



dwello
mortgages

Mortgages Snapshot
July 2025

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 July 2025.

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

- In July 2025, the top 10 lenders' 85% LTV purchase mortgage rates have continued their positive momentum, with the average rate dropping **further to 4.07%. This represents a continued decline of 0.12 percentage points from June's 4.19%.**
- In July 2025, the remortgage market's 85% LTV rates from top 10 lenders have resumed their downward trajectory, **dropping to 4.20%. This represents a welcome reduction of 0.11 percentage points from June's 4.31%.**
- The provisional data for UK residential property transactions shows continued softening through spring 2025, **with the LTM figure reaching 99,132 in May 2025.**
- The UK housing market continues to show diverging trends through summer 2025, with asking prices maintaining their elevation **around the £373k mark, while actual property prices show steady growth reaching approximately £269k.**
- The value of gross mortgage advances in Q1-25 showed continued robust performance **at £77.6 billion, representing a solid increase of 12.8% (£8.8 billion) from Q4-24's £68.8 billion.**
- The Q1-25 data shows a notable shift in market dynamics, with first-time buyers increasing **to 31% and house movers rising to 35%**, collectively making up 66% of loan purposes.

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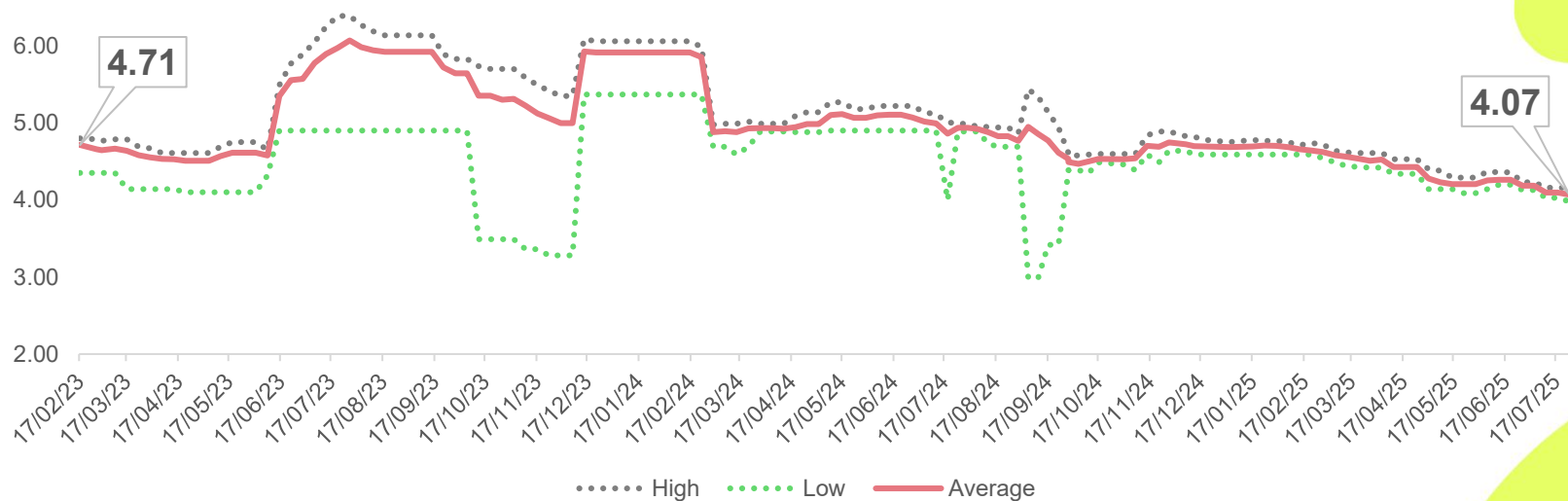
Phone
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Dwello – Mortgage Rate Index (85% LTV Purchase)

“In July 2025, the top 10 lenders' 85% LTV purchase mortgage rates have continued their positive momentum, with the average rate dropping further to 4.07%. This represents a continued decline of 0.12 percentage points from June's 4.19%.”

