

**dwello**  
mortgages

A close-up photograph of a silver keychain with a house-shaped charm hanging from a door handle. The house charm has two windows and a door. The background is a blurred, light-colored wall.

**Mortgages Snapshot**  
March 2024

# Snapshot Summary

March 2024

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 March 2024.

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

- In March 2024, purchase mortgage rates for an 85% LTV converged **tightly around 4.9% among the top 10 lenders**, with minimal variance between high, average, and low rates, suggesting stabilisation and intense competition within that loan-to-value segment.
- The interest rates for an 85% Loan-to-Value remortgage have held steady, **with the attractive low rate persisting at 3.3% as of March 2024.**
- The estimate of the number of UK residential transactions in **February 2024 on an LTM basis is 83,813, 6% lower than February 2023, but 1% higher than January 2024.**
- The average price of newly marketed properties rises by **1.5% (+£5,279) this month to £368,118, higher than the historic average March increase of 1.0% and the biggest for 10 months as the market continues its recovery after a muted 2023.**
- The share of gross mortgage advances with loan-to-value (LTV) ratios exceeding **90% increased by 0.5pp from the previous quarter to 5.5%, the highest since 2019 Q4, and was 0.4pp higher than a year ago.**
- First time buyers represented **27% of Q4-23 lending, an increase from 21% in Q1-22.**

# 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.



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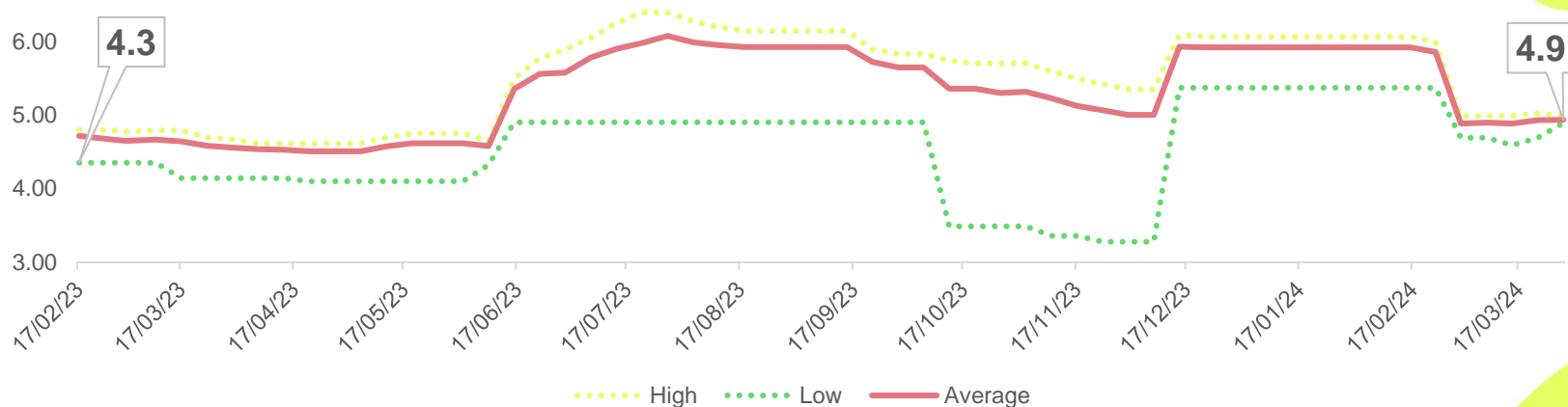
Phone  
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## Dwello – Mortgage Rate Index (85% LTV Purchase)

