



## Best Rates For July

60%	5 year Fixed	1.98%
75%	2 year Tracker	2.30%
80%	10 year Fixed	2.99%
85%	2 year Tracker	2.54%
85%	2 year Fixed	2.30%
85%	5 year Fixed	2.28%
90%	2 year Tracker	2.59%
90%	2 year Fixed	2.54%
90%	5 year Fixed	2.53%
95%	2 year Fixed	3.84%
95%	5 year Fixed	3.74%
100%	5 year fixed	4.49%
60%	BTL 2 year Fixed	2.35%
60%	BTL 5 year Fixed	2.65%

Rates correct as at 06/07/2022 BTL = Buy to let mortgage

# MARKET UPDATE

**The local housing market remains active, although pressure from buyers post Covid has fallen away slightly, allowing prices to level out a little. This is not necessarily a bad thing, as prices across most sectors of the market were rising at an unsustainable pace.**

### PRICES STABILISE

With this return to relative normality, it is unlikely that we will witness the kind of major reductions that might happen in the UK, given their market is influenced by a range of totally different factors.

Any increases in overall market prices are likely to be modest, and it will be interesting to see the results of the States' Statistical Unit's House Price Index for Q2 of the year.

### FIRST TIME BUYERS RELUCTANT TO COMMIT

It is apparent that First Time Buyers, who have until recently been active, may now be holding back, as worries about increasing mortgage costs are a concern. Whilst home movers seem to be less impacted, perhaps due to their increased disposable income to

cover any future rises, or their prior experiences of interest rate rises in the past.

### MORE RELAXED LENDING CRITERIA

Post Covid, we have seen some quite radical changes in lending criteria applied to mortgage applications in Jersey. The more relaxed attitude that is being shown by some lenders has enabled borrowers to increase the level of mortgage they can access. Although, this has probably been partially responsible for the surge in property prices during the past eighteen months.

It is uncertain how much longer this situation will continue, as galloping interest rates may have a high impact on the affordability calculations used by the mortgage providers.

### IMPORTANT TO SEEK ADVICE

As always, the recommendation from the Mortgage Shop team is for borrowers to urgently review the interest rates they are paying, and the point at which their fixed rate options come up for review – just because you are locked into a fixed rate doesn't mean that you should not consider the options that might currently be available to you.

Our 5-minute reviews are available at our offices on the corner of Church Street, without the need to book an appointment, between 12.00 and 14:00 every day of the week.

Our Best Rates comparison will no doubt have changed by the time of publication – but The Mortgage Shop continues to recommend a minimum of a 5-year fixed rate.

**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)*



**the mortgage shop**

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