



Isle of Man
Government

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Isle of Man Housing Market Review 2023

Statistics Isle of Man

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 Statistical 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;
- 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 2021 and 2016 censuses and information that is supplied to the Bank of England in respect of lending.

The data from the Land Registry is received on a quarterly basis and 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. In this case, data for 2023 is classed as provisional and users of this report will likely note that the data for some years is different to what has been previously published, and this revision process is the cause of that difference.

The data within this report is based upon an extract taken on 3 April 2024, but refers to house price and transaction data up until the end of December 2023.

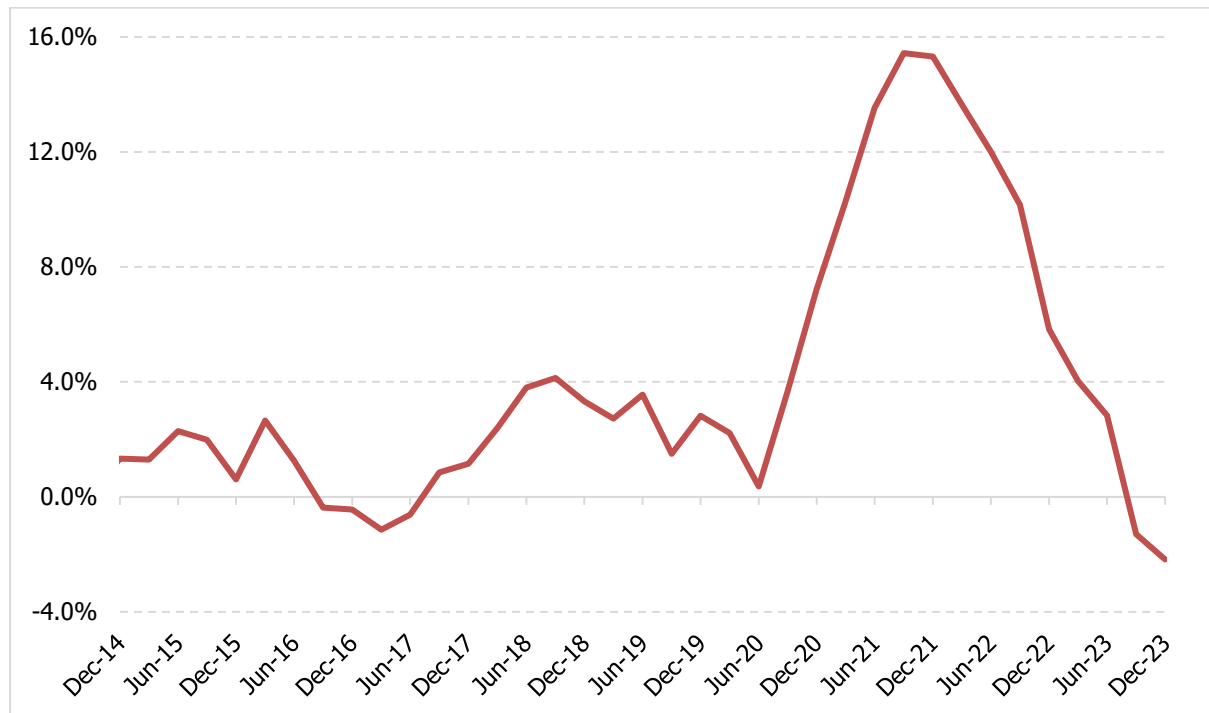
The most significant impact upon revisions is to the number of transactions that is recorded, which can increase significantly between the first estimate and the final estimate. On average the number of transactions increases by 25% for both houses and flats, with most of this increase occurring between 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 £340,333 in 2023, a decrease of 2.2% compared to the previous 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 1,200 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 2023 was £381,060 which is a decrease of 1.8% compared with 2022, with the median house price being £347,000, which is a 0.9% decrease compared to 2022.