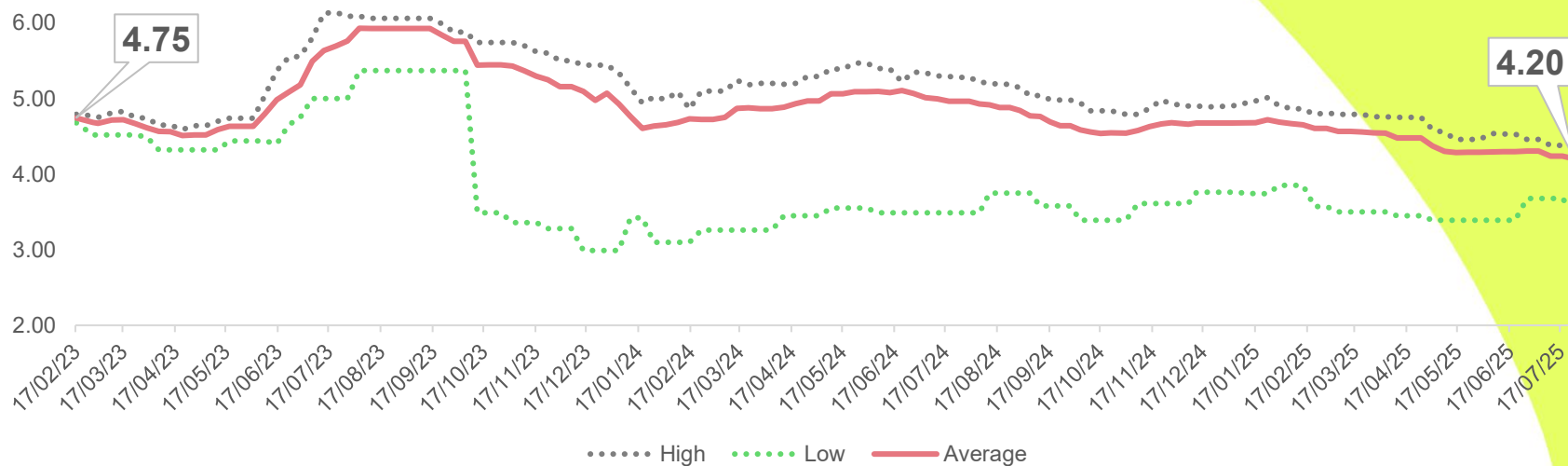
Purchase Top 10 lenders



Dwello – Mortgage Rate Index (85% LTV Remortgage)

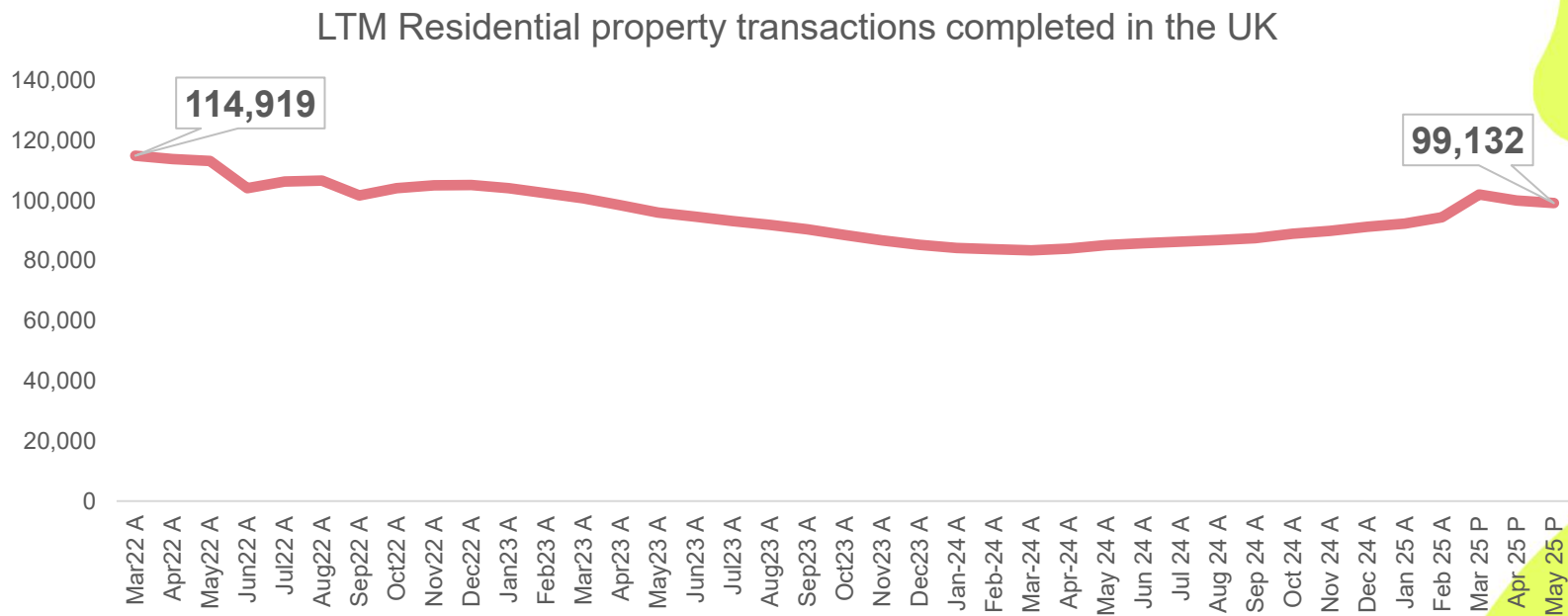
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Remortgage Top 10 lenders (%)



