Mortgage & Protection news

The newsletter from Your Name Here

BASE RATE stays at **4.25%** - but is still 1% lower than last year
(Source: Bank of England, 19 June 2025)

Looking Ahead

BETTER NEWS!! Since the announcement in April of the Trump tariffs*, we've experienced a mixture of sizeable **mortgage rate** drops and rises. And whilst the **Base Rate** remained at **4.25%** in June, it's still much lower than it was a year ago, as are Swap rates, and also the average mortgage deals on offer.

Fixed Rate mortgage deals are the most popular form of mortgage borrowing, and these are influenced by a number of factors, including **Swap rates.**

Generally, the impact on fixed rates can be felt a few weeks later. So, you could have the situation where mortgage rates offered by lenders are rising, at the same time that Swaps are falling.

Swap rates fell sharply following the announcement in April of the reciprocal Trump tariffs. And then, they went on an upward path. Since then, and for most of June, there was broadly a downward trend, with a slight uplift as we move through July.

(Source: Chatham Financial, Swaps, 9 July 2025)

This means we continue to be in a yo-yo period, where **some lenders, who recently reduced rates, have increased them,** with possible reductions down the line.

Lender competition

Aside from world events also having a sizeable impact, the interest rate pricing of deals is influenced by other factors.

Such as the **desire by lenders to price competitively to win your business,** and, in turn, build their market share.

Combine all of these elements, and it's no surprise th

options, and possibly lock in a rate, if your mortgage deal ends soon.

As it stands, the 'average' fixed rates for a 2-, or 5-year deal currently start with a '5', but better rates that begin with a low (or sub) '4' may be on offer. Although the latter generally applies to loans of 60%, or less, against the value of the property.

(Source: moneyfactscompare.co.uk, July 2025)

Additionally, there may be further good news on the horizon, as the industry regulator, the Financial Conduct Authority, is looking to **slightly relax the affordability** which could mean that borrowers more.

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Looking Ahead (contd)

Movement of Swap Rates

Swap Rates influence Fixed Rate mortgage deals. Generally, any impact on Fixed Rate mortgages may be felt a few weeks later (unless other factors have a bigger influence).

(Source: Chatham Financial, Sterling Overnight Index Average (SONIA) Swap rates to 9 July 2025)

Continued from page 1

Increasing costs elsewhere

If you're already a homeowner (and staying put), then you may be cheered by the continuing rise in the valu

(Source: Nationwide, H

But what may face, a on how m mortgage paym

In addition to any following the Trump tarif about the sizeable financial hit fro onwards across a number of areas closer to home.

Business owners

Those mortgage borrowers who are also business owners may face additional costs from Employer NI contributions. The government is hoping to raise about £25bn a year, following the changes from April.

f this businesses may face

■ **Broadband,**

■ **Stamp Duty -** for those who are looking to purchase a property in England or N. Ireland, the tax rate returned to its previous higher levels.

Whatever your situation, we'd fully assess the suitability of the options on offer. And you can take comfort from the fact that we operate in this sector day-in day-out, plus have the qualifications and expertise to deliver advice that meets your needs.

You may have to pay an early repayment charge to your existing lender if you remortgage.

**The US tariff plans were announced on 9 April. In May, the basis of a US:UK trade deal was announced, where the full details will emerge over time. Most of the UK tariffs are now at a higher level than prior to the Trump presidency. Of course, the whole situation remains highly fluid, and changeable.*

■ Your home may be repossessed if you do not keep up repayments on your mortgage.

pending Review

of the government's n June was to pledge ordable and social 036 period. will be invested gland to help attract ment.

These initiatives are designed to help the government hit their 1.3m new homes target, by the end of this Parliament.

MARKET FACTS...

Inflation...

Back in October 2022 annual inflation stood at a recent high of 11.1%. The latest annual CPI inflation figure to May 2025 is **3.4%,** which the same as the yearly increase to April.

Core CPI (which excludes energy, food, alcohol and tobacco) stands at an annual 3.5%, down from the 3.8% yearly increase in April. This metric tends to have a greater influence on the Bank of England's Base Rate decision-making. *(Source: Office for National Statistics, CPI, 18 June 2025)*

Property prices...

If you want to get a feel for house price sales in your own local area, you can check out the following:

gov.uk/search-house-prices (for England & Wales)
scotlis.ros.gov.uk (for Scotl and)
finance-ni.gov.uk (for N. Ireland)

Overall, the average annual UK property price rose by **2.1%** (to £271,619) in June, but equated to a 0.8% month-on-month drop against the May figure.
(Source: Nationwide, House Price Index, June 2025)

We're here to HELP...

