

## PRESS RELEASE

### BTL mortgage costs fall during second quarter of 2019

**UK, JULY 2, 2019:** New figures released today from Mortgage Brain's quarterly product data analysis show that while the Buy-To-Let market remains largely stable, mortgage costs have started to fall.

The cost of a 60% LTV two year Tracker BTL mortgage, for example, is now 3% lower than it was three months ago. The same product with a 70% LTV now costs 2% less than it did in March, while the 80% LTV is now 0.5% lower.

The reductions in cost, while marginal, do offer BTL investors a potential annualised saving of £234, £144 and £36 respectively on a £150k mortgage.

Borrowers looking for a longer term deal can also benefit from the small fall in costs over the past quarter with Mortgage Brain's latest data (as of 1<sup>st</sup> July 2019) showing a 2% reduction in cost for a 60% and 80% LTV five year Fixed BTL mortgage.

A fall in cost of up to 1% has also been recorded for a 60% and 70% LTV three year Fixed BTL mortgage.

#### **BTL v Residential**

Mortgage Brain's analysis also shows the true cost differences between BTL mortgages compared to mainstream residential products. The latest figures show that the cost of the 80% LTV five year Fixed product is 19% higher than the same product type for a residential mortgage.

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A 60% LTV two year Tracker BTL product, by comparison, costs 8% more than its residential equivalent, while a 60% LTV three year Fixed costs 6% more.

Mark Lofthouse, CEO of Mortgage Brain, comments, "With new regulations, tax changes, and the potential for base rate rises coming into play, the BTL landscape remains as complex as ever.

"While the mortgage cost movement over the past three months has been minimal, the majority of the movement has been favourable and with specialist advice and support from brokers, BTL investors and potential landlords can continue to make the most of the low rates and costs in the BTL market."

**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	1/7/18	1/10/18	1/1/19	1/4/19	1/7/19	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60% BTL	£4.17	£4.22	£4.21	£4.23	£4.21	-£0.02	-0.47%	£0.00	0.00%	£0.04	0.96%	n/a
2 Year Fixed 70% BTL	£4.37	£4.35	£4.29	£4.31	£4.34	£0.03	0.70%	£0.05	1.17%	-£0.03	-0.69%	2.38%
2 Year Fixed 80% BTL	£5.03	£5.03	£5.09	£5.03	£5.10	£0.07	1.39%	£0.01	0.20%	£0.07	1.39%	19.48%
2 Year Tracker 60% BTL	£4.27	£4.38	£4.38	£4.38	£4.25	-£0.13	-2.97%	-£0.13	-2.97%	-£0.02	-0.47%	n/a
2 Year Tracker 70% BTL	£4.41	£4.49	£4.49	£4.49	£4.41	-£0.08	-1.78%	-£0.08	-1.78%	£0.00	0.00%	2.51%
2 Year Tracker 80% BTL	£5.37	£5.81	£5.87	£5.83	£5.81	-£0.02	-0.34%	-£0.06	-1.02%	£0.44	8.19%	34.02%
3 Year Fixed 60% BTL	£4.34	£4.31	£4.34	£4.34	£4.33	-£0.01	-0.23%	-£0.01	-0.23%	-£0.01	-0.23%	n/a
3 Year Fixed 70% BTL	£4.54	£4.54	£4.48	£4.52	£4.50	-£0.02	-0.44%	£0.02	0.45%	-£0.04	-0.88%	4.84%
3 Year Fixed 80% BTL	£5.28	£5.28	£5.03	£5.03	£5.30	£0.27	5.37%	£0.27	5.37%	£0.02	0.38%	15.90%
5 Year Fixed 60% BTL	£4.43	£4.43	£4.40	£4.41	£4.33	-£0.08	-1.81%	-£0.07	-1.59%	-£0.10	-2.26%	n/a
5 Year Fixed 70% BTL	£4.58	£4.60	£4.57	£4.56	£4.54	-£0.02	-0.44%	-£0.03	-0.66%	-£0.04	-0.87%	3.40%
5 Year Fixed 80% BTL	£5.19	£5.17	£5.09	£5.09	£4.99	-£0.10	-1.96%	-£0.10	-1.96%	-£0.20	-3.85%	15.42%

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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.
- Mortgage Brain Holdings Limited, formed in 1986, is jointly owned by Barclays, Lloyds Banking Group, Nationwide, Royal Bank of Scotland, Santander & Virgin Money.

### FOR FURTHER PRESS INFORMATION, PLEASE CONTACT:

**Damion Clark** at the Mortgage Brain Press Office. **Tel:** 07789 911314 or 01353 667934  
**Email:** [damion@realpublicrelations.com](mailto:damion@realpublicrelations.com)

### FOR ALL OTHER ENQUIRIES, PLEASE CONTACT:

**Mark Lofthouse**, CEO of Mortgage Brain. **Tel:** 07776 143 056 or 01527 557203  
**Email:** [mark.lofthouse@mortgage-brain.co.uk](mailto:mark.lofthouse@mortgage-brain.co.uk)