Residential transaction volumes

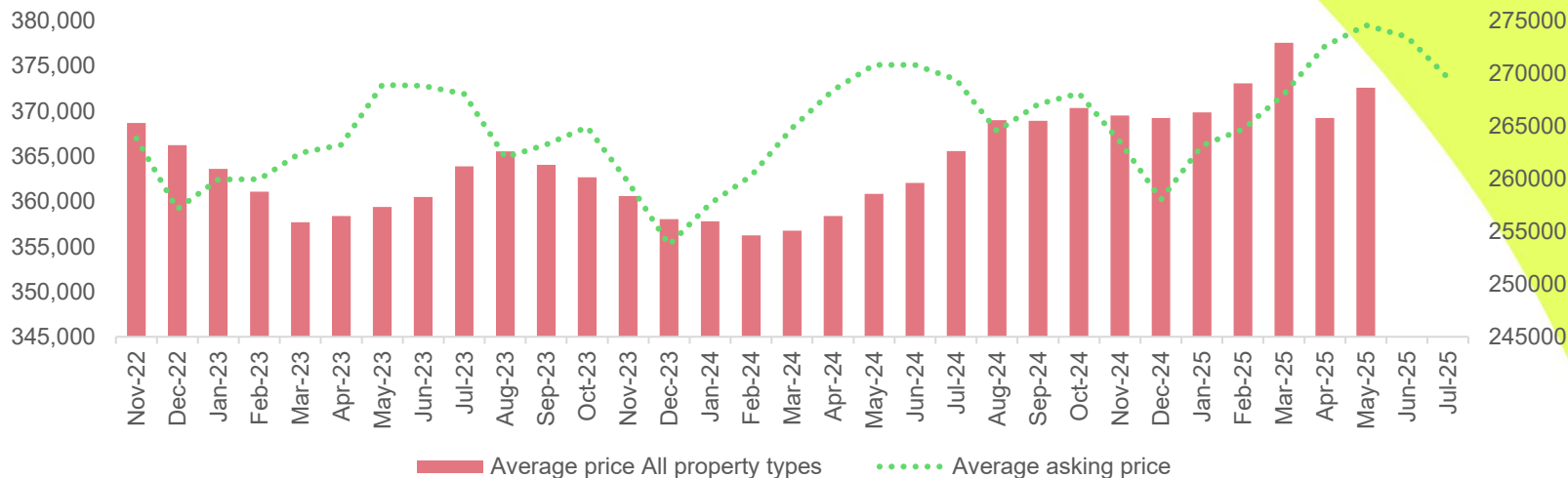
“The provisional data for UK residential property transactions shows continued softening through spring 2025, with the LTM figure reaching 99,132 in May 2025.”



Residential transaction prices

“The UK housing market continues to show diverging trends through summer 2025, with asking prices maintaining their elevation around the £373k mark, while actual property prices show steady growth reaching approximately £269k.”