Over 20% of all outstanding residential mortgage borrowers will come to the end of their deal period this year.

(Source: UK Finance, Household Finance Review, Q4 2024, released March 2025)

AVERAGE MORTGAGE RATES

Residential:

- **2-year fixed rate deal**
  - **- 1 July 2025 = 5.09%**
  - *- 1 July 2023 = 6.41%*
- **5-year fixed rate deal**
  - **- 1 July 2025 = 5.08%**
  - *- 1 July 2020 = 2.25%*

(Source: moneyfactscompare.co.uk, July 2025)

» This equates to about 1.8m residential mortgages; on top of almost 250,000 buy-to-let loans that will also come to fruition.

(Source: UK Finance, June 2024 release)

Remortgaging to a different provider is expected to rise by 30% against 2024. Product transfers, where the borrower remains with the existing lender, are also expected to rise, but only by 13%.

(Source: UK Finance, December 2024)

Busy mortgage market

In addition to the sizeable remortgage numbers, there will also be those looking to get onto the property ladder for the first time. This group tends to account for over half of all home purchases made with a mortgage.

(Source: Halifax, First-Time Buyer report, February 2025)

Specific borrowing needs

Whilst some mortgage applications may be fairly straightforward, **many can be more complex,** and tha

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may not be a viable

we also have relationships

lenders, who may provide the solutio

Affordability

This has been an issue for some, but the affordability pressures may ease in 2025, in light of the desire from the Financial Conduct Authority for lenders to be more flexible with regard to stress-testing deals.

2-year vs. 5-year deals

After living in a higher interest rate environment for a few years now, those coming off 2-year fixes may see similar (or better) rates on offer (as the box item shows). However, those coming off 5-year deals will face the possibility that their new interest rate may be double what it was.

Product transfers

We can help you with renewing your new deal with your existing lender, although it may make sense for us to look at the wider marketplace first. Also, we'd assess if the positive factors for choosing your current lender 2, 3 or 5 years ago still puts them at the top of the tree this time round.

Remortgage elsewhere?

There are numerous elements to consider here, such as:

- Your circumstances may have changed.

have risen in value

ies).

a different set of lenders to consider this time round, which may be more suitable for you.

Or, perhaps, we establish that a Tracker deal (with no penalties) is a better solution, enabling you to monitor future Fixed rate deal offerings, and act down the line.

And, whatever we'd discuss, this doesn't mean we kick into touch your existing lender, as they may still be the one to stick with, once we've gone through this process.

Consider locking in a deal

Also, as part of our service we'd be looking to discuss your future needs 4-6 months ahead of your current deal ending.

This may result in locking in a deal rate now, with the option of reviewing it as we go along, and maybe switching it to a better rate (on a comparable plan) from the chosen lender. **A 'win win' scenario for you,** but it's something a lender is unlikely to flag, and that's why borrowers turn to us, as we work on your behalf to save you time, stress, and, hopefully, money, interspersed with sound advice.

Please do get in touch if you'd like to have a chat about your borrowing requirements.

■ Your property may be repossessed if you do not keep up repayments on mortgage.

cover...

be th

However, it's as important to ensure that you have policies in place that will help protect (or replace) your income stream, should you fall ill, face an

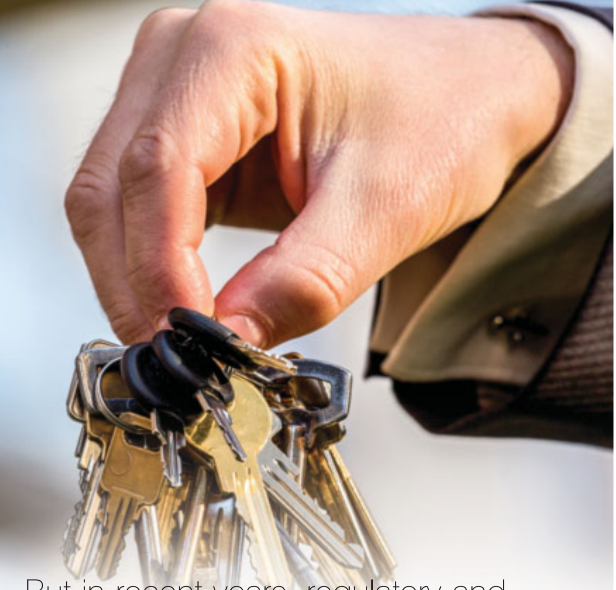
ess, or possibly die.

ues occur, then it's

others (and yourself, if recovering) may be reliant on a lump sum payout, or ongoing income stream, to help meet day-to-day costs, and the mortgage payments. **Do get in touch to hear more.**

■ As with all insurance policies, terms, conditions and exclusions will apply.

