

Mortgage & Protection news

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The positive environment of the early 2026 mortgage market was massively disrupted by the conflict between US/Israel and Iran.

» Aside from the obvious outcomes, the primary economic driver of the conflict has been the inflation shock triggered by the rise in crude oil prices.

This has also had ramifications for stock markets throughout the world and other economic indicators, such as Swap rates.



The Path Ahead

Swap rates

These are a key influence on the pricing of **fixed rate mortgages**, with rate moves often being mirrored by lender deals a few weeks later. Up until the start of the war, rates were on a downward trajectory. The conflict dramatically changed the direction of travel, with massive rises in swap rates, and lenders following suit by pulling deals and repricing upwards. However, at the time of writing (June), swaps have broadly levelled out, and some lenders have reduced their rates, albeit they're still above the pre-conflict levels. (Source: Chatham Financial, June 2026)

Inflation and Base Rate

UK inflation fell more sharply than expected in the latest figures (which is partly due to the planned decrease in household energy bills).

As for the Bank of England's Base Rate

there are numerous conflicting arguments for the direction it may take over the course of 2026. Much will depend on the situation in the Gulf, although even if that was swiftly resolved, there'll still be a knock-on effect for a period of time. (Sources: Office for National Statistics, 20 May 2026; Bank of England, 30 April 2026)

Consider locking in a deal

With the path ahead being fairly unclear, those borrowers, who are within six months from the end of their fixed rate mortgage period, should consider locking in a new deal.

Once a new deal rate is in place, we can

Continued on page 2 →

FIXED DEALS coming to an end

A sizeable **1.8m homeowners** will be **looking to remortgage in 2026**, as their fixed-rate deal period comes to an end. This equates to around 21% of all outstanding residential mortgages.

also come to fruition in 2026. (Source: UK Finance, December 2025)

For those that are coming off 5-year fixed rate deals, there may be a shock, although it may still be beneficial to lock in a rate now. As for those coming off 2-year deals, there may be a shock, although it may still be beneficial to lock in a rate now.

Additionally, the Bank of England's Base Rate

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■ Your home...
on your mortgage.

The Path Ahead (contd)

Continued from page 1 →

then take a view over the next few months, should the conflict fully end, and the economic climate improves, with lower lender rates, as a result. Of course, it could go the other way, which also reinforces the sense of locking in a deal.

Professional advice is key

Either way, to help make sense of your options, it's important to **seek advice**.

As it stands, the 'average' fixed rates for a 2-, or 5-year deal currently sit around a high 5%, but better rates in the realms of a mid or high '4' may be on offer. Although the lowest rates generally apply to loans of 60%, or less, against the value of the property.

(Source: moneyfactscompare.co.uk, 1 June 2026)



Positive developments

It's not all bad, as after a difficult few years, 2026 was starting to offer a more positive outlook.

The industry has been encouraged by the Conduct Authority to create an environment that allows for **relaxation in the affordability rules**. This could mean that borrowers could borrow more (or borrow at all).

Alongside this relaxation, there are also **improved loan-to-income deals**, which may offer up to five, six or seven times income!

Both elements will certainly help those struggling to obtain the mortgage they need, and enable others to borrow more -

to secure the home they want, or to improve

This is because **we also have relationships with Specialist lenders**, who may provide the solution, if the High Street lenders are not a viable, or suitable option.

to hear more.

by repayment lender if you

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...MARKET FACTS...

Base Rate

Remains at
3.75%
The committee voted 8-1 to keep the rate at this level, with one member wanting it to rise to 4%. *(Source: Bank of England, 30 April 2026)*

Inflation

Annual CPI inflation figure is
2.8%
Inflation eased from the previous 3.3%, due to the lower energy price cap. *(Source: Office for National Statistics, CPI, 20 May 2026)*

Property prices

Average annual UK Property price rose by
1.7%
to £278,024 *(Source: Nationwide, House Price Index, May 2026)*

Mortgages

Average 2-year Fixed Rate
5.68%
Average 5-year Fixed Rate
5.63%
(Source: moneyfactscompare.co.uk, 1 June 2026)



According to research, only 46% of **First-Time Buyers** were successful in securing a mortgage.

