Price Index from 2002 to 2015 on a non-seasonally adjusted basis and also the rolling four-quarter average (see [Note 6](#) and [Appendix A](#)).

Figure 1 – Jersey House Price Index

(2002 = 100; including share transfer properties and non-seasonally adjusted)



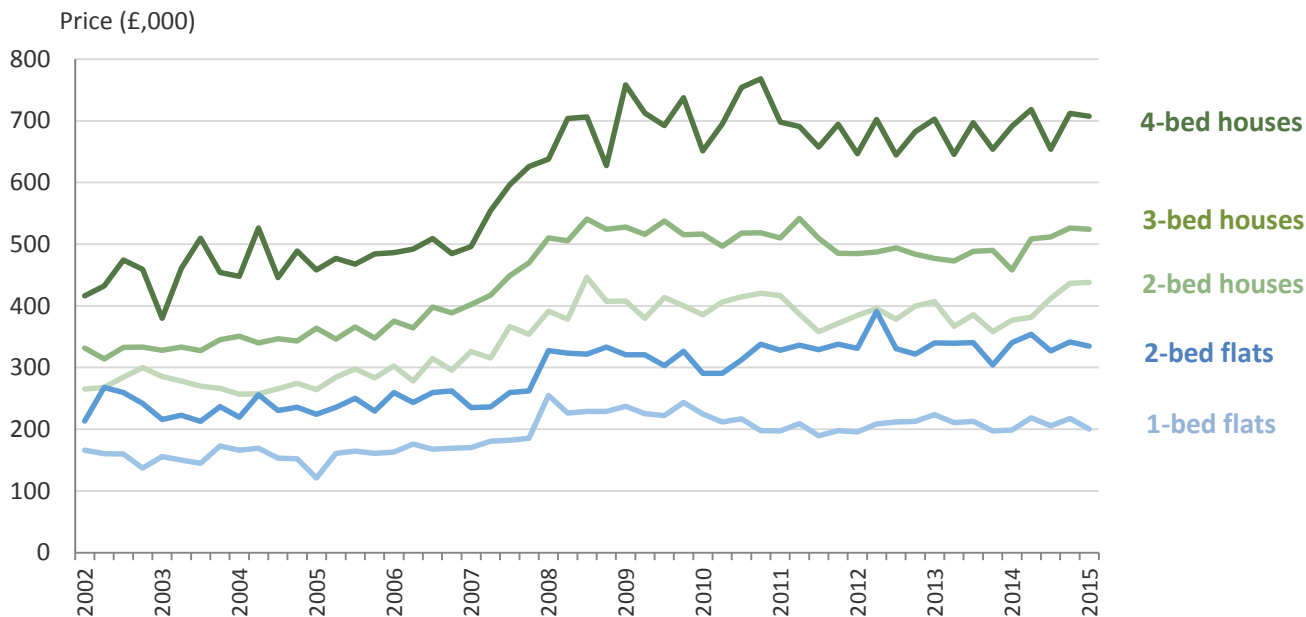
On a rolling four-quarter basis, the Jersey House Price Index in Q1 2015 was 2% higher than in the previous quarter.

On a quarterly basis, the *seasonally adjusted* average price in Q1 2015 was 1% lower than in the previous quarter (Q4 2014).

Individual property types

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

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




1-bedroom flats:

In 2008 and 2009 the mean price of 1-bedroom flats had been essentially stable at around £230,000. During the subsequent 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 of 1-bedroom flats sold in the latest quarter was **£201,000**, which was around £10,000 lower than the annual average of the previous calendar year (2014).

Table 1 – Mean prices for 1-bedroom flats


1 Bed Flats	2013				2014				2015	Mean price since Q1 2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Price (£,000)	224	211	213	197	199	219	205	217	201	

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 mean price of 2-bedroom flats generally remained at around this level, except for a downward fluctuation observed in Q4 2013.

The mean price of 2-bedroom flats sold in the latest quarter was **£335,000**, which was around £6,000 lower than the annual average of the previous calendar year (2014).

Table 2 – Mean prices for 2-bedroom flats

2 Bed Flats	2013				2014				2015	Mean price since Q1 2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Price (£,000)	340	340	340	304	340	354	327	341	335	


2-bedroom houses:

The 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 each year from 2011 to 2013 ranging from approximately £375,000 to £390,000.

In the latter half of 2014 the mean price of 2-bedroom houses rose above £400,000 for the first time since early-2011 finishing in Q4 2014 at a mean price of £436,000 which was the highest mean price recorded since 2008.

