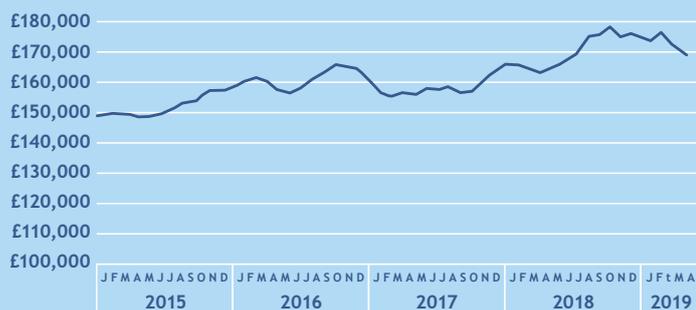


Monthly Remortgage Snapshot



Average remortgage loan amount

3 month rolling average



Volume of remortgage loans over time

12 month rolling average



Fast facts



£206

Average monthly payment decrease for those who remortgaged in April



48%

Of those who remortgaged took out a 5-year fixed rate product. The most popular product in April



52,560

Volume of remortgages is down from 52,762 in March



£168,600

Average loan amount is down from £172,390 in March

Remortgage loan sizes

Change in loan size reported by borrowers



- 48% increased their total loan size
- 30% saw no change in their total loan size
- 22% reduced their total loan size



Average loan increase post remortgage: £19,796.54



Average loan decrease post remortgage: £12,365.40

Monthly loan repayments

Change in monthly loan repayments reported by borrowers



- 45% increased their monthly remortgage repayments
- 10% saw no change in their monthly remortgage repayments
- 46% reduced their monthly remortgage repayments



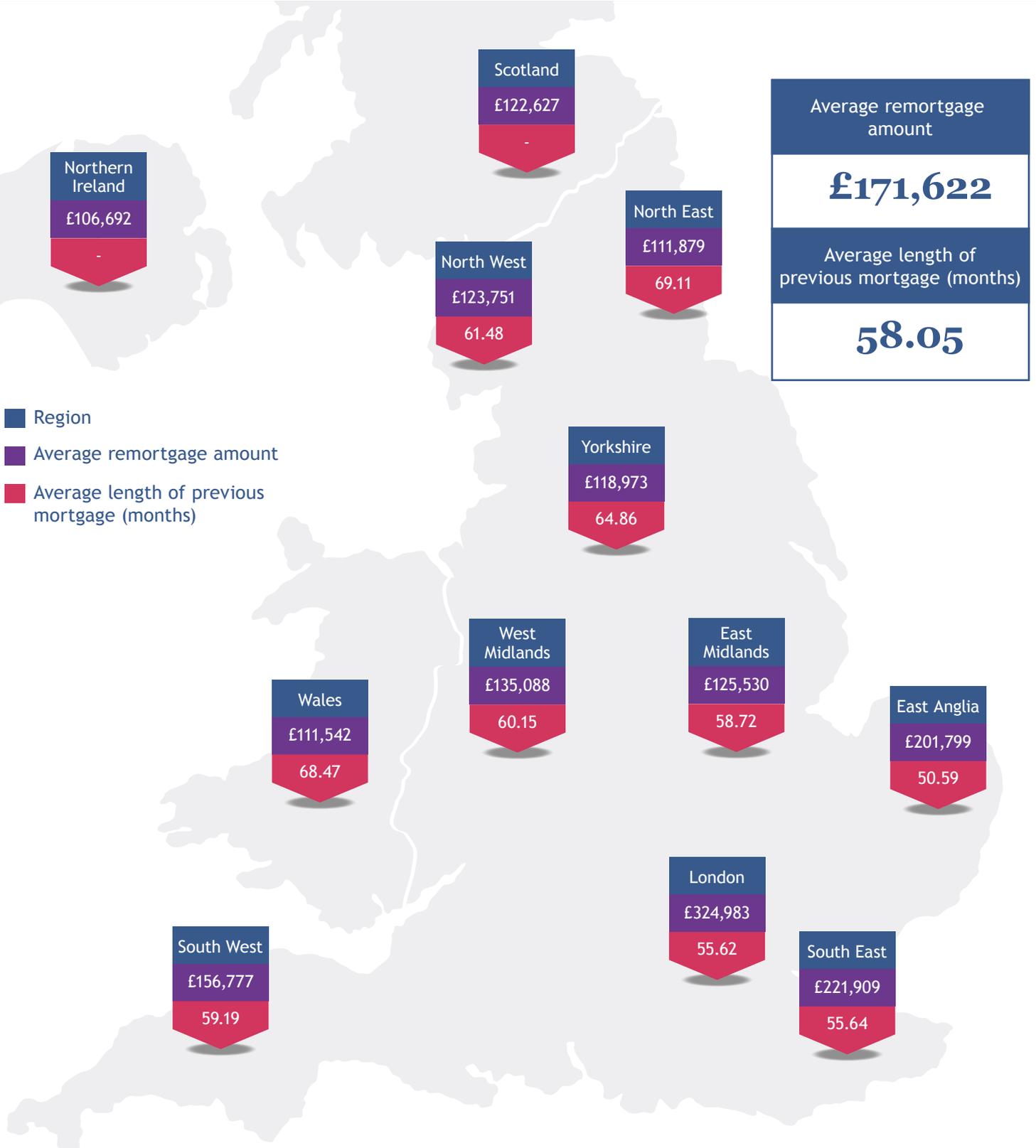
Average monthly repayment increase: £198.14



