

The logo for dwello mortgages features the word "dwello" in a large, bold, black sans-serif font, with "mortgages" in a smaller, black sans-serif font directly below it. The text is set against a background of a blurred door handle and key. A bright green abstract shape is behind the "dwello" text, and a pink curved line is below it.

dwello
mortgages

The text "Mortgages Snapshot" is in a bold, white sans-serif font, and "June 2023" is in a pink sans-serif font. This text is positioned in the lower right corner of the image, overlaid on a dark background that includes a green diagonal shape at the bottom right.

Mortgages Snapshot
June 2023

Snapshot Summary

June 2023

Dwello hunt down the right mortgages for our customers by being on the frontline of the mortgage market, tracking offers and rates across a broad range of lenders from high street banks to bespoke specialists. The following provides a summary of key trends from across the market in June 2023.

Despite the challenging environment, there is good news to be found in the data...

- Based on 85% LTV, following the June base rate increase of 0.5% average **purchase rates** have increased, **with the lowest deals at 4.90%**.
- Based on 85% LTV, following the June base rate increase of 0.5% average **remortgage rates** have increased, **with the lowest deals at 4.75%**.
- Monthly property transactions in May 2023 were **95,923, 15% lower than May 2022 and 3% lower than April 2023**.
- The average sale price in **Apr 23 increased to £286k from £285k in Mar 23**, however the latest report from Halifax shows a **large decrease in June, despite optimism in asking prices**.
- Remortgages substantially increased their dominance in the overall mortgage market **(40%) in 2023 Q1, which is to be expected given the current climate, the buy to let market also cooled off a little with a 2% fall from last quarter**.
- **A marked shift towards variable mortgages** as people i) come out of fixed rate deals and ii) remain optimistic that rates will fall back down in the coming year

Mortgages aren't just numbers, they're dreams and ambitions waiting to be realised.

Our ambition is to hunt down your [mortgage match](#).

Sit back and relax, our aim is to hunt down the right mortgage for you and your life.

If you're moving home, re-mortgaging or a buy-to-let investor, let us search a wide range of products from high street lenders to specialist providers, so we can find the right mortgage match for you.



WhatsApp
07714 597 081



Email
info@dwellomortgages.co.uk



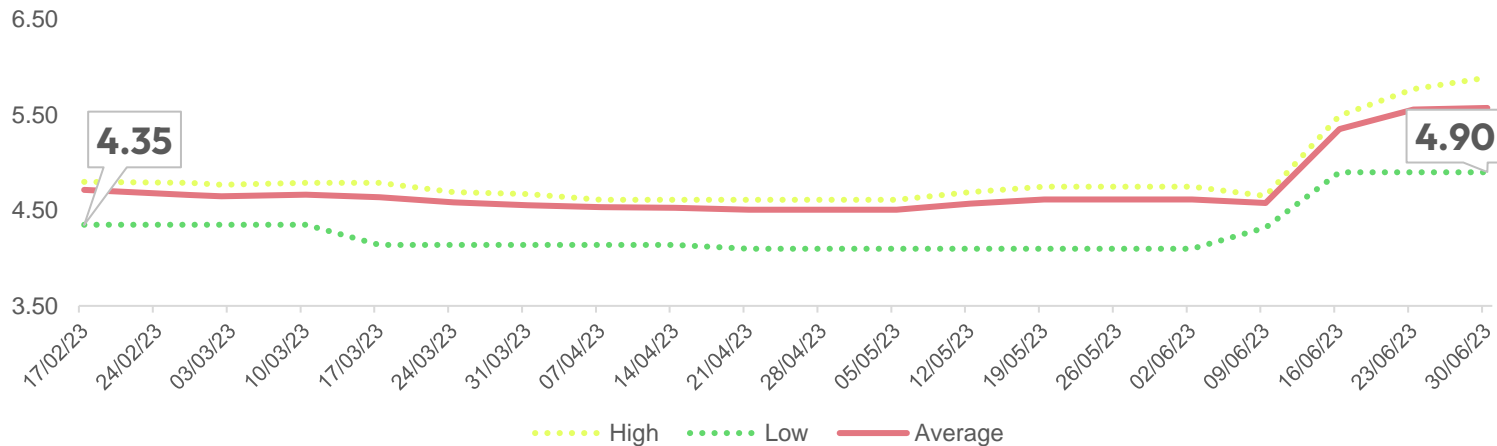
Phone
0333 533 0051



Dwello – Mortgage Rate Index (85% LTV Purchase)

