

**First Time Buyers** should not despair as recently introduced mortgages can help them to get on to the property ladder



**100%** Mortgages Available

**& 95%** Mortgages Available

## The Best Rates...

### Best Rates - Pick of the Bunch

(% loan to property value/price)

60%	Tracker	1.14%
60%	2 year fixed	1.49%
60%	5 year fixed	1.89%
60%	10 year fixed	2.49%
85%	Tracker	1.39%
85%	3 year fixed	1.89%
85%	5 year fixed	2.09%
90%	Tracker	1.69%
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.

## Jersey House Price Index

Due to the shortage of stock that is coming onto the market, house prices are on the rise as evidenced not just by the Jersey House Price Index which is published quarterly, but also by what clients tell us on a daily basis, which in turn is confirmed by both estate agents and professional valuers.

## Mortgages in Jersey

The market is now predicting the Bank of England will raise its Base Rate to 0.75% later in 2018, possibly as soon as August after weak economic data and falling inflation caused delays in the anticipated interest rate rise in May. The Bank of England's own forecast suggests that there will still be at least three interest rate rises between now and 2021, although it must be remembered that virtually every forecast in relation to Base Rate has been incorrect for the last 10 years!

Our chart this month shows three interest rates which have reduced slightly whilst five have remained the same and four have increased. These changes are attributable more to lenders jockeying for position in the market place, although the ripple effect of increased Base Rate at sometime in the future, might also be having a modest impact.

First Time Buyers will continue to struggle to get their foot on the property ladder, although if parents or close relatives are unable to help with contributing towards a deposit, several lenders are able to offer an alternative option with 95% or even 100% mortgages.

The 100% facility is expensive at 4.74% with a rate that is locked in for 5 years and there is a requirement for the borrower to have a relative who owns a local property and is able to act as a guarantor.

If a 5% deposit is available, then there are four mortgage options which are available, with the best of these being a 2-year fixed at 3.49% and a 5-year fixed at a very reasonable 3.89%.

Whilst it is always best advice to lock into a fixed rate for as long as possible, there is a good argument in the current rising market for borrowers to take the 2-year fixed rate and then review their situation at the end of that time, when they have not only paid down a certain amount of the outstanding mortgage but also may have seen the value of their property increase. This will then give them access to lower rates, based upon their greater loan to value margin.

**TO BE ADDED TO OUR MONTHLY BULLETIN LIST, PLEASE SEND YOUR REQUEST TO: [kerrie@mortgageshop.je](mailto:kerrie@mortgageshop.je)**



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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