



**dwello**  
mortgages

**Mortgages Snapshot**

June 2024

# Snapshot Summary

June 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 June 2024.

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

- In June 2024, the leading 10 lenders maintained consistent 85% LTV purchase mortgage rates at approximately **4.90%**, **unchanged from previous months.**
- 85% LTV remortgage rates have been stable, with the **attractive low rate holding steady at 3.49% as of June 2024.**
- The estimated number of UK residential transactions in **May 2024, based on an LTM analysis, is 85,089.** This marks the second consecutive monthly increase since October 2022.
- The average price for all property types has shown a consistent upward trend for **four consecutive months, including April 2024.** This steady increase indicates a modest strengthening in the property market.
- Mortgage value in **Q1-24 at £51,573 million shows continued market cooling,** down from recent quarters and significantly below 2021-2022 peaks.
- In Q1-24, House movers (29%) and first-time buyers (26%) together account for over half of loan purposes, suggesting a relatively active property market despite economic uncertainties.”

# 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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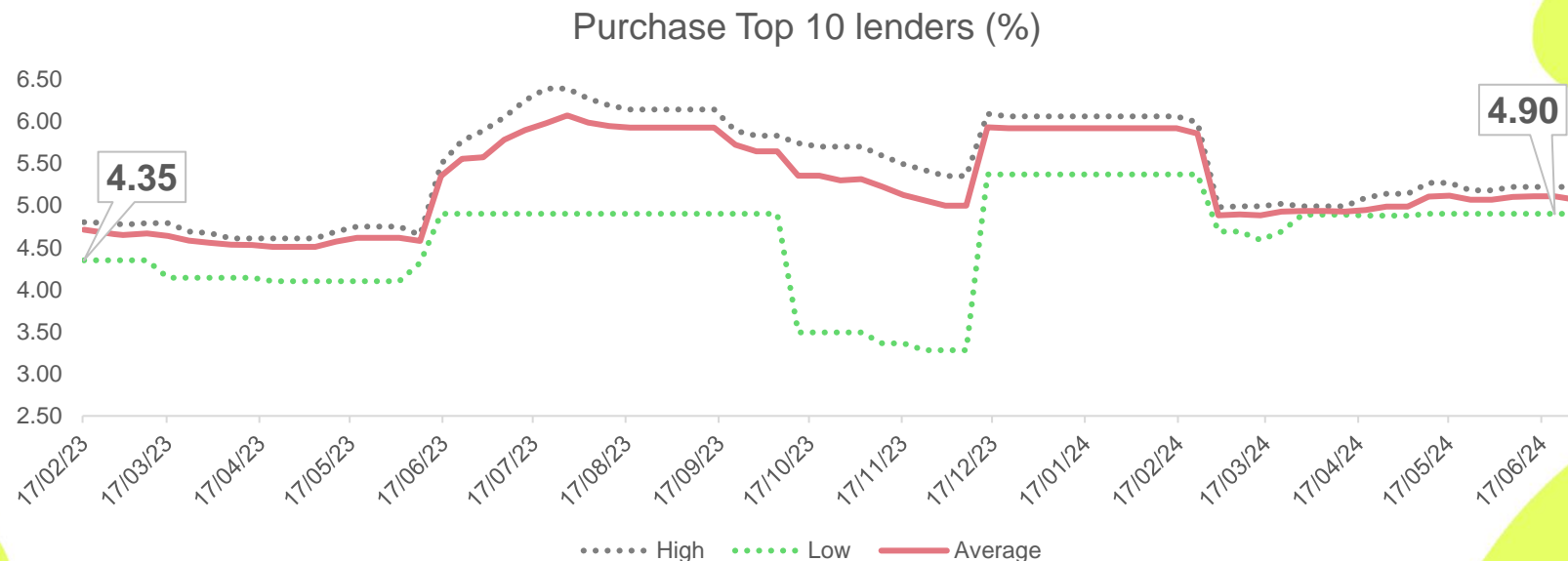


