

The Jersey property market: What's the outlook for 2023?

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Jersey's economy has been somewhat cocooned from the impact of events occurring in Westminster and beyond. However it has not been without impact on the local property market.

The island has witnessed considerable supply and demand issues in property and, while statistics are not yet available for the last quarter of 2022, the third quarter clearly indicates that most price brackets have seen a significant increase in the purchase price of property.

One-bedroom flats recorded a mean sale price of £370,000 (an average increase of £17,000), two-bedroom flats a mean sale price of £557,000 (an increase of £21,000) and three-bedroom houses - representing the much sought after 'family home' - a mean sale price of £904,000 (an average increase of £51,000). Interestingly, the purchase price of two-bedroom houses fell by £32,000 from that of the previous quarter, and the slightly higher bracket of four-bedroom houses remained on average unchanged at a mean sale price of £1,329,000.

Which leaves the burning question: what is the outlook for 2023?

Jersey is experiencing a knock-on effect from the Bank of England's base rate which has gradually increased over the course of the past twelve months. While mortgage providers have not increased their mortgage rates at the same level as the Bank of England, it has caused the movement of property to slow significantly.

This is not necessarily a negative standpoint for the local property industry. We should expect to see purchasers who are looking to buy property in the next year or so having to adjust their expenditure and lifestyle to account for more expensive monthly mortgage payments, and lower income multiples. Meanwhile, investors will need to account for the newly introduced rates of stamp duty and land transaction tax for property that will not be owner-occupied (for example buy to let properties, second homes), which represents an increase of 3% above the standard rates payable.

Those in the industry remain optimistic that the market will continue to improve as property prices adjust accordingly.

Should you require any property advice, including guidance on the recent revisions to the new rates of Stamp Duty and [Land Transaction Tax](#), please contact our Jersey [Property team](#) on **01534 601700**.

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For more information please contact:



Pamela Doherty

Managing Partner // Jersey

t:+44 (0) 1534 601655 // e:pamela.doherty@collascrill.com



Martin Le Boutillier

Partner // Jersey

t:+44 (0) 1534 601773 // e:martin.leboutillier@collascrill.com



Anna Carter

Conveyancing Manager // Jersey

t:+44 (0) 1534 601645 // e:anna.carter@collascrill.com