

## PRESS RELEASE

### Mixed movement in BTL market as mortgage costs fluctuate

~ Cost of 2yr Trackers **up 2%** since August 2018 ~

~ 5yr Fixed (80% LTV) now 2% **lower** ~

~ Analysis shows **big** difference in costs between BTL and Residential mortgages ~

**UK, NOVEMBER 20, 2018:** New figures released today from Mortgage Brain's product data analysis show that the BTL mortgage market remains unsettled with mixed movement seen in the cost of BTL products over the past three months.

The cost of a 60% and 70% two year Tracker BTL mortgage, for example, is now 2% more than it was three months ago; while a 60% LTV two year Fixed (at a current rate of 1.84%) now costs 1% more than it did in August.

A two and five year Fixed (80% and 60% LTV respectively), however, have remained stable over the past three months with BTL mortgage costs remaining static when compared to beginning of August.

With a current rate of 2.09% and 2.44% respectively (as of 1<sup>st</sup> November 2018), the 2% cost increase for the 60% and 70% LTV two year Tracker mortgages equate to an annualised increase of £126 and £162 on a £150,000 mortgage.

There is some good news, however, with Mortgage Brain's latest data showing that the costs of a 70% LTV two and three year Fixed, and an 80% LTV five year Fixed, have all come down by 2% over the past three months.

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In financial terms the 2% drop in the cost of these mortgages offers potential investors and BTL borrowers a potential saving of up to £144 over the past quarter, or £432pa when compared to this time last year.

## BTL v Residential

Mortgage Brain's analysis also shows the true cost differences between BTL mortgages compared to mainstream residential products. The latest figures (as of 1<sup>st</sup> November 2018) show that the cost of the 80% LTV five year Fixed BTL mortgage is 24% higher than the same product type for a residential mortgage.

Similarly, an 80% LTV two year Fixed BTL mortgage costs 20% more than its residential equivalent, while a 60% LTV two year BTL Tracker costs 12% more.

Mark Lofthouse, CEO of Mortgage Brain, comments, "With little movement in mortgage costs in the BTL sector over the past three months our latest analysis shows that, while there isn't too much to get excited about, there are still cost savings to be made with a number of BTL products offering favourable rates.

"The BTL market remains unsettled though and although there are plenty of predictions for further fluctuations over the coming months, any changes to costs and rates are expected to be slow and marginal."

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

BTL Mortgage Product Data – Supplied by Mortgage Brain												
(Monthly cost (£) per £1,000 borrowed – repayment for a £180,000 property)												
Product	1/11/17	1/2/18	1/5/18	1/8/18	1/11/18	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60% BTL	£4.17	£4.19	£4.19	£4.17	£4.22	£0.05	1.20%	£0.03	0.72%	£0.05	1.20%	n/a
2Year Fixed 70% BTL	£4.32	£4.35	£4.37	£4.37	£4.29	-£0.08	-1.83%	-£0.08	-1.83%	-£0.03	-0.69%	2.05%
2 Year Fixed 80% BTL	£4.90	£4.98	£5.08	£5.03	£5.03	£0.00	0.00%	-£0.05	-0.98%	£0.13	2.65%	11.62%
2 Year Tracker 60% BTL	£4.28	£4.40	£4.27	£4.33	£4.40	£0.07	1.62%	£0.13	3.04%	£0.12	2.80%	n/a
2 Year Tracker 70% BTL	£4.41	£4.53	£4.41	£4.47	£4.56	£0.09	2.01%	£0.15	3.40%	£0.15	3.40%	4.09%
2 Year Tracker 80% BTL	£5.20	£5.32	£5.36	£5.37	£5.81	£0.44	8.19%	£0.45	8.40%	£0.61	11.73%	32.76%

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3 Year Fixed 60% BTL	£4.38	£4.38	£4.34	£4.34	£4.31	-£0.03	-0.69%	-£0.03	-0.69%	-£0.07	-1.60%	n/a
3 Year Fixed 70% BTL	£4.55	£4.60	£4.51	£4.55	£4.48	-£0.07	-1.54%	-£0.03	-0.67%	-£0.07	-1.54%	3.33%
3 Year Fixed 80% BTL	£5.00	£5.21	£5.28	£5.28	£5.03	-£0.25	-4.73	-£0.25	-4.73	£0.03	0.60%	11.11%
5 Year Fixed 60% BTL	£4.46	£4.44	£4.44	£4.43	£4.43	£0.00	0.00%	-£0.01	-0.23%	-£0.03	-0.67%	n/a
5 Year Fixed 70% BTL	£4.64	£4.56	£4.64	£4.61	£4.60	-£0.01	-0.22%	-£0.04	-0.86%	-£0.04	-0.86%	4.59%
5 Year Fixed 80% BTL	£5.33	£5.29	£5.22	£5.17	£5.09	-£0.08	-1.55%	-£0.13	-2.49%	-£0.24	-4.50%	17.47%

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### 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, 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, secure and customisable 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](#)
  - Lead Generation Suite for Advisers, including consumer facing app, website and Amazon Echo Skill [UKMortgages](#)
  - 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, winner of the Best Sourcing System at the Financial Reporter Awards and 4 times winner of the 'Technology Advocate of the Year' at the British Mortgage Awards.
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