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0333 533 0051



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

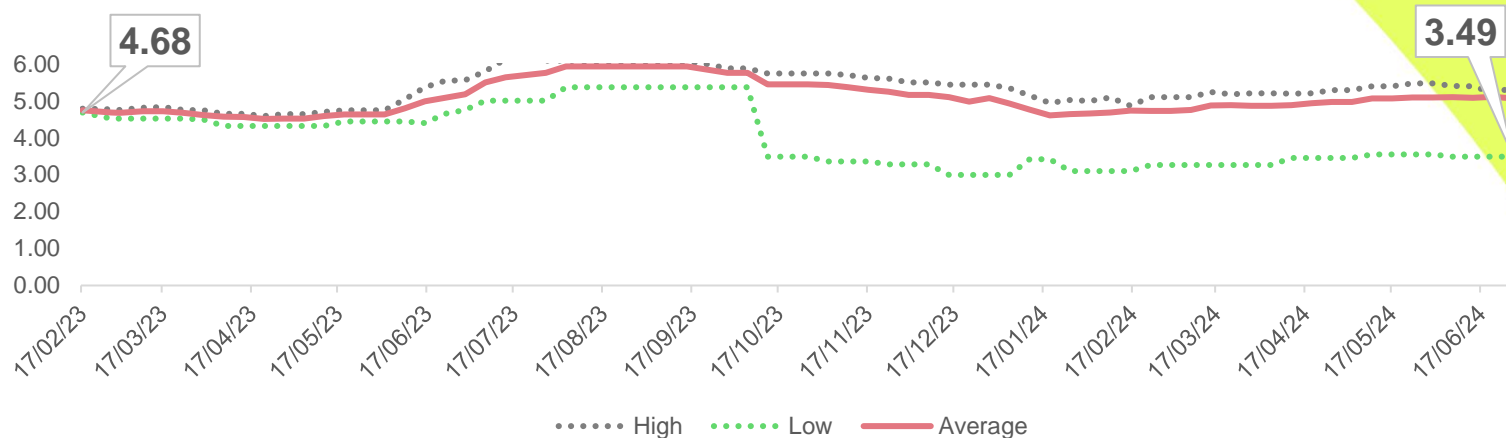
“In June 2024, the leading 10 lenders maintained consistent 85% LTV purchase mortgage rates at approximately 4.90%, unchanged from previous months.”



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

"85% LTV remortgage rates have been stable, with the attractive low rate holding steady at 3.49% as of June 2024."

Remortgage Top 10 lenders (%)

