

The **Base Rate** has increased to

0.75%

The Best Rates...

Best Rates - Pick of the Bunch

(% loan to property value/price)

60%	Tracker	1.19%
60%	2 year fixed	1.54%
60%	5 year fixed	1.89%
60%	10 year fixed	2.49%
85%	Tracker	1.62%
85%	3 year fixed	2.14%
85%	5 year fixed	2.09%
90%	Tracker	1.79%
90%	5 year fixed	2.39%
95%	2 year fixed	3.49%
95%	5 year fixed	3.89%
100%	5 year fixed	4.74%
60%	BTL 2 year fixed	1.69%
60%	BTL 5 year fixed	2.49%
60%	Interest Only variable	2.49%

* Rates correct at time of printing
BTL = Buy to let mortgage.

Mortgages in Jersey

After months of deliberation and much media comment, the Bank of England finally increased Base Rate to 0.75% at the beginning of August, a rise of 0.25%.

For the past two years, The Mortgage Shop has encouraged clients to lock into a fixed rate, with the vast majority choosing a five year option, whilst a number have fixed for seven or even ten years. This precaution has paid off and will continue to offer security when rates increase further, as is now being predicted.

Those of our clients who preferred to stay with a variable rate, or a shorter term fixed rate, generally did so either because they thought that the gamble was worth it, or because they were looking for short term funding and wanted to avoid the payment of large penalties that can apply to longer-term fixed rates. The mixed messages that are being sent out by the Bank of England and the media suggest that there will be further rate increases to come at the end of this year and in the lead up to Brexit. Although, there is also a warning that adverse economic conditions at some time in the future, could result in the upward trend being reversed.

Property in Jersey

Despite it being full on summer holiday season, there is no let-up in the demand for mortgage funding, to help sustain the local property market. A lesson that many prospective purchasers are being cruelly taught, is that they should not go away from a viewing thinking that the property that they have just fallen in love with will still be on the market in a week's time, because it is highly likely that it won't!

The Mortgage Shop handles dozens of appointments every week, offering free advice on what potential purchasers can sensibly borrow. With lenders offering income multiples that range from 4.5 up to 7 times' gross income, there are a lot of options

from which to choose. The simple message to anybody thinking of buying in the current vibrant market, is to do their research before they even start to view properties. It is surprising how many of our clients arrive in our offices with a complete misconception of how much they can borrow – sadly some are disappointed, although many discover that they can in fact achieve a much higher level of borrowing which gives them access to a completely different part of the market. The joy of seeing the faces of our clients who thought that they could only afford a two-bedroom flat, to then discover that they can in fact buy a house, is tangible and very rewarding for our mortgage team.

TO BE ADDED TO OUR MONTHLY BULLETIN LIST, PLEASE SEND YOUR REQUEST TO : kerrie@mortgageshop.je



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