



Summer holidays usually offer respite for everybody in the property market in Jersey, although transactions at all levels have continued to keep estate agents, lenders, valuers and lawyers busy, despite the short supply of property across the whole range.

This level of activity is good for the Island, as the beneficial effect of these transactions will ripple down through the economy, providing essential income by way of stamp duty and land transfer tax for the Government of Jersey, and seemingly unlimited employment and opportunity for everybody from carpet fitters, plumbers, carpenters, builders, and architects to building suppliers and home retail outlets.

HOUSE PRICE INDEX

Estate agents and purchasers tell us that things are now starting to slow down with some purchasers struggling to find a suitable property to buy inside of twelve months, as prices have rocketed due to the demand, and fewer people are choosing to place their property on the market. The most recent House Price Index has recorded an increase of 18%, when compared to Quarter 2 of 2020, and this trend shows no sign of slowing, with the latest average prices recorded as:

- 1 bed flats £315,000
- 2 bed flats £494,000
- 2 bed houses £566,000
- 3 bed houses £806,000
- 4 bed houses £1,277,000

Whether the market can continue to support these prices remains to be seen, with these latest figures not good for First Time Buyers who have struggled for years to find reasonably priced property to purchase.

DELAYS IN THE PROCESS

Some lenders currently have a backlog that has been caused by holidays, working from home and illness, and this is causing delays which are frustrating, but unavoidable.

The time that it used to take from having an offer accepted by an estate agent, to completion through the Royal Court, used to be between four and six weeks, although we now advise our clients to work on a six to eight week lead in.

If a purchaser needs a mortgage, the standard procedure is for the lenders to receive an application, approve it and to then instruct a professional surveyor to undertake a valuation for mortgage purposes - there aren't many local surveyors, so they are always very busy. With the valuation completed, and if the property stands up to scrutiny, not only in respect of market comparisons, but also structure, good repair and with no significant faults or concerns, the mortgage offer is then issued.

Vendors and their agents will usually try to push for a shorter lead in period, although it is worth remembering just how much work that goes in to a transaction – the estate agent, lawyers acting for the purchaser as well as the mortgage provider, the surveyor who undertakes the bank valuation, as well as any specialist reports, if called for, and so on – added to this list could be a duplicate number of people looking after the vendor's sale and possible new purchase and mortgage.

Should you wish to receive a copy of our First Time Buyers' Guide, or to know how much you could borrow, please contact our offices to arrange a free initial consultation on 789830 or email info@mortgageshop.je

Best of Rates

Our pick of the best interest rates this month, remain exceptionally low, with little change since August.

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

60%	2 year fixed	0.99%
60%	5 year fixed	1.29%
60%	7 year fixed	1.49%
60%	2 year tracker	0.99%
85%	2 year tracker	1.34%
85%	2 year fixed	1.39%
85%	5 year fixed	1.73%
80%	10 year fixed	2.50%
90%	2 year tracker	1.94%
90%	2 year fixed	1.89%
90%	5 year fixed	2.04%
95%	2 year fixed	3.79%
95%	5 year fixed	3.89%
100%	5 year fixed	4.24%
60%	BTL 2 year fixed	1.44%
60%	BTL 5 year fixed	2.08%

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



the mortgage shop

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