

What next for Guernsey's property market?

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No-one can predict the future, and it is foolhardy to try, but after nearly two years of the strangest of times most of us can remember, conversations are taking place among those in the Guernsey construction and property sectors. We want to know if things are going to be different and, if so, for better or worse.

Working from home – here to stay?

For some businesses the shift to the whole office working from home (**WFH**) was almost seamless, with high-end IT and an ability to pick up a telephone call wherever there was an internet connection. For others however the change to WFH was not so easy. If you were working in cramped conditions, with flaky IT and interruptions by others around the home, then you may have been glad to return to the office.

The willingness, or desire, to work remotely will ultimately affect the demand for office space, and therefore affect the value of those investments.

Immediately after lockdown some office-based businesses, having seen that productivity and efficiency were not adversely affected by homeworking (or may have actually improved), told staff they could continue to work from home if they wanted. As we get further away from the lockdowns, and we see fewer restrictions of our day to day lives, I wonder if some of these businesses may give this further thought - perhaps moving towards a hybrid model of home and office working to enable employees to combine the flexibility of WFH with the advantages of office working, such as closer contact with colleagues and the training and mental health benefits this brings. Other employers have faced even more significant challenges with long-term WFH, both bigger picture and practical, such as data protection, ensuring the health and safety of their employees and setting up workstations, which are more easily managed in an office-based environment.

Another important factor for Guernsey businesses, is that the commute to the office is really not that bad. For most it will be less than a 20 minute walk, ride or drive to enjoy the company of your fellow workers. I think that alone will mean that we will see a big difference in the take up of WFH in

Guernsey compared to the UK.

Unlike some places, I think in Guernsey we will continue to see good demand for office space and that working from the office will be the norm, but with the experience gained during two lockdowns we will spend a bit more time WFH.

Residential property – will the boom continue?

Without a doubt the residential property sector (both local and open markets) has been busy. So busy that there is a lack of property on the market. The lack of choice is making sellers cautious about advertising their own properties. Somewhat perversely perhaps, those looking to sell are worried that their property will sell too quickly. That will leave them needing to buy something and, with prices high and a lack of properties listed for sale, they are opting to stay put for the time being.

It also seems that the rental sector is having its own problems, with reports of a lack of rental property and high prices. There was a belief that investors from outside of the island were buying up properties to rent out. We have not seen that at Ogier, though it is quite possible. However, if that was happening in numbers sufficient to reduce the stock of properties for sale, then the lack of rental properties is a puzzle.

The reasons for the spike in property sales – a desire for a separate space to WFH, space to live with family for long periods and more outdoor space – will drop away as we return to offices and get further away from the risk of another lockdown. As the world opens up we will see people using more of their income on holidays and other reasons, and less on property. There will be a return to a more normal, steady, residential property market, but with the banks happy to lend and offering some attractive deals, and with high employment, the market should remain active for a while.

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