In the most talked about decision in recent months, the Bank of England decided, at its meeting at the end of January, to hold base rate at 0.75%, a level at which it has remained since August 2018.

In the days and weeks before this meeting, there had been much speculation that Base Rate would have to fall based upon the poor performance of the economy in the lead up to the General Election. Projections for the British economy for this year, however, suggest that one will see modest growth and it is this that no doubt resulted in the Bank deciding to keep the key rate unchanged.

This decision will be reviewed every month, which means that there is no guarantee that the rate will not fall later this year if the economy falters.

CLOSER TO HOME, the property market slowed toward the end of last year, which was understandable as we all witnessed history in the making. With all of that now behind us it is encouraging to see so many home movers now making the decision to trade up to larger properties, so freeing up flats and houses for First Time Buyers, many of whom are being supported by family to provide the essential deposit funds that are needed.

For those who do not have a large deposit, it is possible to obtain both 95% and 100% mortgages, although we have found the take-up on these to be much lower than expected, due in part to the higher interest rates that are charged and also their somewhat limited scope. These products are there for a reason though and form part of a much wider range of mortgage options which embrace residential mortgages, buy to let and commercial facilities.

JERSEY is served extremely well by the small number of mortgage providers who help to sustain what can generally be described as a buoyant housing market, although changing expectations of the borrowing public mean that lenders must always look to improve and modify not only their product range but also their lending criteria.

This is easier said than done, as all mortgage lending on both sides of the Channel is controlled by UK regulators, whose restrictions are in place to ensure that borrowers do not default on their mortgage.

It has been apparent in recent months that some lenders are slowly modifying their operations to provide more user-friendly products. Extending loan terms to a maximum of 40 years, increasing income multiples, permitting overpayment on fixed rates with no penalty, taking into account overtime and bonuses, requesting only two years trading figures for self employed applicants and much more, and this is great news for anybody who already has a mortgage or is thinking of getting onto the property ladder.

The Best Rates...

Other good news is that one local mortgage provider has aggressively reduced some of their fixed rates as shown in our comparison table and it will be interesting to see if this challenge will be taken up by the other lenders in the next four weeks.

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

60%	Tracker	*1.49%*
60%	2 year fixed	*1.28%*
60%	5 year fixed	*1.65%*
60%	10 year fixed	*2.74%*
85%	Tracker	*1.74%*
85%	3 year fixed	*1.99%*
85%	5 year fixed	*2.03%*
90%	Tracker	*2.19%*
90%	2 year fixed	*1.94%*
90%	5 year fixed	*2.29%*
95%	2 year fixed	*2.99%*
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.

the mortgage shop

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