



dwello
mortgages

Mortgages Snapshot
April 2024

Snapshot Summary

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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 April 2024.

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

- In April 2024, the top 10 lenders showed a convergence of purchase mortgage rates for an 85% LTV of around **4.99%**, with **negligible variance between the highest, average, and lowest rates, signaling a stabilised** and fiercely competitive landscape within this particular loan-to-value category.
- The interest rates for an 85% Loan-to-Value remortgage have remained stable, with the highly **appealing low rate remaining consistent at 3.45% as of April 2024** (subject to an initial product fees).
- The estimate of the number of UK residential transactions in **February 2024 on an LTM basis is 83,288, 6% lower than March 2023, but 1% higher than February 2024.**
- The average new seller price has experienced a slight uptick, rising **from £279,444 in February 2024 to £280,660 in March 2024.** This consistent increase in asking prices indicates a growing confidence in the market.
- The value of gross mortgage advances decreased **by 13.4% from the previous quarter to £54.0 billion, and was 33.8% lower than a year earlier.**
- 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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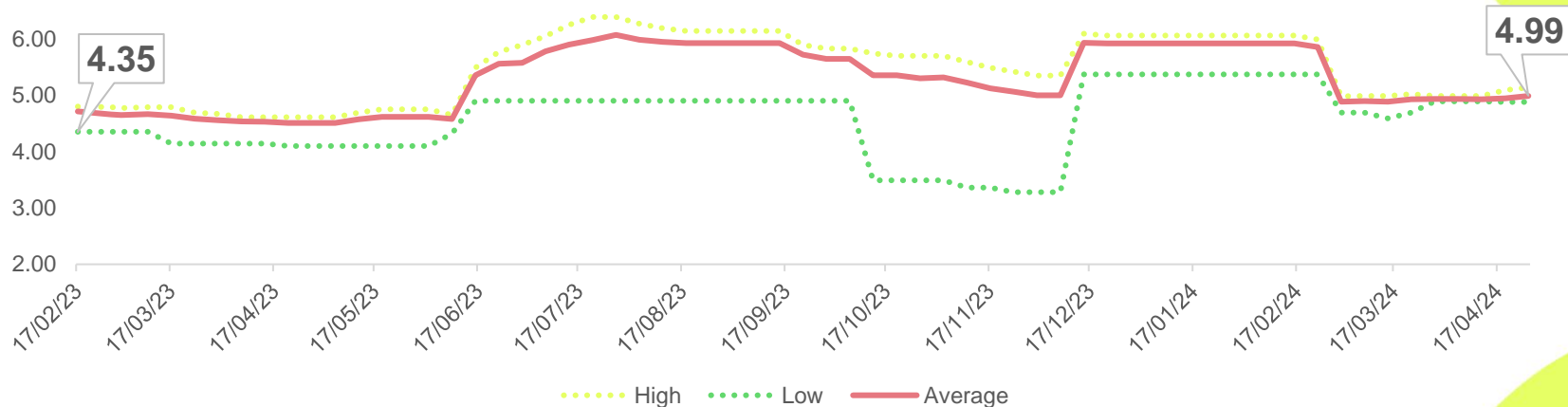
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Dwello – Mortgage Rate Index (85% LTV Purchase)

“In April 2024, the top 10 lenders showed a convergence of purchase mortgage rates for an 85% LTV around 4.99%, with negligible variance between the highest, average, and lowest rates, signaling a stabilised and fiercely competitive landscape within this particular loan-to-value category.”

