

### BTL mortgage costs continue to decline in the third quarter of 2019

Number of BTL mortgages increases by 11% in one year

**UK, SEPTEMBER 16 2019:** New figures released today from Mortgage Brain's quarterly product data analysis reveal that mortgage costs in the Buy-To-Let market continue to fall since the second quarter of 2019.

The cost of a 60% LTV two year Fixed BTL mortgage, for example, is now 1.9% lower than it was three months ago, which represents an annual saving of £144 on a £150k mortgage. While the cost of a 70% LTV three year Fixed BTL mortgage has fallen by 1.1%, equating to an annual saving of £90 on a £150k mortgage compared to three months ago.

The Mortgage Brain data also shows that borrowers looking to fix for longer can benefit from better annualised savings. For example a 80% LTV five year Fixed BTL mortgage is now 3.5% lower compared to 12 months ago, representing an annual saving of £324.

#### **Competitive BTL Market**

One factor driving down the costs of BTL mortgages is the number of products now available on the market. The Mortgage Brain analysis revealed that there are now 3,859 BTL products on the market from mainstream lenders, which represents an increase of 11% compared to a year ago.

#### **BTL v Residential**

The Mortgage Brain analysis also reveals that the cost of BTL mortgages remains higher when compared to mainstream residential mortgage products. The latest set of data (1<sup>st</sup> September 2019) shows that the cost of a 80% LTV five-year Fixed product is over 16% higher than the same product for a residential mortgage.

However when it comes to the cost of Tracker mortgages, the differences are less, with the cost of a two year 70% LTV Tracker BTL mortgages being just 4.75% higher than the residential equivalent.

Mark Loffhouse, CEO of Mortgage Brain, comments: "Overall the message for the BTL market is positive; especially for investors looking to fix for a longer term. The cost of BTL mortgages continue to reach historic lows, with the market remaining competitive given the number of BTL mortgages currently on the market.

"Nevertheless, the market remains clouded by the ongoing political uncertainty, the looming Brexit deadline as well as the weakening economic forecast. The need therefore for specialist advice from a broker is more important than ever, so landlords are confident they are getting a mortgage that best suits their needs."

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

Product	01/09/2018	01/12/2018	01/03/2019	01/06/2019	01/09/2019	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60% BTL	£4.17	£4.21	£4.21	£4.22	£4.14	-£0.08	-1.90%	-£0.07	-£0.02	-£0.03	-0.72%	n/a
2 Year Fixed 70% BTL	£4.37	£4.29	£4.31	£4.32	£4.34	£0.02	0.46%	£0.03	£0.01	-£0.03	-0.69%	4.83%
2 Year Fixed 80% BTL	£5.03	£5.03	£5.03	£5.04	£5.04	£0.00	0.00%	£0.01	£0.00	£0.01	0.20%	21.74%
2 Year Tracker 60% BTL	£4.38	£4.40	£4.38	£4.25	£4.25	£0.00	0.00%	-£0.13	-£0.03	-£0.13	-2.97%	n/a
2 Year Tracker 70% BTL	£4.49	£4.56	£4.49	£4.41	£4.41	£0.00	0.00%	-£0.08	-£0.02	-£0.08	-1.78%	3.76%
3 Year Fixed 60% BTL	£4.36	£4.34	£4.34	£4.33	£4.30	-£0.03	-0.69%	-£0.04	-£0.01	-£0.06	-1.38%	n/a
3 Year Fixed 70% BTL	£4.60	£4.48	£4.55	£4.50	£4.45	-£0.05	-1.11%	-£0.10	-£0.02	-£0.15	-3.26%	3.49%
5 Year Fixed 60% BTL	£4.43	£4.40	£4.41	£4.37	£4.28	-£0.09	-2.06%	-£0.13	-£0.03	-£0.15	-3.39%	n/a
5 Year Fixed 70% BTL	£4.61	£4.60	£4.56	£4.56	£4.48	-£0.08	-1.75%	-£0.08	-£0.02	-£0.13	-2.82%	4.67%
5 Year Fixed 80% BTL	£5.17	£5.09	£5.09	£4.99	£4.99	£0.00	0.00%	-£0.10	-£0.02	-£0.18	-3.48%	16.59%

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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 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](#)
  - Criteria mortgage sourcing – [Criteria Hub](#)
  - Affordability sourcing - [Affordability Hub](#)
  - Data Analysis & Lending Solutions.
- Mortgage Brain is a Microsoft Gold Certified Partner.
  - Four times winner 'Best Technology Provider' at the Mortgage Strategy Awards, winner of the Best Sourcing System at the Financial Reporter Awards and four 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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