



**Isle of Man**  
**Government**

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# Isle of Man Housing Market Review 2019

Economic Affairs

Cabinet Office

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## **Introduction**

This report is intended to provide a greater level of information regarding the Isle of Man's housing market than is provided in other summary statistics such as Isle of Man in Numbers or the Quarterly Economic Report to the Council of Ministers.

This report provides longer time series data across a number of areas including:

- The weighted property price
- House Prices
- Flat Prices
- Affordability of housing on the Island
- Transactions volumes; and
- Mortgage lending and housing stock

Most of the data used in this report has been provided by the Land Registry, supplemented with information from the 2016 and 2011 censuses and also information that is supplied to the Bank of England in respect of lending.

The data that is received from the Land Registry can be subject to significant time delays based on when transactions are lodged with the Land Registry. Due to this fact, the price and transaction data is provisional for 12 months after the first estimate has been published and is therefore subject to change. Users of this report will likely note that the data for 2018 is different to what has been previously published, and this revision process is the cause of that difference. Data from June 2019 and earlier is considered as final, however data for September 2019 onwards will continue to be subject to change for 12 months. The data within this report is based upon the extract which was taken on 4 September 2020.

The most significant impact upon revisions is to the number of transactions that is recorded, which can increase significantly between the first estimate and the final estimate. On average the number of transactions increases by 25% for both houses and flats, with most of this increase occurring between the first estimate and the second estimate which is calculated 3 months later. The impact on the average and median prices is considerably more limited.

## The Isle of Man Property Price

The Isle of Man Property Price is a weighted average of house and flat sale prices over a 12 month period.

The average price of a property sold as recorded in the Isle of Man House Price Index was £266,000 in 2019, a increase of 2.9% over the calendar year.

**Figure 1 Isle of Man Annual Property Price Change**



### Methodology

The index is based upon the properties sold and registered with the Land Registry, weighted by the average number of houses and flats sold over previous 4 quarters, not including the current quarter. The current quarter is not used for the purposes of weighting as time delays in sales being registered with the Land Registry would adversely impact upon the weighting process.

Both the house and flat prices are trimmed averages and exclude high and low value transactions, with low value transactions being any transaction under £70,000 and high value transactions calculated as the third quartile price plus three times the interquartile range, which broadly results in a value of around £700,000 to £730,000.

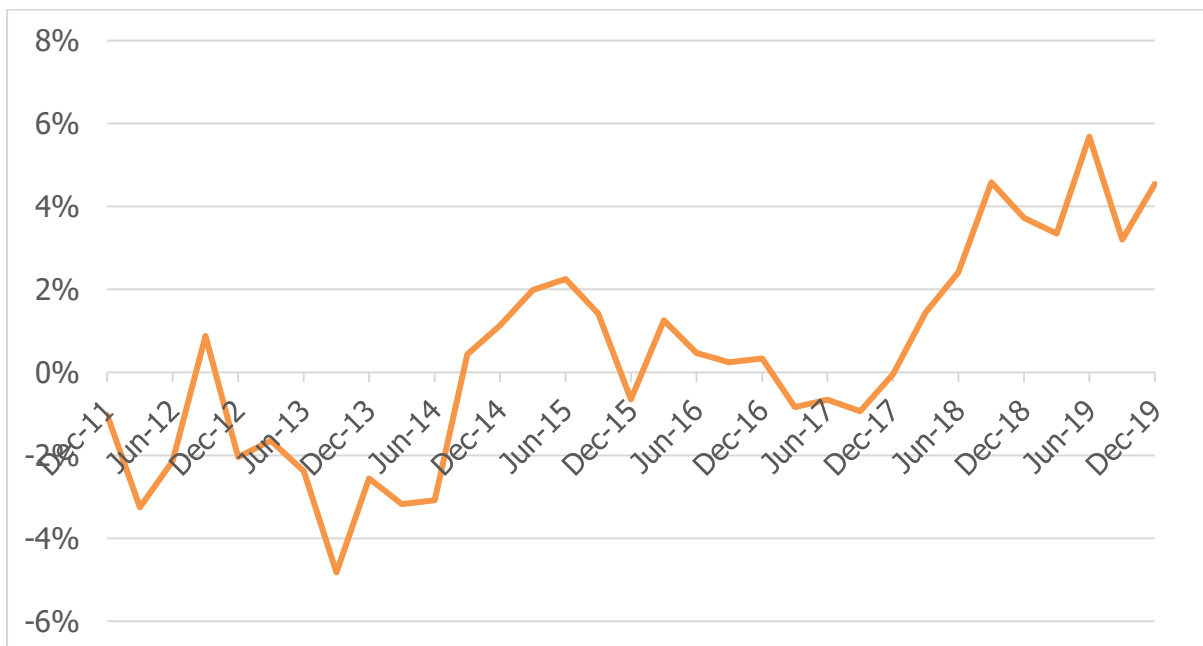
The index is typically made up of between 1,400 and 1,500 transactions, with house prices being weighted at around 80% of the index, and flat prices at 20%.

