



dwello
mortgages

Mortgages Snapshot
October 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 October 2024.

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

- In October 2024, the mortgage market continued to show favorable conditions for borrowers. The top 10 lenders' 85% LTV purchase mortgage rates experienced a further decline, with the **average rate dropping to 4.53%, representing an improvement from September's 4.61%.**
- In October 2024, the remortgage market maintained its positive trajectory for borrowers. The top 10 lenders' 85% LTV remortgage rates continued their downward trend, with the **average rate falling to 4.55%, showing further improvement from September's 4.64%.**
- The provisional seasonally adjusted estimate of UK residential transactions in September 2024 on **an LTM basis shows 87,352, reflecting a continued increase from August's figure of 86,651.** This marks the third consecutive monthly rise, reinforcing the steady recovery trend in market activity.
- The average price for all property types has shown a steady upward trend from January to October 2024. This consistent increase **over ten months suggests strong demand in the housing market.**
- In Q2-24, fixed rate mortgages remained the predominant choice **among borrowers at 93% of total loans, showing a slight increase from Q1-24's 88%. The proportion of variable rate mortgages decreased to 7% from 12%.**
- In Q2-24, House movers **(30%) and first-time buyers (27%) together account for 57% of loan purposes, indicating robust activity in the property market.** This slight increase from Q1 suggests growing confidence among both new entrants and existing homeowners looking to move.

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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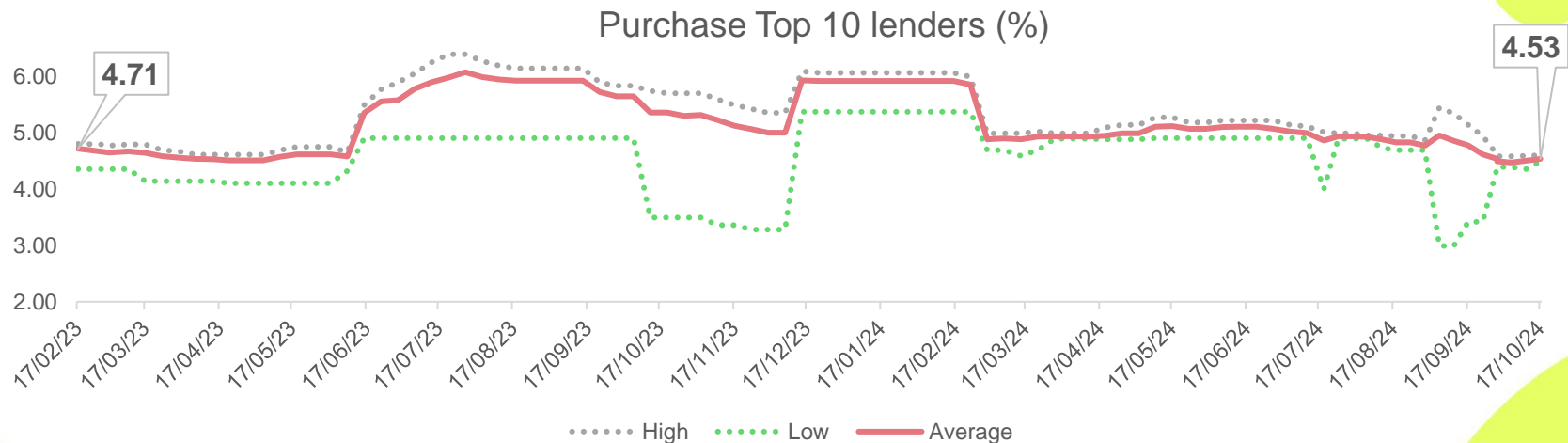


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Dwello – Mortgage Rate Index (85% LTV Purchase)