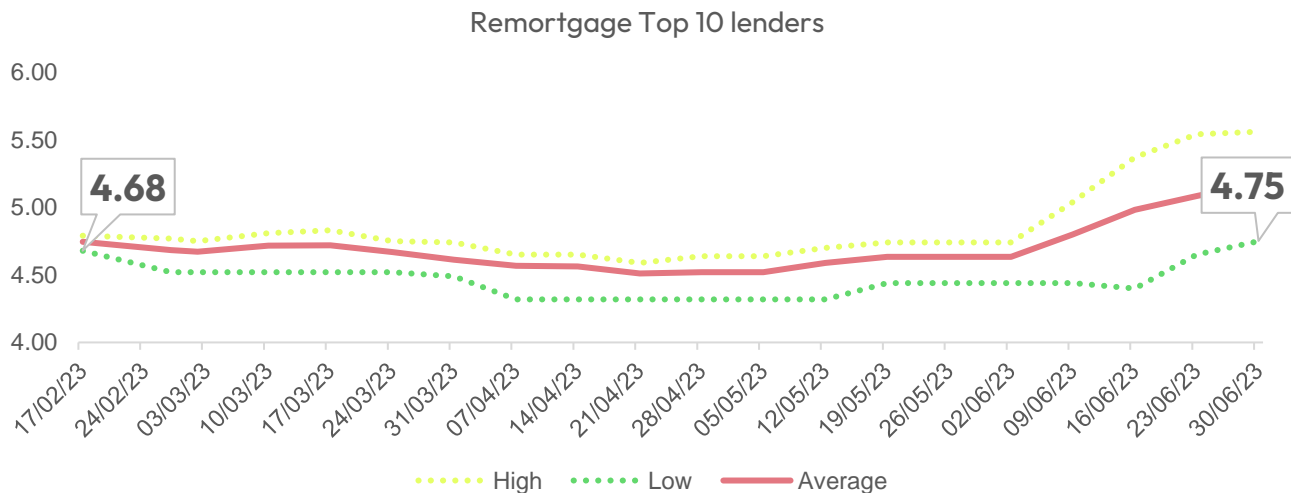
“Based on 85% LTV, following the June base rate increase of 0.5% average purchase rates have increased, with the lowest deals at 4.90%”

Purchase Top 10 lenders



Dwello – Mortgage Rate Index (85% LTV Remortgage)

“Based on 85% LTV, following the June base rate increase of 0.5% average remortgage rates have increased, with the lowest deals at 4.75%”



Our internal Dwello MRI is a weekly reflection of the rates we are tracking on a daily basis. The rates are based on the average UK home value of £294,559 (Sept 22 – changed annually), a 15% deposit, 2 years fixed rate, with a duration of 30 years.



The Lenders Pledge...

With large portions of the UK household market under increasing pressures to “make ends meet” in this financial crisis, mortgage lenders have now moved to pledge as ease on repayments in a short term strategy to alleviate financial tension from their cash strapped consumers.

The scheme is a projected six month conversion from a repayment mortgage to an interest only version where their customers will only service the interest of the loan they currently owe on their properties. This will dramatically reduce their monthly payments allowing them significant financial breathing room.

This policy has support all the way from Downing Street with Chancellor, Jeremy Hunt saying on Friday: "These measures should offer comfort to those who are anxious about high interest rates and support for those who do get into difficulty."

He also said: “The six-month flexibility on switching terms would not affect credit scores as it may have done previously.”

Lenders also agreed to a 12-month delay before taking repossession proceedings against borrowers unable, or unwilling, to pay over the long term. This comes after the BOE base rate has now reached 5% for the first time since April 2008.