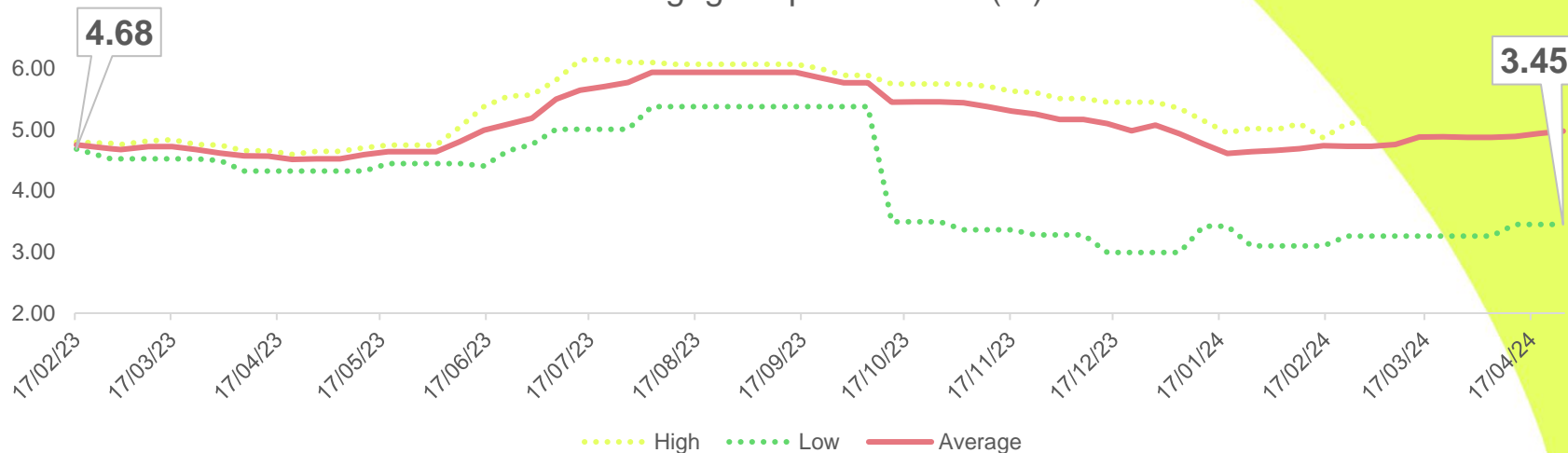
Purchase Top 10 lenders (%)



Dwello – Mortgage Rate Index (85% LTV Remortgage)

"The interest rates for an 85% Loan-to-Value remortgage have remained stable, with the highly appealing low rate remaining consistent at 3.45% as of April 2024."

Remortgage Top 10 lenders (%)



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.

Why Are Mortgage Rates Skyrocketing Again?!

More major rate volatility rattling the mortgage market as TSB announces some staggering hikes of up to 0.75% on certain products like shared ownership.

First-time buyers, movers and remortgage customers are all facing increases of up to 0.45% from TSB, following similar upward moves from lenders like NatWest, Barclays and HSBC earlier this week.

At dwello, we understand these repeated rate shocks only amplify the anxiety homeowners and aspiring buyers feel about when to lock in their mortgage deal. Concerns around elevated inflation impacting the timing of interest rate cuts in the US and UK appear to be driving lenders' retreat to widening profit margins.

While economic conditions remain uncertain, one constant is our mission to guide clients through this volatility toward their personalised "Yes!" remortgage moment. Our data-driven planning tools compare all your options side-by-side to identify which rate, term and execution strategy aligns best with your specific finances and goals.

