

A man with a beard, wearing a white cap, a plaid shirt over a white t-shirt, and jeans, is painting a wall. He is standing on a ladder, reaching up to apply a bright green paint. The room is under renovation, with windows covered in clear plastic. A red tarp is visible on the left side of the frame. The overall scene is in black and white, except for the man's cap and the green paint.

dwello
mortgages

Mortgages Snapshot
August 2024

Snapshot Summary

August 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 August 2024.

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

- In August 2024, following the **Bank Rate reduction of 0.25 percentage points to 5%**, the mortgage market saw a shift. The top 10 lenders' 85% LTV purchase mortgage rates decreased, with the lowest rate reaching 4.77%.
- In August 2024, following the Bank Rate reduction of 0.25 percentage points to 5%, **the average top 10 lenders' 85% LTV Re-mortgage rates decreased, with the average rate reaching 4.84%**.
- The provisional seasonally adjusted estimate of the number of **UK residential transactions in July 2024 on a LTM basis is 86,245, 7% higher than July 2023** and marginally lower (less than 1%) than June 2024.
- The average price for all property types has demonstrated a consistent upward trajectory, culminating in June 2024. The trend **shows a clear increase from January through June 2024, with each month's average price surpassing the previous one**, indicating a robust and potentially growing demand in the real estate sector.
- Mortgage value in **Q1-24 at £51,573 million shows continued market cooling**, down from recent quarters and significantly below 2021-2022 peaks, but with rates declining this is expected to slowly turn.
- In Q1-24, the proportion of **fixed-rate mortgages saw a notable increase, rising by 3 percentage points to reach 88%**.

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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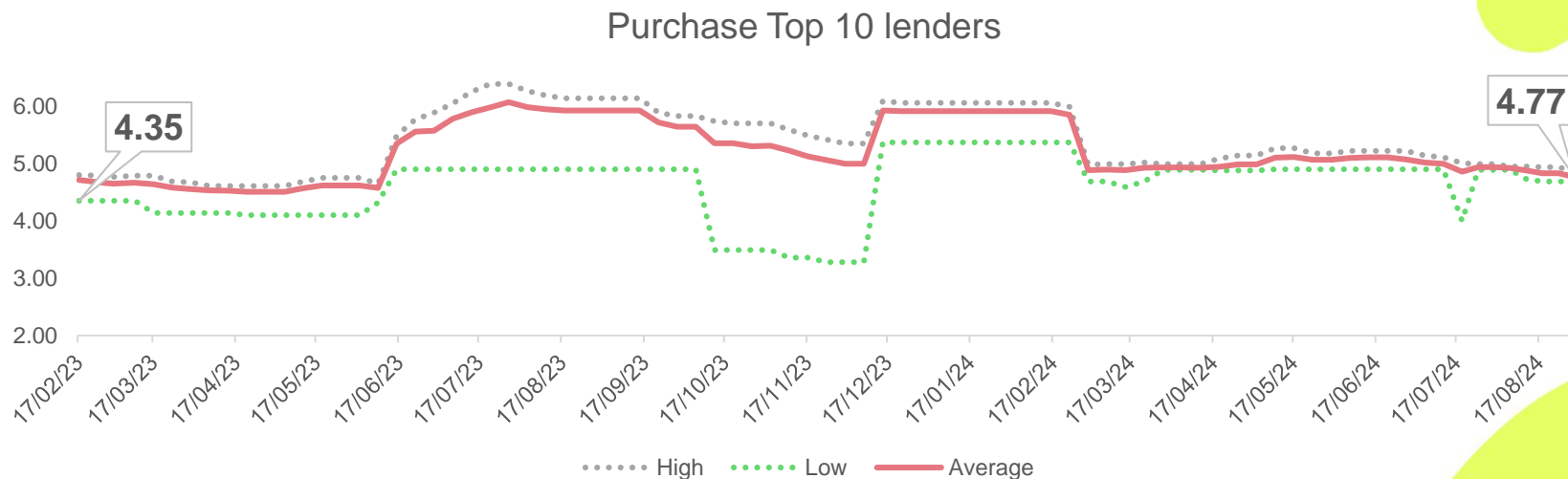