The mean price of 2-bedroom houses sold in the latest quarter, at **£438,000**, was essentially unchanged from that observed in the last quarter of 2014.

Table 3 – Mean prices for 2-bedroom houses

2 Bed Houses	2013				2014				2015	Mean price since Q1 2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Price (£,000)	407	367	385	358	377	382	412	436	438	


3-bedroom houses:

After a period of strong growth 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 and remained below this level for almost three years. In Q2 2014 it once again rose above the £500,000 mark and it has subsequently remained above this level for four consecutive quarters.

The mean price of 3-bedroom houses which sold in the latest quarter was **£524,000** and was essentially unchanged from that seen in the previous quarter.

Table 4 – Mean prices for 3-bedroom houses


3 Bed Houses	2013				2014				2015	Mean price since Q1 2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Price (£,000)	477	473	488	490	458	508	512	526	524	

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.

The mean price of 4-bedroom houses which sold in the latest quarter was **£707,000** and was essentially unchanged than that seen in the previous quarter.

Table 5 – Mean prices for 4-bedroom houses

4 Bed Houses	2013				2014				2015	Mean price since Q1 2010
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	
Price (£,000)	702	645	697	654	691	718	654	712	707	

Turnover

A total of 264 eligible properties (see [Note 2](#)) were reported as being sold in Jersey in the latest quarter, Q1 2015. 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 also due to seasonal variations. Nevertheless, the number of properties sold in Q1 2015 was:

- slightly lower than in the previous quarter (Q4 2014) on a per bulletin basis;
- at a similar level to that seen in the first quarter of 2014.

Figure 3 – Number of dwellings included in the Jersey House Price Index by property type

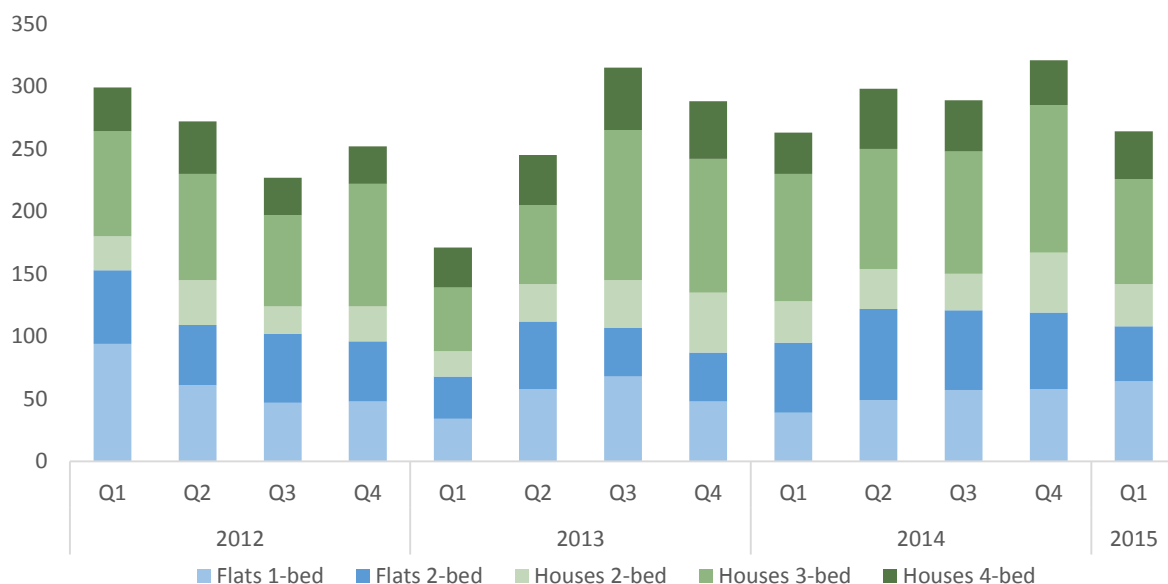


Table 6 - Number of dwellings included in the Jersey House Price Index by property type

		Flats		Houses			Total	Bulletins published
		1-bed	2-bed	2-bed	3-bed	4-bed		
2013	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
	Total 2013	208	166	136	341	168	1,019	25
2014	Q1	39	56	33	102	33	263	6
	Q2	49	73	32	96	48	298	6
	Q3	57	64	29	98	41	289	6
	Q4	58	61	48	118	36	321	7
	Total 2014	203	254	142	414	158	1171	25
2015	Q1	64	44	34	84	38	264	6

In Q1 2015 share transfer transactions (see [Note 3](#)) accounted for slightly more than two thirds (69%) of all eligible flat sales, an increased proportion to that recorded in calendar year 2014. This latest figure was largely driven by the increased sale of 1- bedroom flats.