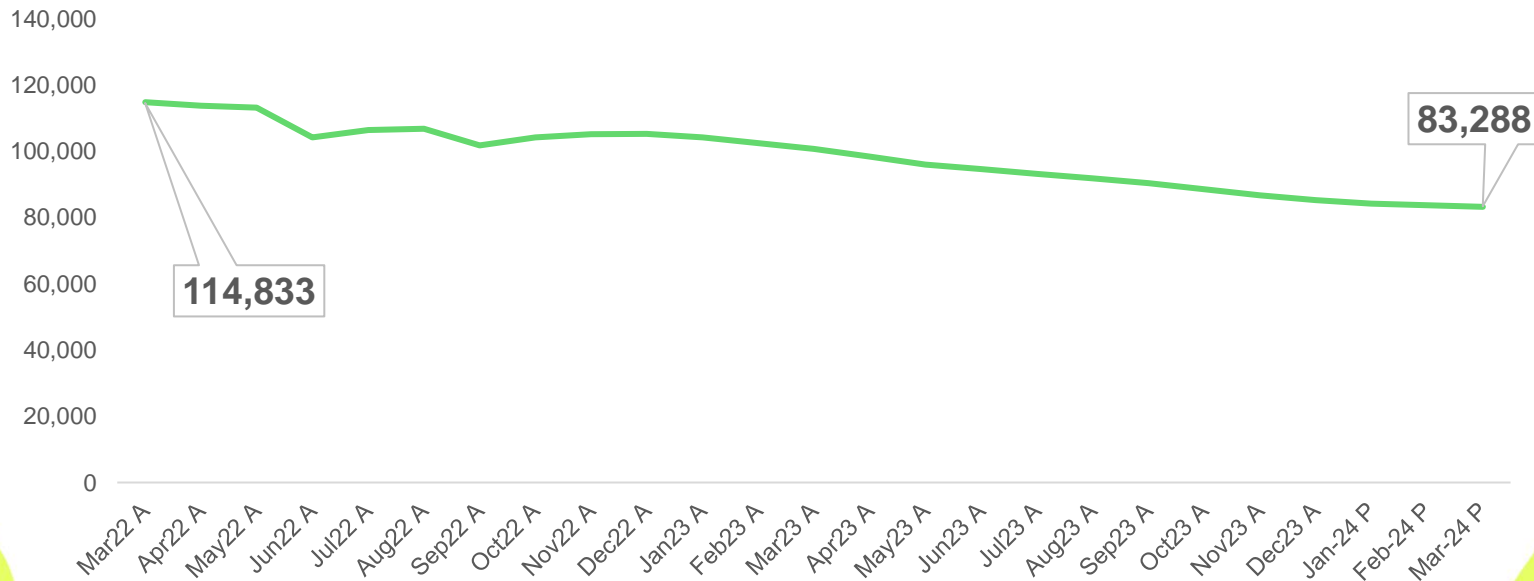
Don't let panic push you into a rushed mortgage decision you may regret. Whether you're a first-timer struggling with higher rates, existing homeowner facing a looming renewal, or just looking to capitalise on a potential upcoming rate cut window - book a dwello consultation.



Residential transaction volumes

“The estimate of the number of UK residential transactions in February 2024 on an LTM basis is 83,288, 6% lower than March 2023, but 1% higher than February 2024.”

LTM Residential property transactions completed in the UK



Residential transaction prices

"The average new seller price has experienced a slight uptick, rising from £279,444 in February 2024 to £280,660 in March 2024. This consistent increase in asking prices indicates a growing confidence in the market."

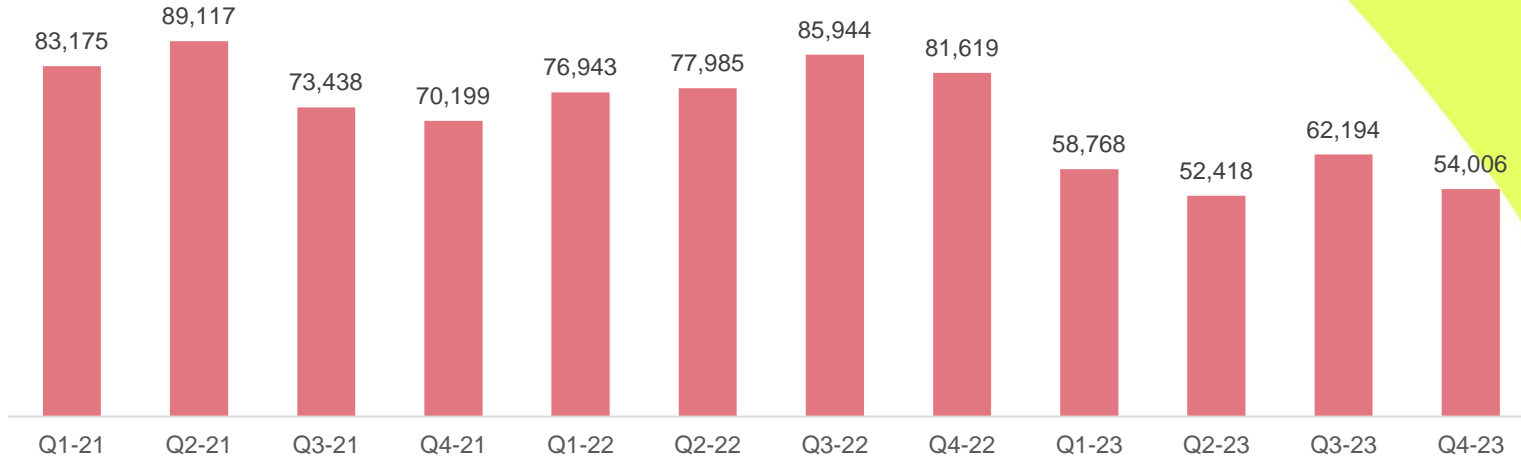
Average price vs. average asking price (Rightmove)