(Source: Shawbrook, Home-A-loan 2025 report, November 2025)

First-Time Buyer

ADVICE

» However, the same research showed that only around 22% (of the 2,010 surveyed) used a mortgage adviser to apply for a mortgage, which is way below the market-wide 91% who are expected to turn to brokers, such as us, in 2026. (Source: IMLA, June 2025)

Adviser Help

And, amongst those who did use a broker, the levels of satisfaction were overwhelmingly high:

- 97% said that brokers helped them to identify the right lender.
- 97% valued their specialist knowledge.
- 95% credited them with simplifying paperwork and admin.

Outside of this survey, we also understand where your mortgage application may fail - such as **missed payments**, a **volatile income stream**, **spending on the wrong things**, and a **bad credit score** (see checkmyfile.com). From here we can look at how to best tackle these issues, along with meeting the **affordability criteria**.

Affordability & Income Multiples

With regard to affordability, the criteria set by the Financial Conduct Authority, is supported by the Government's affordability criteria. Elsewhere, the criteria are more relaxed, with the rules state that the maximum multiple is 5.5 times the borrower's income, but the applicable multiple is often lower, typically 4.5 times the borrower's income to £150m - which specifies that the maximum multiple is 5.5 times the borrower's income. Within that 15%, there are some exceptions, such as where the loan to income sits at five, six or seven times the borrower's income.

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Building up, or securing a Deposit

This is often the main stumbling block, and could be viewed as a two-speed market.

The average First-Time Buyer deposit from those that are **unassisted** is **£60,741** (in itself, a sizeable amount). The comparable average deposit for those that have benefited from **assistance** (such as the Bank of Mum & Dad + Grandparents) is **£118,073** - which equates to 37% of the average purchase price, thereby opening up the better deals. Understandably, the deposit required does vary massively throughout the UK. For example, the average

unassisted deposit for the North East of England is £29,918.

(Source: UK Finance, Trends in the Economy and Lending, May 2025)

However, **don't be daunted**, if you feel that saving a sizeable deposit might be a problem for you. An alternative option is to consider deals that require a 5% deposit (or less). With the added benefit that it may get you onto the property ladder sooner.

Talk to us

The whole mortgage application process may come across as being quite complex, time-consuming, and possibly confusing. Additionally, most of you will lead very busy lives, and this process might be seen as an added problem, if handled alone.

That's where we come in. And if this is of interest, then please get in touch to find out more.

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...the 1.5m new homes that are projected to be built in the 5-year period of this Government, aside from the OBR saying that this will largely occur from 2027-28.

■ However, it was stated that the Government will publish a consultation document in early 2026 on the implementation of a simpler ISA product to support First-Time Buyers who want to build up a deposit.

The **Private Rented sector in England** is facing a massive transformation following the introduction of the **Renters' Rights Act**.

This landmark legislation, has marked a significant reform to tenant rights, by rebalancing the relationship between England's **2.3m landlords** and **11m private renters**.

(Source: gov.uk, 27 October 2025)



The Renters' Rights Act

Implementation timetable...

This new law is now on the statute books, and will be introduced in stages, with the first stage introduced on 1 May 2026.

The End of 'No-Fault' Evictions

The cornerstone of the new Act is the abolition of Section 21 evictions. This move consigns the so-called 'no-fault' eviction process to history, ending the ability of landlords to uproot tenants with just two months' notice, without needing to state a reason.

For renters, this provides **greater security and stability**, empowering them to challenge poor practice and demand repairs without the fear of immediate homelessness.

In its place, the Act introduces a new framework where all tenancies will be periodic, replacing the Assured Shorthold Tenancy (AST) system.

Landlords will now only be able to evict tenants on Section 8 grounds, which have been reformed to ensure legitimate reasons for possession are met, such as wanting to sell the property or move in themselves.

Crucially, these new grounds include safeguards for tenants, such as a 12-month protected period at the start of a tenancy, assuming certain criteria are met.

Key Developments for Renters

The Act brings in several other protections:

Pets: Tenants will now have the right to request a pet, which a landlord must consider and cannot unreasonably refuse.

Decent Homes Standard: For the first time, this will be applied to the private rented sector, ensuring all rental properties meet a basic minimum quality.