Comparison with the UK and Guernsey

The mix-adjusted average prices of dwellings sold in the UK (overall and by region)¹ and in Guernsey² in the latest quarter are shown in Table 7.

Table 7: Mix-adjusted average prices in Jersey, Guernsey and the UK (in £,000's)

	Q1 2015
Jersey	437
Guernsey	446
UK	271
England	282
Wales	173
Scotland	198
Northern Ireland	150
London	495
South East (excluding London)	336
East	289
South West	249
West Midlands	199
East Midlands	189
Yorkshire & Humber	176
North West	175
North East	155

United Kingdom

The mix-adjusted index for the UK in Q1 2015 (January to March 2015) was 8% higher on an annual basis (non-seasonally adjusted) and 1% higher on a quarterly basis (compared with October to December 2014, seasonally adjusted). On a rolling four-quarter basis, the mix-adjusted index for the UK was 2% higher than in the previous quarter.

Guernsey

The mix adjusted average purchase price for Local Market properties in the first quarter of 2015 was 3.5% lower than the previous quarter and 1.6% lower than the same quarter of 2014. This is the first time negative annual growth has been recorded since measuring mix adjusted purchase prices.

Turnover in Guernsey during the first quarter of 2015 was more than a fifth lower than in the previous quarter and 11.5% lower than in the corresponding quarter of 2014. The total number of local market transactions (116) was the lowest recorded since the figures were first reported.

¹ Figures for the UK are derived from: [ONS, House Price Index January to March 2015](#). 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.

² Guernsey Policy and Research Unit: [Guernsey Quarterly Residential Property Prices Bulletin Quarter 1 2015](#). All figures shown are for Local Market properties only.

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 1st 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. 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. To moderate such effects, the Jersey House Price Index is presented on a rolling four-quarter basis in Figure 1.

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.

All other figures presented in this report, including the rolling four-quarter average, are based on the non-seasonally measures, unless otherwise stated.

*Statistics Unit
21 May 2015*

Table A1: Jersey House Price Index (including share transfer properties)

		Index (<i>n.s.a</i>)	Rolling four-quarter average (<i>n.s.a</i>)	Seasonally adjusted index series (<i>r</i>)
2005	Q1	101.3	102.8	102.3
	Q2	103.8	102.2	104.2
	Q3	107.4	103.9	105.2
	Q4	104.0	104.1	105.2
2006	Q1	110.3	106.4	110.5
	Q2	107.8	107.4	108.7
	Q3	115.2	109.3	112.9
	Q4	112.1	111.4	113.7
2007	Q1	114.1	112.3	113.5
	Q2	119.1	115.1	120.6
	Q3	129.0	118.6	126.6
	Q4	132.9	123.8	134.4
2008	Q1	148.0	132.3	147.4
	Q2	148.6	139.6	150.0
	Q3	156.1	146.4	154.1
	Q4	149.0	150.4	150.0
2009	Q1	155.9	152.4	155.8
	Q2	150.2	152.8	151.0
	Q3	152.1	151.8	150.7
	Q4	153.6	152.9	154.1
2010	Q1	145.4	150.3	146.1
	Q2	145.4	149.1	145.1
	Q3	153.2	149.4	152.5
	Q4	154.7	149.7	154.9
2011	Q1	149.3	150.6	150.8
	Q2	152.7	152.5	151.2
	Q3	144.2	150.2	144.0
	Q4	144.9	147.8	145.3
2012	Q1	142.5	146.1	144.4
	Q2	151.6	145.8	149.0
	Q3	144.4	145.9	144.5
	Q4	145.2	145.9	146.0
2013	Q1	148.0	147.3	150.1
	Q2	142.2	144.9	138.9
	Q3	147.3	145.7	147.4
	Q4	140.2	144.4	141.7
2014	Q1	142.2	143.0	144.0
	Q2	152.1	145.4	148.6
	Q3	147.6	145.5	147.6
	Q4	155.0	149.2	155.4
2015	Q1	152.8	151.9	154.2

