

Mortgage costs fall for the second successive quarter

UK, October 25, 2017: Despite ongoing predictions of interest and mortgage rate rises, the cost of mortgages has continued to fall with new data from Mortgage Brain showing further reductions in the cost of most mainstream products over the past three months.

For the second successive quarter, Mortgage Brain's product data analysis – a breakdown of all main product types in the UK mortgage market for a repayment mortgage, and calculated by cost per '£000' -, has shown a number of costs reductions for the most popular two, three and five year residential mortgages.

The cost of a two year Fixed mortgage with a 60% LTV, for example, is now 3% lower than it was in July 2017, and offers borrowers an annualised saving of £198 on a £150k mortgage over the past three months.

Similarly, the lowest cost two year Fixed products with a 70%, 80% and 90% LTV, are also around 3% cheaper now than they were three months ago and offer annual savings of up to £270 on a property worth £150k.

While only seeing reductions in cost ranging between 0.5% and 1% over the past quarter, the lowest price 60%, 80% and 90% LTV two year Trackers still offer substantial savings compared to this time six months ago.

With a current rate of 1.84% (as of 1st October 2017), the cost of a 90% LTV Tracker, for instance, is now 5% lower than it was in April and offers borrowers annualised savings of £414 on a £150k mortgage.

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Borrowers favouring longer term deals can also benefit from the current reductions with Mortgage Brain's data showing further falls in the cost of three and five year Fixed mortgages.

The latest figures show that the lowest price 60% LTV three year Fixed mortgage is now 3% lower than it was in July, while its 90% LTV counterpart is 2% lower.

A 2% reduction in the cost over the past three months has also been seen for a five year Fixed (80% and 90% LTV), offering borrowers an annualised saving of £126 and £144 respectively.

Mark Lofthouse, CEO of Mortgage Brain, comments, "With fresh predictions for interest rate rises to start as soon as November, the landscape is expected to change, if and when, we revert back to seeing a period of increases in the cost of residential mortgages.

"All predictions seem to imply that the increases will be low and gradual, however, so I don't think we'll see any sudden dramatic changes. Our latest data is still showing a number of good deals for first time buyers and those looking to remortgage, but with possible changes afoot, it will be interesting to see what the trend is at the end of the next quarter."

- 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	1/10/16	1/1/17	1/4/17	1/7/17	1/10/17	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60%	£3.94	£3.98	£3.95	£3.91	£3.80	-£0.11	-2.81%	-£0.15	-3.80%	-£0.14	-3.55%	n/a
2 Year Fixed 70%	£4.01	£4.04	£4.05	£4.00	£3.86	-£0.14	-3.50%	-£0.19	-4.69%	-£0.15	-3.74%	2.53%
2 Year Fixed 80%	£4.09	£4.14	£4.10	£4.07	£3.95	-£0.12	-2.95%	-£0.15	-3.66%	-£0.14	-3.42%	3.70%
2 Year Fixed 90%	£4.20	£4.39	£4.38	£4.39	£4.28	-£0.11	-2.51%	-£0.10	-2.28%	£0.08	1.90%	10.89%

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2 Year Tracker 60%	£3.88	£3.93	£3.93	£3.96	£3.94	-£0.02	-0.51%	£0.01	0.25%	£0.06	1.55%	n/a
2 year Tracker 70%	£3.98	£3.99	£4.12	£4.04	£4.06	£0.02	0.50%	-£0.06	-1.46%	£0.08	2.01%	4.83%
2 Year Tracker 80%	£4.05	£4.09	£4.17	£4.11	£4.06	-£0.05	-1.22%	-£0.11	-2.64%	£0.01	0.25%	6.11%
2 Year Tracker 90%	£4.15	£4.47	£4.59	£4.40	£4.36	-£0.04	-0.91%	-£0.23	-5.01%	£0.21	5.06%	16.79%
3 Year Fixed 60%	£4.06	£4.10	£4.13	£4.08	£3.96	-£0.12	-2.94%	-£0.17	-4.12%	-£0.10	-2.46%	n/a
3 Year Fixed 70%	£4.18	£4.18	£4.17	£4.10	£4.08	-£0.02	-0.49%	-£0.09	-2.16%	-£0.10	-2.39%	0.97%
3 Year Fixed 80%	£4.23	£4.28	£4.23	£4.16	£4.16	£0.00	0.00%	-£0.07	-1.65%	-£0.07	-1.65%	2.42%
3 Year Fixed 90%	£4.46	£4.53	£4.52	£4.53	£4.44	-£0.09	-1.99%	-£0.08	-1.77%	-£0.02	-0.45%	9.44%
5 Year Fixed 60%	£4.21	£4.22	£4.21	£4.17	£4.16	-£0.01	-0.24%	-£0.05	-1.19%	-£0.05	-1.19%	n/a
5 Year Fixed 70%	£4.32	£4.35	£4.33	£4.25	£4.20	-£0.05	-1.18%	-£0.13	-3.00%	-£0.12	-2.78%	2.85%
5 Year Fixed 80%	£4.38	£4.42	£4.33	£4.33	£4.26	-£0.07	-1.62%	-£0.07	-1.62%	-£0.12	-2.74%	2.85%
5 Year Fixed 90%	£4.74	£4.66	£4.61	£4.61	£4.53	-£0.08	-1.74%	-£0.08	-1.74%	-£0.21	-4.43%	9.50%

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 First and Second Charge mortgage 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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