

Monthly Remortgage Snapshot



Key performance metrics



13%

Instructions decreased by 13% in October



12%

12% less remortgages were completed in October



7.67%

The overall cancellation rate increased by 0.93%



9%

Pipeline cases decreased by 9% month-on-month

Fast facts

£187.72

average monthly payment increase for those who remortgaged in October

39%

of borrowers increased their loan size in October

41%

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

67%

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



- 39%** increased their total loan size
- 36%** saw no change in their total loan size
- 25%** reduced their total loan size



Average loan increase post remortgage: **£19,793.06**



Average loan decrease post remortgage: **£14,165.98**

Monthly loan repayments

Change in monthly loan repayments reported by borrowers



- 39%** increased their monthly remortgage repayments
- 36%** saw no change in their monthly remortgage repayments
- 25%** reduced their monthly remortgage repayments



Average monthly repayment increase: **£187.72**



Average monthly repayment decrease: **£171.45**

Regional trends

The average remortgage loan amount in London and the South East was £356,195, while the average for the rest of the UK stood at £200.913, making remortgage loan amounts 43.6% higher in London and the South East than in the rest of the UK.

The longest previous mortgage length was found in in the North East at 70.44 months (5.87 years), while the shortest was in Yorkshire at 57.70 months (4.81 years), making the longest previous mortgage term 18.08% longer than the shortest.





Nick Chadbourne, CEO, LMS

“Remo pipeline drops as expected as economic circumstances increase product transfers” - LMS

“October has seen an ongoing fall in remortgage activity - instructions fell, cancellations increased and while the pipeline only dropped slightly, this is because completions also decreased - that is to say, there has been a fall in the number of cases successfully progressing to the end of the process. This was entirely expected. While interest rates have stabilised for now, they remain high and unlikely to drop until late 2024, and, in the current cost of living crisis, borrowers are understandably avoiding the

need to undergo affordability tests by opting for product transfers instead.

This is predicted to remain the case in November and throughout Q4. There are almost a million products maturing this side of Christmas, but we expect the vast majority of these to opt for product transfers while those who need to remortgage will go continue to favour 2 year fixes as they have done this month in the hope that rates fall by 2025.”

Interest rate rise expectations

9%

Within the next year

5%

More than a year away

33%

No expectation for an interest rate rise

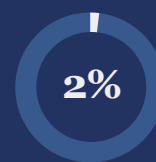
Product purchasing



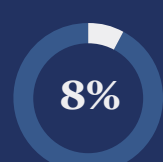
2-year fixed



5-year fixed



10-year fixed



Tracker

Fixed-rate purchase motivations



coming to the end of a fixed rate deal



change in personal circumstances

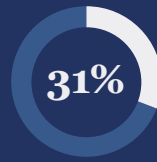


broker shared advice on new product/remortgaging

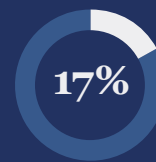
Primary goal when remortgaging



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.