



the mortgage shop

AUGUST 2025

With summer now here, activity in the local property market seems to have slowed, as potential buyers and sellers focus on family holidays and making the most of the sunny weather. This seasonal downturn is nothing new and it is likely that the market will pick up again in the autumn.

JEAA SUMMARY

John Quemard, chairman of the JEAA says that agents are encouraged by the amount of enquiries being received - 'as house prices stabilise and interest rates become more attractive, there is confidence that the market is showing signs of recovery.' He emphasises however that "It is important that property prices must reflect market conditions and that if vendors are realistic with the asking price, this will undoubtedly translate into a sale."

CHANGES IN UNDERWRITING CRITERIA

In recent months, the UK financial regulators have allowed mortgage providers to relax the strict rules which dictate how much somebody can borrow when purchasing a property.

Due to their offshore independence, the mortgage providers in Jersey have loosely followed the guidelines since they were established in 2016, although they have been adapted to take into account local market conditions in respect of higher average income and significantly higher property values.

The influence of the current UK changes is slowly being felt in Jersey as some lenders start to adapt their underwriting criteria, and it is hoped that this will eventually impact on all lenders. This is great news for purchasers who can now afford to borrow more and is also welcomed by vendors who will be able to sell at a higher price

Sadly, there is always a downside which can easily be overlooked – improved lending criteria means that borrowers can raise a higher level of funding so encouraging vendors to hold out for higher selling prices than at present.

THE PROPERTY MARKET

With a record number houses and flats current on the local market, it is inevitable that sales will be more difficult to achieve unless vendors reduce their asking prices. It has been widely anticipated that when mortgage rates fall, the market will become much more active, although what is frequently overlooked is that some economists think that interest rates might not fall as quickly as is anticipated. Interestingly, there is a growing group of experts who maintain that Base Rate must fall six times by the end of 2026

BASE RATE REDUCTION

On 7th August the Bank of England base rate was reduced to 4% which is encouraging news for anybody looking for a mortgage, although the jury is out as to the type of product to select – from 2, 3- or 5-year fixed rates to a Base Rate tracker.



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PROPERTY TRANSACTIONS

An analysis of Royal Court transactions over a recent fortnight confirms a slowdown in the local market with 41 houses and flats changing hands – 9 of these being in excess of £1m. Share transfer transactions, details of which are not in the public domain, will add a further 25% or so to this number.

It is always interesting to check the activity on places.je, where at the end of July, there were 1782 houses and flats for sale which is virtually the same as last month.

Highlights include:

164 apartments priced up to £300,000, some with parking
437 apartments and houses in the range £300,000 to £500,000
329 apartments and houses in the range £500,000 to £750,000
344 apartments and houses in the range £700,000 to £1m
205 apartments and houses between £1m and £1.5m
83 apartments and houses between £1.5m and £2m
238 apartments and houses in excess of £2m

A parking space or better still a garage is a major asset in Jersey and recent transactions show that a space will command a price up to £40,000, whilst a garage will average at £60,000.

CURRENT BEST RATES

The impact of the latest reduction in Base Rate has yet to be felt, and our comparison chart for this month does not show much movement since the beginning of the year.

Product Type	July 2025	July 2025	Jan 2025
2-Year Tracker (60% LTV)	4.95%	4.95%	5.35%
2-Year Tracker (90% LTV)	5.15%	5.15%	5.79%
2-Year Fixed (60% LTV)	4.44%	4.44%	5.04%
2-Year Fixed (90% LTV)	5.04%	5.12%	5.54%
5-Year Fixed (60% LTV)	4.54%	4.54%	4.54%
5-Year Fixed (90% LTV)	4.94%	5.03%	5.09%

Rates correct at 07/08/2025