n.s.a. non-seasonally adjusted; (*r*) revised

Price distributions – comparison with previous quarter: Q4 2014 and Q1 2015

Figure B1: 1-bedroom flats

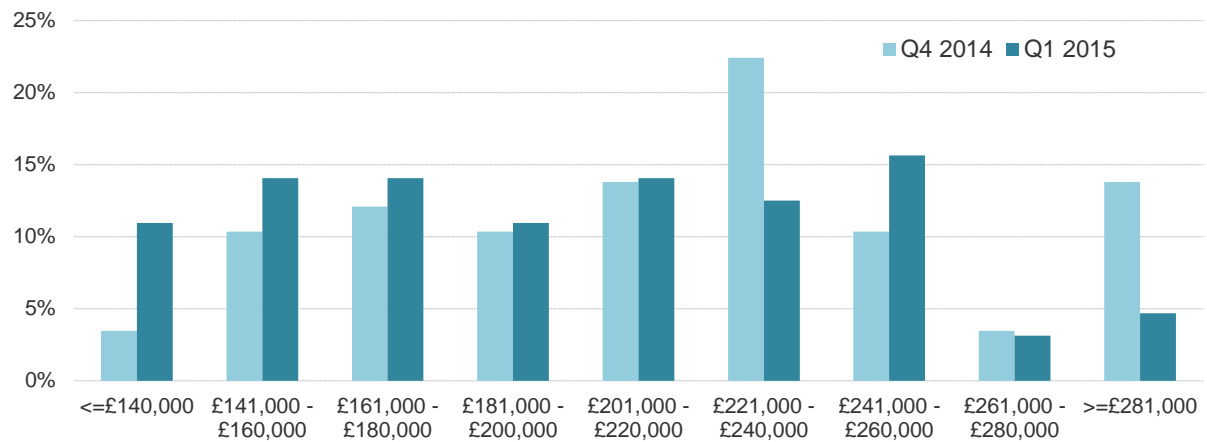


Figure B2: 2-bedroom flats

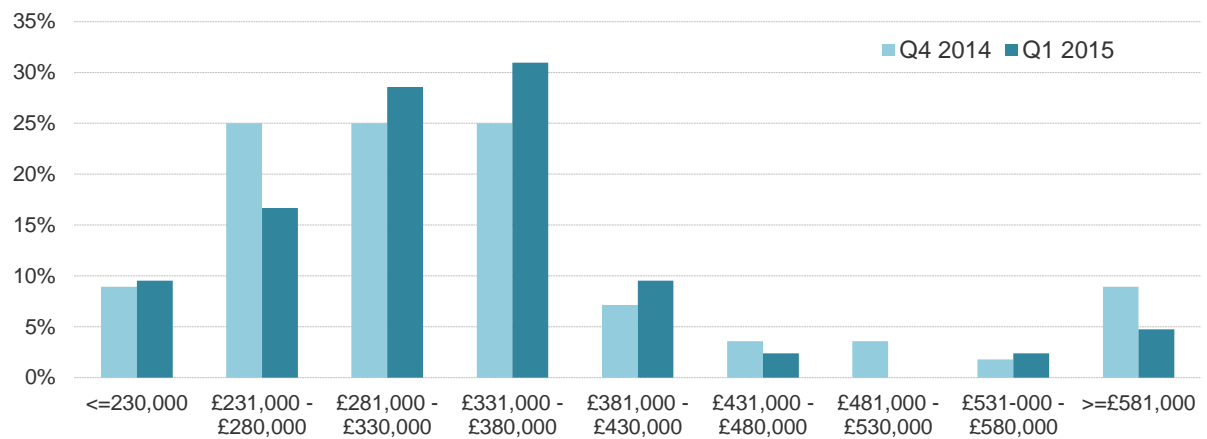


Figure B3: 2-bedroom houses

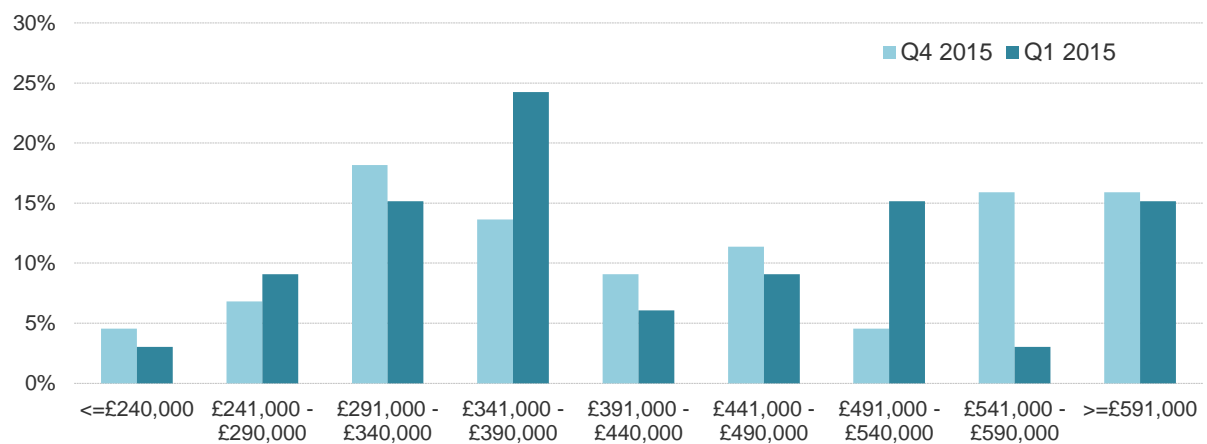


