



Skipton International

# Guide to purchasing a property

Guernsey



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# Why choose Skipton International?

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At Skipton International we want to make purchasing a property as simple and as hassle free as possible. Why not let our friendly, dedicated mortgage experts support you through every step of your mortgage process from the initial enquiry all the way through to the property purchase. We can assist with purchases, equity release, change of ownership and remortgages. Here are just some of the reasons you should choose Skipton as your mortgage provider.



No Arrangement Fees



5 year Feefo\* Platinum award-winning customer service



Mortgages are transferable to new properties



Prompt lending decisions



No product fees when your existing rate matures



All lending decisions are made in Guernsey by our local underwriters



Personal point of contact throughout the application process



Simple Application process



Obtain an Approved in Principal decision within 10 minutes ([online](#) or over the phone)

We are well known in the market locally for our speed and efficiency in dealing with mortgage applications and have Guernsey based underwriters.

Submit your mortgage enquiry today and let the professional, knowledgeable team at Skipton take the stress out of purchasing your home.

\*An independent customer feedback service.

# Try our mortgage calculator

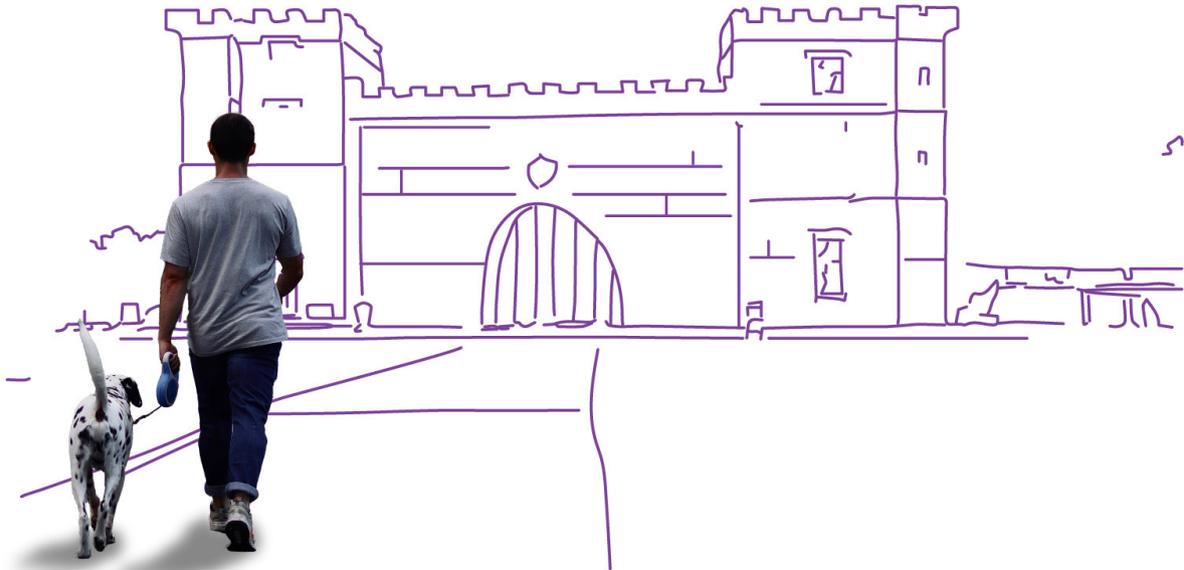
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By completing a few simple questions the calculator will provide an estimate of how much Skipton International might advance for a property purchase or remortgage in Guernsey, according to your individual circumstances.

Also, it provides an estimate of your selected mortgage's monthly repayment costs for each of our currently available mortgage products.

Please note that the mortgage calculator provides an estimate only and does not make any commitment on behalf of Skipton International. To receive a full mortgage offer for a property in Guernsey you will need to complete and return a full mortgage application together with the required supporting documentation.

Obtain an Approved in principle decision within 10 minutes by going to:  
[skiptoninternational.com/mortgages/guernsey/calculator](https://skiptoninternational.com/mortgages/guernsey/calculator)



# Property viewing checklist

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- Property address
- Asking price?
- Is the property local or open market?
- When was the property built?
- Is there allocated parking? If not is parking available?
- Does the property have a shared or private garden?
- Is the property energy efficient?
- Is the area noisy? Try visiting at different times of the day.
- Has the property undergone any recent works / maintenance.
- Where are the nearest shops?
- Where are the nearest schools?
- Is the property tied up in a chain?
- How quickly would the owners like to move?
- How is the property heated?

