

Monthly Remortgage Snapshot



Key performance metrics



38%

Instructions decreased by 38% in April



9%

9% more remortgages completed in April



7.81%

The overall cancellation rate decreased by 2.15%



7%

Pipeline cases decreased by 7% month on month

Fast facts

£300

average monthly payment increase for those who remortgaged in April

37%

of borrowers increased their loan size in April

51%

of those who remortgaged took out a 5-year fixed rate product, the most popular product in April

27%

said their main aim when remortgaging was to lower their monthly payments, the most popular response

Remortgage loan sizes

Change in loan size reported by borrowers



- 37% increased their total loan size
- 38% saw no change in their total loan size
- 25% reduced their total loan size



Average loan increase post remortgage: **£20,803**



Average loan decrease post remortgage: **£14,528**

Monthly loan repayments

Change in monthly loan repayments reported by borrowers



- 69% increased their monthly remortgage repayments
- 8% saw no change in their monthly remortgage repayments
- 23% reduced their monthly remortgage repayments



Average monthly repayment increase: **£300**

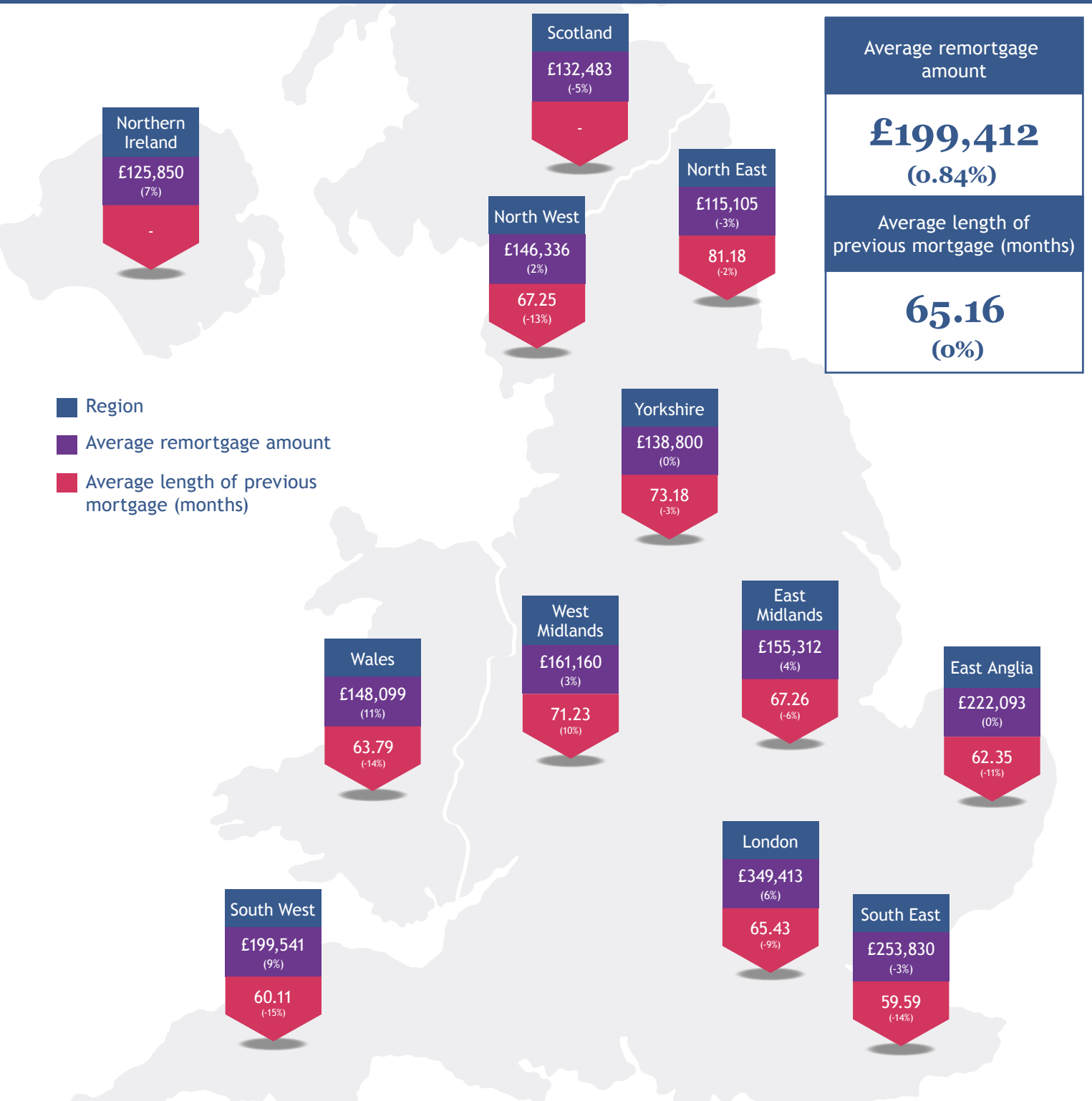


Average monthly repayment decrease: **£301**

Regional trends

The average remortgage loan amount in London and the South East was £301,621 while the average for the rest of the UK stood at £154,478, putting remortgage loan amounts almost 95% higher in London and the South East than the rest of the UK.

The longest previous mortgage length was found in the North East at 81.18 months (6.76 years) and the shortest was in the South East at 59.59 months (4.97 years), putting the longest previous mortgage term 36% longer than the shortest.





Nick Chadbourne, CEO, LMS

“Product innovation and BoE rate decision likely to drive up instructions in May” – LMS

“The anticipated Easter lull was primarily responsible for pushing down instruction and pipeline figures. These seasonal trends always play a part in market activity, although we expect that there are also increasing numbers of borrowers opting for product transfers instead of remortgages amid the affordability squeeze. With borrowers primarily focused on lowering their monthly payments, many are also more inclined to bide their time and wait for better products to become available.

However, we’re expecting instructions and the pipeline to increase again in May. With the Bank of England raising the base rate to 4.5%, more of those who are on trackers or SVRs will look to switch to a more competitive fixed rate product and the introduction of innovative products such as Skipton’s 100% mortgage will only encourage this further. Aside from that, lenders are generally relaxing their affordability criteria thanks to there being more economic certainty and confidence in employment and house prices, playing into the prediction of an increased pipeline.”

Interest rate rise expectations

80%

Within the next year

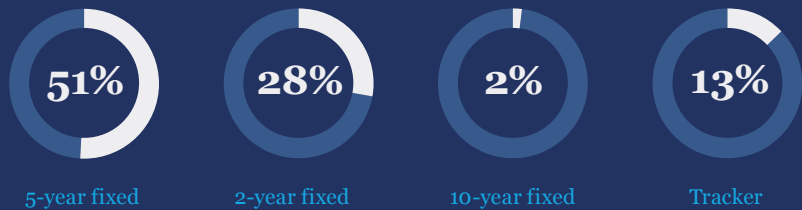
4%

More than a year away

16%

No expectation for an interest rate rise

Product purchasing



Fixed-rate purchase motivations



Primary goal when remortgaging



Methodology

LMS’ UK remortgage lending estimates are forecasts based on LMS’ up to date internal conveyancing data and remortgage lending figures provided by UK Finance. Together these two datasets cover many thousands of remortgage completion transactions. LMS (Legal Marketing Services) is one of the UK’s largest providers of outsourced property services, including conveyancing, remortgage and IT services. The LMS system is based on the company’s unique STARS (Servicer Tracking & Reporting System) technology which manages transactions electronically on-line to ensure speed, cost efficiency and quality of service.