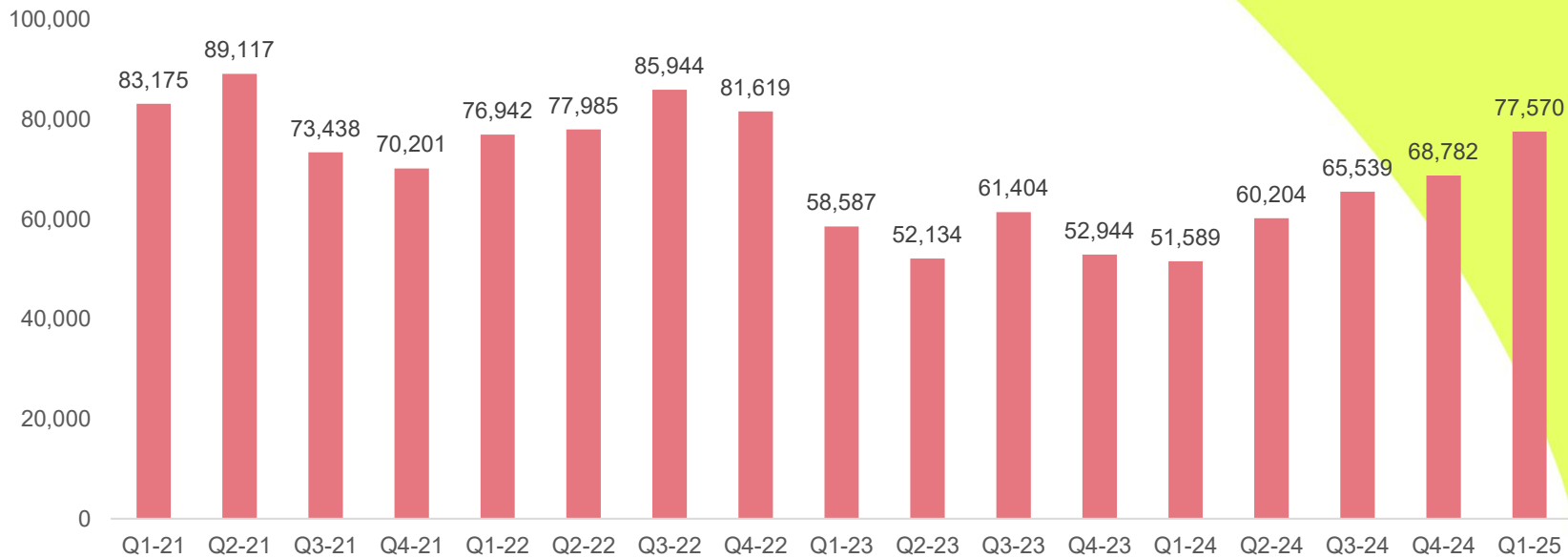
Average price vs. average asking price (Rightmove)



Mortgage Value Gross

"The value of gross mortgage advances in Q1-25 showed continued robust performance at £77.6 billion, representing a solid increase of 12.8% (£8.8 billion) from Q4-24's £68.8 billion."

Mortgage value gross (£'000m)



Navigating the Summer Mortgage Market: To Fix or Not to Fix?

As summer heats up, so too does the debate in the UK mortgage market: should homeowners lock into a fixed-term deal or brave the uncertainties of their lender's Standard Variable Rate (SVR)? With mortgage applications surging, it's a question many are grappling with, and the consensus among experts is clear: now is the time to fix.

Recent insights highlight a significant shift in borrower behaviour, with a remarkable 42 per cent increase in mortgage applications. This surge suggests a collective apprehension, as thousands aim to sidestep potential pitfalls in a fluctuating financial landscape. Sam Fox, a leading UK mortgage expert, recently weighed in on GB News, reiterating advice that has become a consistent beacon for homeowners.

"Since the Spring, that question has come up a lot," Fox noted. "And when you look at the current deals on the market, my advice has generally been consistent: opt for a fixed deal. As we move through the summer, that advice hasn't changed." The rationale behind this unwavering recommendation is compelling. The UK fixed-rate mortgage market is currently experiencing a dynamic phase characterized by heightened competition among lenders and a welcome trend of falling rates. This translates into tangible benefits for consumers, with many lenders now offering attractive deals, particularly for two- and five-year fixed terms, some even dipping below four per cent.





