



The Jersey property market remains buoyant, with sales taking place at all levels, although higher value transactions and the mortgages to which they are linked, have increased noticeably since the beginning of the year.

This high level of activity has taken everybody by surprise and flies in the face of the gloomy forecasts which were being made only a few months ago. Our team at the Mortgage Shop is receiving dozens of enquiries every week from buyers and borrowers who have both the deposit and the sustainable income to enable them to make quick decisions and offers. Due to market pressure, it is frequently the asking price which is agreed upon, although we still occasionally hear of price reductions.

LATEST HOUSE PRICES?

Statistics Jersey have confirmed an increase in property prices of 7% in each of the past two years, with an additional 4% so far this year, which translates into new mix adjusted figures of:

1 bed flat	£268,000
2 bed flat	£439,000
2 bed house	£537,000
3 bed house	£634,000
4 bed house	£1,067,000

This is great news for anybody selling, although First Time Buyers in particular, aren't going to be inspired by these figures. The only consolation being that whilst the official statistics provide an accurate summary of market activity, they do not drill down to show the difference between newly built flats and houses and the much cheaper "second hand" part of the market.

Fortunately, the local economy, which is predominantly reliant upon the finance sector, has remained reassuringly busy and this is reflected in the current high activity in the housing market. The key element, however, is that due to potential future demand, prices will inevitably continue to rise, as there may not be sufficient properties coming onto the market to satisfy that demand.

PAYMENT HOLIDAYS

Mortgage lenders were quick to introduce payment holidays at the start of the lockdown, initially for three months and then extended until October 31. This may have been a saving grace for many families struggling on a reduced income, and it is hoped that lenders will continue to be supportive for those who still need help.

FIXED RATE COMING TO AN END?

If your mortgage rate is coming to the end of its fixed term, it is worth seeing what is available from other mortgage lenders before committing to a new option from your current lender. The team, at the Mortgage Shop receives many enquiries each week and, whilst we cannot always offer a better solution, it is still very rewarding to see how much we can save some of the borrowers who contact us. Or at the very least, provide them the assurance that they have already secured the best option.

The Mortgage Shop continues to interpret and analyse the full range of mortgage products that are available from every lender in the Island, ensuring that buyers and borrowers are matched to the best options that are available.



The Best Rates...

Mortgage interest rates have remained unchanged this month, with some extraordinarily low options available - the market leaders being the 1% tracker for 75% mortgages at one end of the scale and the 5-year fixed option at 2.09% at the other end.

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	1.00%
85%	2 year tracker	1.29%
85%	2 year fixed	1.44%
85%	5 year fixed	1.79%
90%	2 year tracker	1.59%
90%	2 year fixed	1.69%
90%	5 year fixed	2.09%
60%	BTL 2 year fixed	1.35%
60%	BTL 5 year fixed	1.95%

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



the mortgage shop

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