Figure B4: 3-bedroom houses

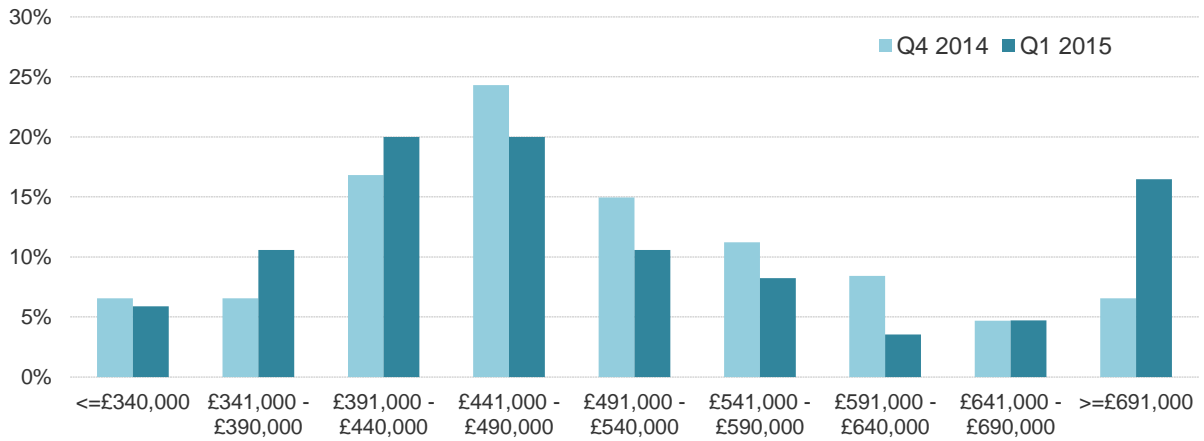
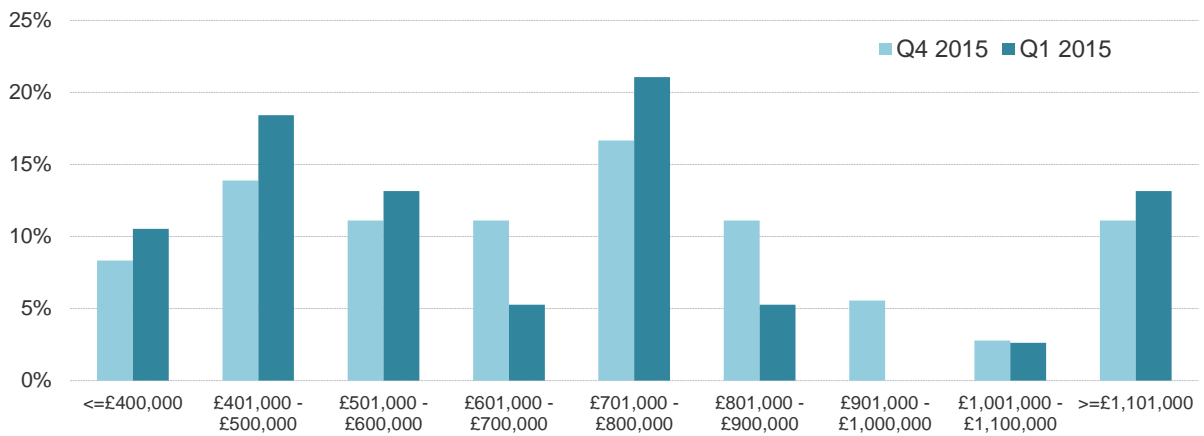


Figure B5: 4-bedroom houses



Price distributions – comparison with corresponding quarter of previous year: Q1 2014 and Q1 2015

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

