

## Residential mortgages remain at historic low

- ❖ Cost of 60, 70 and 80% loan to value (LTV) 5yr Fixed down by up to 5.7% since January 2019 and up to 14.4% in the last 5 years
- ❖ Cost of 60, 70 and 80% LTV 2yr Fixed down by up to 4.1% since January 2019 and up to 11.5% in the last 5 years
- ❖ Cost reduction equates to annual saving of up to £432 over past 12 months and £1,206 for a £150,000 loan

**UK, JANUARY 14 2020:** Two, three and five year Fixed rate mortgages have all come down in cost over the past 12 months – and witnessed some big reductions compared to five years ago, – according to Mortgage Brain's latest product data analysis.

The cost of a 60% LTV, five year Fixed, for example, is now 5.7% lower than it was this time last year, while a 60% LTV two year Fixed is now 4.1% lower. 80% LTV five and two year Fixed rate products now cost 3.2% less than they did at the beginning of January 2019.

The Fixed rate market also shows a big improvement in terms of cost compared to five years ago with Mortgage Brain's latest data showing reduction in cost for the two year Fixed 60, 70, 80 and 90% LTV products of between 9.8 and 17.8% and a 12.1% to 14.4% fall in cost for the equivalent five year Fixed products.

In monetary terms the 5.7% reduction in cost over the past 12 months equates to an annual saving of £432 on a £150k mortgage. Compared to five years ago, however, borrowers can secure a potential annual saving of £1,584 for the 90% two year Fixed, and £1,206 and £882 for the five and two year 60% LTV products respectively.

While favourable reductions in cost have been seen over the past 12 months and longer, Mortgage Brain's short-term analysis shows little movement with mortgage

costs for the majority of mainstream products remaining static with those offered at the beginning of October 2019.

Mark Loffhouse, CEO of Mortgage Brain, comments, "Our latest product data analysis shows that while there's little to get excited about in terms of rate and cost movement over the past three months, the UK mortgage market has seen some big cost reductions over the year and particularly over the last five years.

"With mortgage costs down by up to 17.8% compared to January 2015, there are savings across the board that advisers are able to offer their customers.

Mortgage costs remain at historic lows and forecasters are predicting that this will continue in to 2020."

Table 1: Monthly cost (£) per £1,000 borrowed (2, 3, 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	01/01/2019	01/04/2019	01/07/2019	01/10/2019	01/01/2020	3mth change	3mth change (%)	6mth change	6mth change (%)	12mth change	12mth change (%)	Difference to 60% LTV
2 Year Fixed 60%	£3.93	£3.90	£3.86	£3.71	£3.77	£0.06	1.62%	-£0.09	-£0.02	-£0.16	-£0.04	n/a
2 Year Fixed 70%	£3.98	£3.97	£3.95	£3.78	£3.83	£0.05	1.32%	-£0.12	-£0.03	-£0.15	-£0.04	1.79%
2 Year Fixed 80%	£4.02	£4.04	£4.04	£3.89	£3.89	£0.00	0.00%	-£0.15	-£0.04	-£0.13	-£0.03	3.53%
2 Year Fixed 90%	£3.98	£4.17	£4.16	£4.12	£4.06	-£0.06	-1.46%	-£0.10	-£0.02	£0.08	£0.02	6.67%
2 Year Tracker 60%	£4.04	£4.04	£3.94	£3.89	£3.89	£0.00	0.00%	-£0.05	-£0.01	-£0.15	-£0.04	n/a
2 year Tracker 70%	£4.09	£4.09	£4.13	£4.13	£4.15	£0.02	0.48%	£0.02	£0.00	£0.06	£0.01	1.24%
2 Year Tracker 80%	£4.13	£4.14	£4.21	£4.31	£4.30	-£0.01	-0.23%	£0.09	£0.02	£0.17	£0.04	2.23%
2 Year Tracker 90%	£4.33	£4.38	£4.40	£4.40	£4.43	£0.03	0.68%	£0.03	£0.01	£0.10	£0.02	7.18%
3 Year Fixed 60%	£4.09	£4.09	£4.03	£4.01	£3.93	-£0.08	-2.00%	-£0.10	-£0.02	-£0.16	-£0.04	n/a
3 Year Fixed 70%	£4.14	£4.13	£4.09	£4.05	£4.00	-£0.05	-1.23%	-£0.09	-£0.02	-£0.14	-£0.03	0.98%
3 Year Fixed 80%	£4.21	£4.21	£4.21	£4.19	£4.13	-£0.06	-1.43%	-£0.08	-£0.02	-£0.08	-£0.02	2.93%
3 Year Fixed 90%	£4.36	£4.37	£4.31	£4.31	£4.31	£0.00	0.00%	£0.00	£0.00	-£0.05	-£0.01	6.85%
5 Year Fixed 60%	£4.23	£4.18	£4.10	£4.08	£3.99	-£0.09	-2.21%	-£0.11	-£0.03	-£0.24	-£0.06	n/a
5 Year Fixed 70%	£4.27	£4.23	£4.15	£4.11	£4.07	-£0.04	-0.97%	-£0.08	-£0.02	-£0.20	-£0.05	1.20%
5 Year Fixed 80%	£4.34	£4.29	£4.29	£4.22	£4.20	-£0.02	-0.47%	-£0.09	-£0.02	-£0.14	-£0.03	2.63%
5 Year Fixed 90%	£4.41	£4.44	£4.37	£4.35	£4.35	£0.00	0.00%	-£0.02	-£0.00	-£0.06	-£0.01	6.46%

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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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