

Monthly Remortgage Snapshot



Key performance metrics



8%

Instructions decreased by 8% in December



49%

49% more remortgages were completed in December



7.61%

The overall cancellation rate decreased by 0.13%



12%

Pipeline cases decreased by 12% month-on-month

Fast facts

£329

average monthly payment increase for those who remortgaged in December

40%

of borrowers increased their loan size in December

42%

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

33%

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



- 40% increased their total loan size
- 35% saw no change in their total loan size
- 25% reduced their total loan size



Average loan increase post remortgage: **£18,121**



Average loan decrease post remortgage: **£15,127**

Monthly loan repayments

Change in monthly loan repayments reported by borrowers



- 78% increased their monthly remortgage repayments
- 7% saw no change in their monthly remortgage repayments
- 15% reduced their monthly remortgage repayments



Average monthly repayment increase: **£392**



Average monthly repayment decrease: **£292**

Regional trends

The average remortgage loan amount in London was £376,713, while the average for the rest of the UK stood at £179,325, making remortgage loan amounts 110% higher in London than in the rest of the UK.

The longest previous mortgage length was found in in the Wales at 60.55 months (5.04 years), while the shortest was in the East Midlands at 49.58 months (4.13 years), making the longest previous mortgage term 22.13% longer than the shortest.





Nick Chadbourne, CEO, LMS

“Remortgages on the rise with predicted base rate cuts on the horizon, but shorter fixes still reign supreme” - LMS

“As predicted in our November snapshot, falling swap rates have indeed meant that lenders started to be much more competitive on pricing in December. This naturally makes a full remortgage much more favourable to borrowers and as such we have seen 49% more completions and the first fall in the cancellation rate in 4 months.

Two year fixes remain the most popular product which is unsurprising and we expect this trend to continue, at least in the first half of 2024. The continued drop in swap rates

is an indication that inflation will fall and so it’s widely predicted that the Bank of England will cut the base rate this year. Naturally this will result in lower mortgage rates, so those needing to remortgage now will be unlikely to want to tie themselves in for more time than they have to. On top of that, house prices have fallen, albeit slowly, increasing affordability - all of these factors make remortgages more favourable to product transfers once more, so we expect the pipeline to pick up in January after the December contraction.”

Borrower expectations for interest rate increases

44%

Within the next year

13%

Within the next three months

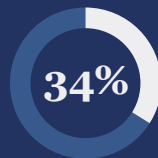
46%

No expectation for a rate increase

Product purchasing



2-year fixed



5-year fixed

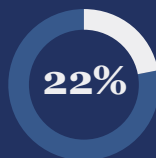


10-year fixed

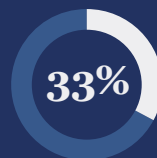


Tracker

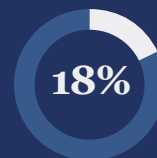
Primary goal when remortgaging



security over monthly payments/lock in a good deal now



lower monthly payments

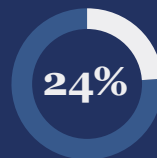


release equity on property/borrow more money

Fixed-rate purchase motivations



I wanted security of knowing how much I'll be paying each month



I am worried about the economic climate and wanted to lock in a fixed rate



broker shared advice on new product/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.