



The Bank of England warns that post pandemic growth in the UK economy may be responsible for a sharp increase in inflation, taking it past the 2% target, which would normally trigger an increase in Base Rate.

Forecasts, however, suggest that the surge will be short lived and that there would be no reason why an increase from the current record low of 0.10% should be considered. This is still worrying, as we can only assume that Base Rate will have to rise, if inflation does not fall as predicted.

FIXED OR TRACKER

In taking on a mortgage, borrowers can opt for either a fixed rate or one that tracks Base Rate. Although, it remains the sensible option for the foreseeable future to lock into a fixed rate and fortunately there remains a good choice from all mortgage providers from which to select.

HELP FOR FIRST TIME BUYERS

With recent announcements by the Government of Jersey showing that First Time Buyers have not been forgotten, a significant amount of work will have to be undertaken by the new Housing Minister and his team before this essential part of our population can reap the benefits.

Why are they essential? Because a healthy housing market needs First Time Buyers transacting, to allow existing owners to trade up to the higher value homes.

Essential also, because having fewer non homeowners in retirement, can help to reduce the burden and huge expense on the Government who might otherwise have to provide a roof over their heads, in the form of social housing.

Despite the shortage of suitable property to buy, First Time Buyers have an interesting choice of mortgage products from which to choose, although it is important that they are researched carefully to ensure they cover both their existing, as well as future, expectations.

WHAT IS AVAILABLE?

Apart from a 100% mortgage being available, where a guarantor with cash or property is required to support the

application, The Mortgage Shop is also able to advise upon 95% and 90% mortgages, along with short term facilities that can enable people to develop building plots.

On top of this, the Government has its own 'Homebuy Scheme', which is a more complex form of property ownership, whereby 25% of the property value is retained in trust, by either the Government or the Parish in which the property is situated. This retention is effectively the deposit, that would otherwise be required. The lenders that participate in these schemes can sometimes treat the retention differently, by still asking for a deposit. They can also restrict their overall lending on a development, to avoid too great an exposure.

FIRST TIME BUYERS GUIDE

Any First Time Buyer lucky enough to be in a position to buy a property, either flat or house, could well find the lead up to the purchase quite daunting. For this reason, The Mortgage Shop has prepared a First Time Buyers' Guide, designed to answer most of their questions and provide the buyer with a clearer understanding of the process ahead of them. We can then help organise the mortgage, lawyer, life assurance and all the other essentials, in the lead up to the purchase.

Should you wish to receive a copy of our First Time Buyers' Guide, or to know how much you could borrow, please contact our offices to arrange a free initial consultation on 789830 or email info@mortgageshop.je

Fixed or tracker

Our pick of the best interest rates this month also include examples of the 100% and the 95% products available.

Pick of the Bunch
(% loan to property value/price)

60%	2 year fixed	1.04%
60%	5 year fixed	1.29%
60%	7 year fixed	1.49%
60%	2 year tracker	0.99%
85%	2 year tracker	1.34%
85%	2 year fixed	1.39%
85%	5 year fixed	1.73%
80%	10 year fixed	2.50%
90%	2 year tracker	1.94%
90%	2 year fixed	1.89%
90%	5 year fixed	2.04%
95%	2 year fixed	3.79%
95%	5 year fixed	3.89%
100%	5 year fixed	4.24%
60%	BTL 2 year fixed	1.64%
60%	BTL 5 year fixed	2.08%

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



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