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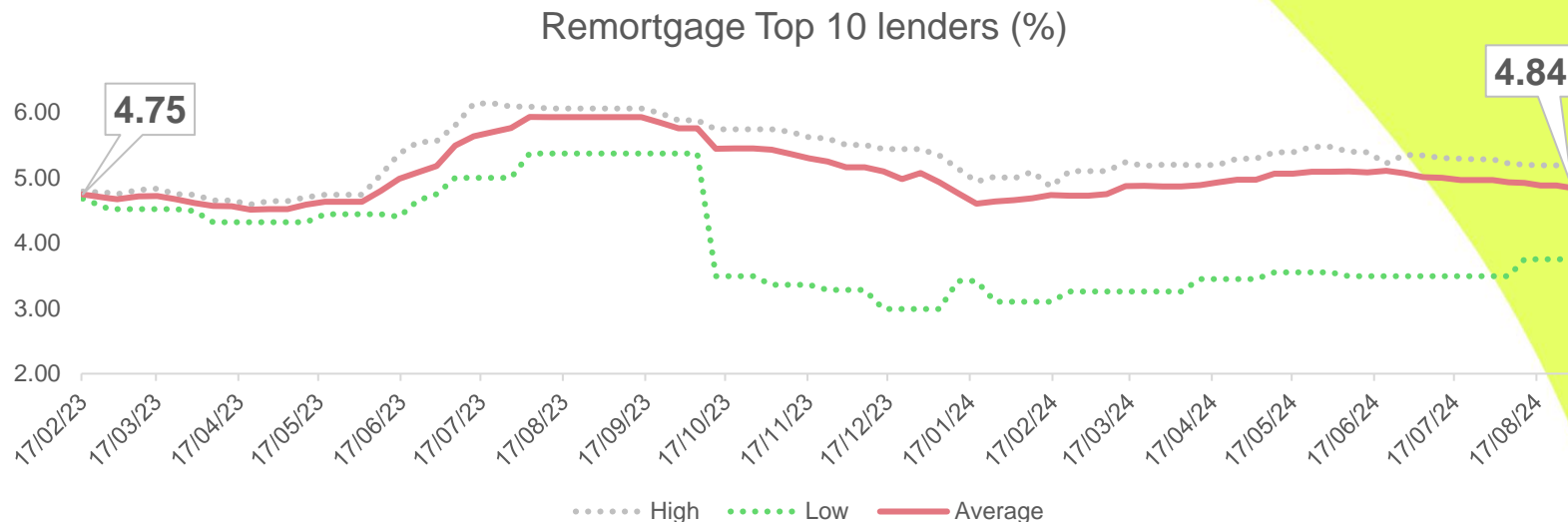
Dwello – Mortgage Rate Index (85% LTV Purchase)

“In August 2024, following the Bank Rate reduction of 0.25 percentage points to 5%, the mortgage market saw a shift. The top 10 lenders' 85% LTV purchase mortgage rates decreased, with the lowest rate reaching 4.77%”



Dwello – Mortgage Rate Index (85% LTV Remortgage)

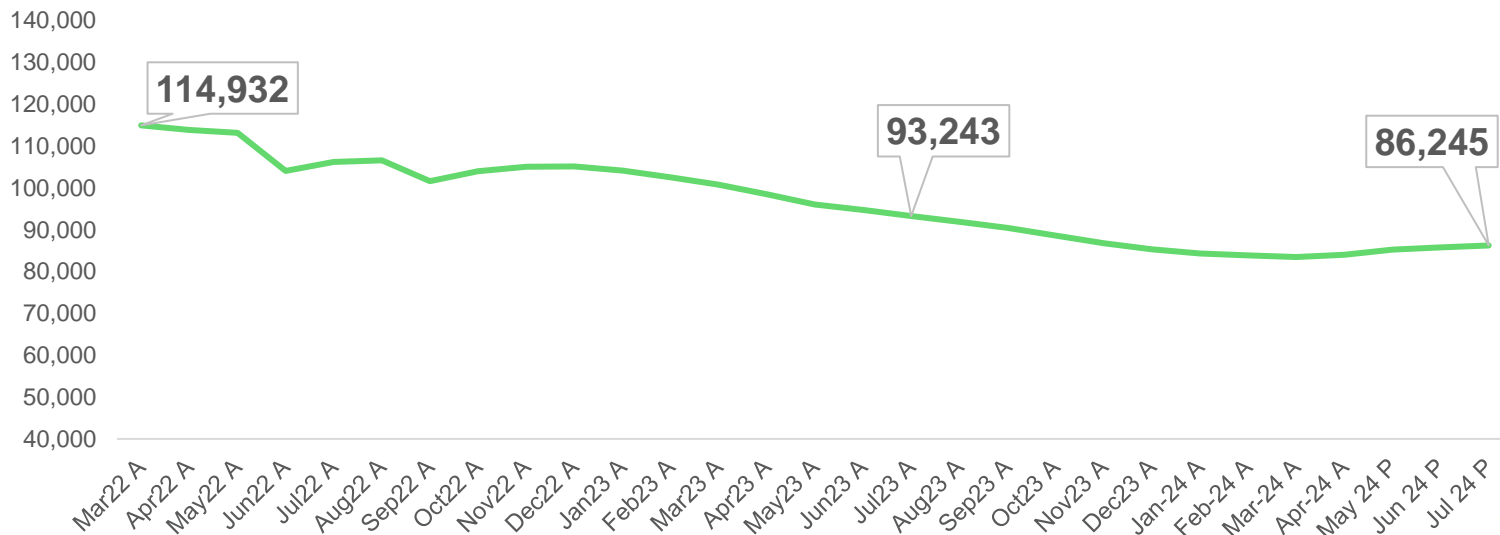
“In August 2024, following the Bank Rate reduction of 0.25 percentage points to 5%, the average top 10 lenders' 85% LTV Re-mortgage rates decreased, with the average rate reaching 4.84%”