## House Prices

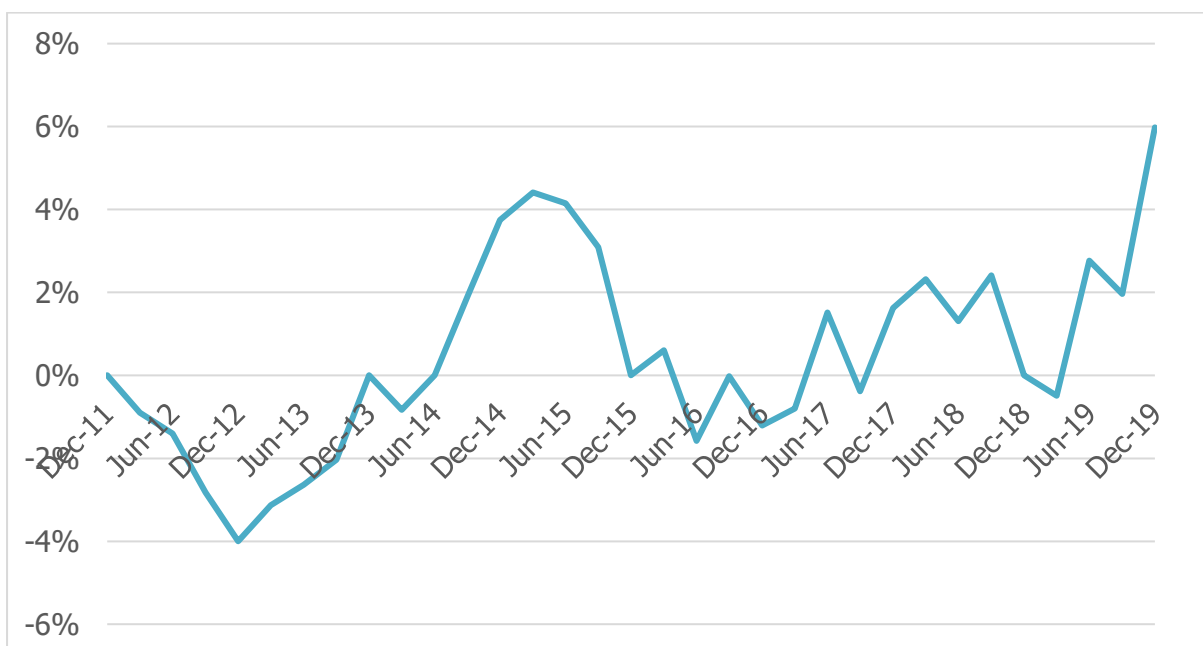
Separate data is also produced for both house and flat prices and transactions, which are produced using the same trimmed average methodology that has been detailed on page 3.

The average house price in 2019 was £292,043 which is an increase of 4.5% compared with 2018, with the median house price being £264,950, which is a 6% increase compared to 2018.

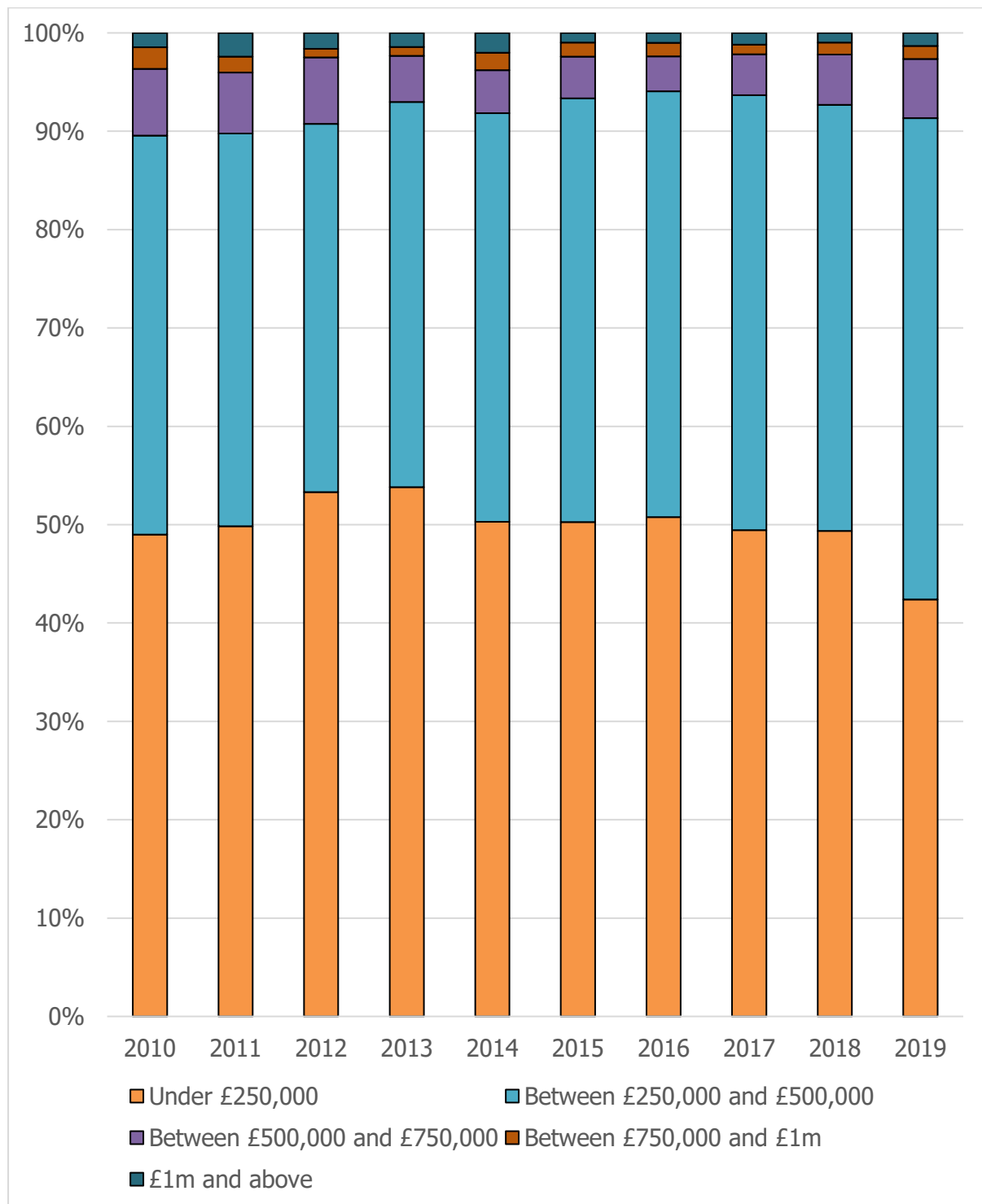
**Figure 2 Average House Price Movement**