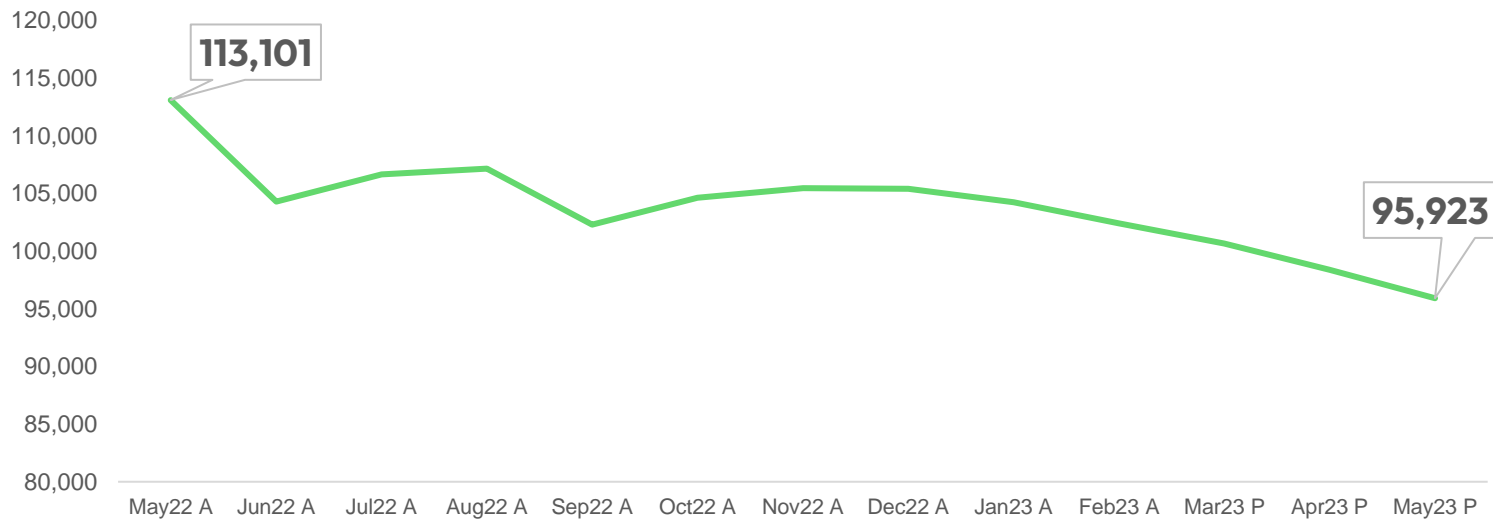
This comes as a great help to disillusioned home owners looking for a support in these testing times. If you have any questions about these changes please get in touch and Dwello Mortgages would be happy to assess and explain your current situation.

We are all in this together.

Residential transaction volumes

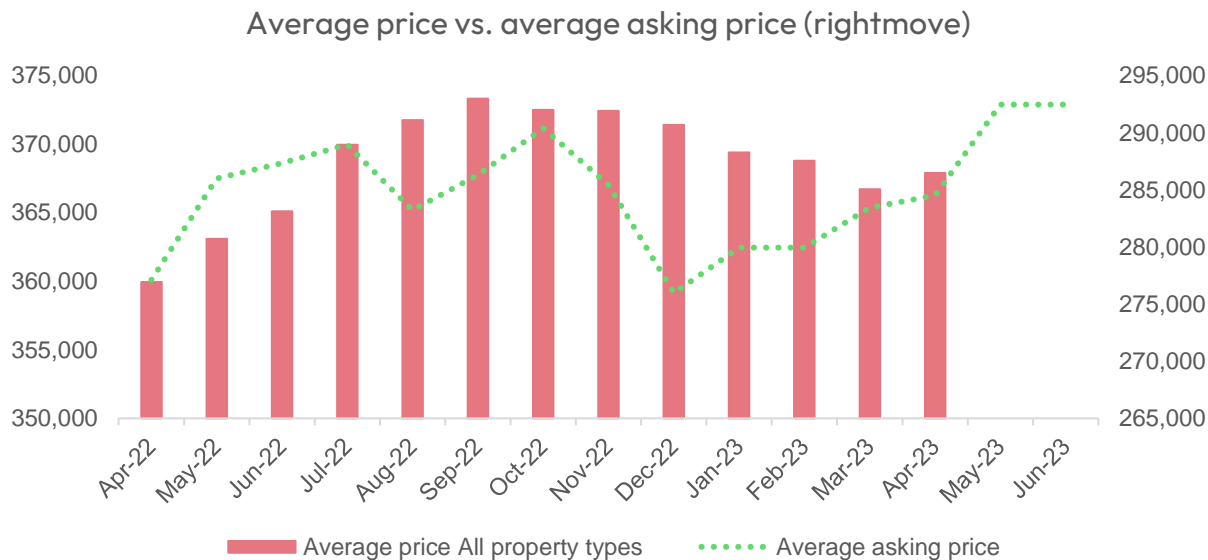
“Monthly property transactions in May 2023 were 95,923, 15% lower than May 2022 and 3% lower than April 2023”

