



## Since the Island started to emerge from lockdown less than two months ago, our team at The Mortgage Shop has been exceptionally busy, keeping up with the unexpectedly high level of demand for mortgage advice.

Enquiries have been received from buyers across all levels of the market, with many people having already found a property they hope to buy. Some even doing so before checking that they can obtain the necessary mortgage!

It is interesting to hear from clients how the events of this year have changed their lives forever, in respect of their working environment. With many now having the opportunity to work from home for part or the whole of their working week, possibly on a permanent basis.

This is likely to have a noticeable impact on the expectations of homebuyers, who will no doubt be looking for larger houses that can accommodate a dedicated home office area.

### WITHDRAWAL OF MORTGAGE PRODUCTS

It is understandable that lenders have been cautious about the sustainability of the economy in the current climate, and this has resulted in the withdrawal of a number of mortgage products, and a reduction in the higher loan to value mortgages available with some providers. Fortunately, there is still a good choice of mortgage products available, although finding them can sometimes require the expertise of a mortgage broker, such as The Mortgage Shop.

### FIRST TIME BUYERS

Sadly, First Time Buyers may have suffered most. Saving diligently for a deposit, has always been a challenge, especially when they still have to cover the cost of their normal monthly outgoings.

Until recently, many people in this category have been lucky to receive financial help from family or close relatives but this support might not be so forthcoming as older members of the population now prefer to hold on to their cash reserves in order to survive any unknown financial challenges that lie ahead, as a result of covid-19.

With cautious lenders withdrawing low deposit or no deposit mortgages, the goal posts have been moved yet again, although the forecast fall in property prices in both the UK and Jersey has not materialised, so it's realistic to assume that these changes will be short lived.

The best advice for First Time Buyers therefore is to hang in there and save as much as possible, as lending opportunities will hopefully get better.

### MORTGAGE INTEREST RATES

The Monetary Policy Committee of the Bank of England meets this month to review, amongst many other matters, the Base Rate which currently stands at 0.1%.

There is great speculation at the moment that Base Rate might be moved into a negative position, helped no doubt, by comments in recent weeks from the Governor of the Bank that this could be an option.

If this were to happen, then we will find ourselves in uncharted waters.



## The Best Rates...

There have been noticeable changes in the mortgage rates that are available from Jersey lenders. While some have been withdrawn and replaced by higher priced options, this has not altered the fact that the cost of borrowing is still exceptionally low.

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

60%	2 year fixed	1.14%
60%	5 year fixed	1.34%
60%	7 year fixed	2.03%
75%	2 year tracker	1%
85%	2 year tracker	1.34%
85%	2 year fixed	1.44%
85%	5 year fixed	1.80%
90%	2 year tracker	1.59%
90%	2 year fixed	1.69%
90%	5 year fixed	2.09%
60%	BTL 2 year fixed	1.64%
60%	BTL 5 year fixed	2.40%