



## Best Rates For June

60%	5 year Fixed	1.80%
75%	2 year Tracker	2.05%
80%	10 year Fixed	2.50%
85%	2 year Tracker	2.29%
85%	2 year Fixed	1.80%
85%	5 year Fixed	2.10%
90%	2 year Tracker	2.59%
90%	2 year Fixed	1.94%
90%	5 year Fixed	2.15%
95%	2 year Fixed	3.84%
95%	5 year Fixed	3.89%
100%	5 year fixed	3.99%
60%	BTL 2 year Fixed	1.85%
60%	BTL 5 year Fixed	2.45%

Rates correct as at 01/06/2022 BTL = Buy to let mortgage

# MARKET UPDATE

**Estate Agents tell us that the local market is still very active, although it is suggested that house prices are no longer rising at the unprecedented levels that we had witnessed in the past eighteen months, with the average price of dwellings sold in the first quarter of this year sales being just 4% higher when compared with the last quarter of 2021.**

The year was slow to start, with turnover being 31% lower than the last quarter in 2021. It is likely that this figure will reduce by the time the June figures are published.

### HIGH DEMAND

It is clear from the number of appointments that we are seeing at The Mortgage Shop, that demand still exists, especially in the First Time Buyer and Buy to Let sectors, where many sales are taking place on property priced at up to £500,000.

### MARKET LEVELLING OFF

In recent weeks, our mortgage advisers have also noticed that more transactions are completing at slightly reduced asking prices, which is an indication that purchasers are now negotiating more positively, whilst vendors recognise that they need to be flexible to achieve a sale.

Looking at an online site, at the time of going to press, there were 172 property listings at prices up to £500,000, which

was an increase from last month, as was the increase to 538 for properties across all sectors of the market.

### INFLATION AND INCREASING BASE RATE

Discussion on galloping inflation continues in the financial press and it is suggested that this figure will rise above 10% later this year, which will prove to be a challenge for the Bank of England's Monetary Policy Committee (MPC), who meet regularly to discuss policy.

The next two meetings of the MPC are scheduled for 16th June and 4th August and increases to Base Rate are almost inevitable, with the suggestion that everybody should be prepared for further rises to 2% by year end. There is an expectation that it won't stop there, with Base Rate moving to 3%, possibly 4% in the next year or two after that.

### A RISE TO 5%?

There is further comment that to tame inflation effectively, Base Rate

will have to surge as high as 5%, as Britain faces the worst inflation crisis of any Western country. Raising rates aggressively could prove the best chance to avoid a recession.

The decisions of the Bank of England will inevitably have an impact on the property market as a whole, although with sensible budgeting, existing mortgage borrowers should be able to manage the future increases they will experience as their fixed rates come up for review.

Buyers will need to look very carefully at their future budgeting and this will inevitably have an impact on house prices in the next few years.

The Mortgage Shop rates comparison this month shows increases where appropriate with, for the first time last month's shown in brackets. With rising rates, we continue to suggest a five-year fix is generally recommended, and our team of professional mortgage advisers will be pleased to help if you call them on 789830.

**HERE TO HELP** *As always, if you want to review your current mortgage rate, or understand your borrowing options for a new mortgage, our team at The Mortgage Shop are here to help. Please call 789830, or email us on [info@mortgageshop.je](mailto:info@mortgageshop.je)*



**the mortgage shop**

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