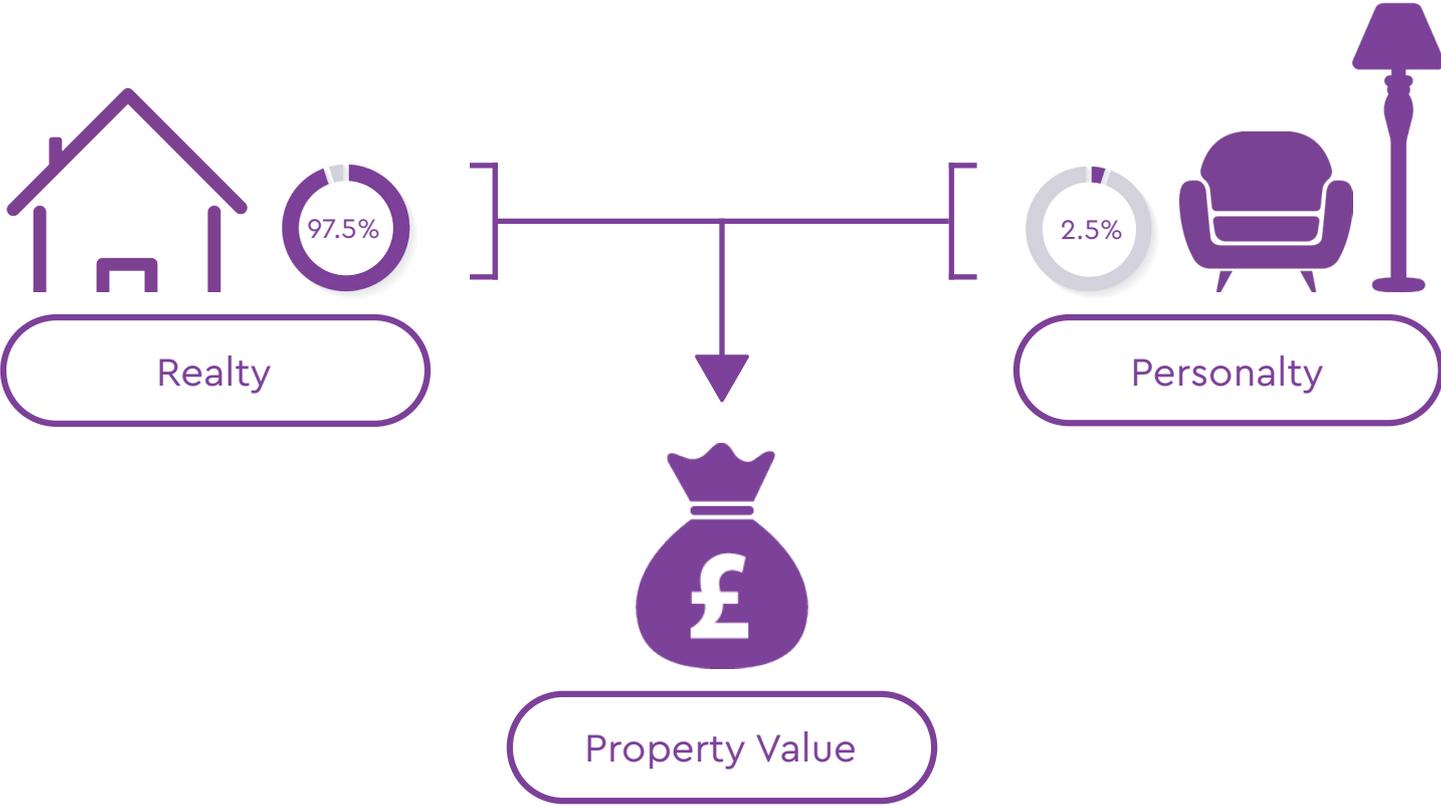
# A guide to mortgage costs and fees

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We understand that purchasing a property can be a complex and daunting prospect. This guide has been produced to help clarify the costs involved in purchasing a property in Guernsey.

