

# MORTGAGE MARKET REPORT

*Analysis from Twenty7Tec*

TWENTY7TEC



## KEY FINDINGS - MAY 2021

# 68%\*

Purchases as a proportion of the mortgage market in May 2021 (remortgages = 32%)  
\*Excluding product transfers

# 2.96%

Growth in products available as of May 31 2021 versus products available as of April 30 2021.

# 7

The 7 busiest days ever for ESIS documents on a 7-day rolling basis were in May 2021.

# 11 May

Our busiest day ever for creating ESIS documents.

# 21.6%

First time buyers made up 21.6% of the mortgage searches in May 2021, lower than in April 2021.

# 18%

By end May 2021, 95%+ searches accounted for 18% of all mortgage searches on our systems, ahead of the YTD average of 15%

# 3.5

In May 2021, average searches per document produced dropped to 3.5, the long term average.

# 30 June

The end of the stamp duty free period effect is affecting volumes above £250k already. Mortgage search volumes for properties over £250k are already dropping.

# Contents

03

CEO REVIEW

04

DEMAND IN APRIL 2021 (MORTGAGE SEARCHES)

10

SUPPLY IN APRIL 2021 (ESIS DOCUMENTATION)

12

APPLICANT DATA IN APRIL 2021

14

PRODUCT DATA IN APRIL 2021

16

BUSIEST DAYS OF THE YEAR FOR DOCUMENTS

17

PRODUCT AVAILABILITY

18

A SPECIAL FOCUS ON LTV 90%+ PRODUCTS AND ACTIVITY

## May 2021 CEO STATEMENT



## May 2021

We live in interesting times. The end of the stamp duty holiday is on the horizon and the adjustments to the new market conditions are already happening. We've seen fewer searches in most price ranges and LTV ranges in May as focus turned to creating ESIS documents which could hit the deadline of 30 June.

Ironically, just as volumes dropped back further for the second month on the trot, product volumes rose above 12,000 for the first time in over a year.

June is going to be interesting.

**James Tucker**  
CEO, Twenty7Tec



## WHAT DID DEMAND LOOK LIKE IN MAY 2021?

"The white hot market for purchase in April 2021 cooled slightly in May 2021. Purchase search volumes were buoyed by the stamp duty holiday and the 95% product guarantee. In May, the stamp duty holiday effect began to wear off as the end of June deadline neared. May's volumes were also affected by its two bank holidays, of course. Remortgage volumes held firm versus the prior month."

Phil Bailey, Twenty7Tec

### May searches

Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
849,845	399,843	1,249,688	68.00%	32.00%	21.57%
↓ -13.6%	↑ 1.0%	↓ -9.4%			

### April searches

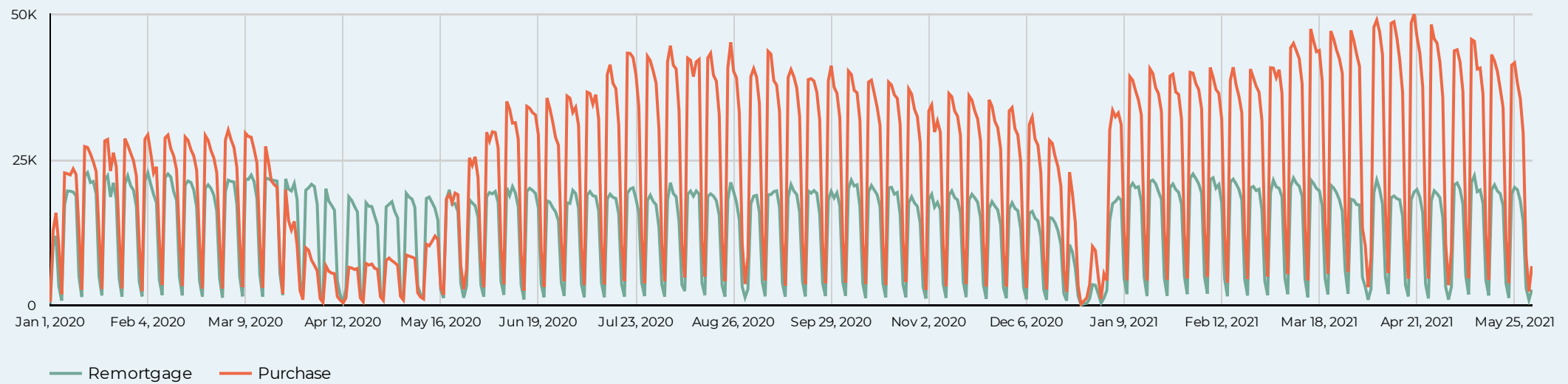
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
983,424	395,798	1,379,222	71.30%	28.70%	22.51%
↓ -7.6%	↓ -17.1%	↓ -10.5%			

