



Best Rates For February

60%	2 year Fixed	1.34%
60%	5 year Fixed	1.59%
60%	7 year Fixed	1.79%
60%	10 year Fixed	1.99%
75%	2 year Tracker	1.30%
85%	2 year Tracker	1.44%
85%	2 year Fixed	1.54%
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	3.89%
100%	5 year fixed	4.24%
60%	BTL 2 year Fixed	1.54%
60%	BTL 5 year Fixed	2.09%

Rates correct as at 03/02/2022 BTL = Buy to let mortgage

MARKET UPDATE

BASE RATE INCREASE

On 3rd February, the Bank of England announced a second rise in Base Rate to 0.50%. This came as no surprise as economists have been predicting that the Bank had no alternative but to introduce this increase, as a preventative response to inflation figures that showed prices rising at the fastest pace for more than 30 years.

MORE INCREASES TO FOLLOW

It likely that this increase will not be the last for this year, with a Base Rate of 1% possibly being reached by year end. This is not good news for existing borrowers, or for home buyers needing a mortgage, although these increases are relatively small, and whilst they will be passed on by mortgage providers, the actual impact on monthly borrowing costs should be relatively small.

PROPERTY DEMAND LIKELY TO CONTINUE

It is likely that demand for property will continue to outstrip availability of stock and the realisation that loan servicing costs remain extraordinarily low will continue to drive the market.

Despite the attention seeking headlines that we will no doubt see in the media in the coming weeks, warning that the cost of borrowing has gone through the roof, borrowers should be reminded that it wasn't too long ago that mortgage interest rates were well into double figures. 2022 looks to be another busy year - even if Base Rate does break through the heady threshold of one whole percentage point.

BAN ON NEW SHARE TRANSFER

In a ministerial decision last month, the Government decided that newly built residential properties can no longer be sold via share transfer. Designed to address the fact that it has until now been possible for apartments on newly constructed developments to be sold to non-residentially qualified individuals, who were then letting them out to qualified tenants.

It was felt that this was denying First Time Buyers access to these properties, although in reality the number of units that were lost to non-local buyers was probably not as high as had been suggested.

Originally created in the mid 1960's, share transfer was thought to be the ideal solution to split large properties on the outskirts of town into bedsits and one-bedroom flats, then available for purchase by First Time Buyers, but the concept then continued through to new developments.

EXISTING OWNERS DO NOT NEED TO WORRY

Existing owners of share transfer apartments do not need to worry about these changes, as they will be unaffected when they come to sell.

THIS MONTHS' BEST RATES

Our comparison of interest rates this month was updated at the time of going to press, although most lenders are likely to introduce changes to their tracker and fixed rates during the course of February.

Trackers will rise by 0.25%, shorter term fixed rates are likely to increase too, whilst some lenders might decide to reduce their longer term seven and ten year fixed rates.

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*



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