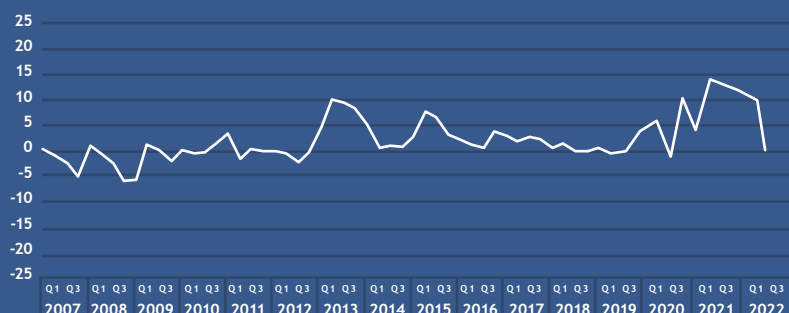


LMS Remortgage Healthcheck Index

Overall healthcheck index



54.7

Q2 2022 Remortgage Healthcheck Index

45.9

Remortgage Approvals



The Remortgage Approvals indicator fell more moderately in Q2 compared to its sharpest decrease in 11 years during Q1.

40.0

Borrowing Costs



The Borrowing Costs indicator fell by 30.1, the sharpest ever contraction in the Index's history.

96.9

Homeowner Equity



After reaching the highest possible reading in Q1, the Homeowner Equity indicator dipped slightly as house price growth began to slow in Q2.

57.1

Consumer Sentiment



Borrower sentiment slips for the fourth consecutive quarter but by an infinitesimal 0.1 point.



Nick Chadbourne,
CEO at LMS, comments:

“The drop in the borrowing costs indicator shows that, perhaps unsurprisingly, the Bank of England base rate increases are the biggest factor currently impacting the market as lenders are having to consider passing on some higher costs to the customer, something which they have admirably staved off doing for as long as possible.

With the ongoing cost of living crisis and impending recession, this trend is likely to continue, but the homeowner equity indicator remained in positive territory -

though house price growth slowed marginally, it still acted as a buffer and, together with the rise in average approvals values, prevented the overall indicator score dropping more substantially.

For borrowers, the focus should now be on locking in lower costs for longer, and it's important for lenders and brokers to make sure such products are available and accessible, especially as £1bn worth of mortgage products are set to mature before year end and with ongoing upheaval markets could become more volatile."

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.