



Mortgage market update

At its policy meeting on 4th August, the Bank of England increased Base Rate from 1.25% to 1.75%, endeavouring to restore balance between the demand and supply of goods and services. As inflation continues to creep even higher, it is predicted that Base Rate could well reach 3.3% by the end of 2023.

NO SEASONAL SLOW DOWN THIS YEAR

Traditionally, this is the time of the year when property transactions start to slow down, while everybody is on holiday. This is not however the case this year, and despite fewer new instructions being given to Estate Agents, The Mortgage Shop team are as busy as ever.

There has been a noticeable increase in activity once again, in the First-Time Buyer market, as well as Buy to Let investors, whilst transactions at the upper end of the market may have slowed slightly.

At a recent Property and Mortgage event held at the Radisson, everybody was surprised not only by the volume of people in attendance, but also the very positive attitude that many had about the prospect of buying property in the future.

AN ACTIVE PROPERTY MARKET

Looking at the pages of one of the most popular online property sites, there were 726 listings – these will inevitably include duplication, although this remains a clear indication of an active market, with the great news that 211 of these

listings were for properties under £500,000, which should appeal to First Time Buyers. In respect of new builds, significant developments are nearing completion on the Waterfront and in several town locations, such as Merchant Square and the Hotel de France, although their higher prices may mean that they could be out of reach for many First-Time buyers.

With the prospect of ever-increasing interest rates across the whole market, we would have expected activity to have slowed by now, although there might still be a reaction now that Bank of England have further increased Base Rate.

DELAYS IN MORTGAGE PROCESSING

We regularly hear about delays occurring when new customers try to book meetings with local mortgage providers. This may have become particularly noticeable in recent months given the difficulties many firms are experiencing when trying to recruit staff locally.

This can impact not only a bank's customer facing teams, but also their back-office staff who process the mortgage applications.

The Mortgage Shop are usually able to accommodate new enquiries at quite short notice, and this could reduce the lead in time for many purchasers who can also benefit from being able to consider all lenders via just one source.

BEST RATES

Our Best Rates comparison this month will inevitably be out of date within several weeks, although it again shows an upward trend, which is inevitable.

We really like the 5-year fixed rates and also recommend the 10 year fixed if borrowers don't plan to move for the foreseeable future.

Best Rates For August

60% 5 year Fixed	2.85%
80% 2 year Tracker	2.44%
80% 10 year Fixed	2.99%
80% 2 year Fixed	2.50%
80% 5 year Fixed	2.75%
90% 2 year Tracker	2.84%
90% 2 year Fixed	2.99%
90% 5 year Fixed	3.07%
95% 2 year Fixed	3.15%
95% 5 year Fixed	3.99%
100% 5 Year Fixed	4.49%
60% BTL 2 year Fixed	2.85%
60% BTL 5 year Fixed	3.20%

Rates correct as at 04/08/2022 BTL = Buy to let mortgage

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