Residential transaction volumes

“The provisional seasonally adjusted estimate of the number of UK residential transactions in July 2024 on an LTM basis is 86,245, 7% lower than July 2023 and marginally higher (less than 1%) than June 2024”

LTM Residential property transactions completed in the UK



Residential transaction prices

“The average price for all property types has demonstrated a consistent upward trajectory, culminating in June 2024. The trend shows a clear increase from January through June 2024, with each month's average price surpassing the previous one, indicating a robust and potentially growing demand in the residential sector”

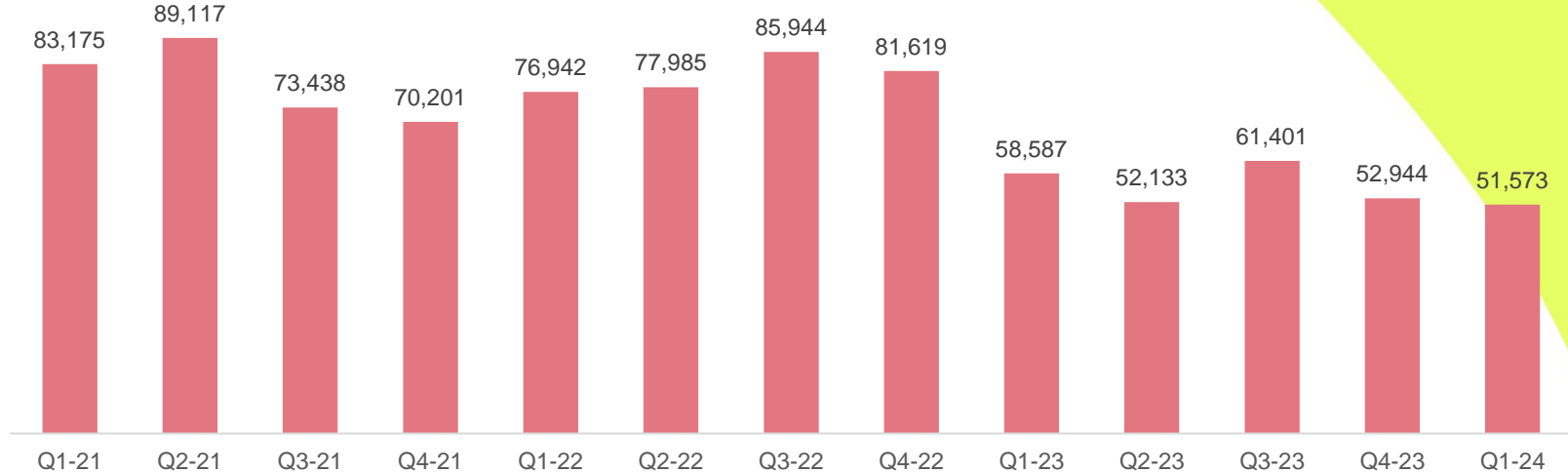
Average price vs. average asking price (Rightmove)



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, but with rates declining this is expected to slowly turn”

Mortgage value gross (£'000m)





Landlord trends turn to HMO's

With the new culture and landscape of BTL market, savvy landlords are adapting to these market conditions, still trying to find the best way to convert bricks and mortar into profit. With rental affordability still a sore topic for landlords and mortgage lenders alike, innovation in operating in this market is key to sustaining investment portfolios successfully.

