



## BASE RATE RISE

### Best Rates For January

60%	2 year Fixed	1.04%
60%	5 year Fixed	1.29%
60%	7 year Fixed	1.79%
75%	2 year Tracker	1.14%
85%	2 year Tracker	1.44%
85%	2 year Fixed	1.39%
85%	5 year Fixed	1.75%
85%	7 year Fixed	1.89%
90%	2 year Tracker	1.63%
90%	2 year Fixed	1.88%
90%	5 year Fixed	1.99%
95%	2 year Fixed	3.79%
95%	5 year Fixed	3.94%
100%	5 year fixed	4.24%
60%	BTL 2 year Fixed	1.54%
60%	BTL 5 year Fixed	2.39%

Rates correct as at 04/01/2022 BTL = Buy to let mortgage

### The Bank of England's worst kept secret eventually broke cover in mid-December with the announcement that Base Rate was going to be increased to 0.25%.

This rate remains historically low, although economists expect there to be at least two more increases during 2022, peaking at 1% or thereabouts. The next meeting of the Bank of England's Monetary Policy Committee will be 3 February 2022, leaving plenty of time for the media to keep us all entertained with their projections and authoritative forecasts.

Base Rate is the rate that the Bank of England charges commercial banks and lenders when borrowing money, which in turn influences the rates they charge their customers to borrow money, and the interest they earn on any savings they deposit.

#### OUTSIDE INFLUENCES

The increase was prompted by official statistics that showed Inflation rising at the fastest rate for more than a decade. The increase is designed to dampen price rises, by encouraging saving and discouraging borrowing,

thereby taking cash out of the economy, and slowing things down.

The problem lies with the UK remaining subject to so many larger global influences that continue to drive up prices, such as fuel and energy costs, upon which the UK is so dependant.

#### FIXED IS BEST

Our team at The Mortgage Shop continue to maintain the stance that a fixed rate mortgage is best advice. Although, current fixed rate mortgage holders should not become complacent as they will need to anticipate increases in their repayments at their next review when their current fixed rate expires.

Faced with this reality, borrowers would be wise to focus on putting aside any savings they are currently making. The accumulated funds could then be used to subsidise the future

increase or reduce the outstanding debt at the time of review, to counterbalance the possible increase. In the interim, the savings can provide a valuable "rainy day" fund in the event of short-term emergencies.

#### FIRST TIME BUYERS

The Mortgage Shop remains committed to supporting First Time Buyers, having introduced our own First Time Buyers guide which is now available to collect from our Reception.

2022 should see several new build developments near completion, and the year is already starting off very well as the pages of places.je are already featuring over 100 properties in the price range up to £500,000.

#### BEST RATES

Our Best Rates listing this month is the first to record a noticeable increase at all levels since March 2020. Despite the increases, these rates are still very low - in particular, the seven- and ten-year fixed rates are now starting to look attractive.

**HERE TO HELP** *As always, if you want to review your current mortgage rate, or understand your borrowing options for a new mortgage, our team at The Mortgage Shop are here to help. Please call 789830, or email us on [info@mortgageshop.je](mailto:info@mortgageshop.je)*



**Tel: 789830**

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