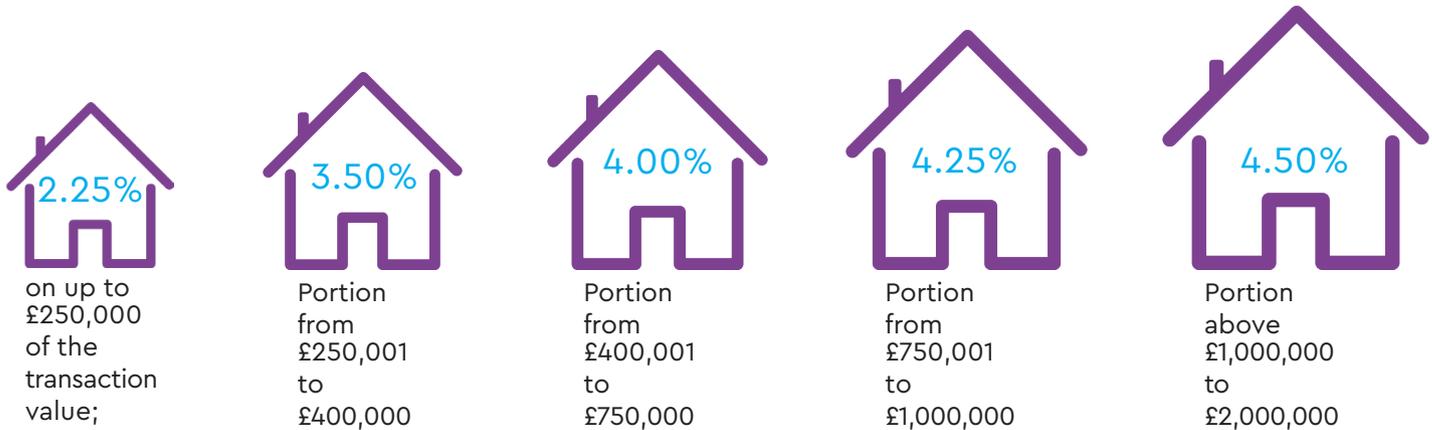
## Property Value – Realty and Personalty

The purchase price of a property is usually broken down between realty (which is the land and physical structure of the building) and personalty (which comprises of the contents, fixtures and fittings). Generally, this is split between 97.5% realty and 2.5% personalty. You can in some instances apply for a higher personalty allowance but this has to be arranged through your acting advocate.



## Document duty

Document duty is calculated based on the property's realty value. This is a form of tax payable to the States of Guernsey when purchasing a new property. From 1 January 2021 the following document duty charges will apply:



### Legal Fees

Legal fees vary based on the different legal firms and the property that is being purchased. For example an older property which has not been conveyed for 30 years will be more complex and take more time than a property which has been bought and sold a number of times. It is advisable to discuss your requirements with an advocate and obtain a quotation for their services.



### Bond and Court Fees

Security is generally taken over real property in Guernsey by means of a Bond which must be registered with the Greffe. The Bond value will match the amount borrowed from the bank and will remain in place until the mortgage with that lender is repaid. The Bond will be arranged and charged by the banks' nominated advocate. Your Skipton mortgage executive will be able to provide an indication of the relevant Bond and court fees.



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INTERNATIONAL**

### Application Fee

Outside of any promotion period, Skipton International will generally charge a fee for all purchases and remortgages. It is payable upon receipt of your Agreement in principle (AIP) decision from the underwriter following full assessment of your application. A valuation fee will also be charged.

# Property purchase cost overview

Below are the typical costs associated with purchasing a £450,000 property with a 90% mortgage.



\* Fee free is currently on offer. Subject to change without notice.

\*\* Limited offer. Free standard valuation. Exclusions may apply.

## Types of mortgages

### Fixed rate mortgages

With a fixed rate mortgage, you are guaranteed that your repayment will be exactly the same every month for the duration of the fixed rate term. Even if interest rates rise in the same period, your own mortgage interest rate will remain fixed. This can help you budget better on a monthly basis and offer you added security.

### Base Rate Tracker

With a tracker mortgage, your rate is directly linked to an independent rate such as the Bank of England base Rate (BoEBr) for a set period of time. Therefore, when the independent rate rises or falls, your monthly payments would rise and fall by the same margin. Skipton has introduced base rate floors in all tracker products which means your rate will not fall below the set floor regardless of the base rate at the time.

Check out Skipton International's latest rates here:

[skiptoninternational.com/mortgages/guernsey](https://skiptoninternational.com/mortgages/guernsey)

# Additional information to consider

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## Term

When taking out a mortgage it is important to consider how many years you wish to take the mortgage over. By taking the mortgage over the maximum term possible, you will increase the affordability i.e. maximise the borrowing amount but you also increase the amount you repay in interest.

