

ALDERNEY ESTATES 2015 MARKET REVIEW



The rate of fall in the average Alderney house price is slowing...

...but continues to fall against the UK average house price.

The downwards trend in the Alderney average house price continued in 2015 but at 1.9% year on year this was at a much slower rate than in previous years (20.9% in 2014 and 27.3% in 2013); the price correction seen in the period 2012 - 2015 appears to be approaching a 'glass floor' and I do not expect too much more in the way of falling values in 2016.

I am often asked to explain this Alderney price fall when the UK market - still the principal source of buying power for Alderney property - has been rising consistently over the same period (see graph). The answer, I think, lies with the state of the Alderney economy and its failure to stimulate sufficient demand to apply upwards pressure on property prices through competition amongst buyers.

In 2015, average quarterly sales of 11 properties from an average inventory of about 113 properties represents a quarterly sales rate of 9.5%; this puts us deep into 'buyer's market' territory and only the appearance in the market of significantly more buyers is going to bring an improvement in the sales rate to the circa 50% level signalling a 'seller's market' and rising prices. Any such positive movement will undoubtedly come from a marked improvement in the Alderney economy.

For 2016, I remain optimistic that good properties, realistically priced, will continue to attract buyers; for sellers, a market-led attitude to pricing is key; buyers shouldn't wait for further significant price falls but scarcity of buyers and the luxury of choice should produce good value.

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