BAILIWICK EXPRESS
GUERNSEY NEWS

Homeowners survey results are out, with calls for changes on bond fees

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A survey of homeowners has found more money would be spent with local businesses if the States of Guernsey were to waive the cost of registering a bond.

The survey was launched last month to examine the cost of document duty payable to the States on registration of the bond and – given the chance – where home buyers might otherwise have spent the money.

Paul Welch, Founder and CEO of largemortgageloans.com, said it has proven that more cash would lead to property improvements and spending elsewhere.

More than half (54%) of homeowners who responded said that, if they had not had to pay bond fees, they would have used the money to help towards the cost of buying their house. Outside of the cost of the home itself, proud homeowners were overwhelmingly in favour of spending the money on property improvements.

40% of those surveyed said they would have spent the money employing a local tradesperson to carry out internal home improvements. More than a third (36%) would have renewed or replaced fixtures and fittings such as a kitchen or bathroom and the same number (36%) would have spent the money on DIY home improvements. 28% would have made their home more economical to run, for instance through replacing the heating system or installing new windows and 27% would have bought items for inside their homes such as furniture.

Internal improvements were seen as the priority, but a fifth (21%) said they would spend the money on employing a tradesperson to carry out external improvements such as decorating or garden landscaping. One in ten (11%) would have spent the money on outside equipment such as garden furniture.

Just 11% of homeowners said that, if they were free of bond registration fees, they would save the money and only 4% would have splurged the money on something else entirely such as a holiday, clothes or luxury items.

Mr Welch said "Guernsey is an island of proud homeowners and it comes as no surprise to me that – if people were freed of the burden of bond fees – they would spend their hard-earned cash on improving their properties. This would lead to at least two direct, positive outcomes. Firstly, housing stock would be of a better quality and secondly, islanders would be putting more money into the economy through employing tradespeople and buying goods and services to improve their homes."

Pictured: Paul Welch

Mr Welch is now calling on the States to offer more flexibility in the mortgage market.

He said, "what's absolutely clear from the results of this survey is that homeowners in Guernsey are keen to see change. They're aware of these unnecessary fees, and would like to see more flexibility in transferring or changing their mortgages. At the moment, this isn't possible, but there's absolutely no reason why this can't change."

Mr Welch continued, "I'm asking the States to waive these fees, at least for a test period. There's £25 million sitting in an enterprise fund, aimed at investing in projects and companies with a Bailiwick focus. What is more Bailiwick focussed than giving homeowners more money in their pockets and local businesses a boost?"

The survey results were gathered between 2 May and 28 May 2018 with 280 survey respondents, representing more than 1% of Guernsey households.