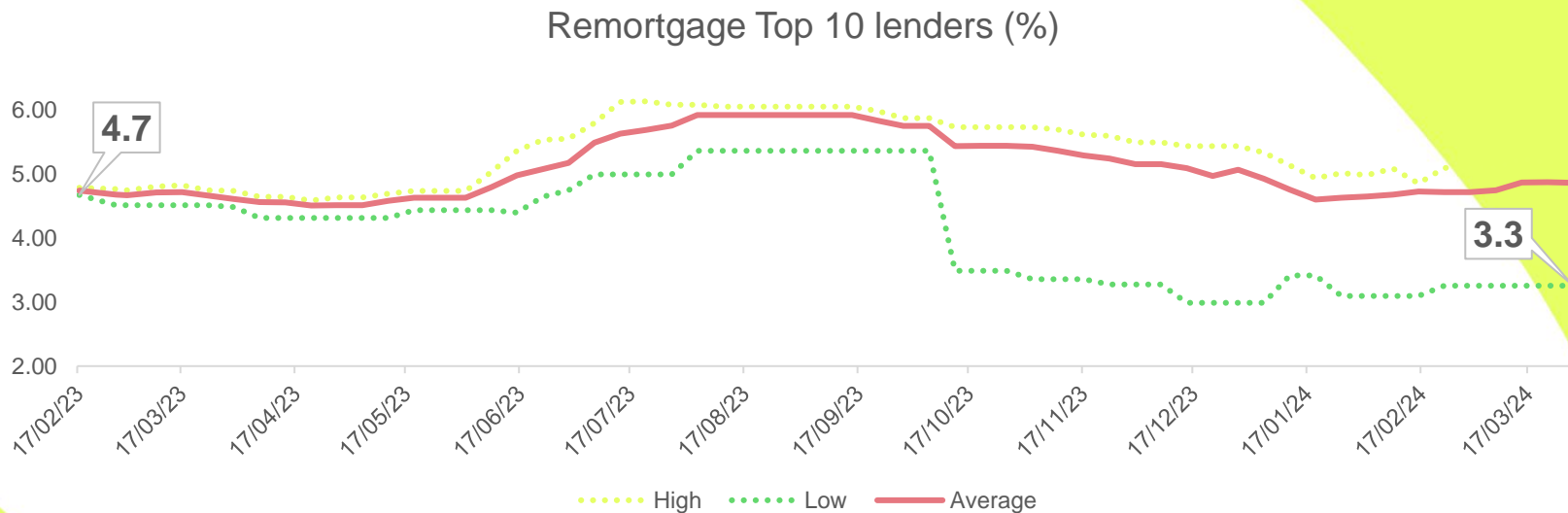
“In March 2024, purchase mortgage rates for an 85% LTV converged tightly around 4.9% among the top 10 lenders, with minimal variance between high, average, and low rates, suggesting stabilisation and intense competition within that loan-to-value segment.”

Purchase Top 10 lenders (%)



# Dwello – Mortgage Rate Index (85% LTV Remortgage)

“The interest rates for an 85% Loan-to-Value remortgage have held steady, with the attractive low rate persisting at 3.3% as of March 2024.”



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. Rates stated exclude initial product fees.

# Mortgage Rates Poised to Dip?

Good news for homebuyers! Mortgage rates are expected to continue their downward trend into May. After a period of hikes, experts predict a slight decrease next month.

This follows a drop in the average fixed-rate mortgage to a seven-month low in March. The expectation is for rates to fall further, potentially dipping below 4% by year-end.

This decline is linked to the Bank of England potentially cutting the base rate sooner than anticipated. With inflation showing signs of cooling, a rate cut could incentivize lenders to offer even more competitive deals.

