

## Mortgage rate movement remains unsettled

~ Mixed movement seen for all main product types over past three months ~

~ Long term analysis shows major rate reductions since November 2014 ~

~ Full product data tables included at end of release ~

**UK, November 10, 2015:** Despite months of speculation and repeated predictions of a rise in base rates, figures released today from Mortgage Brain's latest product data analysis, show that mortgage rates remain unsettled with mixed movement seen for all main product types over the past three months.

It's latest data (as of 1<sup>st</sup> November 2015) shows that a mix of rate increases and decreases, as well as a number of rate freezes, have been recorded for the lowest rate two and five year Fixed and Tracker mortgages since August 2015.

The lowest rate two year Fixed product with a 90% LTV, for example, fell by 7% during the past quarter – down from 2.45% in August to 2.28%. The same product with a 60% LTV, by comparison, saw a 10% increase over the same period with its current rate of 1.15% up from 1.05% in August.

The lowest rate five year Fixed products with a 60% and 90% LTV also saw a rate rise of 10% over the past three months – up from 0.99% to 1.09% for both products.

The lowest rate two and five year Trackers, however, have remained inactive in terms of rate movement over the short term with mortgage rates remaining static with those offered at the beginning of August 2015.

The best rate currently available comes in the shape of a two year Tracker with a 60% LTV, with the lowest rate listed at 0.98%; the same product with a 90% LTV is available with a rate of 1.99%, while the lowest rate five year products are listed with a rate of 2.59% (60% LTV) and 3.65% (90% LTV).

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## Long term analysis

While mixed movement has been seen over the short term the longer term analysis still shows that mortgage rates across the board are much lower than they were this time last year.

With a current rate of 1.09%, the lowest rate five year Fixed (90% LTV) is now 70% lower than it was in November 2014, while its 60% LTV counterpart is 58% lower.

A 23% rate reduction over the same period has also been seen for the lowest rate two year Fixed products (60% and 90% LTV) and the lowest rate two year Tracker with a current rate of 1.99% is now 20% lower than it was a year ago (2.49%).

Mark Loffhouse, CEO of Mortgage Brain, comments, "While interest rates have fluctuated over the past three months – bringing a mix of good news and bad news for borrowers – the longer term analysis is still very favourable with the majority of products benefiting from significant rate drops over the past 12 months.

"The 70% rate drop for the lowest rate five year Fixed product, for example, equates to an annual saving of just over £3,800 on a £150k mortgage and the 23% rate reduction for the lowest rate two year Fixed product equates to a potential annual reduction of £1,005."

## Buy-To-Let market

In comparison to its mainstream product review, Mortgage Brain's latest Buy-To-Let data, shows a healthy spread of rate reductions for the majority of the sector's most popular products.

An 18% rate reduction over the past quarter has seen the lowest rate two year Fixed BTL product (80% LTV) drop from 3.95% to 3.24%. Similarly, the lowest rate two year Tracker (80% LTV) fell 15% since August – down from 3.50% to 2.99%.

An 8% and 5% rate drop has also been seen for the lowest rate five year Fixed products with a 60% and 80% LTV – down from 3.24% to 2.99% and 4.45% to 4.24% respectively.

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**Table 1: Lowest Rate repayment products (2, 5 year Fixed and Tracker).**

