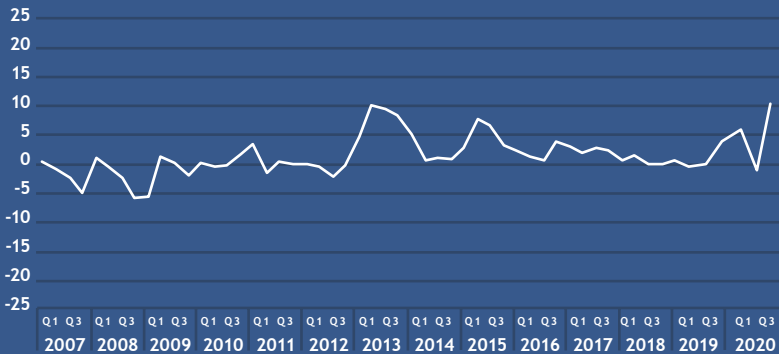


LMS Remortgage Healthcheck Index

Overall healthcheck index



60.2

Q3 2020 Remortgage Healthcheck Index

70.9

Remortgage Approvals

Remortgage values continue to rise in Q3 while approval numbers have turned a corner.

52.1

Borrowing Costs

The Borrowing Costs measure fell by 3.6 points from Q2 to 52.1.

66.1

Homeowner Equity

Homeowner Equity surges up as house price growth improves in Q3.

54.6

Borrower Sentiment

The Borrower Sentiment indicator slipped only slightly in the third quarter, edging down by just 0.1 points to 54.6.



Nick Chadbourne,
CEO at LMS, comments:

“Market recovery cause for optimism as housing market set to remain open for business”

“Strong scores for both the approvals and equity indicators are a really encouraging sign for the health and resilience of the market, and to see the highest index score for 5 years is very promising.

“House prices rising mean more borrowers qualify for better loan-to-value products, and bigger loans mean they have more control over their biggest asset - their home. Growing loans for home improvements are a sign of confidence as homeowners are prepared to spend their savings.

“We are optimistic for continued strong performance in Q4, though we should retain a note of caution given that lockdown measures have returned.

“The focus is on home moving at the moment, taking up the majority of time across the industry, but this should tail off in 2021 and we should see a move back to remortgages and away from product transfers. Borrower sentiment has remained steady, and we hope to see borrowers retaining the same resilience that has kept the market buoyant since April.”

Methodology

Each of our four key indicators is scored between 0 and 100, with scores **between 40 and 60** considered a **neutral** outlook, a score **below 40** is considered **negative** and score **over 60** a **positive** outlook for the industry. The overall index is the weighted average of each indicator score.