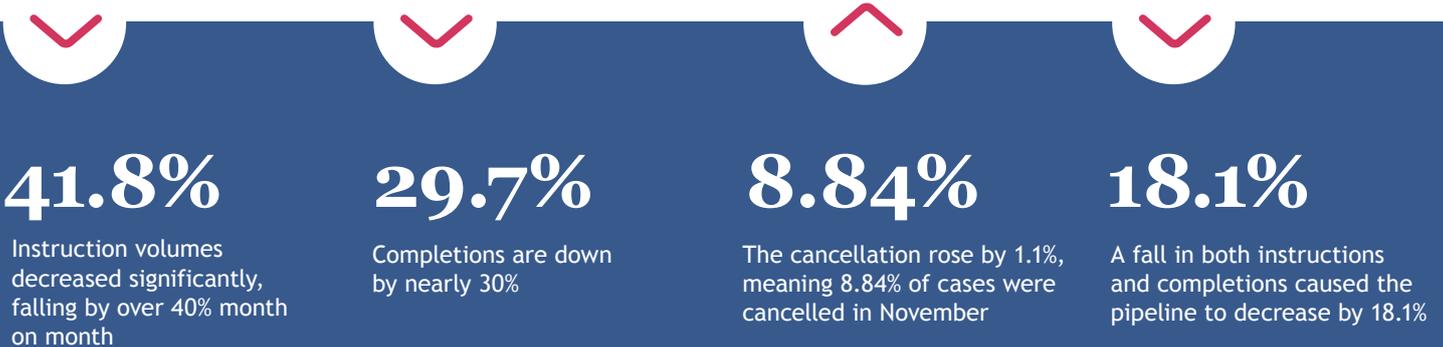


Monthly Remortgage Snapshot



Key performance metrics



Fast facts



Remortgage loan sizes

Change in loan size reported by borrowers



-  54% increased their total loan size
-  29% saw no change in their total loan size
-  17% reduced their total loan size



Average loan increase post remortgage: **£21,576**



Average loan decrease post remortgage: **£12,522**

Monthly loan repayments

Change in monthly loan repayments reported by borrowers



-  44% increased their monthly remortgage repayments
-  11% saw no change in their monthly remortgage repayments
-  45% reduced their monthly remortgage repayments