Figure 2 Average House Price Movement

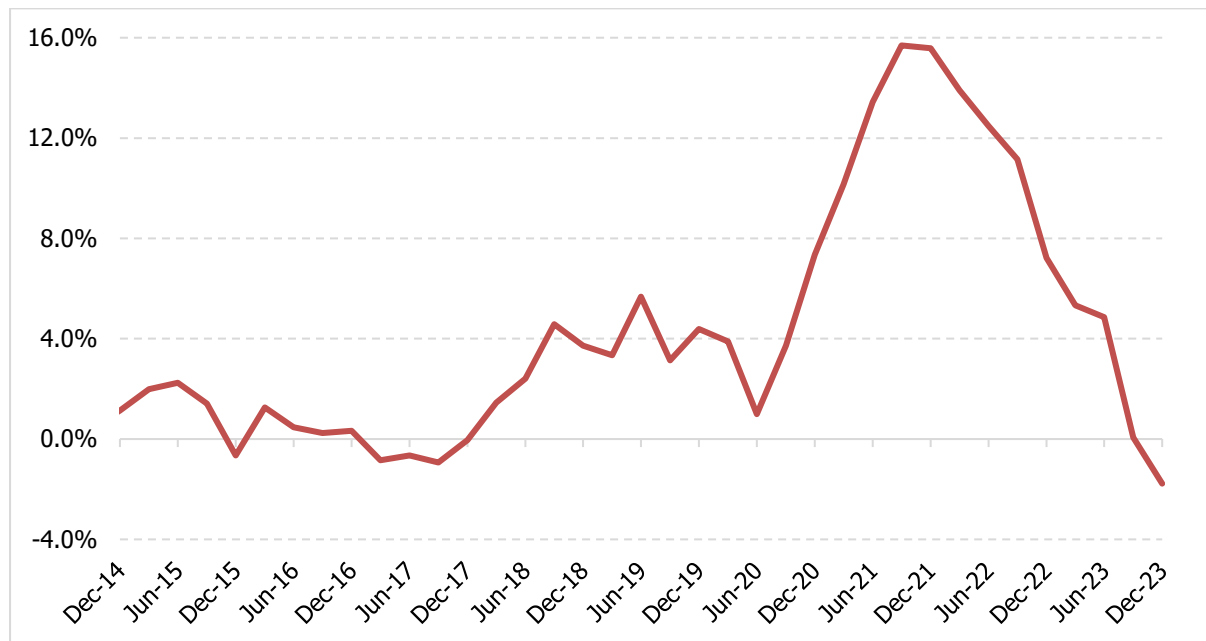


Figure 3 Median House Price Movement

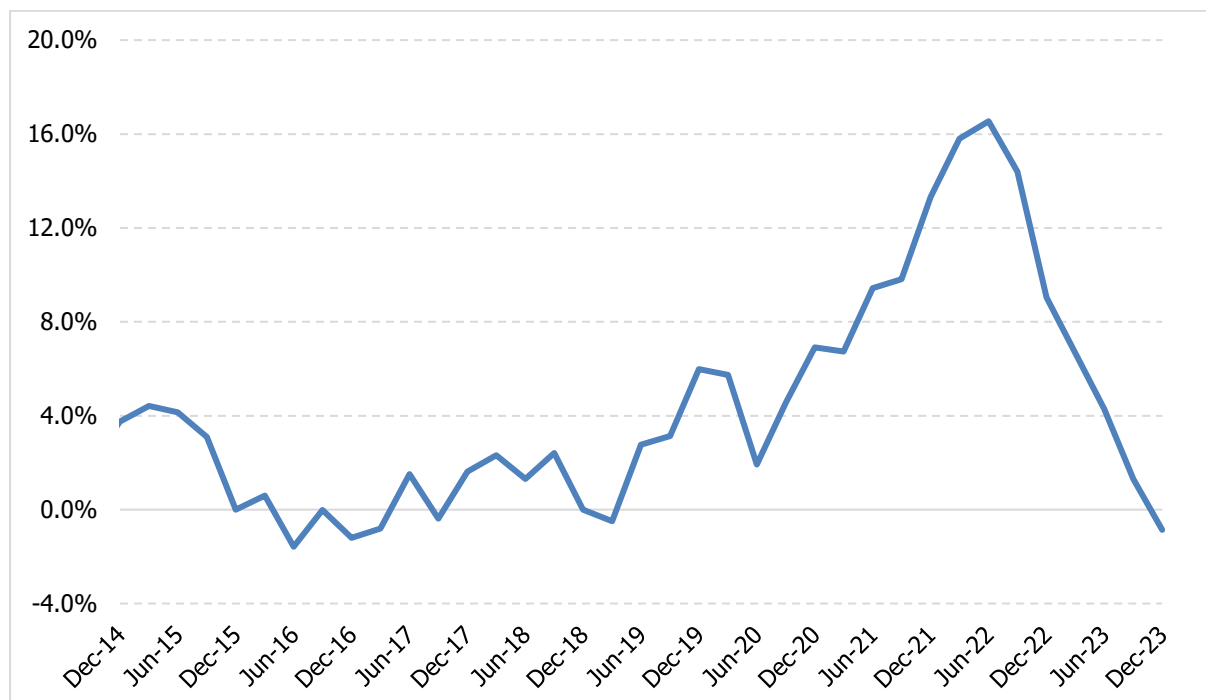
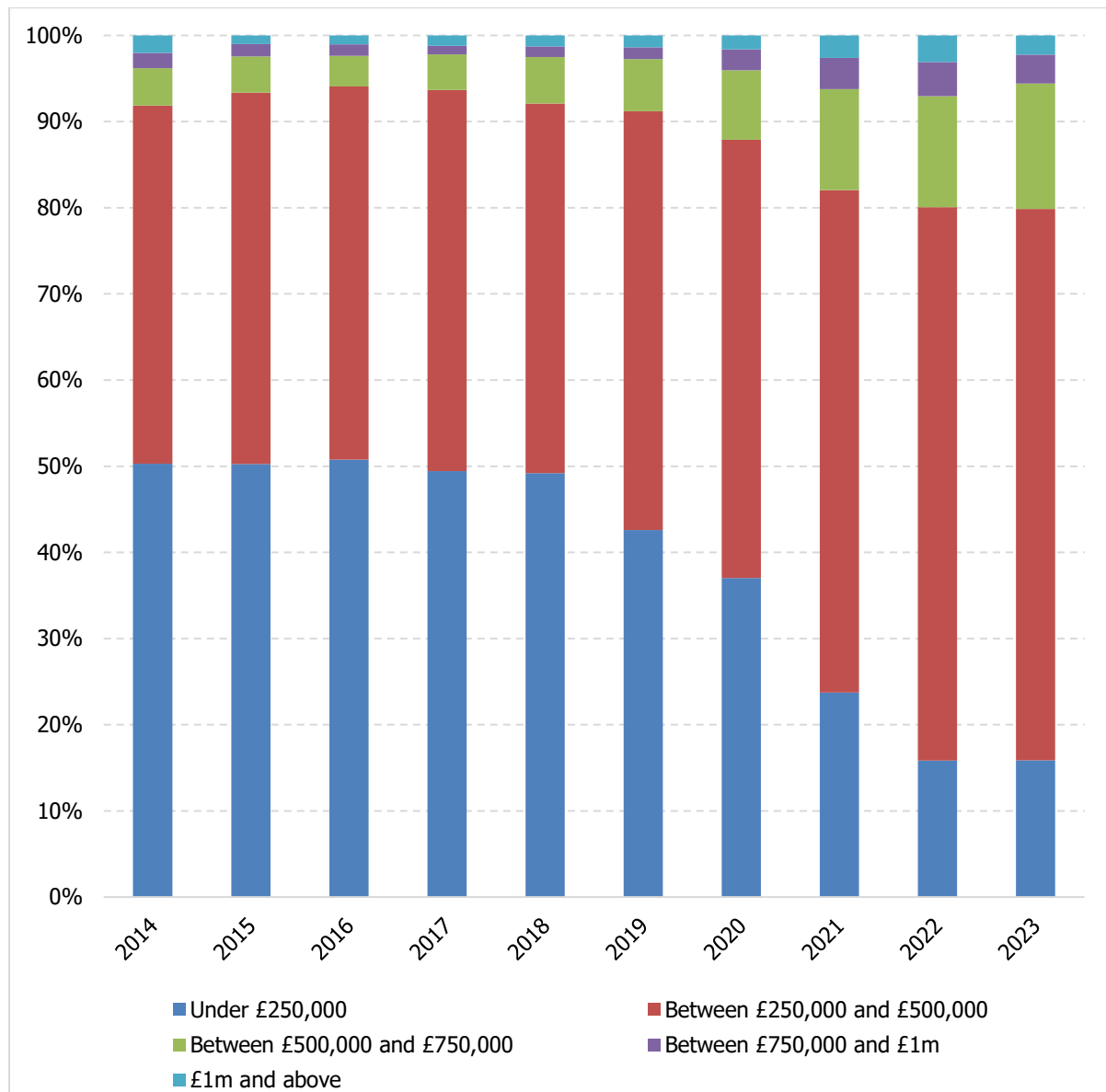


