



Mortgages in Jersey

The Jersey Market

The summer holiday break in Jersey seems to have lasted a long time this year – a reflection perhaps of more disposable income in many Islanders’ pockets than has been seen for several years. This is encouraging people to take a holiday in the sun, rather than a “staycation”, with indifferent weather! With children now back to school, it is likely that we will see increased activity in the Jersey market, which, according to The Jersey House Price Index, has had a positive year to date, with transaction levels up year on year. Good news indeed and sign of a confident market place.

Best Rates* Pick of the Bunch

(% loan to property value/price)

60%	Tracker	0.99%
60%	2 year fixed	1.14%
60%	5 year fixed	1.59%
85%	Tracker	1.24%
85%	3 year fixed	1.74%
85%	5 year fixed	2.14%
90%	Tracker	1.84%
90%	5 year fixed	2.74%
100%	5 year fixed	4.74%
60%	BTL 2 year fixed	1.69%
60%	BTL 5 year fixed	2.49%
60%	Interest Only variable	2.24%

* Rates correct at time of printing

There has been no change in any of the 180 plus mortgage products that are currently available from Jersey lenders during the past month, which isn’t surprising when you look at just how low interest rates have fallen.

Whilst restrictions on borrowing placed by some banks can be tight, it is rare Brexit and the falling pound have reopened the debate on when Bank of England Base rate is likely to rise, although there is nothing concrete upon which economists can pin their projections. The latest media comments suggest that economists do not expect UK interest rates to rise until 2019, at which stage there might be a modest increase of 0.25%, which will have an impact on the rates that are currently available.

The last time that interest rates rose was in July 2007, a rise by a quarter of a percent to 5.75%. The following month, the credit crunch struck and so began a series of cuts, down to 0.50% in March 2009 and then the last panic cut to 0.25% in August 2016, following the Brexit referendum outcome.

The basic facts are that nobody knows when a rate rise is likely to happen, and perhaps the sensible advice is not to stress about rising rates that may happen at some future point when thinking of buying property, but to get on with life, enjoying the best rates that most of us will ever see in our lives. Of course, you can always hedge against medium to long term interest rate rises, by fixing now, with products available for up to 10 years.

Review your finances

We are experiencing an increasing number of clients with a large deposit from the sale of property in the sub £1m mark and with higher incomes and career prospects now venturing in to the £1m plus bracket. It may be more than just coincidence therefore that more higher value properties seem to be coming on to the market. With a 40% deposit, The Mortgage Shop is able to source income multiples of up to 7 x joint gross income, or bespoke interest-only mortgages specifically to the borrower’s expectations, with flexibility over the interest rate, term, repayment of capital, etc., so putting the borrower in greater control of their future.

for all the moves you make...



the mortgage shop

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Your home is at risk if you do not keep up with repayments on a mortgage or other loans secured on it

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