Over the last year we have seen a large portion of the market move from standard BTL properties on AST agreements, to converting their current stock to HMO properties based on the higher gross returns of each property. A 3 bed semi-detached home in the West midlands will rent for £1100 per month, if you rented each room out on that property for £750 (with bills included) that would gross a total of £2250 for the landlord. This would enable them to possibly refinance based on affordability or capital raise on the property to purchase an additional home to add to their portfolio.

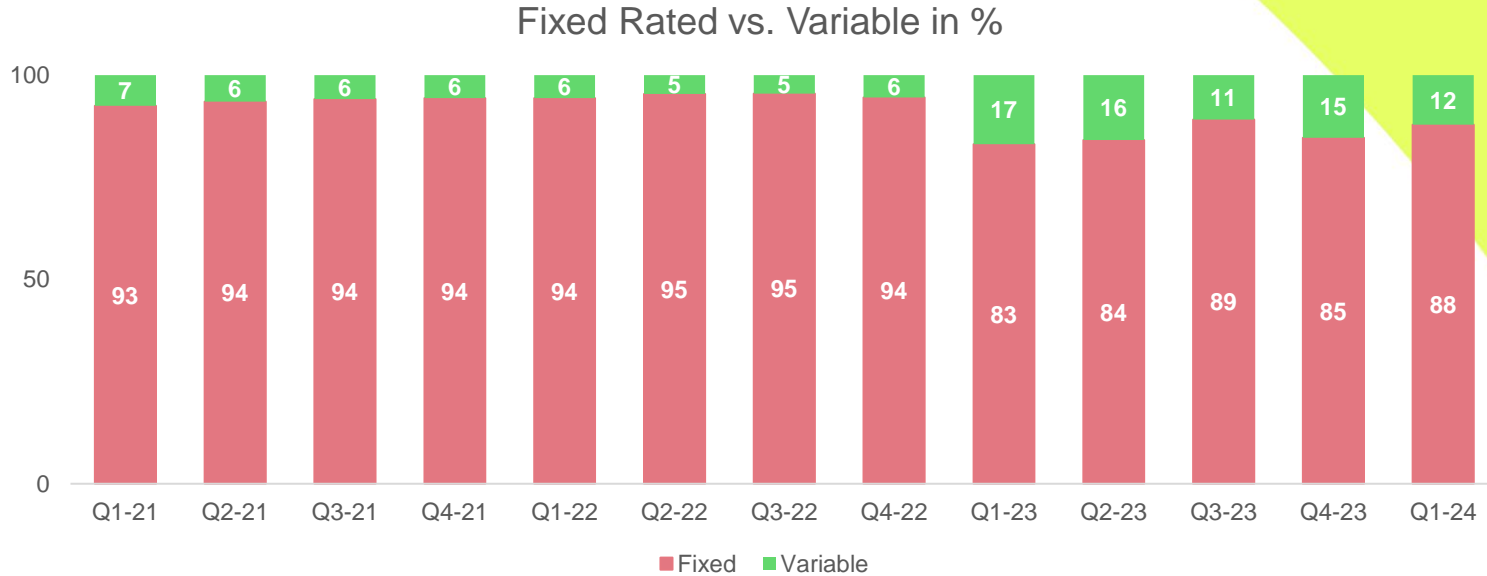
A Spokesperson from Shawbrook bank comments: we're seeing this trend towards higher-yielding property types across the board with landlords increasingly considering property types like houses in multiple occupation (HMOs) and semi commercial properties, which are similarly seeing a rise in activity due to their ability to provide a higher rental yield and shield against any economic challenges.

We are seeing a response from lenders such as Fleet Mortgages who are revamping their HMO range to accommodate for the new demand for these types of products. They are launching a new two-year, fixed-rate HMO mortgage at 6.49% available up to 75% loan-to-value. It comes with a fixed fee of £1,999 and a maximum lending amount of £750,000. Fleet have also cut their five-year fixed-rate HMO mortgage by 35 basis points, from 5.89% to 5.54%: there's a 3% fee of a minimum £750; with chief commercial officer, Steve Cox, saying 'we wanted to both broaden and cut rates to our HMO offering'

With this demand and the changes lenders are providing, shows a keen receptiveness to the market currently that bodes well for the Q3 of this year. Hopefully, lenders will continue this level of market understanding which will allow their customers to benefit from needs that are met with common sense lending.

Fixed Rated vs. Variable

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