Figure 4 Distribution of House Prices



2023 saw a very similar distribution of the price of houses being sold to 2022, with the proportion of houses in the £250,000 to £500,000, and under £250,000 brackets, remaining the same, at 64% and 16% respectively. The proportion of houses sold for between £500,000 and £750,000 has increased year on year since 2017, with the latest increase from 13% in 2022 to 15% in 2023. House sales in the higher brackets account for 5% of all sales, which is a decrease from 7% in 2022.

Flat Prices

The average flat price in 2023 was £193,319 which is an increase of 3.3% over compared to 2022. The median flat price was £180,000, which is 2.9% higher than in 2022.

Figure 5 Average Flat Price Movement

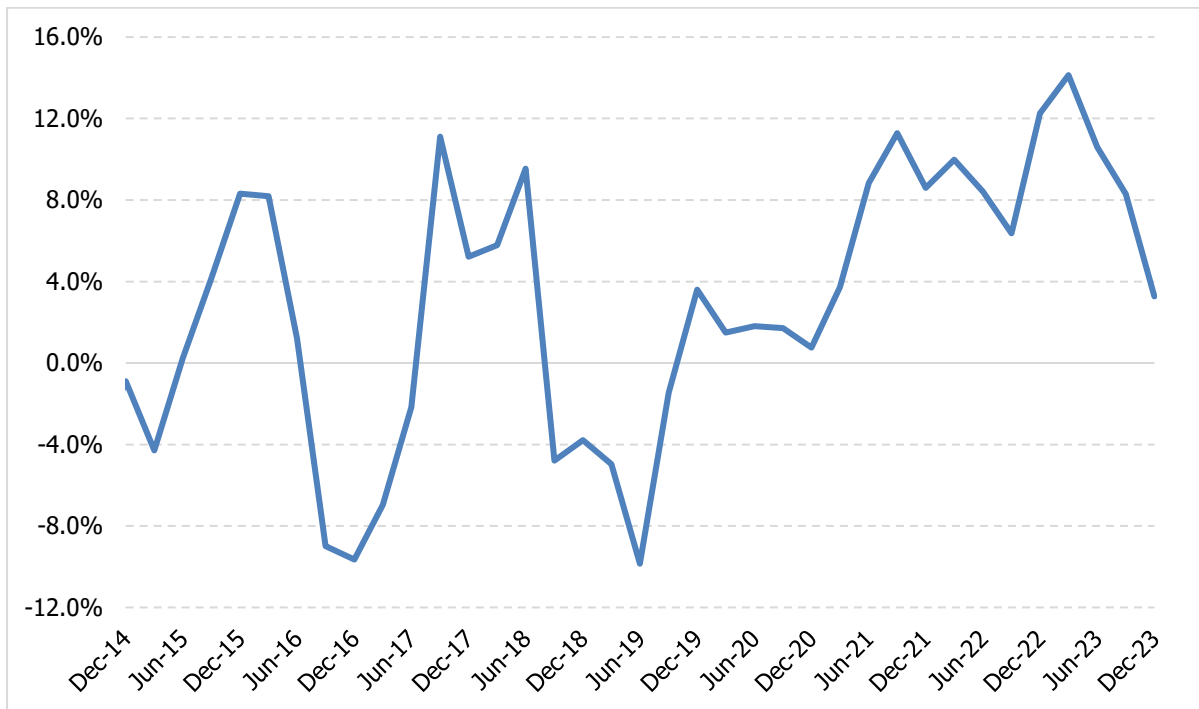


Figure 6 Median Flat Price Movement

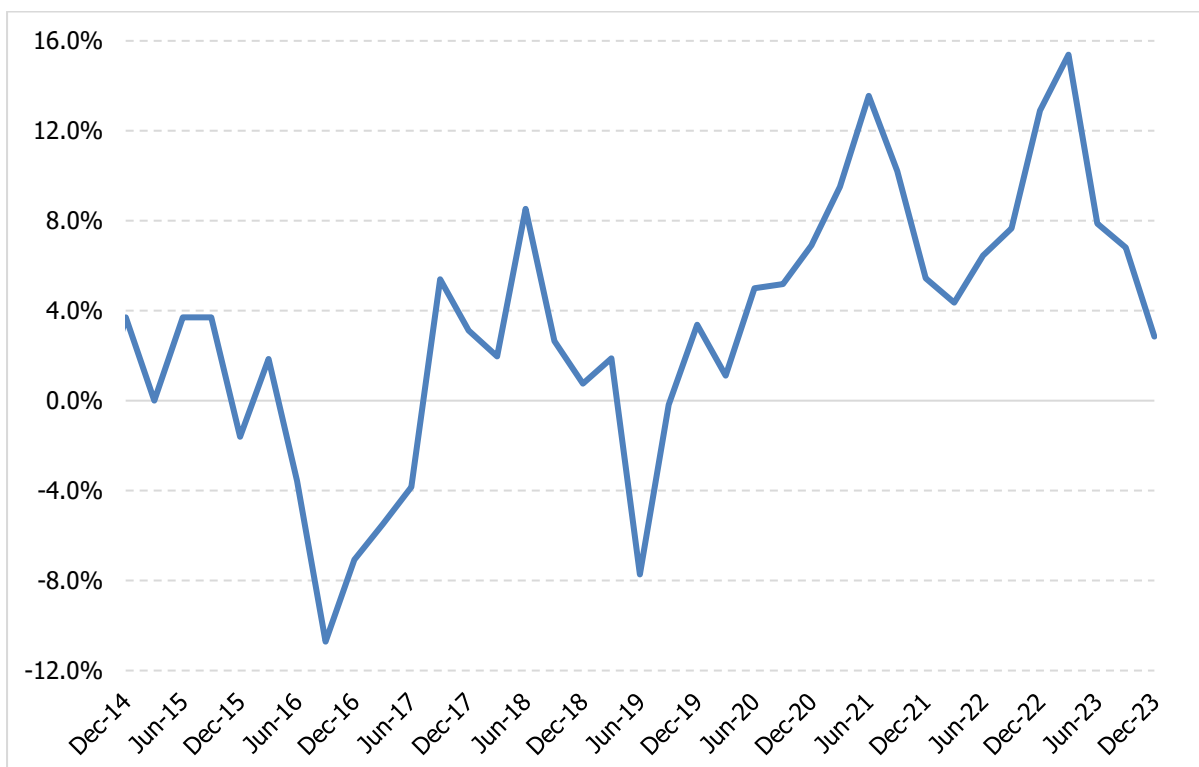
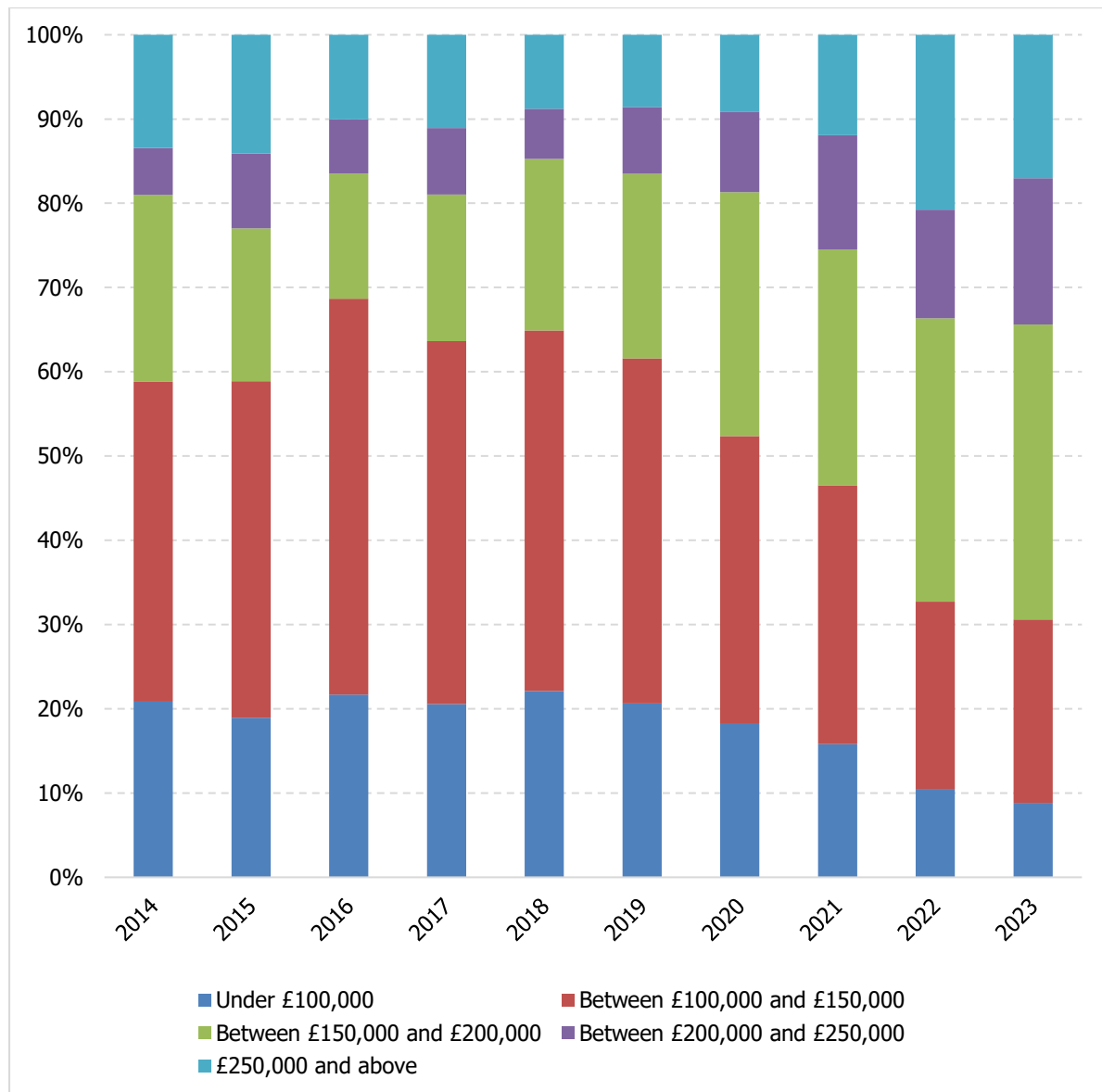


