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Research results

"This quarter we have received some positive feedback from mortgage intermediaries, and this reflects the current strength of the market as it recovers well following the stall caused by the Covid-19 pandemic. As we look forward it is encouraging to see a growing sense of optimism amongst our broker partners with just under half expecting business to increase over the next twelve months.

There is a widely held belief that the Stamp Duty Land Tax break is having a significant impact on this, boosting the economy with increased consumer spending and additional work for tradespeople. With this we can see why it is so important for the sector to ensure that both we and investors are aware of, and well prepared for, the fast-approaching deadline on 31 March next year."

Moray Hulme – Director of Mortgage Sales



Profiling

We interviewed **266** intermediaries for our Q3 2020 survey

47% are employed by companies **Directly Authorised** under the FCA's mortgage regulations and **53%** are **Appointed Representatives**



Number of mortgages

The average number of mortgages dealt with per firm in Q3 2020 was **46**, up from **38** in Q2.

On average, the number of mortgages dealt with per adviser was **12**



Product type

Fixed rate mortgages made up **93%** of all cases with **tracker rates** chosen by **4%** of customers. More people, **61%**

on average, are opting for **5 year fixed term rate** mortgages compared to the previous two quarters of 2020.



Repayment type

In Q3 **15%** of **BTL** mortgages are **Capital repayments**

with **interest only** mortgages now accounting for **85%**



Borrower types

28% of borrowing has been buy-to-let, although this has dropped from **32%** in Q2.

The percentage of all mortgages written that are residential has also changed since Q2, falling from **62%** to **59%** this quarter.



Buy-to-let

Purchases have increased since Q2, now making up **46%**

of the buy-to-let mortgage market, remortgages account for the remaining **54%**

Optimism amongst intermediaries is increasing with **49%**

expecting more buy-to-let mortgage business in the next 12 months while **14%** now think they may see less, down from **30%** in June.

36% think that levels of business will be the same and **2%** don't know.



Government changes

Advisers believe the Temporary Stamp Duty Land Tax cut is most likely to stimulate buy-to-let investment activity.

When asked to rank four changes introduced by the Government in the order of the impact they are likely to have on the stimulating buy-to-let investment

90% of advisers put the **Stamp Duty Land Tax Break** top. **Planning reforms** came in second place with **55%** of advisers feeling it would be next most likely to make an impact,

46% thought the **Short-Term Home Building Fund Extension** would follow. Brokers felt that the Chancellor's **Green Homes Grant** scheme would encourage the least investment with **56%** placing it fourth.

Thanks to broker participation, £266 was donated to Macmillan.