

Cost of BTL mortgages fall again

~ 80% LTV two year Fixed 4% cheaper than August 2016 ~

~ 2 Year Tracker (70% LTV) now 3% lower ~

~ Cost reduction can equate to an annual saving of £1,098 on a £150k mortgage ~

UK, November 24, 2016: Potential landlords face more good news as new data from Mortgage Brain shows further reductions in the cost of most mainstream Buy To Let mortgages over the past three months.

Figures released today from Mortgage Brain's latest BTL product data analysis show that the cost of a two year Fixed BTL mortgage with an 80% LTV is now 4% lower than it was in August 2016.

With a current rate of 3.34% (as of 1st November 2016) the reduction in cost equates to a potential annualised saving of £324 on a £150k mortgage.

The longer term analysis for this product paints an even better picture with Mortgage Brain's data showing a 5% drop in cost compared to May 2016 and an 11% fall compared to this time 12 months ago. In financial terms, the 11% reduction in cost equates to a potential annual saving of £1,098.

At 2.40%, a two year Tracker BTL mortgage with a 70% LTV now costs 3% less than it did three months ago and offers landlords an annualised saving of £234.

Those favouring longer terms deals can also take advantage of the recent cost reductions with the cost of a five year Fixed BTL mortgage (60% LTV) now 2% less than it was at the start of August 2016 and 3% less when compared to six months ago.

More/...

While seeing very little movement over the past three months the lowest rate five year Fixed BTL product with a 70% LTV now costs 6% less than May 2016 and 9% down in cost compared to 12 months ago. With a rate of 2.56%, the 9% cost reduction equates to an annualised saving of £846 on a £150k mortgage.

It's not all good news, however, with Mortgage Brain's data showing cost increases for some BTL mortgages. A three year Fixed BTL product (70% LTV), for example, now costs 3% more than it did in April and an 80% LTV two year Tracker now costs 4% more than it did three months ago.

Mark Lofthouse, CEO of Mortgage Brain, comments, "The rise in costs for the three year Fixed and two year Tracker mortgages could be a sign that BTL lenders are starting to look at minimising risk amidst further Brexit uncertainty.

"There's no doubt though that on the whole potential BTL investors remain in a great position to take advantage of the low rates and cost reductions that we're continuing to see."

- Ends -

Table 1: Monthly cost (£) per £1,000 borrowed (2, 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 | 1/11/15 | 1/2/16 | 1/5/16 | 1/8/16 | 1/11/16 | 3mth change | 3mth change (%) | 6mth change | 6mth change (%) | 12mth change | 12mth change (%) | Difference to 60% LTV |
| 2 Year Fixed 60% BTL | £4.56 | £4.53 | £4.50 | £4.48 | £4.43 | -£0.05 | -1.12% | -£0.07 | -1.56% | -£0.13 | -2.85% | n/a |
| 2Year Fixed 70% BTL | £4.64 | £4.86 | £4.72 | £4.65 | £4.56 | -£0.09 | -1.94% | -£0.16 | -3.39% | -£0.08 | -1.72% | 2.93% |
| 2 Year Fixed 80% BTL | £5.60 | £5.34 | £5.22 | £5.17 | £4.99 | -£0.18 | -3.48% | -£0.23 | -4.41% | -£0.61 | -10.89% | 12.64% |
| 2 Year Tracker 60% BTL | £4.31 | £4.38 | £4.28 | £4.39 | £4.40 | £0.01 | 0.23% | £0.12 | 2.80% | £0.09 | 2.09% | n/a |
| 2 Year Tracker 70% BTL | £4.60 | £4.47 | £4.47 | £4.65 | £4.52 | -£0.13 | -2.80% | £0.05 | 1.12% | -£0.08 | -1.74% | 2.73% |
| 2 Year Tracker 80% BTL | £4.97 | £5.51 | £4.97 | £5.68 | £5.92 | £0.24 | 4.23% | £0.95 | 19.11% | £0.95 | 19.11% | 34.55% |
| 3 Year Fixed 60% BTL | £4.85 | £4.85 | £4.76 | £4.65 | £4.64 | -£0.01 | -0.22% | -£0.12 | -2.52% | -£0.21 | -4.33% | n/a |
| 3 Year Fixed 70% BTL | £5.09 | £5.01 | £4.83 | £4.65 | £4.78 | £0.13 | 2.80% | -£0.05 | -1.04% | -£0.31 | -6.09% | 3.02% |
| 3 Year Fixed 80% BTL | £5.72 | £5.44 | £5.32 | £5.18 | £5.18 | £0.00 | 0.00% | -£0.14 | -2.63% | -£0.54 | -9.44% | 11.64% |

| | | | | | | | | | | | | |
|----------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|--------|--------|
| 5 Year Fixed 60% BTL | £4.98 | £4.94 | £4.87 | £4.81 | £4.71 | -£0.10 | -2.08% | -£0.16 | -3.29% | -£0.27 | -5.42% | n/a |
| 5 Year Fixed 70% BTL | £5.25 | £5.18 | £5.08 | £4.79 | £4.78 | -£0.01 | -0.21% | -£0.30 | -5.91% | -£0.47 | -8.95% | 1.49% |
| 5 Year Fixed 80% BTL | £5.79 | £5.56 | £5.40 | £5.36 | £5.35 | -£0.01 | -0.19% | -£0.05 | -0.93% | -£0.44 | -7.60% | 13.59% |

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.

For further press information, please contact:

Damion Clark at the Mortgage Brain Press Office. **Tel:** 07789 911314

Email: damion@realpublicrelations.com

For all other enquiries, please contact:

Mark Loffhouse, CEO of Mortgage Brain. **Tel:** 07776 143 056 or 01527 557203

Email: mark.loffhouse@mortgage-brain.co.uk