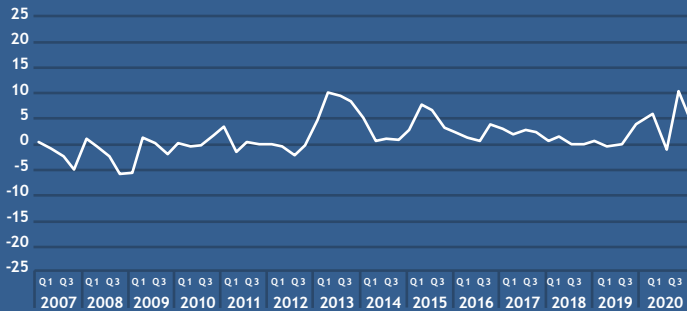


LMS Remortgage Healthcheck Index

Overall healthcheck index



54.8

Q4 2020 Remortgage Healthcheck Index



56.5

Remortgage Approvals



The Remortgage Approvals indicator suffered a reduction against data recorded in Q3, falling back by 14.4 points to 56.5, the lowest level since the start of 2020.



41.2

Borrowing Costs



The Borrowing Cost indicator fell by 10.9 points in Q4 to 41.2, the lowest value since Q3 2012 and close to negative territory.



73.9

Homeowner Equity



The Homeowner Equity indicator recorded a strong performance in Q4 2020, rising by 7.8 points to 73.9, the highest value on record.



57.3

Consumer Sentiment



Following falls in two consecutive quarters, the Borrower Sentiment indicator recorded an increase of 2.7 points, pushing out to 57.3.



Nick Chadbourne,
CEO at LMS, comments:

“Despite the fall in the overall index score, we can see a positive outlook for remortgaging in 2021. The main drivers for the fall were lower Remortgage Approvals and Borrowing Costs indicator scores, but given the wider economic and social climate these aren’t unexpected.

“We have already seen an uptick in remortgage activity in Q1 2021. Government support such as the extension

of the SDLT holiday and fully-backed 95% LTV products take pressure off the purchase market in the short-term which may open up more opportunities for remortgage cases. However, these schemes add fuel to an already well-lit fire, and there needs to be continued support and clarity from the government to cement lender confidence and give the industry the necessary time to allow remortgage activity to strengthen through the year.”

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.