

Buy To Let mortgage costs stabilise at record lows

UK, February 9, 2017: The cost of Buy To Let mortgages remain at record lows but with little movement in costs and rates over the past three months, recent analysis from Mortgage Brain shows that the BTL sector could be entering a period of stabilisation.

Mortgage Brain's latest BTL product data analysis shows strong year on year reductions in the cost of BTL mortgages spanning the past three years. The cost of an 80% LTV two year Fixed, for example, is now 18% lower than it was at the start of 2014 and 11% lower than it was a year ago.

Similarly, the lowest rate three year Fixed BTL with an 80% LTV (at 3.39%) is now 16% lower than it was three years ago and 10% lower than last year.

Buy To Let investors favouring longer term deals can also benefit from the savings with Mortgage Brain's data showing that the cost of a 60% LTV five year Fixed BTL mortgage is now 15% lower than it was in 2014, while its 70% and 80% LTV counterparts are 14% and 11% lower respectively.

Despite the long period of reducing mortgage rates, however, Mortgage Brain's short term analysis shows signs of potential stabilisation with mixed movement in the cost of all main BTL products over the past three months.

A three year Fixed BTL mortgage with an 80% LTV, for example, now costs 4% less than it did three months ago, while the cost of a two year Fixed (60% and 80% LTV), a three year Fixed (70% LTV) and a five year Fixed with a 60% LTV are all down by just 1% compared to November 2016.

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By comparison, a marginal 1% increase in cost has been recorded for a two year Tracker BTL mortgage with a 70% LTV, whereas a two year Fixed (70% LTV), a two year Tracker (60% LTV) and a five year Fixed BTL mortgage (70% and 80% LTV) have all remained inactive with mortgage costs remaining static with those offered at the beginning of November 2016.

Mark Loffhouse, CEO of Mortgage Brain, comments, "Like our recent residential mortgage product analysis the Buy To Let sector looks like it could be levelling out and moving away from the long period of historic lows in terms of costs and rates.

"Buy To Let investors can still take advantage of some good savings and low rates when compared to this time last year, however, the mixed and marginal movement in costs over the past three months could be seen as a further sign of stability, or even the start of a period of rises."

- Ends -

Table 1: Monthly cost (£) per £1,000 borrowed (2, 3, 5 year Fixed and Tracker).

Mortgage Product Data – Supplied by Mortgage Brain												
(Monthly cost (£) per £1,000 borrowed – repayment for a £180,000 property)												
Product	1/02/15	1/5/16	1/8/16	1/11/16	1/02/17	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60% BTL	£4.53	£4.50	£4.48	£4.43	£4.39	-£0.04	-0.90%	-£0.09	-2.01%	-£0.14	-3.09%	n/a
2Year Fixed 70% BTL	£4.86	£4.72	£4.65	£4.56	£4.57	£0.01	0.22%	-£0.08	-1.72%	-£0.29	-5.97%	4.10%
2 Year Fixed 80% BTL	£5.34	£5.22	£5.17	£4.99	£4.94	-£0.05	-1.00%	-£0.23	-4.45%	-£0.40	-7.49%	12.53%
2 Year Tracker 60% BTL	£4.38	£4.28	£4.39	£4.40	£4.40	£0.00	0.00%	£0.01	0.23%	£0.02	0.46%	n/a
2 Year Tracker 70% BTL	£4.47	£4.47	£4.65	£4.52	£4.58	£0.06	1.33%	-£0.07	-1.51%	£0.11	2.46%	4.09%
3 Year Fixed 60% BTL	£4.85	£4.76	£4.65	£4.64	£4.63	-£0.01	-0.22%	-£0.02	-0.43%	-£0.22	-4.54%	n/a
3 Year Fixed 70% BTL	£5.01	£4.83	£4.65	£4.78	£4.73	-£0.05	-1.05%	£0.08	1.72%	-£0.28	-5.59%	2.16%
3 Year Fixed 80% BTL	£5.44	£5.32	£5.18	£5.18	£4.99	-£0.19	-3.67%	-£0.19	-3.67%	-£0.45	-8.27%	7.78%
5 Year Fixed 60% BTL	£4.94	£4.87	£4.81	£4.71	£4.64	-£0.07	-1.49%	-£0.17	-3.53%	-£0.30	-6.07%	n/a
5 Year Fixed 70% BTL	£5.18	£5.08	£4.79	£4.78	£4.79	£0.01	0.21%	£0.00	0.00%	-£0.39	-7.53%	3.23%
5 Year Fixed 80% BTL	£5.56	£5.40	£5.36	£5.35	£5.35	£0.00	0.00%	-£0.01	-0.19%	-£0.21	-3.78%	15.30%

About Mortgage Brain Limited

- [Mortgage Brain](#) is an expert in technology and software solutions proactively supporting Lenders, Networks, Corporates and Intermediary Mortgage Advisers.
- Its integrated product suite includes Mortgage, Secured Loan and Conveyancing sourcing - [MortgageBrain Classic](#), [MortgageBrain Anywhere](#), [LoansBrain](#) & [ConveyancingBrain](#), point-of-sale, CRM, compliance system - [the Key](#), online mortgage submission - [Mortgage Trading Exchange \(MTE\)](#), websites, calculators, plugins - [MortgageBrain B2C](#) and Data Analysis & Lending Solutions.
- Mortgage Brain has over 20,000 users of its products and services and is a Microsoft Gold Certified Partner.
- Industry awards include 4 times winner 'Best Technology Provider' at the Mortgage Strategy Awards, the Pink Service Award for 'Best Technology Provider', and 4 times winner of the 'Technology Advocate of the Year' at the British Mortgage Awards.
- Mortgage Brain Holdings Limited, formed in 1986, is jointly owned by Barclays, Lloyds Banking Group, Nationwide, Royal Bank of Scotland, Santander & Virgin Money.

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