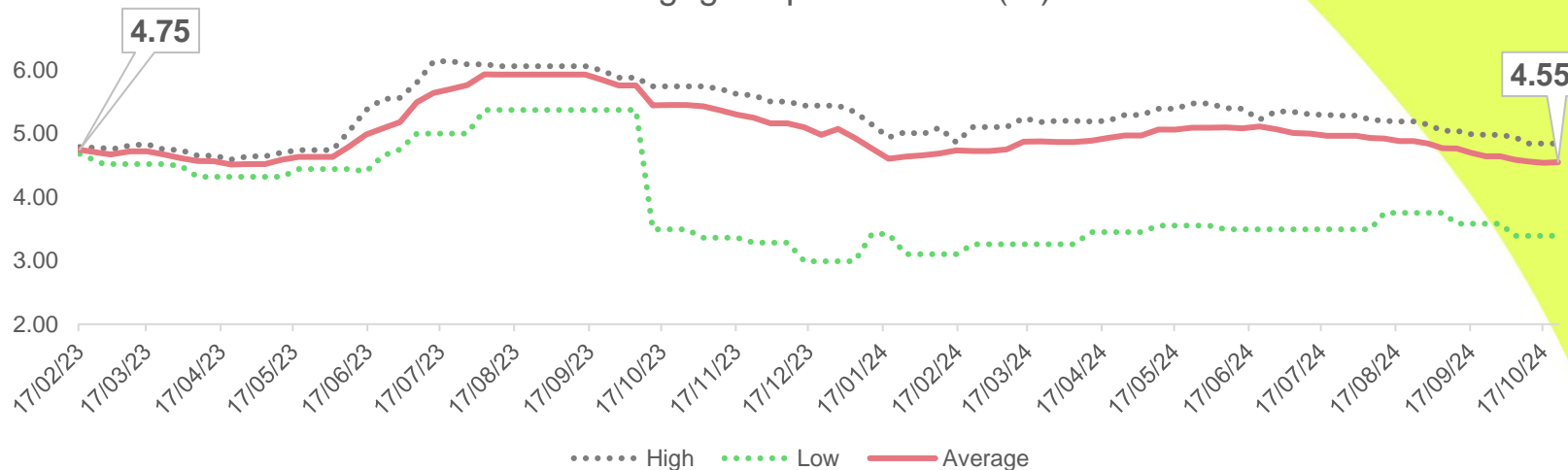
"In October 2024, the mortgage market continued to show favorable conditions for borrowers. The top 10 lenders' 85% LTV purchase mortgage rates experienced a further decline, with the average rate dropping to 4.53%, representing an improvement from September's 4.61%."



Dwello – Mortgage Rate Index (85% LTV Remortgage)

"In October 2024, the remortgage market maintained its positive trajectory for borrowers. The top 10 lenders' 85% LTV remortgage rates continued their downward trend, with the average rate falling to 4.55%, showing further improvement from September's 4.64%."

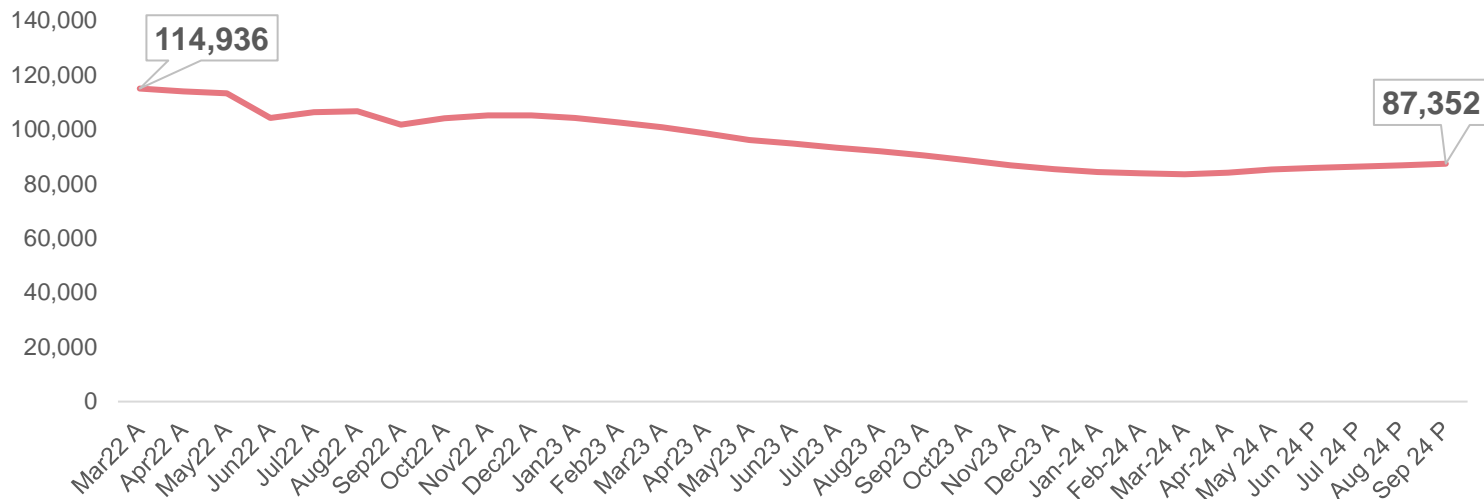
Remortgage Top 10 lenders (%)



