



Looking for a larger home? Time to pop in for that chat...

The Best Rates...

Best Rates - Pick of the Bunch

(% loan to property value/price)

60%	Tracker	1.39%
60%	2 year fixed	1.39%
60%	5 year fixed	1.84%
60%	10 year fixed	2.49%
85%	Tracker	1.82%
85%	3 year fixed	2.04%
85%	5 year fixed	2.14%
90%	Tracker	1.94%
90%	5 year fixed	2.34%
95%	2 year fixed	3.29%
95%	5 year fixed	3.59%
100%	5 year fixed	4.74%
60%	BTL 2 year fixed	1.69%
60%	BTL 5 year fixed	2.49%

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

The Property Market

This year has been exceptionally busy for everybody involved in the property market, and it is only now, with an end to the summer holidays and a return to work that things have started to slow down. This in turn means that the pressure on prices has reduced, which is not a bad thing, considering the significant increases in selling prices that were recorded earlier this year, and which were surely unsustainable.

Mortgages in Jersey

There have been five changes in our Best Rates chart this month, with only two nudging up by a few basis points, whilst three have been marginally reduced. This is yet again a clear indication that the market is stable for the time being, although the outcome of Brexit presents a very real threat to this stability as the deadline of March 2019 approaches.

What happens next? The Bank of England have maintained that any future increases in base rate are likely to be at a "gradual pace" and to a "limited extent", which can be interpreted in a number of ways. Certainly, if Britain ends up with no deal and the economy takes a nose dive, rates are just as likely to fall again, as they are to rise. The general consensus however, is that Brexit will move forward in some form or other and this will result in gradual increases of 0.25% during the next few years.

In comparison to ten years ago, mortgage interest rates are a fraction of what they used to be and a whole new generation of borrowers has grown up without experiencing the trauma of interest rates rising to double digits. With a buoyant local economy, any increases, especially for homeowners who have locked into fixed rates, are unlikely to be felt for several years and should be cushioned by rising salaries.

An interesting by product of higher property prices is that many house owners are daunted by the prospect of spending several hundred thousand pounds to upgrade to a larger property with extra bedrooms they are instead staying put and building extensions or generally upgrading their existing homes at a fraction of the cost. Paying for home improvements is usually done by releasing equity from the property and this in turn will give the owners the opportunity of thinking about a remortgage to another lender, frequently at a significant saving on what they are currently paying – why not give the team at The Mortgage Shop a call on 789830?

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



the mortgage shop

Tel: **789830**

31 Broad Street, St Helier, Jersey, JE2 3RR

www.mortgageshop.je info@mortgageshop.je

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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