| Mortgage Product Data – Supplied by Mortgage Brain                  |         |        |        |        |         |             |                 |             |                 |              |                  |                       |
|---|---------|--------|--------|--------|---------|-------------|-----------------|-------------|-----------------|--------------|------------------|-----------------------|
| (Lowest Rate repayment products for a £180,000 property – Purchase) |         |        |        |        |         |             |                 |             |                 |              |                  |                       |
| Product   | 1/11/14 | 1/2/15 | 1/5/15 | 1/8/15 | 1/11/15 | 3mth change | 3mth change (%) | 6mth change | 6mth change (%) | 12mth change | 12mth change (%) | Difference to 60% LTV |
| 2 Year Fixed 60%  | 1.49%   | 1.29%  | 1.18%  | 1.05%  | 1.15%   | 0.10%       | 9.52%           | -0.03%      | -2.54%          | -0.34%       | -22.82%          | n/a                   |
| 2 Year Fixed 90%  | 2.95%   | 2.79%  | 2.69%  | 2.45%  | 2.28%   | -0.17%      | -6.94%          | -0.41%      | -15.24%         | -0.67%       | -22.71%          | 98.26%                |
| 2 Year Tracker 60%  | 0.99%   | 0.99%  | 0.99%  | 0.98%  | 0.98%   | 0.00%       | 0.00%           | -0.01%      | -1.01%          | -0.01%       | -1.01%           | n/a                   |
| 2 Year Tracker 90%  | 2.49%   | 2.39%  | 2.29%  | 1.99%  | 1.99%   | 0.00%       | 0.00%           | -0.30%      | -13.10%         | -0.50%       | -20.08%          | 103.06%               |
| 5 Year Fixed 60%  | 2.59%   | 2.34%  | 1.99%  | 0.99%  | 1.09%   | 0.10%       | 10.10%          | -0.90%      | -45.23%         | -1.50%       | -57.92%          | n/a                   |
| 5 Year Fixed 90%  | 3.64%   | 3.24%  | 2.79%  | 0.99%  | 1.09%   | 0.10%       | 10.10%          | -1.70%      | -60.93%         | -2.55%       | -70.05%          | 0.00%                 |
| 5 Year Tracker 60%  | 3.39%   | 3.19%  | 3.19%  | 2.59%  | 2.59%   | 0.00%       | 0.00%           | -0.60%      | -18.81%         | -0.80%       | -23.60%          | n/a                   |
| 5 Year Tracker 90%  | 3.65%   | 3.65%  | 3.65%  | 3.65%  | 3.65%   | 0.00%       | 0.00%           | 0.00%       | 0.00%           | 0.00%        | 0.00%            | 40.93%                |
| 2 yr Fixed 60% BTL  | 2.34%   | 2.34%  | 2.25%  | 2.24%  | 1.84%   | -0.40%      | -17.86%         | -0.41%      | -18.22%         | -0.50%       | 21.37%           | n/a                   |
| 2 yr Fixed 80% BTL  | 4.41%   | 3.95%  | 3.95%  | 3.95%  | 3.24%   | -0.71%      | -17.97%         | -0.71%      | -17.97%         | -0.90%       | -21.74%          | 76.09%                |
| 2 yr Tracker 60% BTL  | 1.99%   | 1.99%  | 1.95%  | 1.95%  | 1.73%   | -0.22%      | -11.28%         | -0.22%      | -11.28%         | -0.26%       | -13.07%          | n/a                   |
| 2 yr Tracker 80% BTL  | 3.73%   | 3.50%  | 3.50%  | 3.50%  | 2.99%   | -0.51%      | -14.57%         | -0.51%      | -14.57%         | -0.74%       | -19.84%          | 72.83%                |
| 5 yr Fixed 60% BTL  | 3.69%   | 3.55%  | 3.29%  | 3.24%  | 2.99%   | -0.25%      | -7.72%          | -0.30%      | -9.12%          | -0.70%       | -18.97%          | n/a                   |
| 5 yr Fixed 80% BTL  | 4.54%   | 4.49%  | 4.45%  | 4.45%  | 4.24%   | -0.21%      | -4.72%          | -0.21%      | -4.72%          | -0.30%       | -6.61%           | 72.83%                |
| 5 yr Tracker 60% BTL  | 3.95%   | 3.95%  | 3.95%  | 3.39%  | 3.39%   | 0.00%       | 0.00%           | -0.56%      | -14.18%         | -0.56%       | -14.18%          | n/a                   |