**Figure 3 Median House Price Movement**



**Figure 4 Distribution of House Prices**

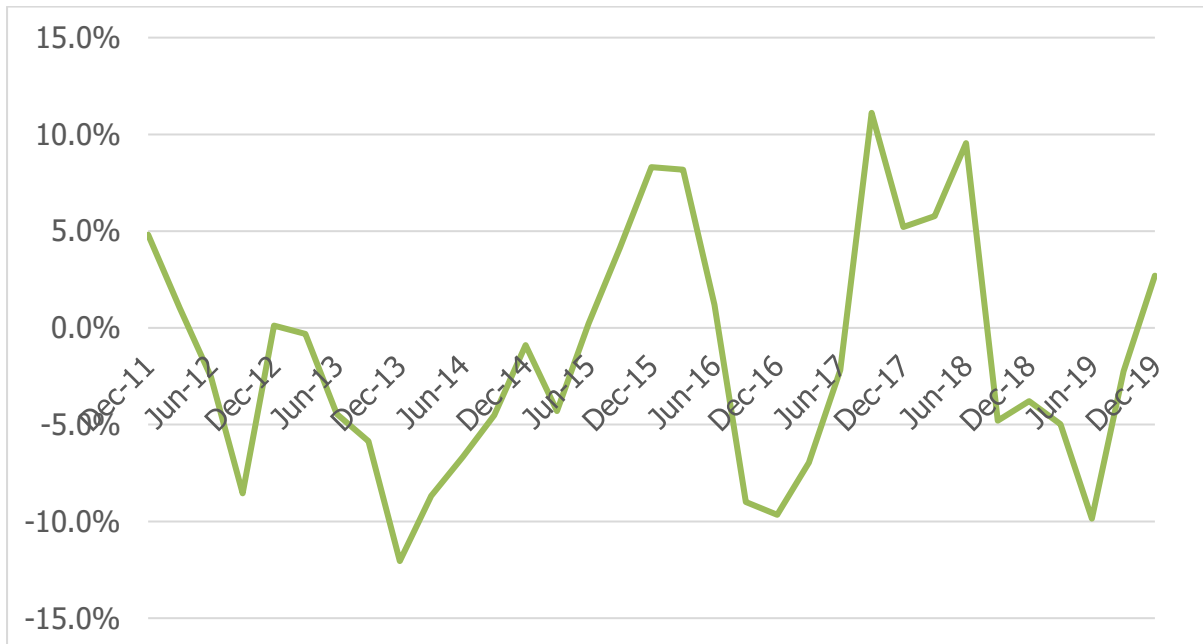


Over the period from 2010 to 2018, the proportion of houses sold under £250,000 has remained broadly the same, however in 2019 there was a significant reduction in this category, with an even greater increase in those priced between £250,000 and £500,000. Sales between £500,000 to £750,000 bracket have decreased from their peak in 2014 but have stabilised in recent years. Sales of houses over £1m increased in 2019 to the average over the period.

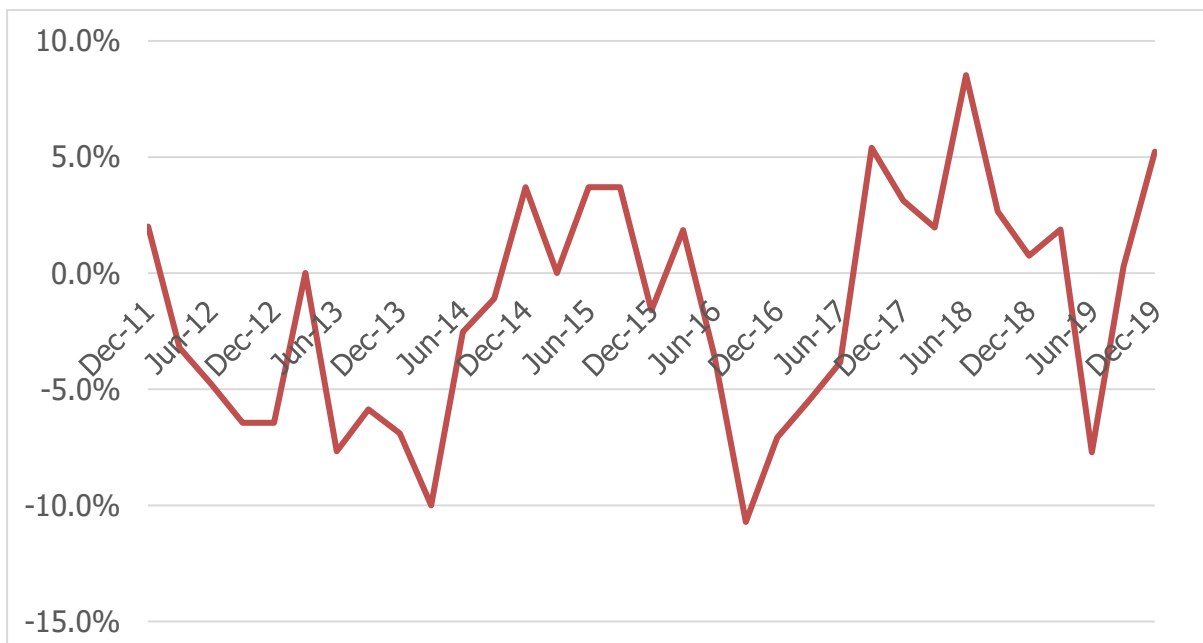
## Flat Prices

The average flat price in 2019 was £151,104 which is a increase of 2.7% over the year, with a median flat price of £139,950, which is an increase of 5.2% compared with 2018.