Figure 7 Flat Price Distribution

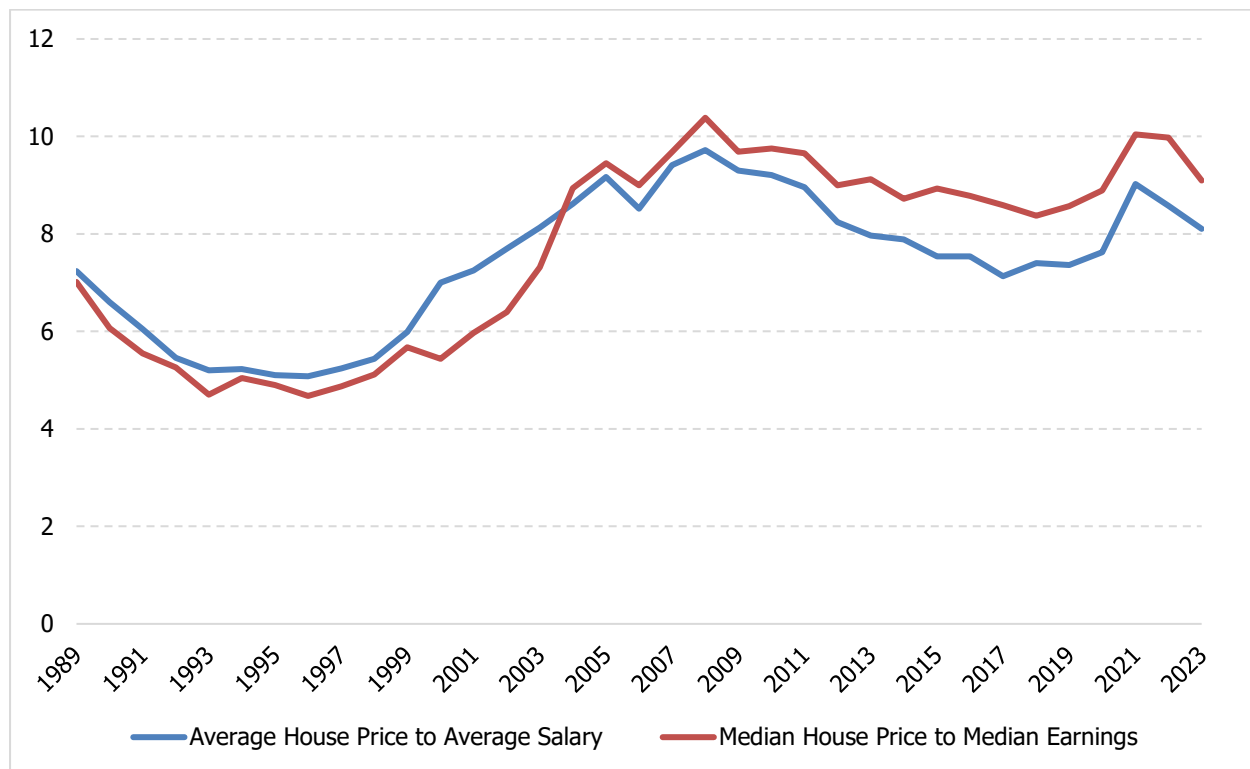


The proportion of flats being sold over £200,000 accounts for 34% of sales, which is the same proportion as 2022. Properties between £150,000 and £200,000 saw an increase for the second year in a row, and now also make up the largest proportion (35%) of all flat sales, up from 34% in 2022. The proportion of flat sales under £100,000 has decreased, and now make up just 9% of all sales, whilst flats within the £100,000 to £150,000 have seen no change, and continue to make up 22% of all flat sales.

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 2023 average house prices were 8.1 times average annual earnings, whilst median house prices were 9.1 times the median full time salary. Over the longer term prices are higher relative to earnings than they were during the 1990's.