LTM Residential property transactions completed in the UK



Residential transaction prices

“The average sale price in Apr 23 increased to £286k from £285k in Mar 23, however the latest report from Halifax shows a large decrease in June, despite optimism in asking prices”



The Buy-to-Let Conundrum...

The market has taken a turn for the worst in the eyes of landlords with the news that the average 2 year fixed product in the UK is sitting just below the 6% mark for the middle of June 2023.

Landlords are making their lowest profits for 16 years as interest rates rise, leading some to look to leave the sector. With the ones that remain, we are seeing BTL landlords unable to take the hit of ever increasing interest rates which have squeezed their margins over the last 6 months.

They are now having to pass this cost onto their tenants to comply with affordability thresholds. Borrowers have experienced more pain, with the Bank of England increasing rates for the 13th meeting in a row this month. The Bank's former governor Mark Carney has predicted interest rates would remain high "for the foreseeable future".

An interesting take from Savills explains data from the first three months of the year showed buy-to-let investors had already been squeezed, with net profits falling below 4% - the lowest since 2007.

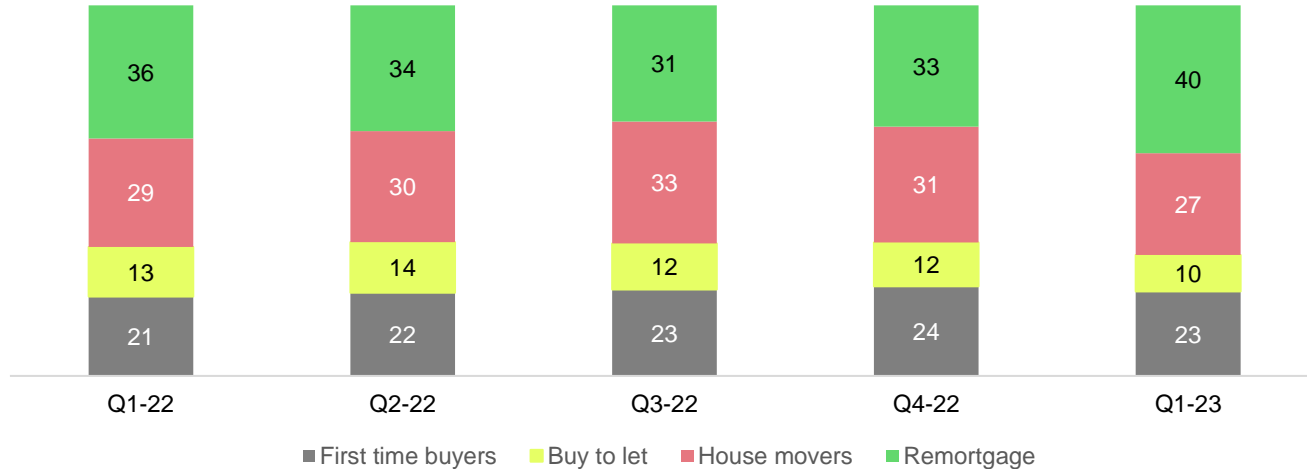
Where does this leave the BTL market? Speak with a broker today and discuss options before downsizing your portfolio as there are many ways to prove affordability, including top slicing based on current personal income to access cheaper rates or possibly investing more to bring monthly payments down in this ever-moving market.