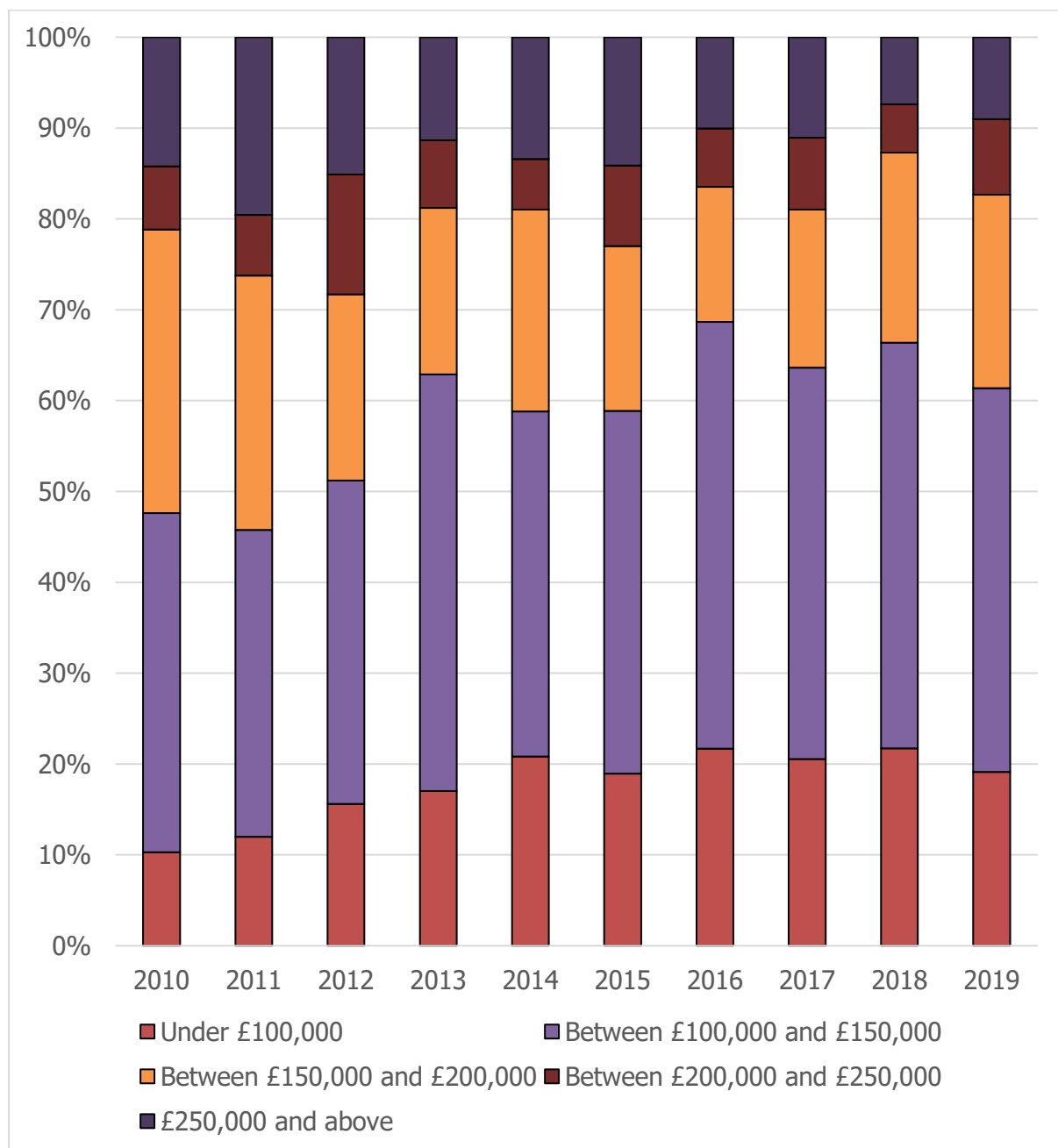
**Figure 5 Average Flat Price Movement**



**Figure 6 Median Flat Price Movement**



**Figure 7 Flat Price Distribution**



Whilst there has been significantly fewer flats sold in 2019 than 2010, proportionally the number of flats sold under £100,000 has increased since 2010 and has stabilised around 20%. Flats between £100,000 and £150,000 and £150,000 to £200,000 have seen the most significant reduction in numbers of sales, although flats between £100,000 to £150,000 have increase as a proportion of total sales from 37% to 42%.

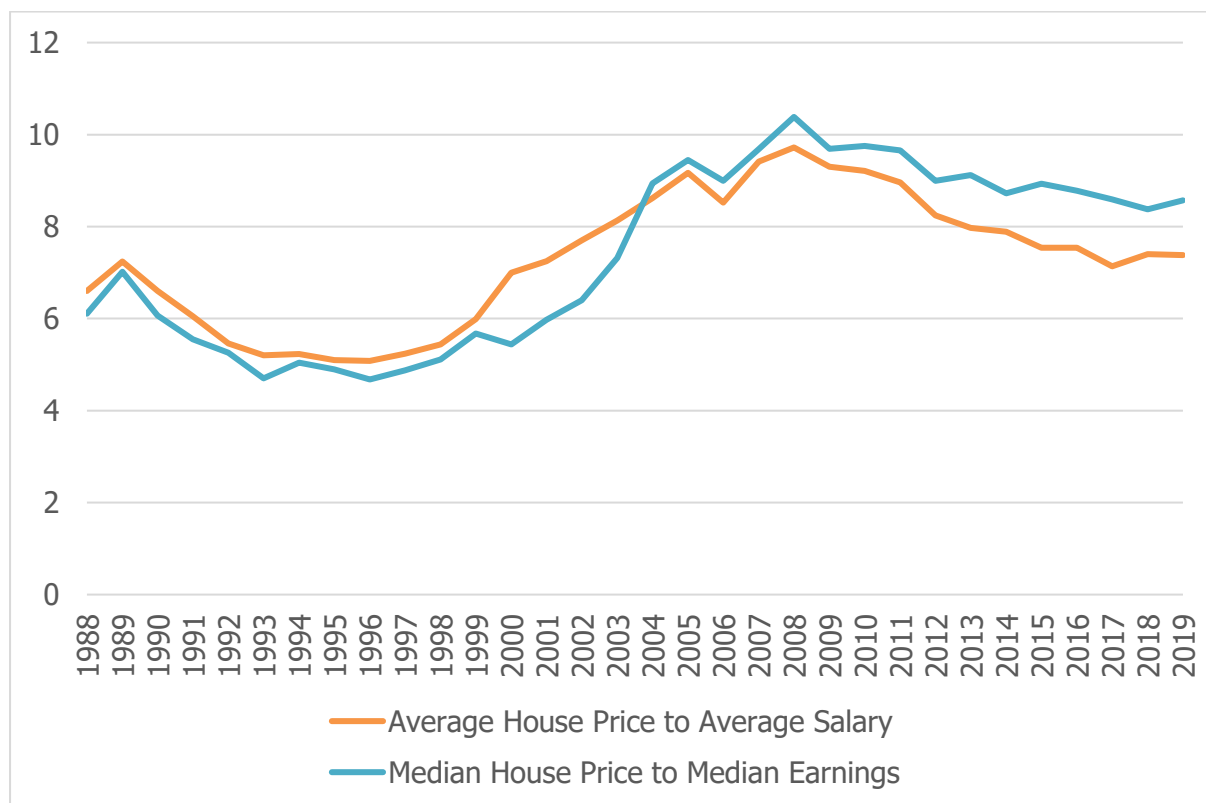
Flats between £200,000 and £250,000 have remained relatively stable in numbers terms, whilst flats selling for over £250,000 have dropped by more than half since 2010.