Average monthly repayment increase: **£194**

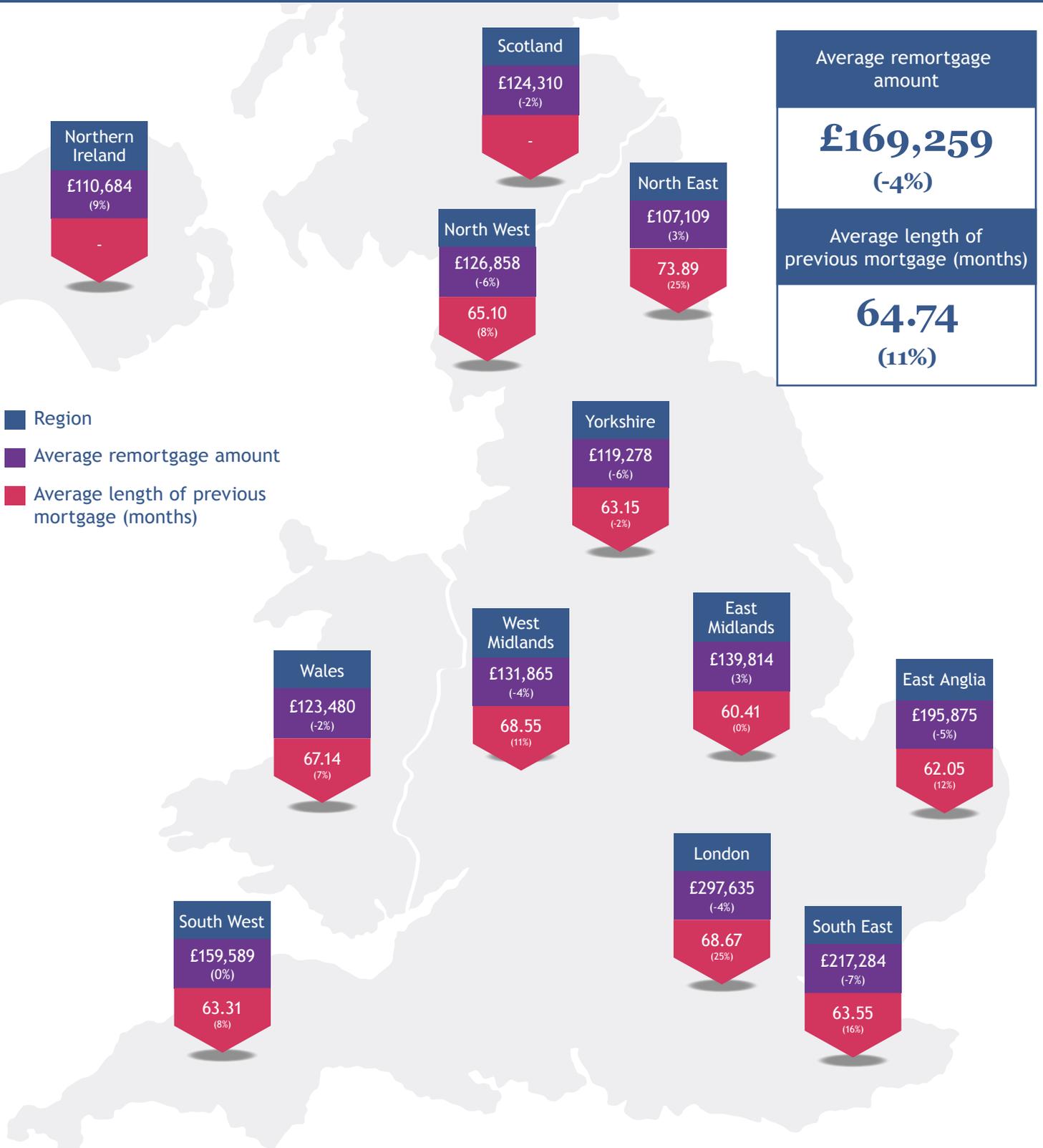


Average monthly repayment decrease: **£201**

Regional trends

The average remortgage loan amount in London and the South East was £257,459, while the average for the rest of the country stood at £137,102, a difference of 52%.

The longest previous mortgage length was found in the North East at 73.89 months (6.16 years) and the shortest was in the East Midlands at 60.41 months (5.03 years), showing a disparity of 22%.





Nick Chadbourne, CEO, LMS

“Busy purchase market and rise in product transfers continue to subdue remortgage activity, but the demand is there”, says LMS

“We have seen a significant drop in the number of remortgage instructions fuelled largely by the continued home moving activity, but the number of borrowers opting for product transfers is also playing a part. 2020 has been the year of the product transfer, and we estimate that 90% of remortgagers in December will stick with their current lender rather than shopping around, which is incredibly high.

“It is important to note that a small variation in repayment rates can accumulate to a large amount over the full period of a fixed term. Borrowers should always seek professional advice when looking to

remortgage to ensure they achieve the best deal possible.

“Although volumes are down, it is promising to see that 54% of borrowers increased their loan size in November. This suggests that borrowers feel confident about taking equity out of their home to finance other purchases, indicating optimism about the future. This growth in confidence came as news of potential Covid-19 vaccines picked up pace in November, and we are likely to see confidence grow even further in the coming months as we return to some sense of normality and gain clarity over Brexit.”

Interest rate rise expectations

38%

Within the next year

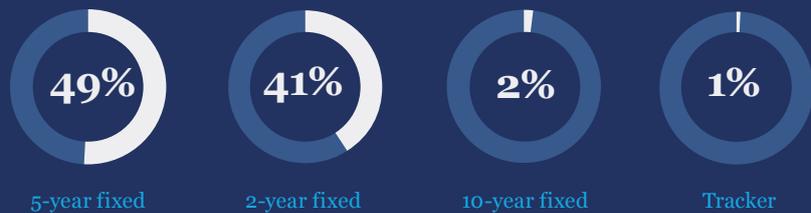
42%

More than a year away

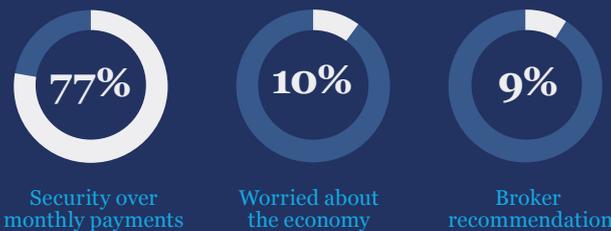
20%

No change

Product purchasing



Fixed-rate purchase motivations



Primary goal when remortgaging



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.