

Thinking of trading up? Time to pop in for that chat...



The Jersey Market

Best Rates - Pick of the Bunch

(% loan to property value/price)

60%	Tracker	1.19%
60%	2 year fixed	1.38%
60%	5 year fixed	1.84%
60%	10 year fixed	2.39%
85%	Tracker	1.39%
85%	3 year fixed	1.89%
85%	5 year fixed	2.09%
90%	Tracker	1.79%
90%	5 year fixed	2.44%
100%	5 year fixed	4.49%
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

There have been more changes in our Best Rates chart this month, with four product rates reducing and two increasing – in all cases the changes have been in the range of one to twenty basis points, which suggests that lenders are making adjustments to achieve a competitive edge rather than for any reason associated with Bank of England base rate rises.

However, just because mortgage rates are at an all-time low, it doesn't mean that borrowers should be complacent – base rate rose to 0.50% in November last year and many commentators have been predicting a further rise to 0.75% by May this year. High inflation figures were blamed for the last increase, although in the ensuing months, inflation has fallen, but probably not enough to prevent a further rise, either in May or possibly later in the year.

The latest market projections show a third increase, in late 2018 or early 2019, rising to 1.25% during the course of 2019, which means a total increase of 0.75% during the next eighteen months.

Time to panic? Probably not if you are already locked into a fixed rate, with high early repayment penalties. If you are in a variable rate, or a tracker rate, or planning to raise a new mortgage during the course of this year then a fixed rate, for a minimum of 5 years is probably good option

It is anybody's guess whether this level of activity is sustainable, as there is not enough property being placed on the market to match current demand. This is great news for anybody who now decides to sell, as they will be able to take advantage of rising prices, but it does raise a question as to where it will leave First Time Buyers.

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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