**Table 2: 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  | 1/11/14 | 1/2/15 | 1/5/15 | 1/8/15 | 1/11/15 | 3mth change | 3mth change (%) | 6mth change | 6mth change (%) | 12mth change | 12mth change (%) | Difference to 60% LTV |
| 2 Year Fixed 60%   | £4.31   | £4.24  | £4.10  | £4.03  | £4.02   | -£0.01      | -0.25%          | -£0.08      | -1.95%          | -£0.29       | -6.73%           | n/a                   |
| 2 Year Fixed 90%   | £4.94   | £4.66  | £4.60  | £4.62  | £4.51   | -£0.11      | -2.38%          | -£0.09      | -1.96%          | -£0.43       | -8.70%           | 12.19%                |
| 2 Year Tracker 60%   | £4.03   | £4.13  | £4.06  | £4.07  | £4.09   | £0.02       | 0.49%           | £0.03       | 0.74%           | £0.06        | 1.49%            | n/a                   |
| 2 Year Tracker 90%   | £4.73   | £4.58  | £4.45  | £4.45  | £4.52   | £0.07       | 1.57%           | £0.07       | 1.57%           | -£0.21       | -4.44%           | 10.51%                |
| 5 Year Fixed 60%   | £4.69   | £4.54  | £4.42  | £4.36  | £4.44   | £0.08       | 1.83%           | £0.02       | 0.45%           | £0.25        | 5.33%            | n/a                   |

|                      |       |       |       |       |       |        |        |        |        |        |         |        |
|----------------------|-------|-------|-------|-------|-------|--------|--------|--------|--------|--------|---------|--------|
| 5 Year Fixed 90%     | £5.16 | £4.97 | £4.62 | £4.64 | £4.88 | £0.24  | 5.17%  | £0.26  | 5.63%  | -£0.28 | -5.43%  | 9.91%  |
| 5 Year Tracker 60%   | £5.17 | £5.00 | £5.00 | £4.74 | £4.74 | £0.00  | 0.00%  | -£0.26 | -5.20% | -£0.43 | -8.32%  | n/a    |
| 2 yr Fixed 60% BTL   | £4.83 | £4.75 | £4.71 | £4.71 | £4.56 | -£0.15 | -3.18% | -£0.15 | -3.18% | -£0.27 | -5.59%  | n/a    |
| 2yr Fixed 80% BTL    | £5.98 | £5.60 | £5.59 | £5.43 | £5.60 | £0.17  | 3.13%  | £0.01  | 0.18%  | -£0.38 | -6.35%  | 22.81% |
| 2 yr Tracker 60% BTL | £4.59 | £4.50 | £4.50 | £4.45 | £4.31 | -£0.14 | -3.15% | -£0.19 | -4.22% | -£0.28 | -6.10%  | n/a    |
| 2 yr Tracker 80% BTL | £5.88 | £5.15 | £5.08 | £5.08 | £4.97 | -£0.11 | -2.17% | -£0.11 | -2.17% | -£0.91 | -15.48% | 15.31% |
| 5 yr Fixed 60% BTL   | £5.27 | £5.17 | £5.19 | £5.03 | £4.98 | -£0.05 | -0.99% | -£0.21 | -4.05% | -£0.29 | -5.50%  | n/a    |
| 5 yr Fixed 80% BTL   | £5.75 | £5.94 | £5.81 | £5.81 | £5.79 | -£0.02 | -0.34% | -£0.02 | -0.34% | £0.04  | 0.70%   | 16.27% |
| 5 yr Tracker 60% BTL | £5.39 | £5.39 | £5.39 | £5.15 | £5.15 | £0.00  | 0.00%  | -£0.24 | -4.45% | -£0.24 | -4.45%  | n/a    |

## **NOTES TO EDITORS**

### **About Mortgage Brain Limited**

- Mortgage Brain Limited is the most widely used and preferred provider of point-of-sale, compliance, mortgage sourcing and electronic trading products and services for mortgage intermediaries.
- Mortgage Brain Holdings Limited, formed in 1986, is jointly owned by Barclays Woolwich, The Lloyds Banking Group, Nationwide, Royal Bank of Scotland, Santander and Virgin Money.
- The consortium of six owners, together with their subsidiaries, collectively account for in excess of 70% of the new business mortgage market within the UK.
- Mortgage Brain Holdings Limited currently has over 20,000 users of its products and services.
- Mortgage Brain is a Microsoft Gold Certified Partner and has won a number of industry awards including the 2010, 2011, 2012 and 2015 Mortgage Strategy 'Best Technology Provider' Award, the Pink Service Award for 'Best Technology Provider', and 'Technology Advocate of the Year' at the 2010, 2011, 2012 and 2013 British Mortgage Awards.

#### **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