As the year drew to a close, we saw a similar picture to the last quarter but opinions appeared to change somewhat. The strong demand intermediaries reported in Q3 was still there but future expectations

In our final Financial Advisor Confidence Tracker index of what was an extraordinary year, we asked brokers to give us an indication of the current mortgage marketmarket, as well as assess how things may develop.

started to flatten a little. This influenced business volume expectations over the next 12 months, which are slightly less positive than they were during the year high of quarter three. Reassuringly however, financial advisor confidence seems to have recovered when compared to the outlook seen in the Spring, when the market and wider economy was plagued by uncertainty. A range of factors determine this demand and any resulting confidence. Of course, Covid-19 remains an important consideration. The commencement of a nationwide vaccination

programme offered a ray of hope, but this has been tempered somewhat with the emergence of a new strain of the virus and a return to tighter restrictions.

Consistent with the previous quarter, the Stamp Duty Land Tax break appears to be having a significant influence on the industry. Whilst the industry has benefitted from the extra business the break has

provided, it now needs to ensure that transactions complete before the deadline. We have also looked

beyond the end of the scheme to gain insight into brokers' plans once the market stimulus is removed on 31 March 2021. Moray Hulme - Director of Mortgage Sales



Companies Directly Authorised under the FCA's mortgage

regulations made up

of this number with the remaining **52%** being Appointed Representatives.

mortgages dealt with per

from **12** in Q3.



consistent with Q3 levels at The average number of slightly down

adviser was

Interest only mortgages make up **86%** of BTL lending, with **capital repayments** accounting for **13%**.



of customers choosing the former and 4% the latter.

Discounted Rate products were selected by of customers and Standard Variable Rate were the

There is a slight drop

4 year fixed term

Buy-to-let

accounted for

uncertainty, when looking at all cases, **Fixed Rate** mortgages were overwhelmingly popular compared to **Tracker Rates**, with

least popular option, chosen by 1% of people.

of investors, 3% opted

of borrowing, up

from 28% in Q3.

from 69%

from **61%** in **Q3** to

in Q4 in the number of landlords financing buy-to-let properties through 5 year fixed term rate mortgages.

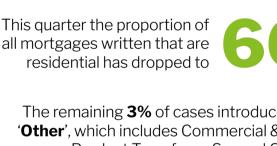
rate products for 3 year fixed term were chosen by rate mortgages and selected 2 year products, making them the second

most popular choice.

1 year fixed term rate mortgages.

Borrower types

No landlords borrowed through



to-let was lower at 29% but residential accounted for the same proportion at



the same period in 2019 we see that buy-



The remaining **53%** can be attributed to remorgaging.

reporting it as 'strong' at present, compared to 29% in 2019. This represents a small decrease on the **48%** who saw strong demand in **Q3** but still more positive than the low levels seen earlier in the year.

operated in a limited company structure that could not be accommodated by their current lender. Current levels of demand for

buy-to-let mortgages is up on the

same period last year, with

Of those remortgaging, 53% did so for a **better rate of interest**, **33%** were raising capital and

purchases, from 46% in Q3 to

This current demand is reflected in intermediaries' outlook with expecting to see **more buy-to-let** mortgage business over the next 12 months. This is down from

of brokers think they will see **less business** during the next 12 months and **3% don't know**.

in **Q3**, but is a more optimistic forecast than that provided in Q4 2019 where 38% of intermediaries anticipated more business over the course of the next year.

Government changes of buy-to-let brokers think that demand will be negatively impacted when the Stamp Duty break ends on 31 March 2021.

Brokers indicated that they would turn their attention to buy-to-let remortgage business once the Stamp Duty holiday ends;

foresee a downturn in business compared to 55% in companies with a single advisor.

This impact is more evident amongst firms with four or more advisors where

deals as an opportunity after 31 March. Focusing on clients' needs for short term finance will be the priority for 16% of advisors while 13% plan to diversify into holiday lets.

of brokers have identified the

remortgaging of five-year fixed rate

Please note: Some percentages may not total 100 due to rounding.

Thanks to broker participation, £219 was donated to Macmillan.





There is a small

proportion.

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who think they may see a higher

volume of cases after the end of

the Stamp Duty break.