Still in the game...



Buy-to-Let has long been a popular route to wealth creation. But in recent years, regulatory and other reforms have sparked debate over its viability.

Quite simply, the mix of tax and legislative changes, combined with higher costs, have dented the profitability of buy-to-let. Yet the **sector remains key to the provision of housin**... providing homes for millions of renters.

And whilst some landlords have taken their... marketplace, there's not been a mass sell-off. ... past 10 years of ownership, the typical land... home in 2024 saw the value rise by an averag... more than the price they originally paid. *(So...*

For those remaining, landlords have adapt... such as setting up **Limited Companies,** and ... already responding to) developments such as the ... **Bill,** and future **EPC targets.**

And, the rental take is still sizeable

A positive for landlords - due to some leaving the marketplace - is that this **fuels (or maintains) demand** for the remaining properties.

Across the UK, the average monthly rent is £1,307 (up 0.8% annually). The highest return was Greater London at £2,088, with ...t of the UK averaging out at £1,124.

...Index report, May 2025)

...elp...

...es in recent times would have dented ...t loan deals are becoming cheaper. ...buy-to-let rate on a 2-year fix stands ...23, the average rate hit a **recent high** *...pare.co.uk, July 2025)*

...off a fixed rate deal, or simply want to have ...nancing options, then please do get in touch.

You can choose from THREE story choices for page 4: This is option 1

1. Buy-to-Let Landlord
2. First-Time Buyer
3. Income Protection

Alternatively, an increasingly popular option is to take a 5, 6 (or even 7) page pdf (selecting from the three story choices here)

Plus, we offer a corporate colour-up service to match the issue to your own logo colours - for both printed and pdf copies

...ere is no guarantee that it will be possible to arrange continuous letting of the property, nor that the rental income will be sufficient to meet the costs of the mortgage.

The value of your Buy-to-Let property and income from it can go down as well as up. You may also require advice on the legal and tax issues.

The Financial Conduct Authority does not regulate legal and taxation advice, and most Buy-to-Let mortgages.

HM Revenue & Customs practice and the law relating to taxation are complex and subject to individual circumstances and changes which cannot be foreseen.

LIMITED COMPANY STATUS

■ A reflection of the adaptability of landlords is the sizeable growth in those opting for Limited Company status, with around 400,000 companies now in play, with a record number set up in 2024 (over 60,000 new firms). *(Source: Hamptons report, January 2025)*

■ Hamptons estimate that about 70-75% of all new buy-to-let purchases go into a company structure.

■ The higher-rate taxpayers have been particularly motivated by it, as the regulatory rules limit the mortgage finance that you could offset against your individual income. The Limited Company route may help mitigate those tax changes.

■ However, it won't be the most suitable option for all, so do speak to your accountant and solicitor regarding tax issues, and property structures.

And we're there to give an overview, and to assist with sourcing suitable deals.

■ Your property may be repossessed if you do not keep up repayments on your mortgage.

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■ We do hope that the newsletter is of interest to you, however, please inform us if you no longer wish to receive it.

Fee Statement and Warnings would be placed dependent on personal or network requirements

■ We cover mortgages, insurance and protection products along with a number of other financial areas, so do contact us if you'd like to discuss your financial needs: Tel: ???? ??????? Email: ??????@??????????? Web: ???????????????

First-Time Buyers across Great Britain are paying, on average, almost **20% less per month** on mortgage repayments (£1,038), than the average rent of £1,248. *(Source: Zoopla, March 2025)*

PROPERTY LADDER

Renting, for many, is seen as 'dead money', as you're not benefiting from the investment of your money, time and effort within your own property.

Of course, renting works well for some, particularly if you want to have less ties, or perhaps would like to test out an area, or ev... a relationship! Or, possibly, still need time to save up... required for a deposit. Plus, there will be fewer ... compared to the strict borrowing criteria set o...

You can choose from THREE story choices for page 4: This is option 2
1. Buy-to-Let Landlord
2. First-Time Buyer
3. Income Protection
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Loosening of affordability ru...