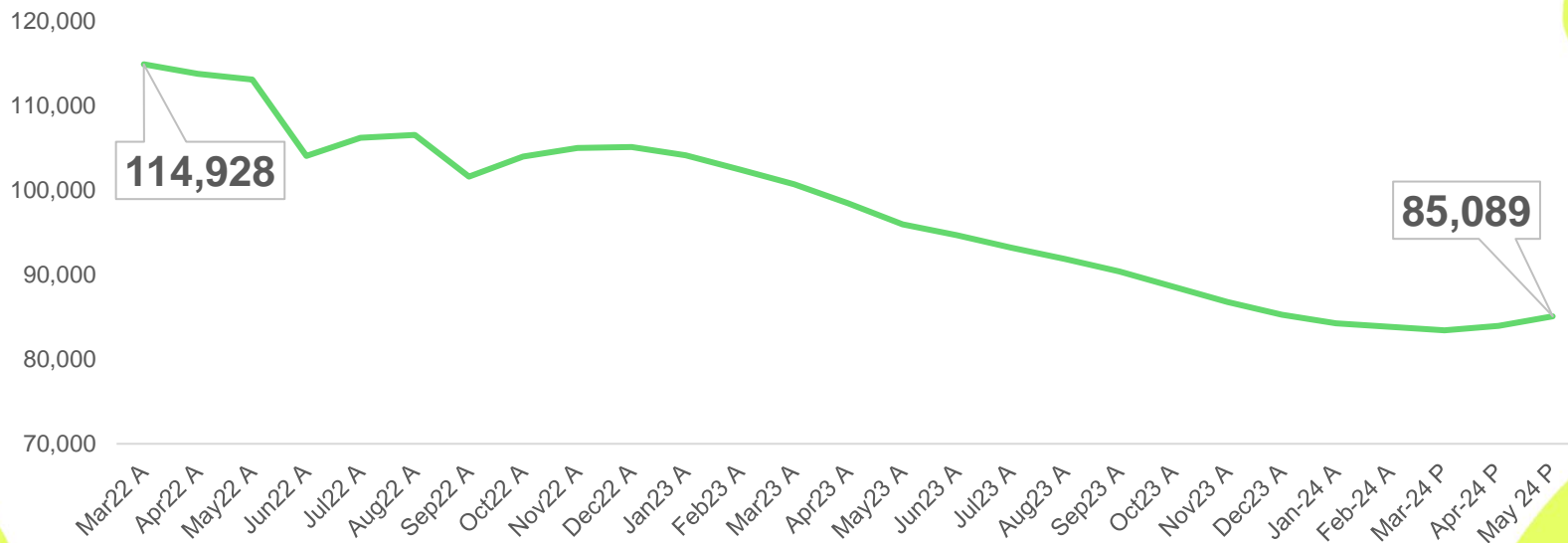


Our internal Dwello MRI is a weekly reflection of the rates we are tracking on a daily basis. The rates are based on the average UK home value of £294,559 (Sept 22 – changed annually), a 15% deposit, 2 years fixed rate, with a duration of 30 years. Rates stated exclude initial product fees.

# Residential transaction volumes

“The estimated number of UK residential transactions in May 2024, based on an LTM analysis, is 85,089. This marks the second consecutive monthly increase since October 2022.”

LTM Residential property transactions completed in the UK



# Residential transaction prices

“The average price for all property types has shown a consistent upward trend for four consecutive months, including April 2024. This steady increase indicates a modest strengthening in the property market.”

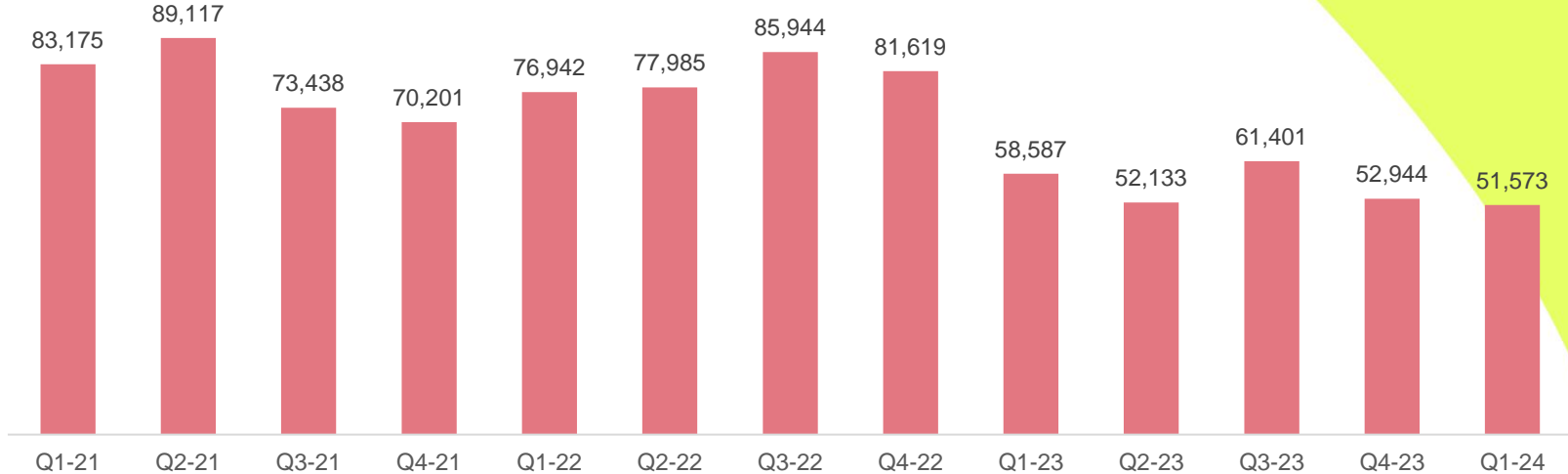
Average price vs. average asking price (Rightmove)



## Mortgage Value Gross

“Mortgage value in Q1-24 at £51,573 million shows continued market cooling, down from recent quarters and significantly below 2021-2022 peaks.”

Mortgage value gross (£'000m)







# Adverse lending underwriting pitfalls.

Lenders cautious approach to adverse credit is deep rooted based on the higher risk factors of defaulted mortgage repayments. Unless you are dealing with a niche/ specialist lender, the big 6 have much more stricter requirements to obtaining finance, such as higher interest rates, larger down payments, or requiring additional documentation to assess the borrower's financial stability.