Figure 8 Affordability Ratios

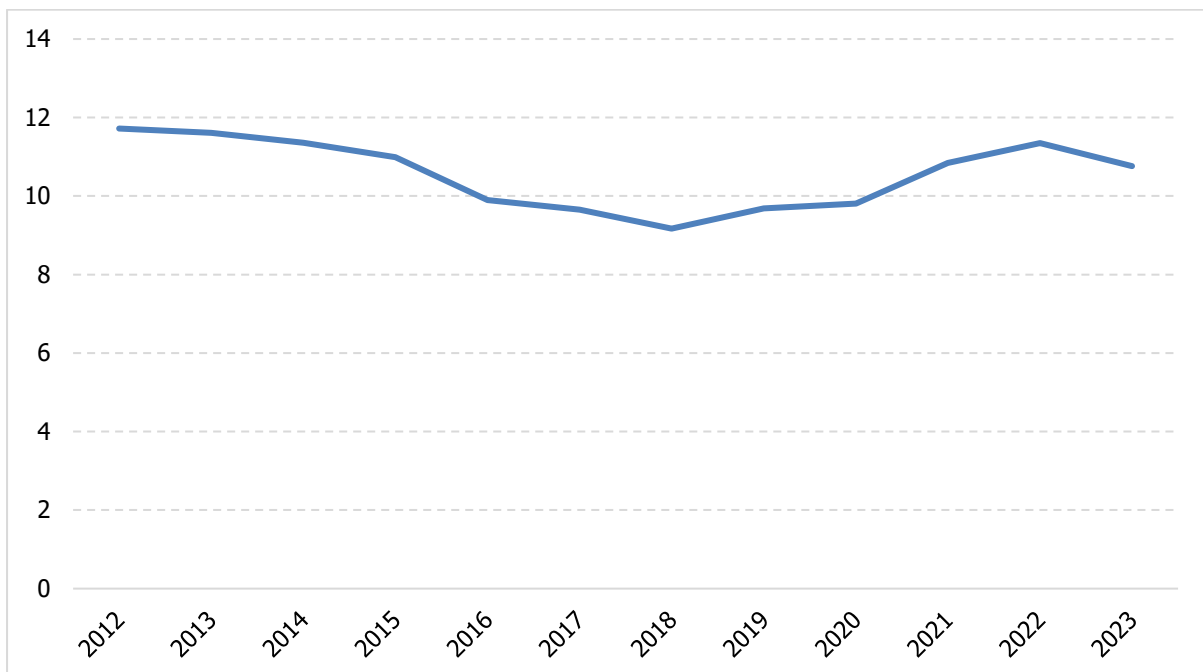


Housing affordability for young people

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 2023, the lowest quartile house price was 10.8 times the median salary for those aged between 18 and 25. Whilst the earnings ratio has improved since 2012, 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 5.4.

Figure 9 Aged 25 and under house price affordability ratio



Transaction Volumes

As highlighted at the start of this report, housing 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.

The number of house transactions over the previous year decreased to 1,077, which is down from 1,541 in 2022. The number of flat transactions has also decreased compared with December 2022, down from 424 to 317.

Figure 10 House Transactions

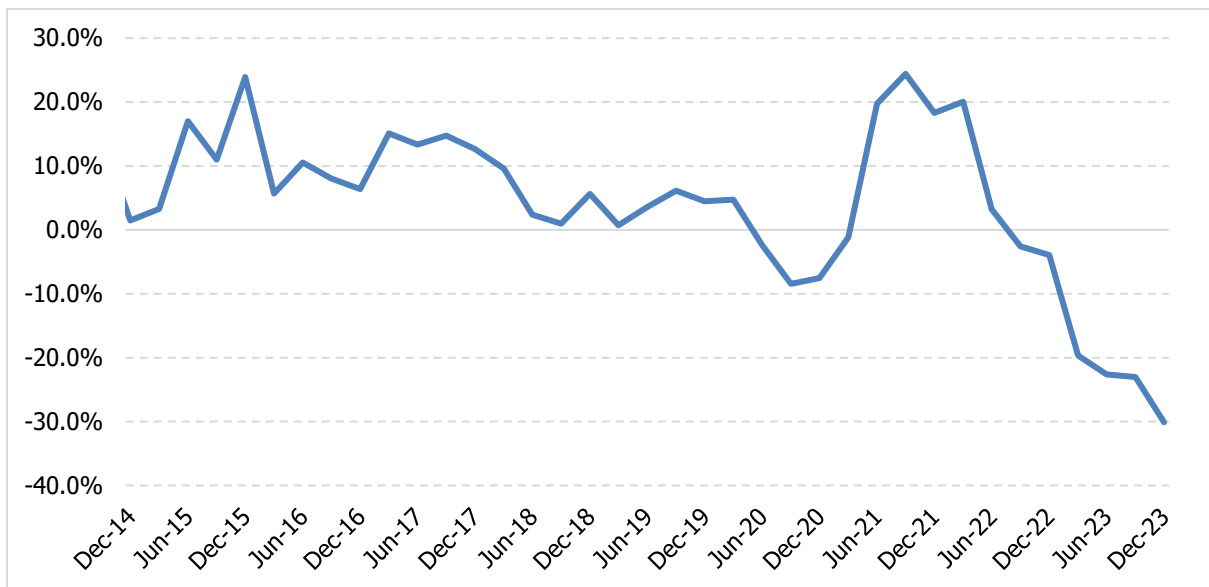
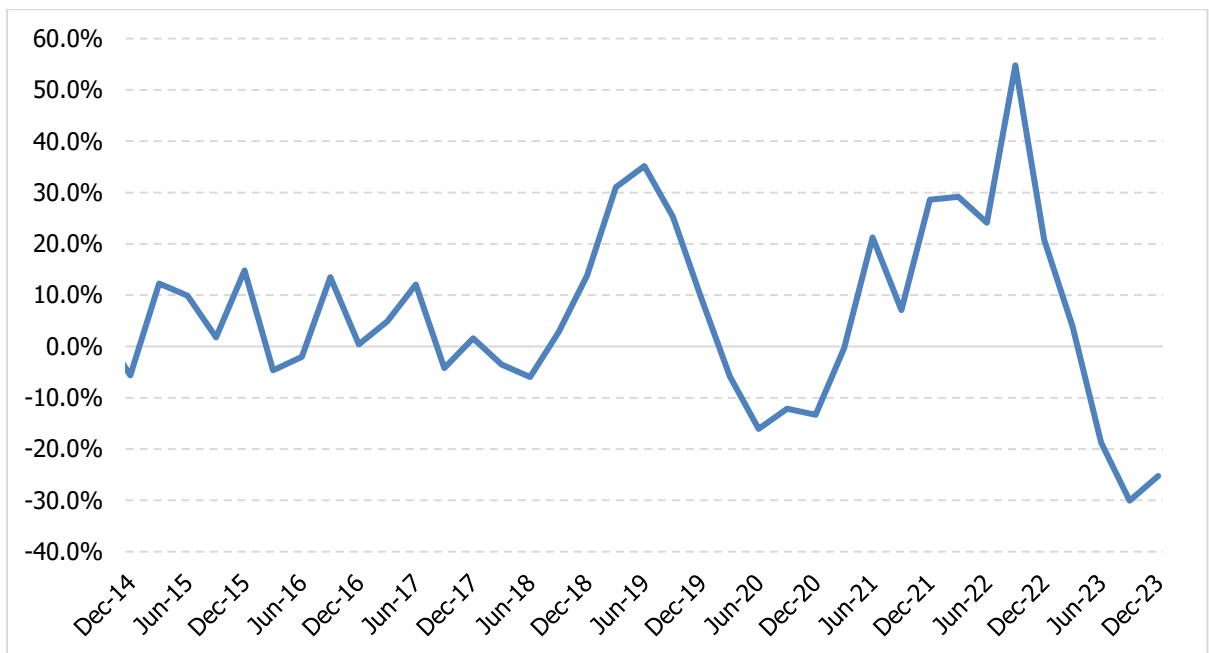


