



## Housing Market Update

There continues to be a degree of volatility in relation to lender's fixed rates. Initially during the month, we saw an increase in fixed rates due to SWAP rate increases (SWAP rates are the rates lenders pay to financial institutions in order to acquire fixed funding for a specific period of time). However, as the month has progressed, we have started to see SWAP rates decrease but there is little movement as yet with regards to lender's reducing their rates. With the news of inflation reaching it's intended target of 2% for the first time since 2021 and the Bank of England base rate predicted to reduce, there is a positive outlook for mortgage rates later this year although any changes are expected to be gradual.

In terms of lender criteria, the predominant trends we have seen relate to foreign nationals' policy with several lenders relaxing criteria in terms of loan to value. We have also seen several lenders relax criteria on temporary workers e.g. agency, contract workers. Lastly, the demand for joint borrower, sole proprietor cases appears to have increased with more lenders now not stipulating that the addition of an applicant onto a mortgage (but not on the housing deeds) does not need to be a family member but instead can be a friend or non-blood relative. With the challenges many applicants face in terms of affordability, this is expected to be of great assistance to many hoping to get on the property ladder!

### Rates

#### Residential

##### **Purchase:**

|                   |       |
|-------------------|-------|
| 2 year fixed rate | 4.67% |
| 5 year fixed rate | 4.23% |

##### **Re-mortgage:**

|                   |       |
|-------------------|-------|
| 2 year fixed rate | 4.81% |
| 5 year fixed rate | 4.36% |

#### BTL

|                   |       |
|-------------------|-------|
| 2 year fixed rate | 5.09% |
| 5 year fixed rate | 4.62% |

##### **Re-mortgage:**

|                   |       |
|-------------------|-------|
| 2 year fixed rate | 4.81% |
| 5 year fixed rate | 4.36% |

\*Rates are secured on application and can vary\*



### Did you know...

When obtaining a mortgage, a deposit is required, which represents a percentage of the property's value. The standard practice is for the borrower to contribute a portion of the property's cost, with the lender covering the remainder. For instance, if you secure a loan at 80% Loan-to-Value (where you pay 20% of the property value as a deposit) on a home priced at £250,000, your deposit would amount to £50,000. This initial requirement may seem daunting, given the high cost of properties.

While properties can indeed be expensive, deposits can now be as low as 5%. Even with a 5% deposit, competitive mortgage rates are available, making home ownership more achievable without needing a substantial upfront cash amount.

### Testimonial

Thanks to Lee's swift actions and excellent communication we managed to secure an amazing new mortgage rate. Lee has genuinely removed a huge burden for me! I really appreciate every call, every email and I can't recommend Lee Yardley highly enough. I would recommend him in a heartbeat.

- Mrs Dutton



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