By taking the mortgage over a shorter term, the interest amount is reduced. e.g. Borrowing £100,000 over 25 years at a rate of 5.99% will attract monthly payments of £643 and you will pay £149,748 in interest over the 25 years. Borrowing £100,000 over 35 years at the same rate will attract a reduced monthly payment of £569.19 but the interest payable increases to £209,647. These figures are for indication only.

## Early Repayment Charges

Should you choose to repay your mortgage in full prior to the early repayment date, an early repayment charge may be calculated against the total outstanding mortgage balance. Should you wish to make a partial repayment, the early repayment charge will be calculated on the repayment amount taking into consideration the overpayment allowance below.

Please refer to current rate sheet which will confirm the appropriate percentage that relates to the above products. No early repayment charges following the end of the product period.

## First Repayment

The first repayment will be higher than the usual repayments as it will also include the interest from the date the funds are released to the end of the month in which the completion of the mortgage takes place

## APRC

The annual percentage rate of charge (APRC) is the total cost of the loan expressed as an annual percentage. The APRC is provided to help you to compare different offers. The APRC is calculated using assumptions regarding the interest rate i.e. it uses the initial interest rate then assumes it will default to the Skipton International Residential Follow on Variable Rate for the remainder of the mortgage term.

The following costs are not known to the lender and are therefore not included in the APRC: Any legal or conveyancing costs associated with the loan or property this loan is to be secured on or other security to be provided to Skipton International. You will also need to pay a fee to register the Bond.

## Valuation Fee

For a limited time only, Skipton will cover the cost of the initial mortgage valuation. Should you substitute to an alternative property after the valuation has been completed, a valuation fee based on the appropriate Fee Scale will be payable. Please note this valuation is for Skipton's internal use to establish the suitability of the property for mortgage purposes. A copy of this valuation will be made available to you. If you require either a homebuyers or structural report, you will need to instruct this independently.

# Guernsey 100% Mortgage

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The Guernsey 100% Mortgage will allow you to borrow up to 100% of the value of the property being purchased in Guernsey. Buyers will need the support of a family member who is prepared to help them by providing a guarantee. The guarantee will be supported by a bond on a property in Guernsey. The guarantee will be equivalent to 20% of the value of the property being purchased.

## How much can be borrowed?

Up to £600,000 providing the borrower meets Skipton International's standard underwriting criteria.

## When can the Guarantee be cancelled?

The Guarantee will remain in force until the Loan To Value (LTV) on the borrower's property reduces to 90% or below. The calculation of LTV will be evidenced by a valuation from a valuer on Skipton International's approved panel. Also, a good repayment history must have been maintained for the preceding 12 months and the mortgage requirement remains within Skipton International's lending criteria.



## Do I qualify for a Guernsey 100% Mortgage?

The Guernsey 100% Mortgage is a mortgage facility that is supported by a guarantor which you must be able to provide. The guarantor must be a family member who owns their own home.

Once you are in a position to provide a guarantor, we will be able to carry out an affordability assessment on you to determine your maximum borrowing capacity. This is usually done in an appointment with one of our mortgage executives. They will discuss your circumstances, incomes and outgoings and enter this information into our affordability calculator. Once complete, the calculator will generate your maximum borrowing capacity.

The Mortgage Executive will also be able to offer an idea of what level of savings are required to cover the advocate fees, bond fees, document duty, court fees and lender fees. These fees must be covered by the applicant and evidence of the available funds will be required as part of a mortgage application.

Once issued with your agreement in principle you are then free to engage with agents and arrange viewings on suitable properties.

For further information please read our [Guernsey 100% Mortgage product guide](#).

Call our friendly mortgage team on 01481 734 000 for a personal mortgage illustration and a decision in principle on how much you could borrow or visit our [online mortgage calculator](#).

# Other ongoing costs to consider

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The previous pages outline example costs that are involved in the initial purchase of a property but there are other costs to consider once the property purchase has completed on top of the regular utility bills.



## TRP (Tax on Real Property)

This is the system used to assess the size of properties in Guernsey and is administered by the States of Guernsey's Cadastre Department. TRP is paid by all home owners on an annual basis. The rate is reviewed each year and is governed by the size of your property and the land on which it lies.



## Parochial Rates

Parochial rates are payable to the constables of your properties' parish and are generally paid annually. The amount paid can vary from year to year depending on parish expenditure. Your parochial rate is also determined by the TRP and helps to cover the cost of street lighting and other local services.