Abolition of Rental Bidding: To stop competitive bidding wars, landlords and agents are now banned from inviting, encouraging, or accepting offers of rent above the initial advertised price.

Discrimination Ban: Landlords and agents are prohibited from imposing blanket bans on renting to prospective tenants who receive benefits, or who have children.

Annual Rent Increases: Rent increases are limited to once per year, with tenants gaining the power to challenge excessive rises at a tribunal.

New Requirements for Landlords

To manage and enforce the new system, the Act establishes a mandatory Private Rented Sector Ombudsman, which all private landlords must join. This service will offer an impartial and binding route for tenants to resolve disputes without going to court. Furthermore, a Private Rented Sector Database will be introduced, requiring all landlords and their properties to be registered.

Possible impact on the Rental marketplace

The unintended downside of delivering greater protections for renters (along with the property tax reforms that were announced in the Budget), is that it could drive more landlords out of the market, reducing availability, and pushing rents higher. Research conducted by research amongst our fellow members of the Property Society, *Business Outlook Survey, September 2025* found that four out of five felt that these issues would have a negative impact on both landlords and tenants.

(Source: Property Society, *Business Outlook Survey, September 2025*)

In fact, **if a sizeable number of landlords do sell up**, then renters might be left with a new set of considerations. Either they accept the possibility of higher rental costs/less availability (down the line), or consider taking advantage of more properties 'for sale' coming onto the market, which may benefit First-Time Buyers.

Where we might be able to Help

It'll, no doubt, take time for all elements to unfold, but if you need to assess your property borrowing requirements, we are there to assist **landlords**, in identifying the most suitable path forward to meet their needs.

Plus, we're also there for those who may prefer to move away from renting, and try to get onto the **property-owning** ladder.

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

ADDITIONAL PAGE CHOICE, AS THIS WAS MADE LAW IN OCTOBER

Is it all uphill?

Landlords have been hit hard over the last few years, from both **Budget** taxes and **Regulatory** changes.



» Whilst landlords may be happy that the floated idea of charging National Insurance on their rental income didn't come to fruition back in November, but other initiatives did.

One example is that **the rate of income tax from property income will increase by two percentage points from April 2027.** It's a move that the Office for Budget Responsibility (OBR) said will hit landlords in the pocket and force rents up.

This comes on top of previous initiatives from the Government such as changes to Mortgage Interest Relief, and increased Stamp Duty charges.

The culmination of all of this, may mean landlords might consider leaving the marketplace, which will fuel the demand for rental properties. There are also changes in numerous ways, and are monitoring (or reacting to) developments such as the **Renters' Rights** legislation coming into force from 1 May 2026 - and future changes.

Also, the continuous tax hits, will probably make it less likely who own the property in their own name, consider the **Company** route. Additionally, it may also drive some landlords to

consider alternative strategies, to secure higher-yield tenancies, such as student rentals, or Houses in Multiple Occupation (HMOs).

We're here for YOU...

Whatever route you plan to take, we can be there for you. And, on the upside, **buy-to-let loan deals** had become cheaper ahead of the conflict. Even now, the average buy-to-let rate for a 2-year fixed rate deal, or simply want to have other financing options, then please do get in touch.

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

1. Landlord
2. Budget outcomes
3. Homeowner

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LIMITED COMPANY STATUS

- A reflection of the adaptability of landlords is the sizeable growth in those opting for Limited Company status, with almost 450,000 companies now in play. (Source: Hamptons report, February 2026)
 - Hamptons estimate that around 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.**

that it will be possible to arrange property, nor that the rental income at the costs of the mortgage.

Buy-to-Let property and income from it can be used to help pay for your mortgage. You may also require advice on the costs of the mortgage.

Our 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.

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

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

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The Taxpayer's £

With some decisions recently coming into effect, last **November's Budget** was a tax-raising one (supposedly targeting those with the broadest shoulders); in order to help meet the increased expenditure needs for **Welfare**, the **State Pension**, and **Health**.

» These three elements now account for at least 49p of your Tax £, with a further 10p going to fund the interest payments for the **National Debt** (see chart).

Let's recap the key announcements...