## Long term affordability of housing

One way to measure long term affordability of housing is to show average house prices as a multiple of average earnings. In 2019 average house prices were 7.38 times average annual earnings, whilst median house prices were 8.57 times the median full time salary. Over the longer term prices are higher relative to earnings than they were during the 1990's but lower than they were in most of the last decade.

**Figure 8 Affordability Ratios**

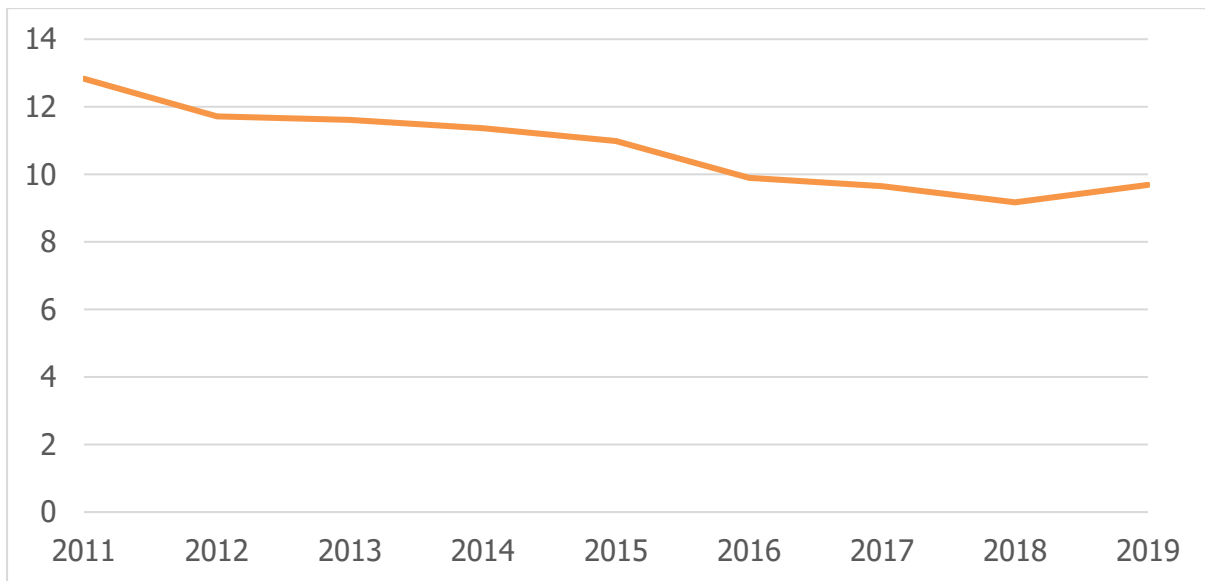


## Housing affordability for young people

Alongside general affordability of housing for all individuals, the ability for younger people to be able to afford a house is important to the housing market. The health of the housing market depends on new entrants being able to purchase properties, allowing others to move through the system. Further to this, ownership of property aids in allowing younger people to establish themselves on the Island.

In 2018, the lowest quartile house price was 9.68 times the median salary for those aged 25 and under. Whilst the earnings ratio has improved since 2011, home ownership will remain difficult. It should be noted that these ratios are calculated on the basis of a sole individual, if two individuals were intending to purchase a house, the ratio of earnings to lowest quartile house price would be 4.84.