Residential transaction volumes

“The provisional seasonally adjusted estimate of UK residential transactions in September 2024 on an LTM basis shows 87,352, reflecting a continued increase from August’s figure of 86,651. This marks the third consecutive monthly rise, reinforcing the steady recovery trend in market activity.”

LTM Residential property transactions completed in the UK



Source: <https://www.gov.uk/government/statistics/monthly-property-transactions-completed-in-the-uk-with-value-40000-or-above>

Residential transaction prices

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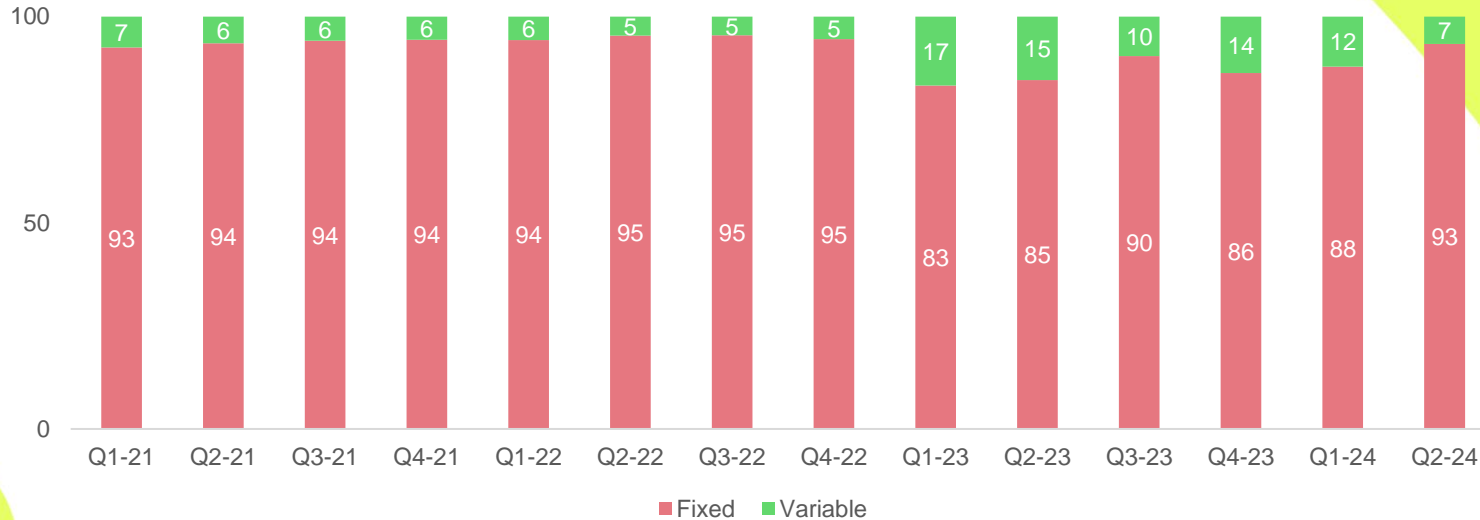
Average price vs. average asking price (Rightmove)



Fixed Rated vs. Variable

"In Q2-24, fixed rate mortgages remained the predominant choice among borrowers at 93% of total loans, showing a slight increase from Q1-24's 88%. The proportion of variable rate mortgages decreased to 7% from 12%."

Fixed Rated vs. Variable in %





First-Time Buyers: The Freedom to Buy Scheme

The Labour government's commitment to helping first-time buyers onto the property ladder has taken a significant step forward with the recent Autumn Budget.