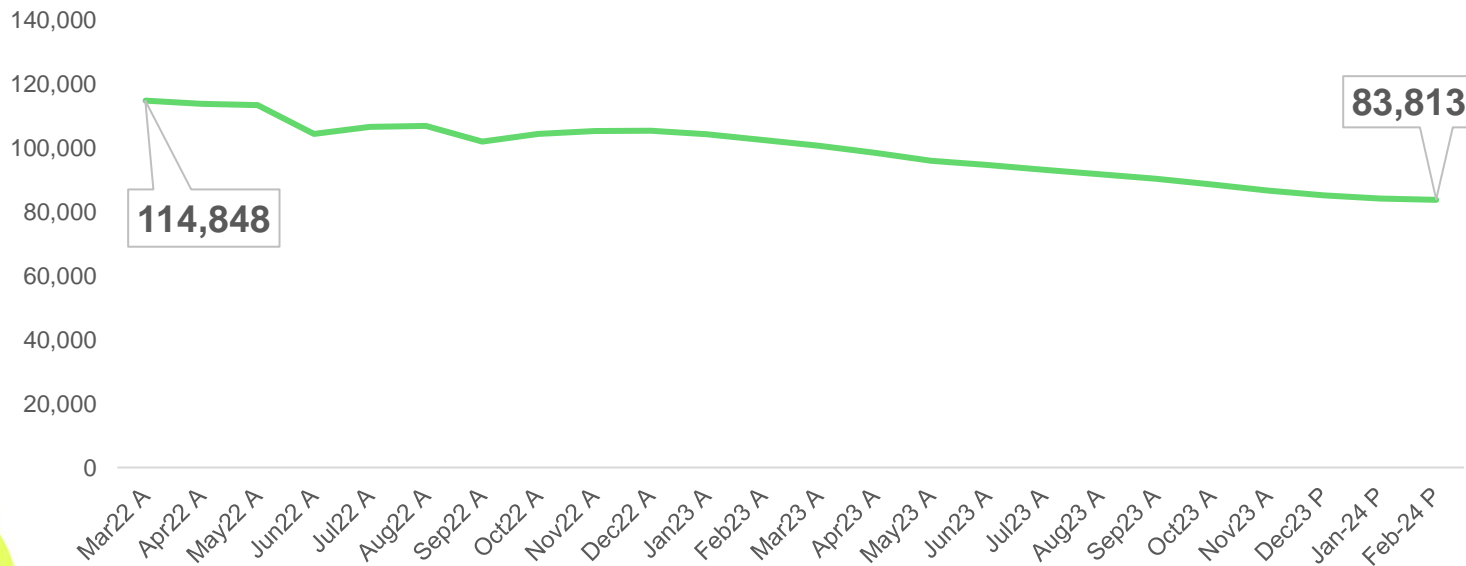
However, the housing market remains unpredictable. Unforeseen economic events could impact this trend.



# Residential transaction volumes

“The estimate of the number of UK residential transactions in February 2024 on an LTM basis is 83,813, 6% lower than February 2023, but 1% higher than January 2024.”

### LTM Residential property transactions completed in the UK



## Residential transaction prices

”The average price of newly marketed properties rises by 1.5% (+£5,279) this month to £368,118, higher than the historic average March increase of 1.0% and the biggest for 10 months as the market continues its recovery after a muted 2023.”

Average price vs. average asking price (Rightmove)

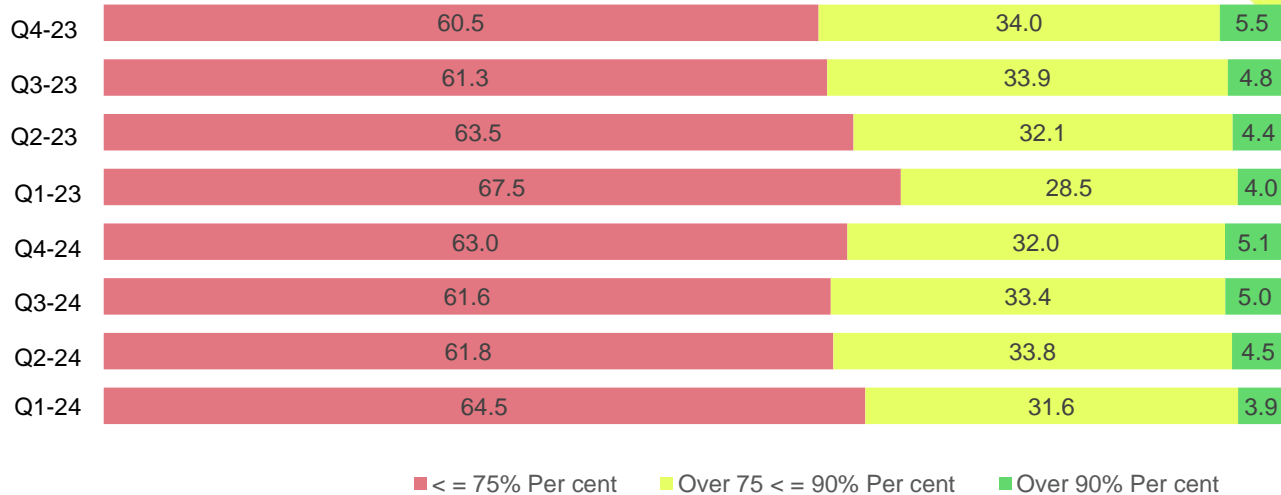




# Loan to Value

“The share of gross mortgage advances with loan-to-value (LTV) ratios exceeding 90% increased by 0.5pp from the previous quarter to 5.5%, the highest since 2019 Q4, and was 0.4pp higher than a year ago.”

