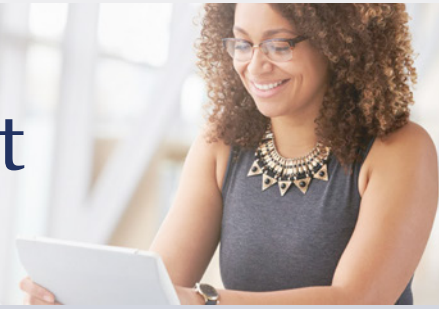


Monthly Remortgage Snapshot



Key performance metrics



13%

Instructions decreased by 13% in February



31%

31% less remortgages were completed in February



1%

The overall cancellation rate decreased 1%



4%

Pipeline cases increased by 4% month-on-month

Fast facts

£373.58

average monthly payment increase for those who remortgaged in February

43%

of borrowers increased their loan size in February

47%

of those who remortgaged took out a 2-year fixed rate product, the most popular product last month

29%

said their main aim when remortgaging was to lower their monthly payments, making it the most popular response

Remortgage loan sizes

Change in loan size reported by borrowers



43% increased their total loan size



35% saw no change in their total loan size



22% reduced their total loan size



Average loan increase post remortgage: £20,995



Average loan decrease post remortgage: £18,136

Monthly loan repayments

Change in monthly loan repayments reported by borrowers



64% increased their monthly remortgage repayments



10% saw no change in their monthly remortgage repayments



27% reduced their monthly remortgage repayments



Average monthly repayment increase: £373.58



Average monthly repayment decrease: £328.62

Regional trends

The average remortgage loan amount in London was £340,979, while the average for the rest of the UK stood at £172,333, making remortgage loan amounts 98% higher in London than in the rest of the country.

The longest previous mortgage length was found in the West Midlands at 77.22 months (6.44 years), while the shortest was in Wales at 61.86 months (5.16 years), making the longest previous mortgage term 24.83% longer than the shortest.





Nick Chadbourne, CEO, LMS

“Competitive Remortgaging amidst a relatively stable rate environment” - LMS

“The market may appear to be volatile in terms of rate moves, with some lenders quickly shifting pricing, however from a borrowers perspective rates are relatively stable and have been for some time. While the media often like to announce when large lenders increase or decrease rates, the reality is that rates are likely to remain stable for the foreseeable future. This stability should provide confidence for those looking to remortgage or move home. While this is the case, shorter-term fixed-rate options, notably the two-year fixed-rate product, remain highly attractive to remortgagers. Almost half opted for these short-term deals in February, with 29% noting a desire to lower their monthly payments as their primary motivation.

These short-term deals offer homeowners flexibility, allowing them to adapt to changing market conditions and seize better opportunities in the short-term. With a positive start to the year, mortgage rates are currently lower than they were a year ago, leading to a further boost to consumer sentiment. Nine out of twelve regions across the UK have witnessed decreases in their average remortgage amounts, suggesting a trend towards stabilisation and recovery in the mortgage industry leading into Q2. Additionally, there has been a 4% increase in remortgaging cases, indicating that more homeowners are taking proactive steps to find a new mortgage rate.”

Borrower expectations for interest rate increases

37%

Within the next year

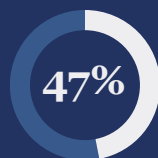
13%

More than a year away

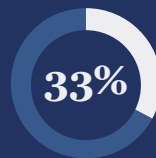
50%

No expectation for a rate increase

Product purchasing



2-year fixed



5-year fixed



10-year fixed

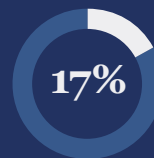


Tracker

Fixed-rate purchase motivations



I wanted the security of knowing how much I'll be paying each month



I am worried about the economic climate and wanted to lock in a fixed rate

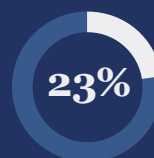


My broker recommended this

Primary goal when remortgaging



Lower monthly payments



Release equity on property/borrow more money



Security over monthly payments/lock in a good deal now

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.