**Figure 9 Aged 25 and under house price affordability ratio**

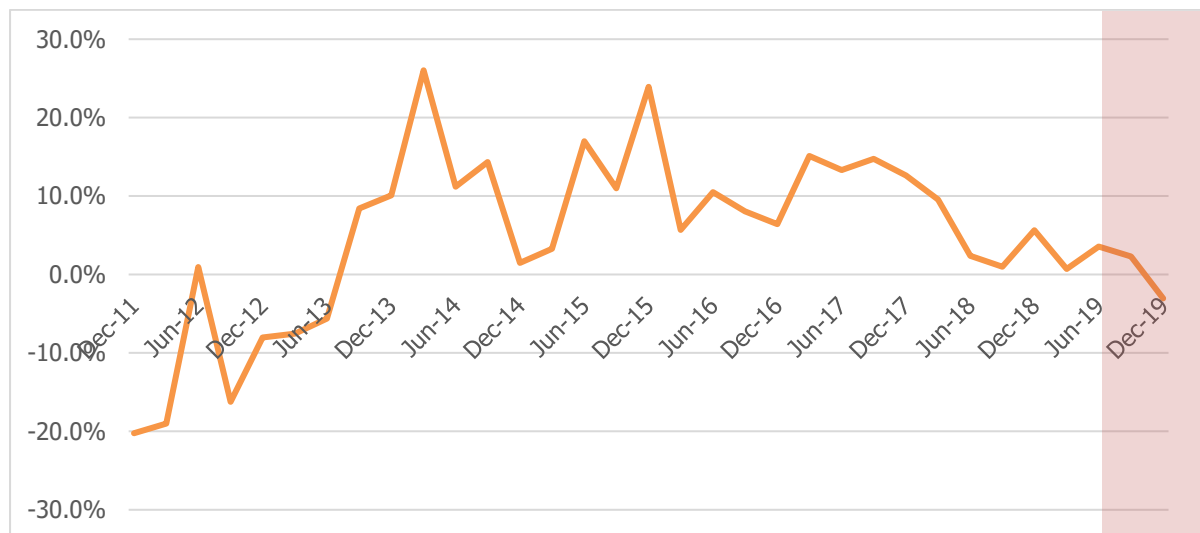


## Transaction Volumes

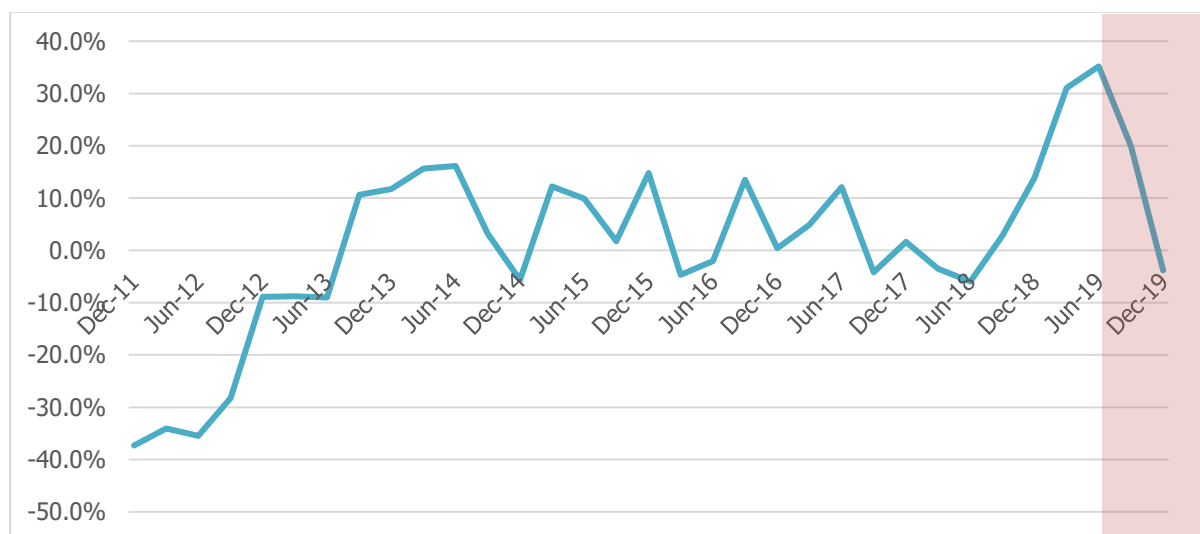
As highlighted at the start of this report, the house market data is considered to be provisional for 12 months after the first estimate is published and it is likely that the number of transactions will increase. The difference between the first estimate and the final estimate is, on average, a 25% increase between the two. However as the data relating to December 2019 was extracted in August 2020 it is unlikely that the number of transactions will increase to this extent.

The number of house transactions over the previous year decreased by 43 to 1,361. The number of flat transactions has also decreased slightly compared with December 2018, down 11 transactions to 277.

**Figure 10 House Transactions**



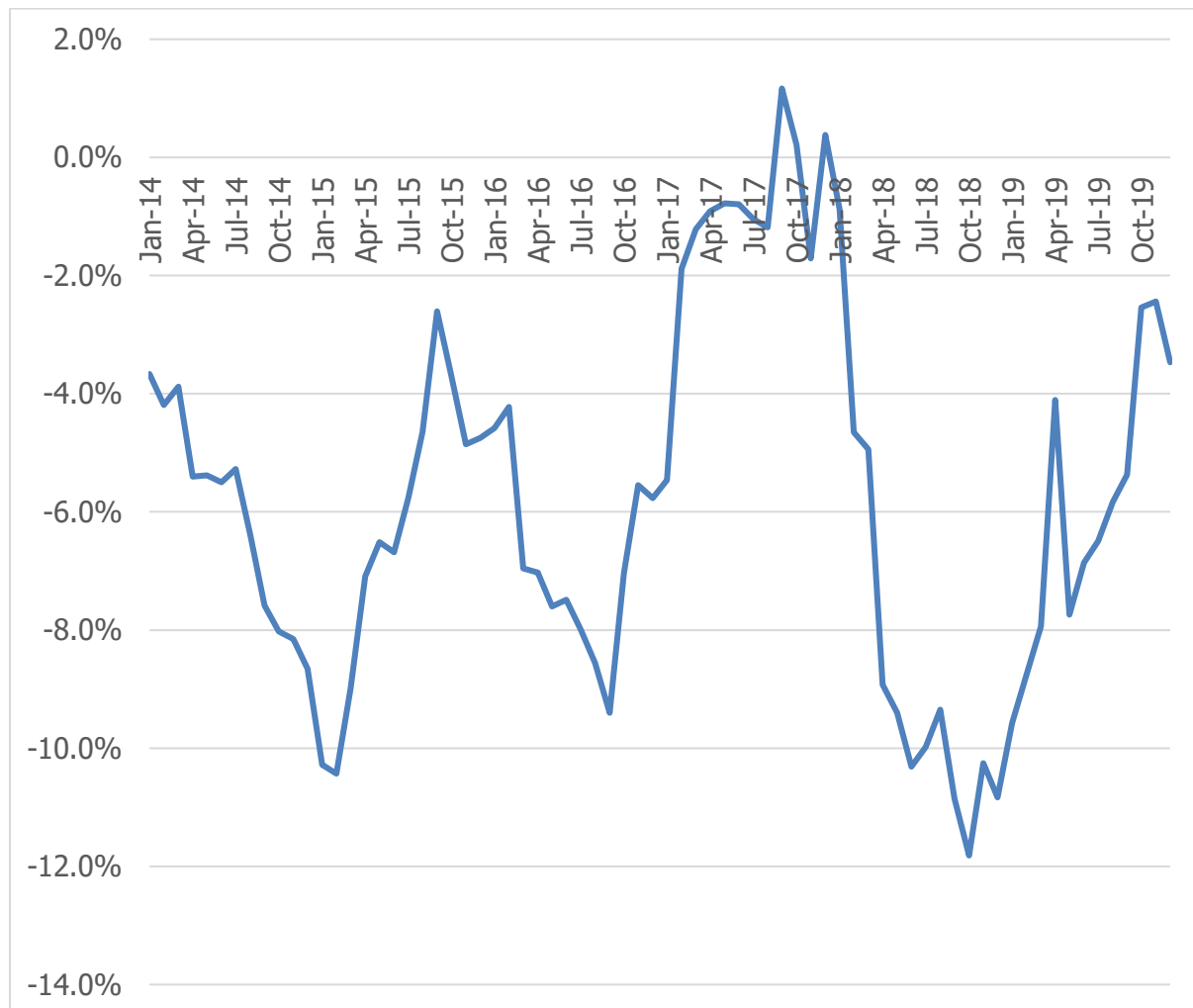
**Figure 11 Flat Transactions**



## Mortgage Lending

Aggregate lending by Isle of Man institutions to Isle of Man residents decreased during 2019, to £1.48bn. Lending decreased by around £53m since December 2018 (-3.5%). Mortgage debt peaked at £2.45 billion in December 2009 since then it has reduced by around 40%.