## Property Insurance

You will have to provide a sufficient buildings insurance policy, noting Skipton's interest, prior to completion. You may wish to also consider contents insurance which covers the cost of loss or damage to possessions within the property. Often, buildings and contents insurance policies can be combined.



## Personal Policies

Skipton International strongly recommends that you take independent financial advice in regards to life assurance, mortgage protection, critical illness, income protection etc.

# Guide to your mortgage

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## STAGE 1 – Underwriting

Our mortgage team will review your information and will start assessing your application and any supporting documents to build a picture of how you manage your finances.

We will look at a number of factors to ensure that you are able to afford the size of your requested loan, not only now, but over the course of your mortgage term. We will take into account your deposit, your incomes, outgoings, savings and any other financial commitments you may have.

Your additional supporting documents will be assessed to ensure they match the figures quoted on the application. All applicants are also subject to a credit search to ensure that there are no defaults or flags within your credit history that could affect your borrowing potential.

Once one of our underwriters has assessed your application and is confident that you will be able to meet the monthly repayments, you will be issued with an agreement in principle decision and requested to submit the application fee. Once this has been received, we then move to the next stage – a valuation of the property.



## STAGE 2 – Valuation

At this stage Skipton International will instruct an independent valuation management agency to arrange a qualified surveyor from their panel to carry out a valuation of the property.

Within the valuation they are checking that the property is priced correctly and is suitable security for mortgage purposes.

A surveyor will inspect the property outlining defects that could affect the value and then compare the property to similar ones, taking age, condition, construction and location into account. This information is used to write a valuation report specific to Skipton International's requirements.

Within the valuation they are checking that the property is priced correctly and is suitable security for mortgage purposes. For a limited time only, Skipton will cover the cost of the initial mortgage valuation. Should you substitute to an alternative property after the valuation has been completed, a valuation fee based on the appropriate Fee Scale will be payable.



### STAGE 3 - Offer

Once your valuation has been completed and submitted to our underwriters they will carry out any final checks before issuing you and the Advocate with an offer letter, which will also include a copy of your valuation report.

If your circumstances have changed for any reason or you wish to make any changes, this is your final opportunity to discuss them with our mortgage team. You will have been allocated a specific mortgage underwriter who will be able to assist you with any changes you wish to make prior to us issuing you with your mortgage offer letter.



### STAGE 4 - Completion

Once your Advocate has finalised all their checks on the property and the land on which it lies, they will agree a date to complete the purchase with the seller's Advocate at the Conveyancing Court. Meanwhile, draft Conditions of Sale will have been drawn up by the estate agent.

Conditions of Sale are the contract between the buyer and the seller and allow the parties to agree the terms of a sale ahead of the actual completion. Conditions of Sale are binding between you and the vendor(s) once the deposit has been paid. The deposit is usually held by the acting estate agent.

The Conveyancing Court in Guernsey sits every week on a Tuesday and Thursday. The Conditions of Sale are used by the purchaser's Advocate to draw up the actual conveyance document which will be witnessed by the Jurat in Court on the day of completion. Both you and the vendor or their representation will be in attendance along with your Advocate or Conveyancing Clerk.

Once completed, the Certificate of Title for the property will be forwarded by your Advocate to Skipton and the funds for your purchase will be released. Once the vendor has received the funds, the house purchase is complete and you are handed the keys to your new home.

**Congratulations, you are now a Skipton mortgage customer and new home owner!**

# Contact us

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Contact our Mortgage Team at Skipton International for a chat about what we can do to help you purchase your dream home.

## Mortgage Team

Guernsey



[mortgagesales@skiptoninternational.com](mailto:mortgagesales@skiptoninternational.com)



01481 734 000

## Useful links

Mortgage help:

[skiptoninternational.com/mortgages/help/](https://skiptoninternational.com/mortgages/help/)

Mortgage FAQs:

[skiptoninternational.com/mortgages/existing-mortgages-faqs/](https://skiptoninternational.com/mortgages/existing-mortgages-faqs/)

Mortgage forms and documents:

[skiptoninternational.com/mortgages/documents/](https://skiptoninternational.com/mortgages/documents/)

Guernsey Residential rates:

[www.skiptoninternational.com/media/rn1db1a5/guernseyresidentialrates.pdf](https://www.skiptoninternational.com/media/rn1db1a5/guernseyresidentialrates.pdf)

Meet the team:

[skiptoninternational.com/about-us/our-people/](https://skiptoninternational.com/about-us/our-people/)

