



The Bank of England's Monetary Policy Committee meets on the first Thursday of each month to discuss amongst other issues, the level at which Base Rate will be set. This decision then impact upon the interest rates, that mortgage lenders charge for their products.

LOW BASE RATES

Since the start of the World Financial crisis over ten years ago, low Base Rates have meant that anybody purchasing property has benefited from extremely cheap mortgages which are currently in the range of between 1.49% and 3.99%, depending upon the level of deposit that is put down against the purchase, and the lender that a borrower selects.

Base Rate currently stands at 0.75%, having been held at that level for the past twelve months, although there is now much discussion as to what is going to happen once a decision has been made about Brexit.

THE IMPACT OF BREXIT

To date, most people living offshore have tended to ignore the financial implications of Britain's departure from Europe, although as the truth dawns that big things are going to happen to the UK in the next few months, we should all be aware that we will inevitably feel the impact in the Channel Islands as well.

The impact is likely to extend from reduced food and consumer supplies, to restrictions on travel at ports of entry. Although, more importantly could be what will happen to the property market and the low interest rates that we currently enjoy.

LATEST DECISION ON BASE RATE

Following the August meeting of the Monetary Policy Committee, the Bank of England confirmed that Base Rate at 0.75% would remain. This key rate is constantly under review, in a financial climate that cannot be predicted until the shape of Brexit becomes clearer.

What is apparent, is that no matter what happens with Brexit, Base Rate and therefore mortgage interest rates are unlikely to change significantly in the short to medium term, irrespective of whether they rise or possibly even fall.

LATEST DECISION ON BASE RATE

The best advice to all prudent borrowers has always been to consider locking into a five-year fixed rate where a 10% deposit can access 2.29% whilst a deposit of 40% can reduce this rate to 1.81%. These rates can fall further to 2.09% and 1.49% respectively if a variable tracker were to be chosen instead, although is it really worth taking the risk?

Planning to move this year?



The Best Rates...

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

60%	Tracker	1.49%
60%	2 year fixed	1.50%
60%	5 year fixed	1.81%
60%	10 year fixed	2.64%
85%	Tracker	1.69%
85%	3 year fixed	1.99%
85%	5 year fixed	2.09%
90%	Tracker	2.09%
90%	2 year fixed	1.89%
90%	5 year fixed	2.29%
95%	2 year fixed	2.89%
95%	5 year fixed	3.49%
100%	5 year fixed	3.99%
60%	BTL 2 year fixed	1.69%
60%	BTL 5 year fixed	2.30%

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



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