Mortgage use

“Remortgages substantially increased their dominance in the overall mortgage market (40%) in 2023 Q1, which is to be expected given the current climate, the buy to let market also cooled off a little with a 2% fall from last quarter“

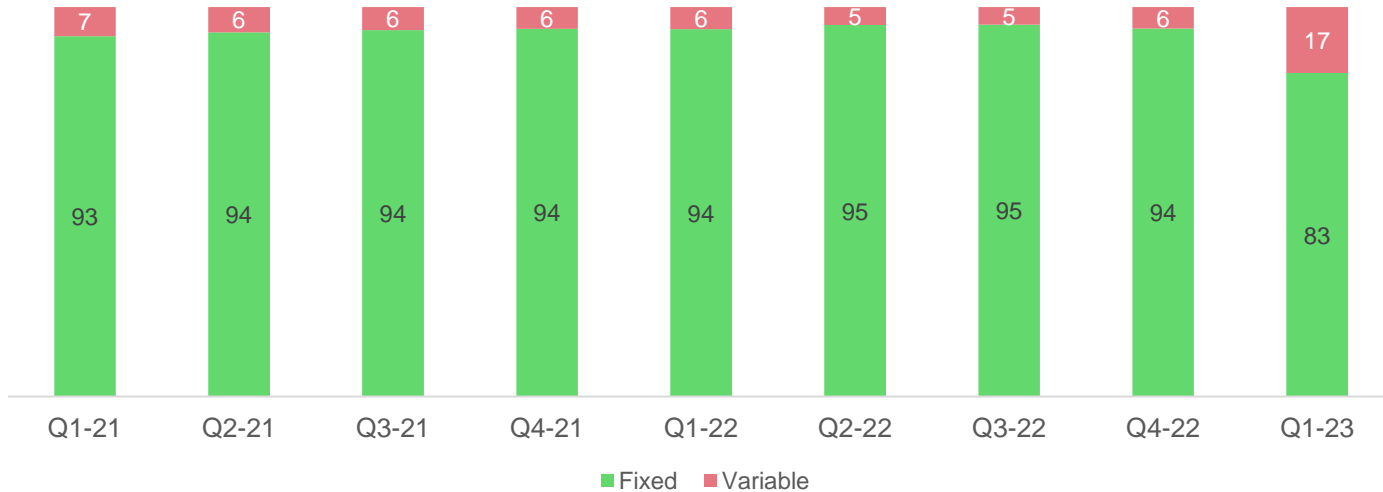
Loan purpose in %



Fixed vs variable

“A marked shift towards variable mortgages as people i) come out of fixed rate deals and ii) remain optimistic that rates will fall back down in the coming year”

Fixed vs variable in %





The 'Fixed Rate' product pull...

We have seen the majority of the market pulling their fixed rate products in fear of increasing interest rates based on a negative turn in the market.

With the stable UK mortgage product being a fixed term of over 2 or 5 years, many borrowers will find it increasingly challenging to find the correct deal with their current providers when it comes to re-mortgaging and also first-time buyers will have to be more prudent in finding the best deal to step onto the property ladder.

We have also seen the BTL market take a massive hit with an influx of landlords offloading their portfolios in acknowledgement of the difficulties in refinancing their investments.

An excerpt from the Guardian Online puts into perspective the climate of the current market: On Monday 5th June, the average rate on a new two-year fixed mortgage stood at 5.72%, according to figures from the financial data provider Moneyfacts, compared with 5.26% at the start of May. That difference means someone taking out such a deal now faces paying £648 more a year than someone who signed up to the equivalent just over a month ago, based on a typical £200,000 mortgage.

With even fewer of these products on the market it will really test current and potential homeowners to invest in a mortgage broker that can competently scour the market for the hidden mortgage product gems. With dwello mortgage we go the extra mile to secure our finances for our customers, so don't hesitate to get in contact.

Let us help get those keys in your hands.



dwello
mortgages



WhatsApp
07714 597 081



Email
info@dwellomortgages.co.uk



Phone
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