The Return of 'Residential Interest Only Mortgages'

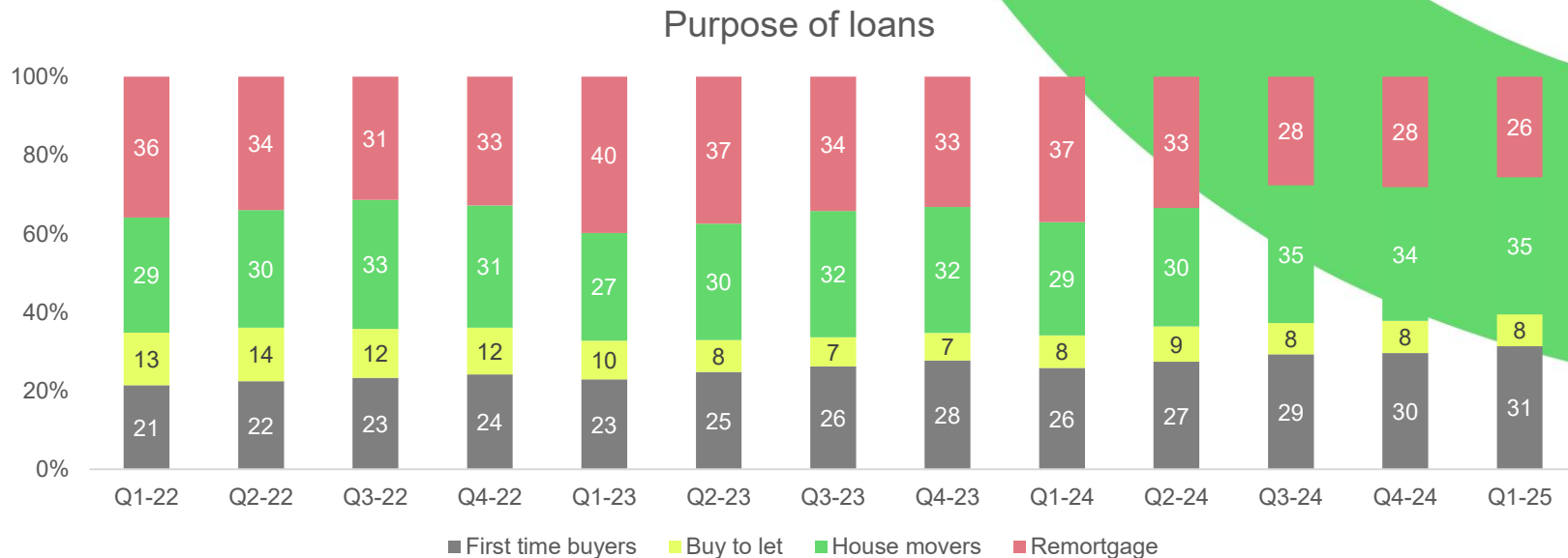
For those currently on an SVR, the appeal of a fixed rate is undeniable. While SVRs might seem to offer flexibility, they expose borrowers to the whims of interest rate fluctuations. In an economic climate where stability is a prized commodity, a fixed rate provides certainty, allowing homeowners to budget effectively without the constant worry of unpredictable monthly payments. This predictability is invaluable, especially when managing household finances in an era of broader economic pressures.

Whether you're considering staying with your current provider or exploring alternatives, there's a strong likelihood of securing a deal that not only offers stability but also presents significant savings over the long term. Many existing lenders are keen to retain customers and may offer preferential rates to encourage re-mortgaging within their portfolio. However, it is always prudent to shop around, as the cheapest alternative mortgage lender could offer an even more advantageous rate, resulting in substantial financial relief.

As the summer progresses, the message for mortgage holders is unambiguous: the opportune moment to secure a fixed-term deal is now. The combination of increased competition, falling rates, and the inherent stability offered by fixed products makes them a financially sound choice. Don't fall victim to the "mortgage mistake" thousands are trying to avoid; instead, take proactive steps to safeguard your finances.

Purpose of loans

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