### March searches

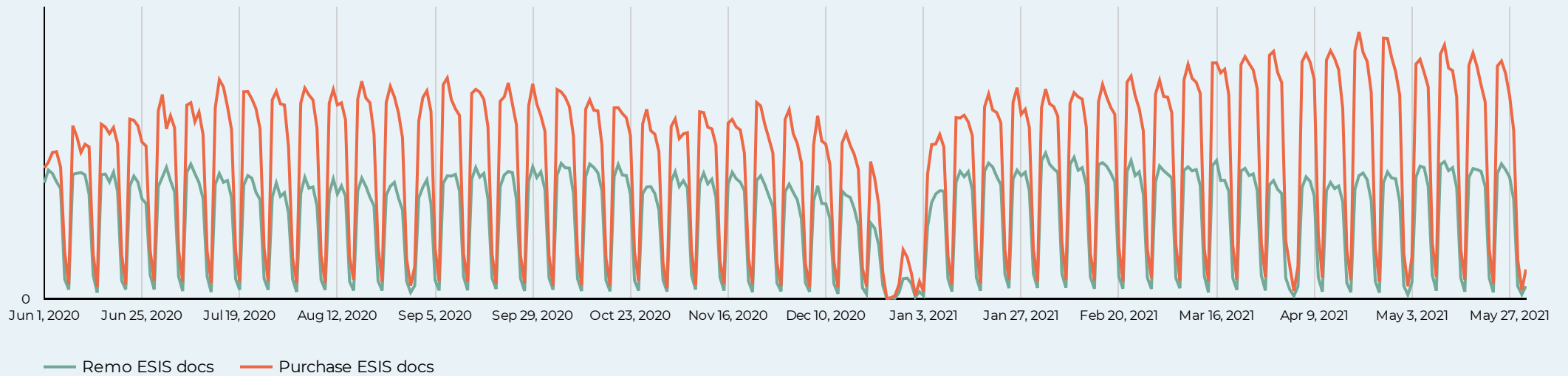
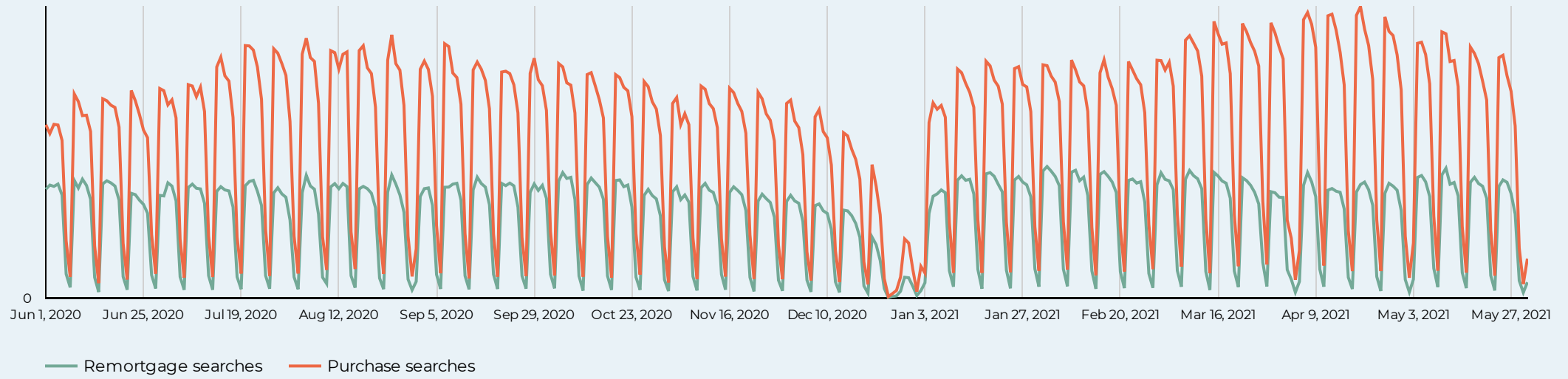
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
1,064,391	477,270	1,541,661	69.04%	30.96%	20.83%
↑ 30.6%	↑ 10.4%	↑ 23.6%			