Loan to Value (LTV) (Q1-22 to Q4-23)





# Stepping on the Ladder: Yorkshire Building Society's 99% Mortgage for First-Time Buyers

Getting on the property ladder can feel like a distant dream for many first-time buyers. High deposit requirements often pose a significant hurdle. However, Yorkshire Building Society (YBS) has introduced a new mortgage scheme aimed at making homeownership more accessible.

This unique product offers a 99% loan-to-value (LTV) mortgage, meaning you can potentially buy a house with just a £5,000 deposit. This applies to properties up to £500,000, allowing you to borrow the remaining 99% of the value.

There are some key points to consider. The mortgage is only available for first-time buyers and excludes new-build houses and flats. Additionally, the interest rate on this fixed-rate mortgage is fixed for five years at a higher rate than standard mortgages.

While the higher interest rate means you'll pay more overall, the benefit lies in needing a significantly smaller deposit. This can be a game-changer for those struggling to save a large sum upfront.

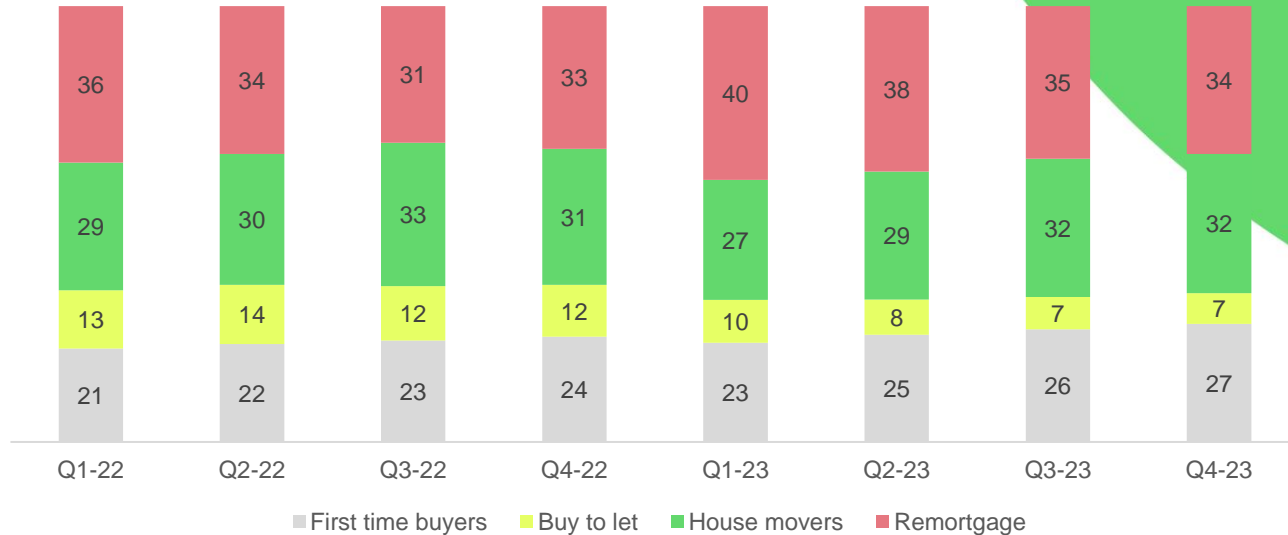
However, it's crucial to weigh the pros and cons. You'll have less equity in your property initially, making you more vulnerable to negative equity if house prices fall. It's also advisable to seek financial advice to ensure you can comfortably afford the monthly repayments.

The YBS 99% mortgage offers a promising alternative for first-time buyers. By lowering the deposit barrier, it opens the door to homeownership for many. But remember, careful consideration and financial planning are essential before taking the leap.

## Purpose of loans

“First time buyers represented 27% of Q4-23 lending, an increase from 21% in Q1-22.”

Purpose of loans (%)





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