

Survey success could 'shave thousands off document duty'

Entrepreneur says waiving mortgage fee would benefit local economy

HOME BUYERS are being urged to take part in a survey looking at the cost of document duty payable to the States on registration of a bond for a mortgage.

The man behind it said that, if successful, it could 'shave thousands of pounds off the cost of buying a home in Guernsey'.

The survey aims to find out where else home owners could have spent the money they paid on document duty.

Guernsey entrepreneur Paul Welch is behind the study.

Mr Welch spent 10 years in London, where he founded and built up financial services and technology businesses including largemortgageloans.com and millionplus.com.

He returned to the island last

year and started to look at the idea of waiving document duty to register bonds.

'Guernsey's mean local market house price is about £400,000,' he said.

'The mean income is £33,000. Do the maths and you will see that home buyers at every stage of the cycle are being squeezed by Guernsey's housing market - whether first-time buyers, growing families looking for more space or empty nesters downsizing.'

Document duty must be paid every time a home buyer registers a bond, including every time they move house, remortgage or change mortgage provider.

Mr Welch said that over a lifetime, these costs can become very significant and consumers in

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Guernsey deserve better. 'Mortgage holders generally don't end up changing their mortgage provider as it's not cost effective to do so,' he said.

'That means lack of choice and lack of competition in the mortgage market.

'The system needs to change so that consumers can be sure they're getting the best deals.'

He said that a portion of the enterprise fund announced earlier this year could be a viable way of picking up the shortfall from stopping document duty on bonds.

This move saw the States pay £25m. into a fund with the aim of investing in projects and compa-

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Paul Welch

nies with a Bailiwick focus.

'I applaud the spirit of the enterprise fund, but there's a wealth of enterprise already here that we also need to support,' said Mr Welch.

'Relieving home buyers of the burden of document duty would mean more money flowing through our economy and the money saved is likely to be spent elsewhere. Think of the benefits for local businesses. Tradespeople, shops, services - these are all like-

ly to benefit much more than the public purse.'

He is urging islanders to complete the survey, which comprises only four questions.

'I'd urge islanders to give us their views as the States need to know that abolishing this needless additional tax on home buying could make a really positive impact.'

■ The survey is at www.largemortgageloans.com/guernsey until the end of May.