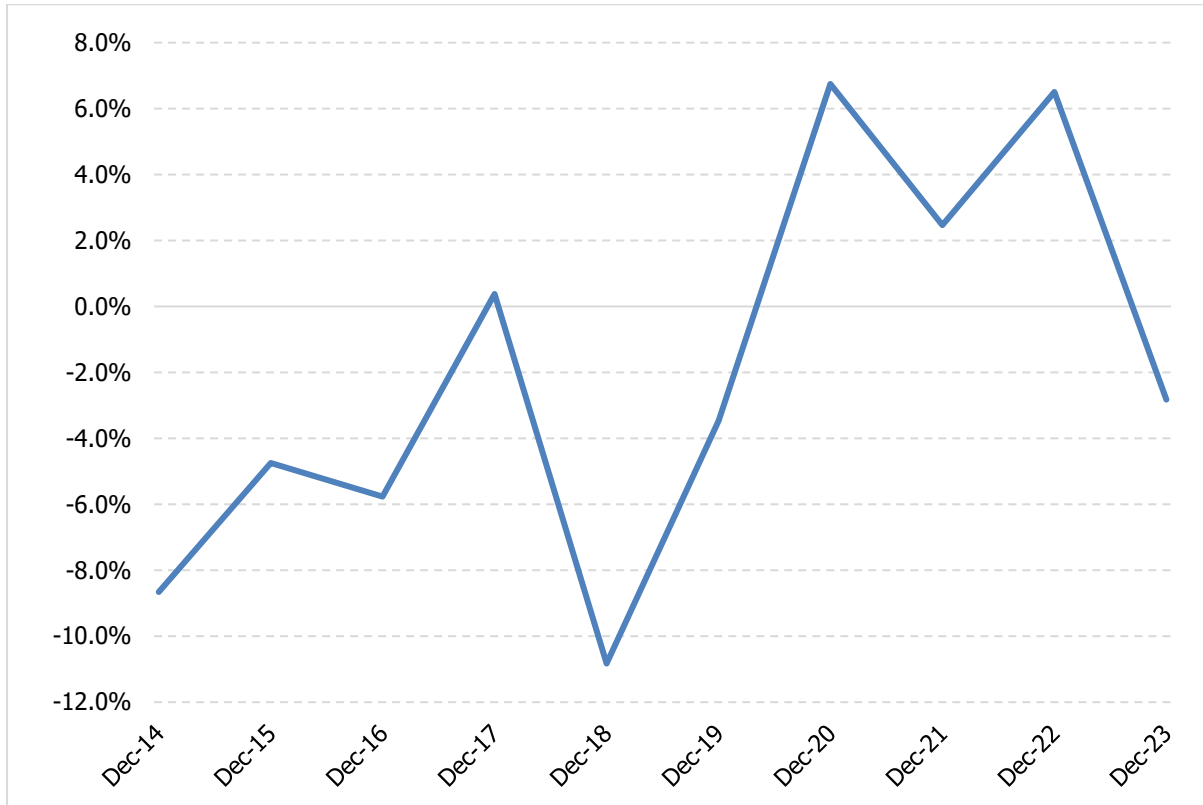
Figure 11 Flat Transactions



Mortgage Lending

Aggregate lending by Isle of Man institutions to Isle of Man residents decreased by £48.6m in 2023, compared to December 2022, which is a decrease of 2.8%.

Figure 12 Change in Domestic Lending



Housing Stock

The 2021 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 2021 Census that the Isle of Man has 42,915 residential properties, of which 37,220 were occupied. This represents a vacancy rate of 13%, or 5,695 properties which was a slight decrease from the 2016 Census figure of 15%.

These figure include flats, houses, and cottages used as holiday accommodation, but excludes hotels and other commercial properties.

Table 1 Occupied Housing Stock, by Property Type, 2016 and 2021 Census

Year	Detached House	Semi-Detached House	Terraced House	Purpose-built Flat	Flat in Converted House	Other	Total Households
2016	13,964	7,667	7,630	4,451	1,627	424	35,763
2021	14,119	8,716	7,405	4,870	1,571	539	37,220

The occupied housing stock from the 2021 Census had the following profile in relation to number of bedrooms, compared to 2016.