However, the strict borrowing criteria m... strict, as the industry regulator, the Financ... discussed back in March that lenders could c... their affordability rules.

Elsewhere, the income multiple rule has bee... rules state that only 15% of new loans can exceed 4.5 t... but the applicable threshold has been lifted from £100m of lending to £150m - which benefits around 80 smaller lenders.

Of course, within that 15%, there are some deals where the loan to income amount sits at five, six, or even possibly seven times!

Building up, or securing a deposit

This is often the main stumbling block. In 2024, the **average deposit was £61,090,** which equates to around 19.6% of the purchase price. *(Source: Halifax, First-Time Buyer report, February 2025)*

Delivering a circa 20% deposit will obviously open up better rates than for those who are looking at deals at around a 5% deposit ... Although, for some, the lower deposit option may be more ... get them onto the property ladder sooner.

... that the first-time buyer may not be alone in ... will benefit from **financial help via parents** ... here's the pragmatic approach taken by ... people are clubbing together to obtain ...

... e that most first-time buyers, may find the ... rowing process to be quite complex, time- ... possibly confusing. Particularly as most of you ... lead very busy lives, and this process may be seen as an added problem, if handled alone.

And that's where we come in. We can assist with your application, factor in any financial support from the family, take a look at the credit rating, and assess where you stand on meeting the lender's affordability criteria - which varies across the board.

We'd also consider the various schemes on offer from the government, or perhaps the recent innovative collaborations between lenders and builders.

If this is of interest, then please get in touch to find out more.

CREDITWORTHY?

A credit score is designed to try to predict your future behaviour. And, as every lender has its own 'ideal customer' profile, a poor score that results in a rejection from one isn't necessarily a rejection from all. That's why it makes sense to talk to us, once you've run your initial check, as there may be simple tweaks that will deliver a more favourable response for credit. You can check your rating at agencies such as Experian, Equifax, and TransUnion.
Or take a look at Checkmyfile, which generally brings together your results across most rating agencies:

Tel: 0800 086 9360
www.checkmyfile.com

■ **Your home may be repossessed if you do not keep up repayments on your mortgage.**

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The government's furlough scheme showed many of us how important it was to benefit from an ongoing income stream to help meet everyday costs - when circumstances had dramatically changed. An **Income Protection** policy could deliver much the same.

Protect Your INCOME

Instead of Covid affecting how you work, an Income Protection policy is designed to help counter wider issues which may stop you earning an income. This could encompass bei... off work long-term due to mental health issues, an illne...

It's an extremely flexible product, and will gene... around 60-65% of your gross income (if your... and over 81% are).

(Source: Association of British Insurers, 2023 data, Septembe...

Dependent on the type of product you... a **tax-free monthly payout** until you're wel... work, retired or have died, whichever occurs...

Could it happen to me?

Of course, most of us will feel that being off work long... unable to earn an income is highly unlikely. Yet, there are currently about **2.8m people** in the UK that aren't working due to long-term sickness. That equates to around one in nine of all full-time workers!

*(Source: *Office for National Statistics, Labour market overview, May 2025 release)*

My employer, or the State will provide

This is true, up to a point. If your employer has a generous ongoing scheme in place, then you may not need this cover (assuming you remain with them). As for state support, if you qualify you may get about £120 a week for up to 28 weeks.

You may think that around 6 months financial support from your employer or the state may cover your needs for the time-frame you might be off work. Possibly, but also consider this; some of the largest insurers are reporting that the **average length of their Income Protection claims is about 6 years.**

Interestingly, this product seems to resonate better with the ...er generation. And this group may still have, for example, ... their working life ahead of them when bad things ... could then limit how they can financially ... themselves, and, possibly, their family too.

...ider this?

...hose with little or no sick pay from ...

...**ancers** - with about 4.4m workers ...r.*

...n mortgages.

...**rs** - with dependents relying on their income.

Reasons for claiming

Back, and mental health issues (such as anxiety and depression) tend to be the biggest areas for claims, with wider musculoskeletal problems, cancer and heart-related issues also being key areas.

Added value

As is the case with most protection policies these days, there may also be added value benefits that are designed to help get you back on the road to recovery, such as **rehab, physio,** and **counselling.**

As with all insurance policies, terms, conditions and exclusions will apply.

Short-Term Income Protection

If you recognise the importance of having some degree of cover in place, but are concerned about minimising your outlay, then a shorter-term version is also available.

This option is designed to still deliver important financial support (if off work) but for a more limited period of generally up to two years - or even five, in some instances.

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