Income Tax & National Insurance (NI)

The thresholds for both have been frozen for a few more years, until April 2031. This is what's called a 'fiscal drag', or 'stealth tax'.
The impact of this is that between 2022-23 and 2030-31 **additional individuals** will have been brought into paying tax. And **4.8m more** will have moved to the higher rate. **600,000 more** onto the additional rate.
The consequence of this, is that around £1.5bn more will have to be raised from income tax in the 2030-31 period.

Salary Sacrifice

The amount that people can 'sacrifice' from their salary to avoid NI on pension contributions - will be £10,000 a year from 2029. At the moment there is no limit.

Dividend Income

From April 2026, there was a 2% rise to the ordinary and upper tax rates on dividend income.

Cash ISAs

The amount the under-65s can put into a Cash ISA (Individual Savings Account) will be capped at £12,000 a year, with the rest of the £20,000 annual allowance reserved for investments. It's applicable from April 2027.

High-Value properties

From 2028, homes in England, worth more than £2m, will face a Council Tax surcharge of between £2,500 to £7,500, following a revaluation of bands F, G, and H.

Landlords

The tax on rental income will increase by 2%, from April 2027.

Two-Child Benefit Cap

This was removed from April 2026, enabling those with three or more children, for whom it's applicable, to also receive universal or child tax credit for these children too, if they were born after 6 April 2017. It's said that this will bring 450,000 children out of poverty.

■ 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: ?????????????

Expenditure area	of £1
Social Protection <i>(inc. Welfare & State Pension)</i>	28p
Personal Social Services <i>(largely Local Authority provided support for vulnerable people)</i>	4p
Health	21p
Interest on National Debt	10p
Education	10p
Defence	6p
Transport	5p
Public Order & Safety	4p
Industry, Agriculture & Employment	4p
Housing & Environment	4p
Other	4p
	100p

(Source: HM Treasury, projected 2026-27 expenditure)

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HT
the IHT threshold has also been frozen
ing more people into its net.

ension
This has gone up by 4.8% from April 2026 which is more than the current rate of inflation, due to the 'triple lock' policy.

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.

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Hard-Working Homeowners

Your property is likely to be **your biggest asset**, and one where you've probably put in a lot of time, effort and expense to make sure it works well for you. Sadly, the Government also recognises this financial value.

Of course, it's not all bad, and you may have invested well over the years, and built the financial value of your property. One of the biggest issues about the Budget, was all the uncertainty it has leading up to it. In fact, lots of decisions may have been made if the path ahead was known. Now that we're in a new era, the plans could encompass:

Property & Life Planning

You can choose from THREE story choices for page 4: This is **option 3**

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2. Budget outcomes
3. Homeowner

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Mansion Tax

This is applicable to homes valued over £2m. Homes valued between £2.5m and £5m will face an **added cost of £2,500**; up to £5m+, which will be **taxed at £7,500**. And, it'll be in addition to the existing council tax liability. It's the properties are to be affected. For some, the financial impact is manageable, but the worrying aspect is that a number of homeowners may be equity rich, but cash poor. However, it won't come into effect until April 2028, and much may happen before then.

Salary Sacrifice Schemes

If you're in the fortunate position not to need all of your income to cover day-to-day costs, then the Salary Sacrifice Scheme might be something you've utilised. The advantage of this scheme is that **you can pay into your pension without paying National Insurance**. Unfortunately, following the Budget, the Government imposed a £2,000 a year cap, before NI kicks in, albeit not in place until 2029.

and mortgage needs. **we can be there for you**, and help you with any plans may be on offer out there. If you have borrowing needs, you may wish to look at options for **yourself, your family** and the **home they live in**. Perhaps, perhaps also consider other sensible initiatives, such as:

- Wills - Worryingly, over half of all UK adults have not made a will (56%), and those that have, may want (or need) to revisit it. (Source: Money & Pensions Service, January 2025)
- Guardianship Arrangement - If you have young children and, for example, both parents die at the same time, your children may, initially, be put into care, unless something like a Guardianship document is in place, which sets out your requests.

Do let us know if you'd like to hear more.

Family Protection Cover

It's important to ensure that you have policies in place that will help protect (or replace) your income stream, should you fall ill, face an unexpected serious illness, or possibly die.

If any of these issues occur, then it's quite likely that 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.

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

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