Average monthly repayment decrease: £205.99

Regional trends

Outside of London and the South East, the highest average remortgage loan amount is in East Anglia at £201,799. The shortest remortgage length is found in East Anglia - an average of 50.59 months.



Five-year fixes becoming the new norm for remortgages, says LMS



Nick Chadbourne, CEO, LMS

“Borrowers are taking control of their monthly payments and locking into longer term fixed rate deals, with nearly half opting for a five-year fixed rate product. This trend carries on from March, where **45%** of borrowers selected this fixed term. It’s also great to see that **65%** of borrowers decided to remortgage using the guidance of a broker, highlighting the importance of

advice in the remortgage process.

“Another interesting observation is that **48%** of borrowers chose to increase their loan size by taking advantage of the competitive rates available. This gives borrowers the flexibility to alter their monthly repayments and use the additional funding on home improvements, as we are seeing many choose to ‘improve not move.’”

Interest rate rise expectations

61%

Within the next year

27%

More than a year away

12%

No change

Product purchasing

97% of those who remortgaged in April did so with a fixed rate product, demonstrating their continued popularity in the remortgage market. **Five year fixed** rate products were the most popular option, making up **48%** of purchases, followed by **two year fixed** rate products, which made up **34%** of purchases.

This preference is unsurprising given consumer expectations regarding interest rate rises, with **61%** of borrowers expecting bank rates to increase in the next year.

Brokers maintain critical place in remortgage process

65% of borrowers picked a remortgage product because it had been recommended by a broker. This is a remarkable increase from statistics seen by LMS in November 2018 when just **39%** of borrowers chose a product due to broker recommendation.

This sustained growth reflects the importance of brokers in the modern remortgage market. It was only in September 2016 when broker recommendation comprised just **22%** of the reason why borrowers picked a remortgage product. With this rate of growth, brokers are very quickly becoming the go-to source of advice when borrowers review their current mortgage product.

Methodology

LMS’ UK remortgage lending estimates are forecasts based on LMS’ up to date internal conveyancing data and remortgage lending figures provided by UK Finance. Together these two datasets cover many thousands of remortgage completion transactions. LMS (Legal Marketing Services) is one of the UK’s largest providers of outsourced property services, including conveyancing, remortgage and IT services. The LMS system is based on the company’s unique STARS (Servicer Tracking & Reporting System) technology which manages transactions electronically on-line to ensure speed, cost efficiency and quality of service.