**Figure 12 Change in Domestic Lending**



## Housing Stock

The 2016 Isle of Man Census also provides some information regarding the number of houses by property type, number of bedrooms and geographical location. The census also provided an estimate of the level of vacant properties that exist on the Island.

It was estimated from the 2016 Census that the Isle of Man has 42,281 residential properties, of which 35,811 were occupied. This represents a vacancy rate of 15%, or 6,470 properties which was a slight increase from the 2011 Census of 14%.

**Table 1 Occupied Housing Stock, by Property Type, 2016 and 2011 Census**

Year	Detached House	Semi-Detached House	Terraced House	Purpose-built Flat	Flat in Converted House	Other	Total Households
2011	13,273	7,712	8,156	4,412	1,643	403	35,599
2016	13,964	7,667	7,630	4,451	1,627	424	35,763

The 2016 Census was also the first time in which data about the number of bedrooms in properties was collected. The occupied housing stock from the 2016 Census had the following profile in relation to number of bedrooms.

**Table 2 Occupied Housing Stock, by Number of Bedrooms, 2016 Census**

Number of bedrooms	1	2	3	4	5	6+	Total Households
Number of properties	3,120	9,619	13,186	6,965	2,098	775	35,763

## Appendix One – Price Data

	<b>Property Price</b>	<b>Average House Price</b>	<b>Median House Price</b>	<b>Average Flat Price</b>	<b>Median Flat Price</b>
<b>Dec-10</b>	253,176	282,925	250,000	162,386	151,950
<b>Mar-11</b>	255,940	285,629	250,000	165,332	155,000
<b>Jun-11</b>	256,140	284,140	250,000	170,686	157,500
<b>Sep-11</b>	252,466	275,588	250,000	181,901	155,000
<b>Dec-11</b>	253,959	280,018	250,000	170,197	155,000
<b>Mar-12</b>	251,291	276,328	247,750	167,054	150,000
<b>Jun-12</b>	254,751	278,046	246,500	166,384	150,000
<b>Sep-12</b>	255,495	277,993	242,950	166,352	145,000
<b>Dec-12</b>	253,410	274,299	240,000	170,406	145,000
<b>Mar-13</b>	250,666	271,773	240,000	166,526	150,000
<b>Jun-13</b>	249,029	271,420	240,000	158,988	138,500
<b>Sep-13</b>	242,983	264,580	238,000	156,619	136,500
<b>Dec-13</b>	243,711	267,283	240,000	149,873	135,000
<b>Mar-14</b>	241,274	263,147	238,000	152,068	135,000
<b>Jun-14</b>	240,290	263,047	240,000	148,402	135,000
<b>Sep-14</b>	243,131	265,726	242,500	149,562	135,000
<b>Dec-14</b>	246,957	270,303	249,000	148,534	140,000
<b>Mar-15</b>	244,408	268,384	248,500	145,536	135,000
<b>Jun-15</b>	245,793	268,962	249,950	148,746	140,000
<b>Sep-15</b>	247,967	269,488	250,000	155,774	140,000
<b>Dec-15</b>	248,461	268,540	249,000	160,873	137,750
<b>Mar-16</b>	250,888	271,758	250,000	157,444	137,500
<b>Jun-16</b>	248,892	270,209	246,000	150,520	135,000
<b>Sep-16</b>	247,045	270,142	249,950	141,761	125,000
<b>Dec-16</b>	247,373	269,432	246,000	145,344	128,000
<b>Mar-17</b>	248,031	269,478	248,000	146,483	129,950
<b>Jun-17</b>	247,357	268,428	249,725	147,246	129,808
<b>Sep-17</b>	249,160	267,600	249,000	157,514	131,750
<b>Dec-17</b>	250,219	269,315	250,000	152,918	132,000
<b>Mar-18</b>	253,948	273,378	253,750	154,945	132,500
<b>Jun-18</b>	256,759	274,911	253,000	161,299	140,875
<b>Sep-18</b>	259,479	279,862	255,000	149,953	135,250
<b>Dec-18</b>	258,530	279,355	250,000	147,136	133,000
<b>Mar-19</b>	260,850	282,524	252,500	147,239	135,000
<b>Jun-19</b>	265,898	290,532	260,000	145,403	130,000
<b>Sep-19</b>	263,296	288,826	260,000	146,576	135,625
<b>Dec-19</b>	266,000	292,043	264,950	151,104	139,950

Note: The data for September and December 2019 is provisional and subject to revision for 12 months after the first publication date.

## Appendix Two – Transaction Data

	<b>House Sales</b>	<b>Flat Sales</b>
<b>Dec-10</b>	1,092	359
<b>Mar-11</b>	1,067	329
<b>Jun-11</b>	844	327
<b>Sep-11</b>	937	276
<b>Dec-11</b>	871	225
<b>Mar-12</b>	864	217
<b>Jun-12</b>	852	211
<b>Sep-12</b>	785	198
<b>Dec-12</b>	801	205
<b>Mar-13</b>	799	198
<b>Jun-13</b>	804	192
<b>Sep-13</b>	851	219
<b>Dec-13</b>	882	229
<b>Mar-14</b>	1,007	229
<b>Jun-14</b>	894	223
<b>Sep-14</b>	973	226
<b>Dec-14</b>	895	216
<b>Mar-15</b>	1,040	257
<b>Jun-15</b>	1,046	245
<b>Sep-15</b>	1,080	230
<b>Dec-15</b>	1,109	248
<b>Mar-16</b>	1,099	245
<b>Jun-16</b>	1,156	240
<b>Sep-16</b>	1,167	261
<b>Dec-16</b>	1,180	249
<b>Mar-17</b>	1,265	257
<b>Jun-17</b>	1,310	269
<b>Sep-17</b>	1,339	250
<b>Dec-17</b>	1,329	253
<b>Mar-18</b>	1,386	248
<b>Jun-18</b>	1,341	253
<b>Sep-18</b>	1,352	257
<b>Dec-18</b>	1,404	288
<b>Mar-19</b>	1,396	325
<b>Jun-19</b>	1,389	342
<b>Sep-19</b>	1,383	308
<b>Dec-19</b>	1,361	277

Note: The data for September and December 2019 is provisional and subject to revision for 12 months after the first publication date.

