

PRESS RELEASE

Buy-To-Let mortgage costs start to climb

~ Cost of a 60% and 70% LTV 2yr Fixed up 3% since November 2017 ~

~ 2yr Fixed (80% LTV) now 2% higher ~

~ BTL products see biggest increase in product availability – up 32% over 12 months ~

UK, FEBRUARY 26, 2018: Following several periods of change and uncertainty in 2017, leading to November's eventual rise in interest rates, the cost of most mainstream Buy-To-Let mortgages is starting to climb with new data from Mortgage Brain showing a number of cost increases over the past three months.

The cost of a two year BTL Tracker with a 60% and 70% LTV, for example, is now 3% higher than it was in November 2017. With a current rate of 1.79% and 2.14% respectively (as of 1st February 2018), the 3% rise equates to an annualised increase of £216 on a £150,000 mortgage.

The cost of an 80% LTV two year Fixed (at 3.44%), is now 2% higher than it was three months ago, while its 60% and 70% LTV counterparts, and a 70% LTV three year Fixed, are all 1% higher than they were at the beginning of November 2017.

There is some better news for borrowers looking for a longer term deal, however, with Mortgage Brain's latest data showing a 2% reduction in cost over the past three months for a 70% LTV five year Fixed and a 1% cost reduction for the same product with a 60% and 80% LTV.

Despite the recent fluctuations in rates and costs, the Buy-To-Let sector has also seen the strongest performance in terms of product numbers and availability over the past 12 months.

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An additional 721 products were introduced into the UK BTL market during 2017, representing a 32% increase in overall product availability – up from 2,238 in January 2017 to 2,959 as of 15 January 2018.

Mark Loffhouse, CEO of Mortgage Brain, comments, "It looks like the Prudential Regulation Authority changes, coupled with what could be seen as the start of a number of interest rate rises, is starting to affect the cost of mainstream BTL mortgages.

"Buy-To-Let product numbers are at a new high, however, and there are still pockets of cost reductions and savings to be had for potential landlords and property investors. With the BTL market set to become even more complex in 2018, though, we might be on the start of a new path in terms of mortgage cost movement compared to the past few years."

- 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	1/2/17	1/5/17	1/8/17	1/11/17	1/2/18	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60% BTL	£4.39	£4.39	£4.20	£4.17	£4.19	£0.02	0.48%	-£0.01	-0.24%	-£0.20	-4.56%	n/a
2 Year Fixed 70% BTL	£4.57	£4.48	£4.31	£4.32	£4.35	£0.03	0.69%	£0.04	0.93%	-£0.22	-4.81%	2.05%
2 Year Fixed 80% BTL	£4.94	£4.90	£4.90	£4.90	£4.98	£0.08	1.63%	£0.08	1.63%	£0.04	0.81%	11.62%
2 Year Tracker 60% BTL	£4.40	£4.40	£4.37	£4.28	£4.40	£0.12	2.80%	£0.03	0.69%	£0.00	0.00%	n/a
2 Year Tracker 70% BTL	£4.58	£4.58	£4.51	£4.41	£4.53	£0.12	2.72%	£0.02	0.44%	-£0.05	-1.09%	4.09%
3 Year Fixed 60% BTL	£4.63	£4.50	£4.38	£4.38	£4.38	£0.00	0.00%	£0.00	0.00%	-£0.25	-5.40%	n/a
3 Year Fixed 70% BTL	£4.73	£4.65	£4.62	£4.55	£4.60	£0.05	1.10%	-£0.02	-0.43%	-£0.13	-2.75%	3.33%
3 Year Fixed 80% BTL	£4.99	£5.00	£5.00	£5.00	£5.21	£0.21	4.20%	£0.21	4.20%	£0.22	4.41%	11.11%
5 Year Fixed 60% BTL	£4.64	£4.58	£4.46	£4.46	£4.44	-£0.02	-0.45%	-£0.02	-0.45%	-£0.20	-4.31%	n/a
5 Year Fixed 70% BTL	£4.79	£4.79	£4.71	£4.64	£4.56	-£0.08	-1.72%	-£0.15	-3.18%	-£0.23	-4.80%	4.59%
5 Year Fixed 80% BTL	£5.35	£5.38	£5.22	£5.33	£5.29	-£0.04	-0.75%	£0.07	1.34%	-£0.06	-1.12%	17.47%

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- [Mortgage Brain](#) is an expert in technology and software solutions proactively supporting Lenders, Networks, Corporates and Intermediary Mortgage Advisers.
- Its integrated product suite includes:
 - First and Second charge, whole of market, online and desktop mortgage sourcing systems [MortgageBrain Classic](#) and [MortgageBrain Anywhere](#)
 - Standalone second charge sourcing website [LoansBrain](#)
 - Case tracking and quoting comparison portal [ConveyancingBrain](#)
 - Point-of-sale, CRM and compliance system with online client portal [the Key](#)
 - The multi-lender digital gateway, mortgage application platform, accounting for 60% of UK Lending [MTE, Mortgage Trading Exchange](#)
 - Websites, calculators, plugins [MortgageBrain B2C](#)
 - Data Analysis & Lending Solutions.
- Mortgage Brain has over 22,000 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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