Mortgage Value Gross

“The value of gross mortgage advances decreased by 13.4% from the previous quarter to £54.0 billion, and was 33.8% lower than a year earlier.”

Mortgage value gross (£'000m)





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.

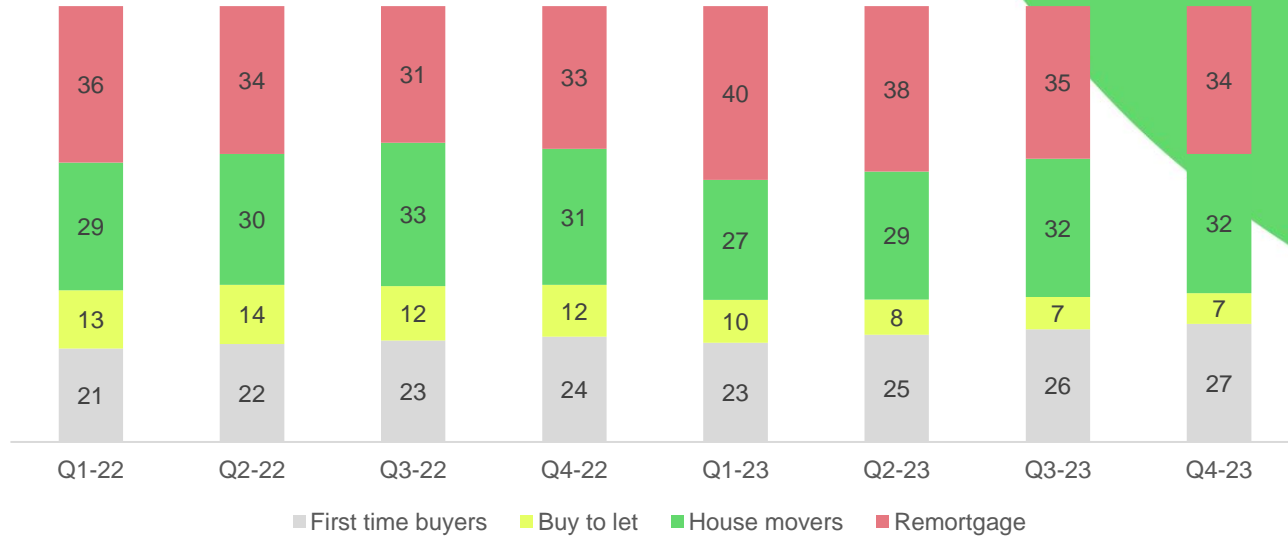
However, it's crucial to weigh the pros and cons. You'll have less equity in your property initially, making you more vulnerable to negative equity if house prices fall. It's also advisable to seek financial advice to ensure you can comfortably afford the monthly repayments.

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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