### Appendix Three – Local Mortgage Lending Data

	£'000		£'000
<b>Jan-13</b>	2,189,305	<b>Jul-16</b>	1,752,358
<b>Feb-13</b>	2,177,542	<b>Aug-16</b>	1,741,655
<b>Mar-13</b>	2,177,186	<b>Sep-16</b>	1,725,590
<b>Apr-13</b>	2,167,080	<b>Oct-16</b>	1,726,876
<b>May-13</b>	2,153,207	<b>Nov-16</b>	1,727,802
<b>Jun-13</b>	2,159,899	<b>Dec-16</b>	1,711,874
<b>Jul-13</b>	2,133,751	<b>Jan-17</b>	1,706,811
<b>Aug-13</b>	2,133,856	<b>Feb-17</b>	1,756,061
<b>Sep-13</b>	2,116,124	<b>Mar-17</b>	1,750,695
<b>Oct-13</b>	2,097,112	<b>Apr-17</b>	1,754,700
<b>Nov-13</b>	2,093,280	<b>May-17</b>	1,746,245
<b>Dec-13</b>	2,087,964	<b>Jun-17</b>	1,748,086
<b>Jan-14</b>	2,109,009	<b>Jul-17</b>	1,734,064
<b>Feb-14</b>	2,086,327	<b>Aug-17</b>	1,721,051
<b>Mar-14</b>	2,092,682	<b>Sep-17</b>	1,745,716
<b>Apr-14</b>	2,050,032	<b>Oct-17</b>	1,730,605
<b>May-14</b>	2,037,310	<b>Nov-17</b>	1,698,288
<b>Jun-14</b>	2,041,155	<b>Dec-17</b>	1,718,420
<b>Jul-14</b>	2,021,275	<b>Jan-18</b>	1,691,945
<b>Aug-14</b>	1,997,519	<b>Feb-18</b>	1,674,399
<b>Sep-14</b>	1,955,664	<b>Mar-18</b>	1,664,182
<b>Oct-14</b>	1,928,895	<b>Apr-18</b>	1,598,068
<b>Nov-14</b>	1,922,634	<b>May-18</b>	1,582,099
<b>Dec-14</b>	1,907,203	<b>Jun-18</b>	1,567,827
<b>Jan-15</b>	1,892,168	<b>Jul-18</b>	1,560,979
<b>Feb-15</b>	1,868,773	<b>Aug-18</b>	1,560,158
<b>Mar-15</b>	1,904,685	<b>Sep-18</b>	1,556,216
<b>Apr-15</b>	1,904,685	<b>Oct-18</b>	1,526,122
<b>May-15</b>	1,904,685	<b>Nov-18</b>	1,524,133
<b>Jun-15</b>	1,904,685	<b>Dec-18</b>	1,532,327
<b>Jul-15</b>	1,904,685	<b>Jan-19</b>	1,529,949
<b>Aug-15</b>	1,904,685	<b>Feb-19</b>	1,527,642
<b>Sep-15</b>	1,904,685	<b>Mar-19</b>	1,532,065
<b>Oct-15</b>	1,857,604	<b>Apr-19</b>	1,532,424
<b>Nov-15</b>	1,829,287	<b>May-19</b>	1,459,649
<b>Dec-15</b>	1,816,615	<b>Jun-19</b>	1,460,283
<b>Jan-16</b>	1,805,418	<b>Jul-19</b>	1,459,636
<b>Feb-16</b>	1,789,854	<b>Aug-19</b>	1,469,198
<b>Mar-16</b>	1,772,217	<b>Sep-19</b>	1,472,616
<b>Apr-16</b>	1,770,841	<b>Oct-19</b>	1,487,348
<b>May-16</b>	1,759,929	<b>Nov-19</b>	1,486,946
<b>Jun-16</b>	1,762,055	<b>Dec-19</b>	1,479,171



## Appendix Four – Affordability Ratios

	<b>Average House Price to Average Salary</b>	<b>Median House Price to Median Earnings</b>	<b>Lowest Quartile House Price to 25 and Under Median Earnings</b>
<b>1988</b>	6.60	6.10	
<b>1989</b>	7.24	7.02	
<b>1990</b>	6.60	6.07	
<b>1991</b>	6.05	5.55	
<b>1992</b>	5.46	5.26	
<b>1993</b>	5.20	4.70	
<b>1994</b>	5.23	5.04	
<b>1995</b>	5.10	4.90	
<b>1996</b>	5.08	4.68	
<b>1997</b>	5.24	4.87	
<b>1998</b>	5.44	5.11	
<b>1999</b>	5.99	5.67	
<b>2000</b>	7.00	5.44	
<b>2001</b>	7.25	5.97	
<b>2002</b>	7.70	6.40	
<b>2003</b>	8.13	7.32	
<b>2004</b>	8.62	8.94	
<b>2005</b>	9.17	9.45	
<b>2006</b>	8.52	9.00	
<b>2007</b>	9.41	9.68	
<b>2008</b>	9.72	10.38	
<b>2009</b>	9.30	9.69	
<b>2010</b>	9.21	9.75	
<b>2011</b>	8.96	9.66	12.83
<b>2012</b>	8.24	9.00	11.72
<b>2013</b>	7.97	9.12	11.61
<b>2014</b>	7.89	8.72	11.36
<b>2015</b>	7.54	8.93	10.99
<b>2016</b>	7.56	8.81	9.90
<b>2017</b>	7.14	8.59	9.65
<b>2018</b>	7.34	8.37	9.17
<b>2019</b>	7.38	8.57	9.68



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