

# Monthly Remortgage Snapshot



## Key performance metrics



**17%**

Instructions decreased by 17% in September



**7%**

7% more remortgages were completed in September



**7.54%**

The overall cancellation rate increased by 20%



**8%**

Pipeline cases decreased by 8% month-on-month

## Fast facts

**£185.62**

average monthly payment increase for those who remortgaged in September

**43%**

of borrowers increased their loan size in September

**42%**

of those who remortgaged took out a 2-year fixed rate product, the most popular product in September

**26%**

said their main aim when remortgaging was more security over monthly payments, the most popular response

## Remortgage loan sizes

Change in loan size reported by borrowers



- 43%** increased their total loan size
- 33%** saw no change in their total loan size
- 25%** reduced their total loan size



Average loan increase post remortgage: **£19,469.89**



Average loan decrease post remortgage: **£13,397.73**

## Monthly loan repayments

Change in monthly loan repayments reported by borrowers



- 72%** increased their monthly remortgage repayments
- 8%** saw no change in their monthly remortgage repayments
- 20%** reduced their monthly remortgage repayments



Average monthly repayment increase: **£185.62**

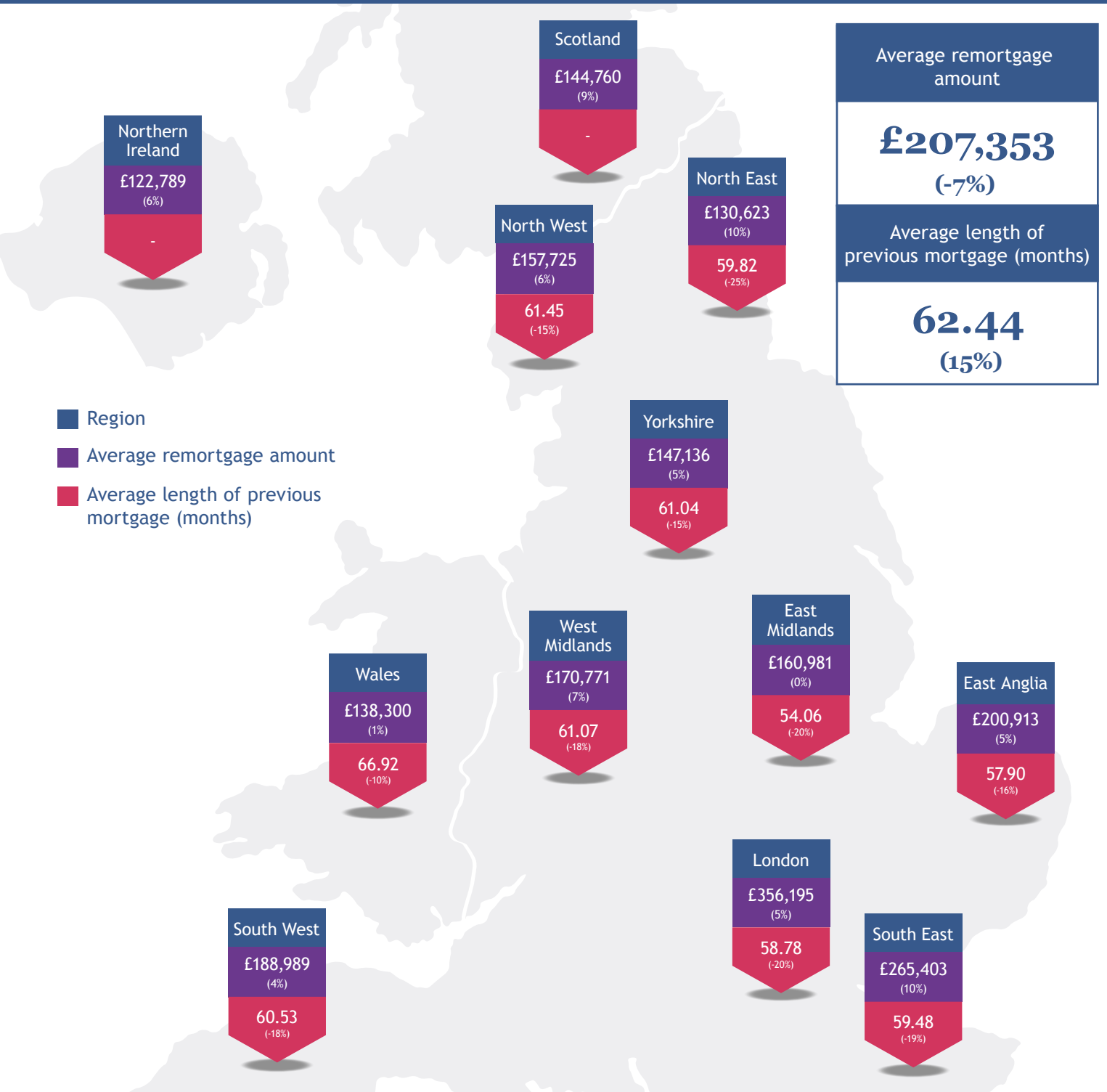


Average monthly repayment decrease: **£191.14**

# Regional trends

The average remortgage loan amount in London and the South East was £310,361, while the average for the rest of the UK stood at £158,929, making remortgage loan amounts 48.79% higher in London and the South East than in the rest of the UK.

The longest previous mortgage length was found in Wales at 66.92 months (5.57 years), while the shortest was in the East Midlands at 54.06 months (4.50 years), making the longest previous mortgage term 19.21% longer than the shortest.





Nick Chadbourne, CEO, LMS

## “Remo market remains depressed as product transfers expected to surge in Q4 ” - LMS

“Unusually for this time of year, we have seen instruction levels drop. This is the first time we’ve seen this happen at the end of Q3 since we started this assessment of the market, and remo activity is down 10% year on year. All of this goes to show that, given the current economic environment, it is only those borrowers who absolutely need to remortgage who are doing so. Those who keep an eye on products and remortgage because they want to are simply not doing so because they can afford to wait for rates to drop.

As we head into Q4, we are expecting the highest number of ERC expiries on record - roughly 800,000 people will need to remortgage. That said, we are expecting the market to remain depressed as a result of affordability tests - while stress testing is no longer a regulatory requirement, naturally lenders are still thoroughly assessing risk and taking on fewer customers. That means that we will see more product transfers as borrowers look to avoid having to meet new affordability criteria, at least until the start of 2024.”

Interest rate rise expectations

78%

Within the next year

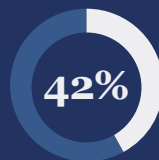
5%

More than a year away

17%

No expectation for an interest rate rise

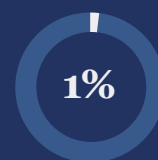
### Product purchasing



2-year fixed



5-year fixed



10-year fixed



Tracker

### Fixed-rate purchase motivations



coming to the end of a fixed rate deal

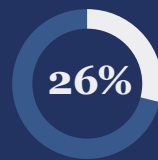


change in personal circumstances



broker shared advice on new product/remortgaging

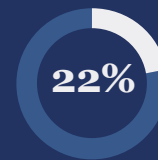
### Primary goal when remortgaging



security over monthly payments/lock in a good deal now



lower monthly payments



release equity on property/borrow more money

## 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.