Table 2 Occupied Housing Stock, by Number of Bedrooms, 2021 Census

Number of bedrooms	1	2	3	4	5	6+	Total Households
2016	3,120	9,619	13,186	6,965	2,098	775	35,763
2021	3,450	10,696	13,553	7,096	1,837	588	37,220

Appendix One – Price Data

	Property Price	Average House Price	Median House Price	Average Flat Price	Median Flat Price
Dec-13	243,711	267,283	240,000	149,873	135,000
Mar-14	241,274	263,147	238,000	152,068	135,000
Jun-14	240,290	263,047	240,000	148,402	135,000
Sep-14	243,131	265,726	242,500	149,562	135,000
Dec-14	246,957	270,303	249,000	148,534	140,000
Mar-15	244,408	268,384	248,500	145,536	135,000
Jun-15	245,793	268,962	249,950	148,746	140,000
Sep-15	247,967	269,488	250,000	155,774	140,000
Dec-15	248,461	268,540	249,000	160,873	137,750
Mar-16	250,888	271,758	250,000	157,444	137,500
Jun-16	248,892	270,209	246,000	150,520	135,000
Sep-16	247,045	270,142	249,950	141,761	125,000
Dec-16	247,373	269,432	246,000	145,344	128,000
Mar-17	248,031	269,478	248,000	146,483	129,950
Jun-17	247,357	268,428	249,725	147,246	129,808
Sep-17	249,160	267,600	249,000	157,514	131,750
Dec-17	250,219	269,315	250,000	152,918	132,000
Mar-18	253,948	273,378	253,750	154,945	132,500
Jun-18	256,759	274,911	253,000	161,299	140,875
Sep-18	259,479	279,862	255,000	149,953	135,250
Dec-18	258,530	279,355	250,000	147,136	133,000
Mar-19	260,850	282,524	252,500	147,239	135,000
Jun-19	265,898	290,532	260,000	145,403	130,000
Sep-19	263,355	288,640	263,000	147,759	135,000
Dec-19	265,843	291,597	264,950	152,422	137,500
Mar-20	266,648	293,521	266,975	149,448	136,500
Jun-20	266,869	293,411	265,000	148,042	136,500
Sep-20	273,007	299,394	275,000	150,295	142,000
Dec-20	285,064	313,036	283,250	153,563	147,000
Mar-21	294,126	323,314	284,950	155,016	149,475
Jun-21	302,989	332,823	290,000	161,112	155,000
Sep-21	315,155	346,377	302,000	167,245	156,500
Dec-21	328,747	361,286	321,000	166,762	155,000
Mar-22	334,239	368,296	330,000	170,497	156,000
Jun-22	339,392	374,371	337,975	174,659	165,000
Sep-22	347,184	384,986	345,500	177,900	168,500
Dec-22	347,905	387,934	350,000	187,206	175,000
Mar-23	347,729	387,950	352,000	194,590	180,000
Jun-23	348,995	392,548	352,500	193,168	178,000
Sep-23	342,673	385,239	350,000	192,673	179,975
Dec-23	340,333	381,060	347,000	193,319	180,000

Note: The data for June, September and December 2023 is provisional and subject to revision for 12 months after the first publication date.

Appendix Two – Transaction Data

	House Sales	Flat Sales
Dec-13	882	229
Mar-14	1,007	229
Jun-14	894	223
Sep-14	973	226
Dec-14	895	216
Mar-15	1,040	257
Jun-15	1,046	245
Sep-15	1,080	230
Dec-15	1,109	248
Mar-16	1,099	245
Jun-16	1,156	240
Sep-16	1,167	261
Dec-16	1,180	249
Mar-17	1,265	257
Jun-17	1,310	269
Sep-17	1,339	250
Dec-17	1,329	253
Mar-18	1,386	248
Jun-18	1,341	253
Sep-18	1,352	257
Dec-18	1,404	288
Mar-19	1,396	325
Jun-19	1,389	342
Sep-19	1,435	322
Dec-19	1,467	315
Mar-20	1,462	306
Jun-20	1,356	287
Sep-20	1,314	283
Dec-20	1,356	273
Mar-21	1,445	305
Jun-21	1,624	348
Sep-21	1,635	303
Dec-21	1,604	351
Mar-22	1,735	394
Jun-22	1,676	432
Sep-22	1,593	469
Dec-22	1,541	424
Mar-23	1,394	409
Jun-23	1,297	351
Sep-23	1,226	328
Dec-23	1,077	317

Note: The data for June, September and December 2023 is provisional and subject to revision for 12 months after the first publication date.

Appendix Three – Local Mortgage Lending Data

	£'000
Dec-14	1,907,203
Dec-15	1,816,615
Dec-16	1,711,874
Dec-17	1,718,420
Dec-18	1,532,327
Dec-19	1,479,171
Dec-20	1,578,982
Dec-21	1,617,876
Dec-22	1,723,182
Dec-23	1,674,556

Note: From 2021, mortgage lending data has been recorded annually instead of monthly, as it was previously.

Appendix Four – Affordability Ratios

	Average House Price to Average Salary	Median House Price to Median Earnings	18-25 year olds
1989	7.24	7.02	
1990	6.60	6.07	
1991	6.05	5.55	
1992	5.46	5.26	
1993	5.20	4.70	
1994	5.23	5.04	
1995	5.10	4.90	
1996	5.08	4.68	
1997	5.24	4.87	
1998	5.44	5.11	
1999	5.99	5.67	
2000	7.00	5.44	
2001	7.25	5.97	
2002	7.70	6.40	
2003	8.13	7.32	
2004	8.62	8.94	
2005	9.17	9.45	
2006	8.52	9.00	
2007	9.41	9.68	
2008	9.72	10.38	
2009	9.30	9.69	
2010	9.21	9.75	
2011	8.96	9.66	12.83
2012	8.24	9.00	11.72
2013	7.97	9.12	11.61
2014	7.89	8.72	11.36
2015	7.54	8.93	10.99
2016	7.54	8.78	9.90
2017	7.14	8.59	9.65
2018	7.40	8.37	9.17
2019	7.37	8.57	9.68
2020	7.62	8.89	9.81
2021	9.02	10.04	10.84
2022	8.55	9.97	11.35
2023	8.10	9.09	10.76



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