

PRESS RELEASE

BTL mortgage costs continue to reduce as 2019 draws to a close

UK, DECEMBER 18 2019: New figures released today from Mortgage Brain's quarterly product data analysis reveal that mortgage costs in the Buy-To-Let market have continued to fall over the last three months. This reflects the 2019 trend of a continued decrease in costs for the majority of BTL mortgages.

The cost of a 60% LTV two year Fixed BTL mortgage, for example, is now 1.7% lower than it was 12 months ago. The reduction in costs represents an annual saving of £126 on a £150k mortgage.

Rates also remain low on a 70% LTV two year Tracker BTL mortgage, with no appreciable change over the last three months. However costs are 4% lower than 12 months ago, equivalent to an annual saving of £324 on a £150k mortgage.

The Mortgage Brain data shows that the greatest reductions in savings rates are on longer term fixed mortgages, meaning borrowers can benefit from better annualised savings. For example, a 70% LTV five year Fixed BTL mortgage is now 1.8% lower compared to three months ago and 4.4% lower than 12 months ago. This equates to a yearly saving of £144 and £360 respectively, on a £150k mortgage.

BTL v Residential

Mortgage Brain's latest analysis also reveals the differences between BTL mortgages when compared to mainstream residential products, with the cost of BTL mortgages higher. The latest set of data (as at 1st December 2019) shows that the cost of a 80% LTV two-year Fixed BTL product is almost 30% higher than the same product for a residential mortgage and for a five-year Fixed it is 18% higher.

Mark Loffhouse, CEO of Mortgage Brain, comments: “Our latest BTL quarterly analysis shows some cost reductions over the last three months. When viewed over the course of 2019, they show that there has been a continuous reduction in rates resulting in substantial price reductions particularly for five-year fixed rate products.

“With specialist advice and support from brokers, landlords can continue to make the most of the low rates and be confident they are getting the best mortgage to suit their needs.”

Table 1: Monthly cost (£) per £1,000 borrowed (2, 3, 5 year Fixed and Tracker) – repayment for a £180,000 property.

Product	01/12/2018	01/03/2019	01/06/2019	01/09/2019	01/12/2019	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60% BTL	£4.21	£4.21	£4.22	£4.14	£4.14	£0.00	0.00%	-£0.08	-£0.02	-£0.07	-1.66%	n/a
2 Year Fixed 70% BTL	£4.29	£4.31	£4.32	£4.34	£4.29	-£0.05	-1.15%	-£0.03	-£0.01	£0.00	0.00%	3.62%
2 Year Fixed 80% BTL	£5.03	£5.03	£5.04	£5.04	£5.03	-£0.01	-0.20%	-£0.01	-£0.00	£0.00	0.00%	21.50%
2 Year Tracker 60% BTL	£4.40	£4.38	£4.25	£4.25	£4.25	£0.00	0.00%	£0.00	£0.00	-£0.15	-3.40%	n/a
2 Year Tracker 70% BTL	£4.56	£4.49	£4.41	£4.41	£4.38	-£0.03	-0.68%	-£0.03	-£0.01	-£0.18	-3.95%	3.06%
3 Year Fixed 60% BTL	£4.34	£4.34	£4.33	£4.30	£4.26	-£0.04	-0.93%	-£0.07	-£0.02	-£0.08	-1.84%	n/a
3 Year Fixed 70% BTL	£4.48	£4.55	£4.50	£4.45	£4.40	-£0.05	-1.12%	-£0.10	-£0.02	-£0.08	-1.79%	3.29%
5 Year Fixed 60% BTL	£4.40	£4.41	£4.37	£4.28	£4.22	-£0.06	-1.40%	-£0.15	-£0.03	-£0.18	-4.09%	n/a
5 Year Fixed 70% BTL	£4.60	£4.56	£4.56	£4.48	£4.40	-£0.08	-1.79%	-£0.16	-£0.04	-£0.20	-4.35%	4.27%
5 Year Fixed 80% BTL	£5.09	£5.09	£4.99	£4.99	£4.99	£0.00	0.00%	£0.00	£0.00	-£0.10	-1.96%	18.25%

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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](#)
 - Multi-lender mortgage application platform [MTE, Mortgage Trading Exchange](#)
 - New multi-lender online gateway due to launch in 2020 [Lendex](#)
 - 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 has over 2,000 users of its products and services and 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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