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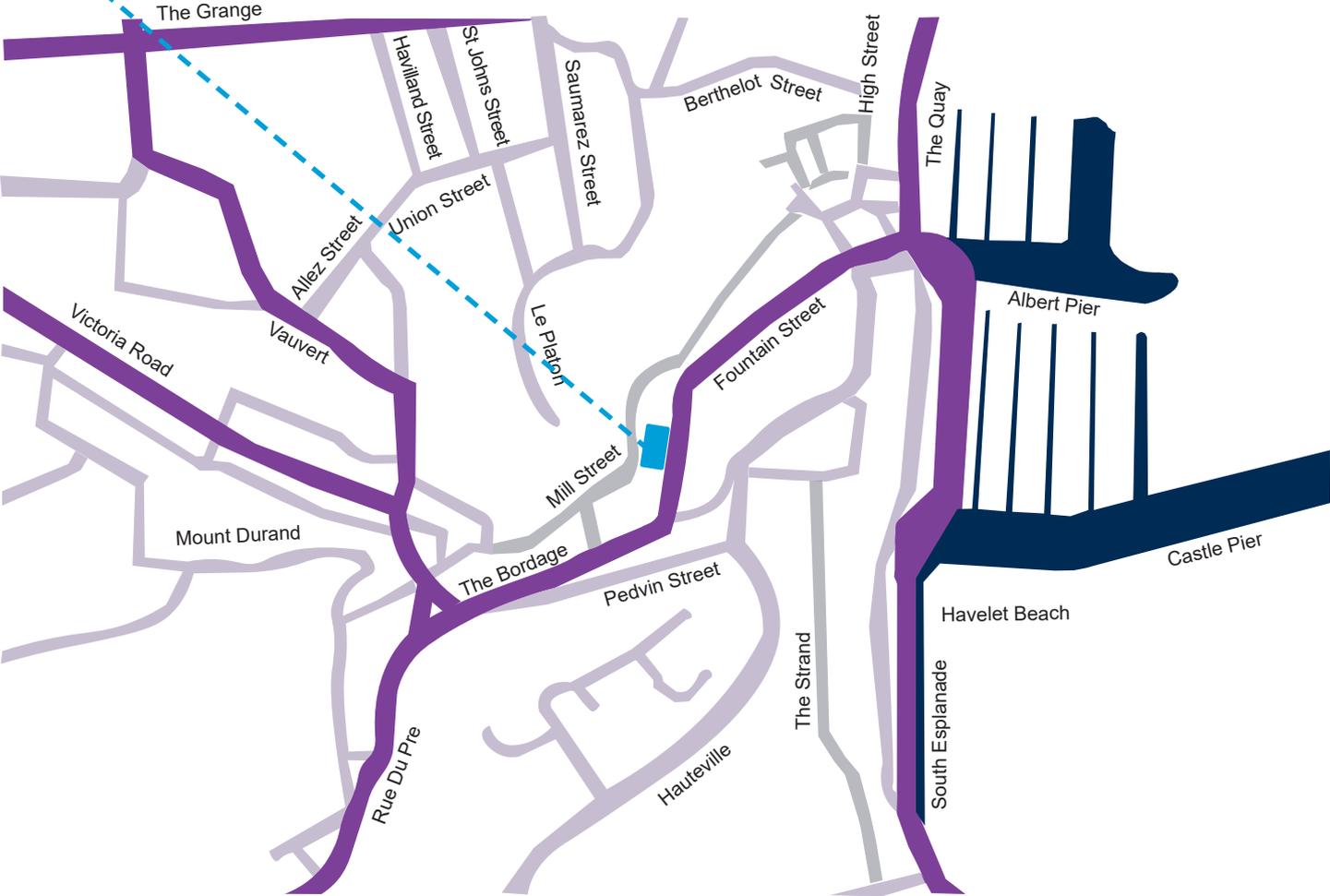
Our offices are open Monday – Friday from 08:30 – 17:00  
Telephone lines are open Monday – Friday from 08:30 to 17:00

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# Guernsey office



Skipton International Ltd, PO Box 509, Tudor House, The Bordage, St Peter Port, Guernsey, GY1 6DS





# SKIPTON INTERNATIONAL

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[skiptoninternational.com](https://skiptoninternational.com)

Skipton International Ltd, PO Box 509, Tudor House, The Bordage, St Peter Port, Guernsey, GY1 6DS

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

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All mortgages are subject to status and valuation. To maintain service and quality, telephone calls may be recorded.