Chancellor Rachel Reeves outlined details of a new Freedom to Buy Scheme, designed to bridge the gap left by the end of schemes like Help to Buy.

For years, first-time buyers have faced significant hurdles in securing mortgages, particularly those with smaller deposits. The withdrawal of government-backed initiatives has made it even more challenging to meet lenders' stringent affordability criteria.

The new Freedom to Buy Scheme aims to address this issue by providing lenders with increased security. By guaranteeing a portion of the loan, the government encourages lenders to offer mortgages to borrowers with lower deposits.

This could open up opportunities for thousands of young people who were previously unable to access the housing market.

First-Time Buyers: The Freedom to Buy Scheme

Key features of the new scheme include:

Permanence: Unlike previous schemes, this one is designed to be a long-term solution, providing ongoing support for first-time buyers.

Ambitious Target: The government aims to help 80,000 first-time buyers purchase homes over the next five years.

Accessibility: The scheme is focused on making homeownership more accessible for a wider range of buyers.

However, it's important to note that other factors, such as the potential unfreezing of Stamp Duty Land Tax (SDLT) relief, could impact the overall cost of homeownership. Additionally, fluctuations in interest rates, as determined by the Bank of England, may influence lender behaviour and mortgage affordability.

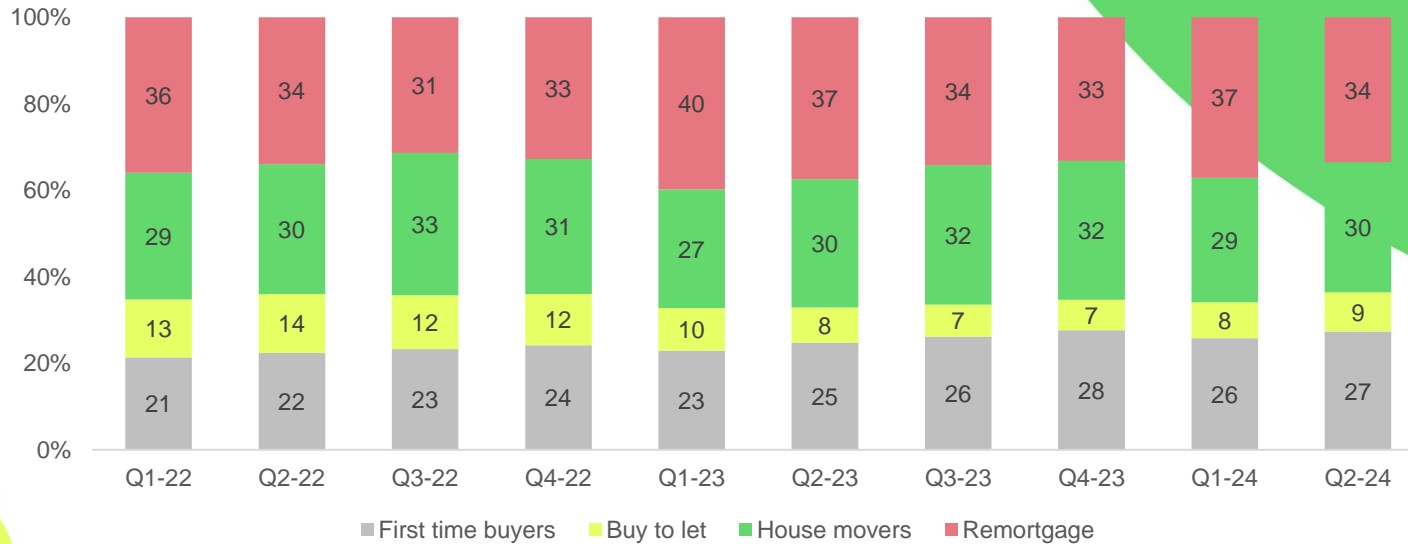
As the housing market continues to evolve, the Freedom to Buy Scheme offers a glimmer of hope for first-time buyers. By reducing barriers to entry, the government aims to empower a new generation of homeowners.



Purpose of loans

“In Q2-24, House movers (30%) and first-time buyers (27%) together account for 57% of loan purposes, indicating robust activity in the property market. This slight increase from Q1 suggests growing confidence among both new entrants and existing homeowners looking to move.”

Purpose of loans (%)





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