With current trends showing higher levels of scrutiny surrounding these types of applications. Both on their credit worthiness and the clients ability to service these commitments are now assessed in greater detail. With consumer duty in full flow surrounding supporting clients from experiencing for-seeable harm. Banks are also doing their part in helping out these types of clients navigate a mortgage market that at times demonizes them with innovative products.

- The lender LiveMore for example have issued the following changes to their product offerings making it more accessible to meet lending criteria's:
- An increase from three to four missed payments on unsecured arrears
- A rise in the value of permissible satisfied county court judgements (CCJs) and defaults from £1,500 to £2,500
- The allowance of a debt management plan (DMP) if satisfactorily maintained and over three years prior to application.

# Adverse lending underwriting pitfalls.

These changes apply across LiveMore's Standard Capital and Interest, Standard Interest Only and Retirement Interest Only (RIO) products.

On applications with adverse credit, we are seeing a much higher requirement for supporting documentation, from the normal bank statements and payslips, to credit card & personal loan statements, along with budget planners outlining payment structures and commitment time lines.

Lenders such as Saffron Bank have implemented applications of this nature to be assessed by 3 different underwriters for an application to progress to offer stage. Encasing the strained process of getting adverse applications in 2024 over the line.

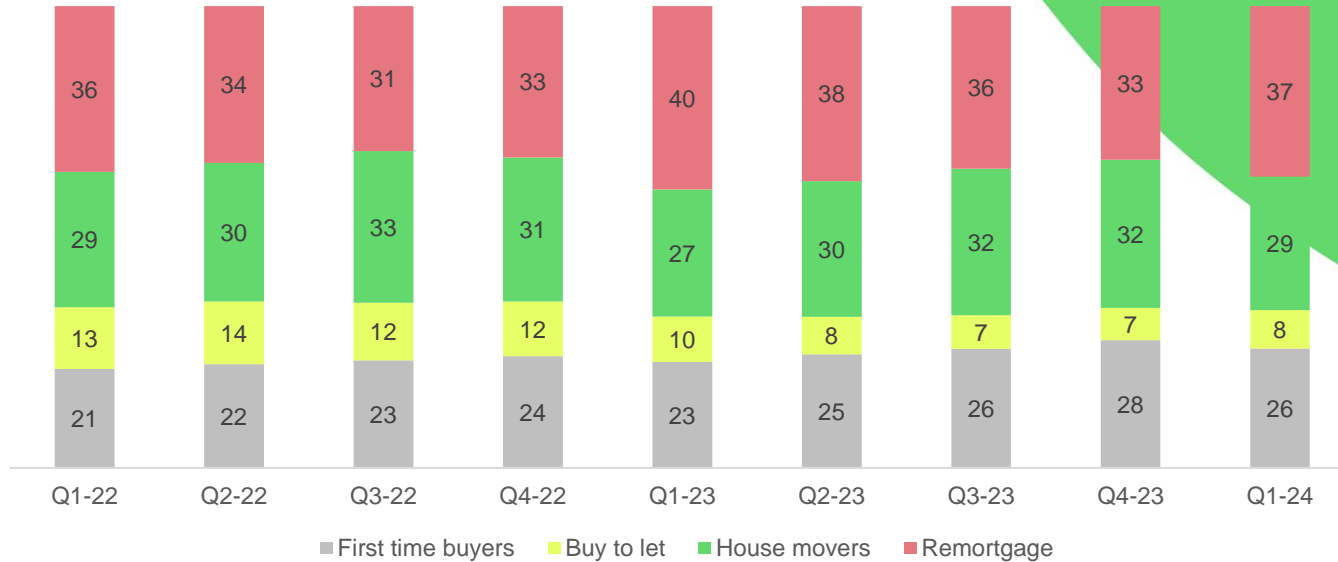
Building credit takes time but the positive impact of your efforts will gradually improve your score and you need to be prepared to wait 12 to 24 months for any significant improvements. This is why it's imperative for mortgage applicants to seek out and consult a mortgage brokerage like Dwello for personalised guidance that can help create a budget, analyse the market for lending criteria and strategize a financial plan.



## Purpose of loans

“In Q1-24, House movers (29%) and first-time buyers (26%) together account for over half of loan purposes, suggesting a relatively active property market despite economic uncertainties.”

Purpose of loans (%)





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