# WHERE WAS THE DEMAND IN THE MAY 2021 MARKET?

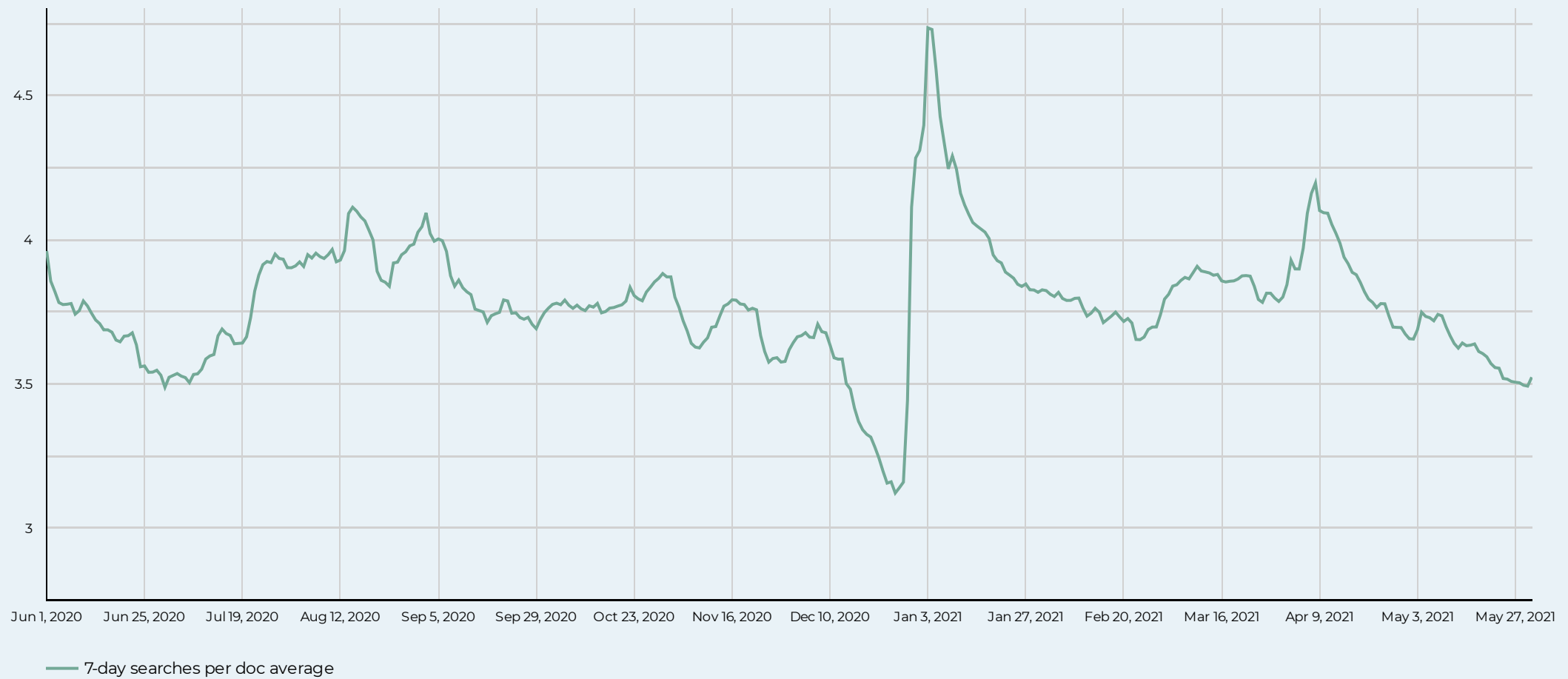
Mortgage Type	March searches	April searches	May searches	May monthly difference
1. Standard Residential	1080779	994733	907668	-8.75%
2. Buy To Let	261934	214081	198751	-7.16%
3. Standard (inc. Shared Equity / Help to Buy)	73882	66311	55919	-15.67%
4. Shared Ownership	40807	36842	32974	-10.50%
5. Shared Equity / Help to Buy	44104	33438	22885	-31.56%
6. Let To Buy	23234	18770	16602	-11.55%
7. Secured Loan	6905	6221	6484	4.23%
8. Right To Buy	6646	6141	5947	-3.16%



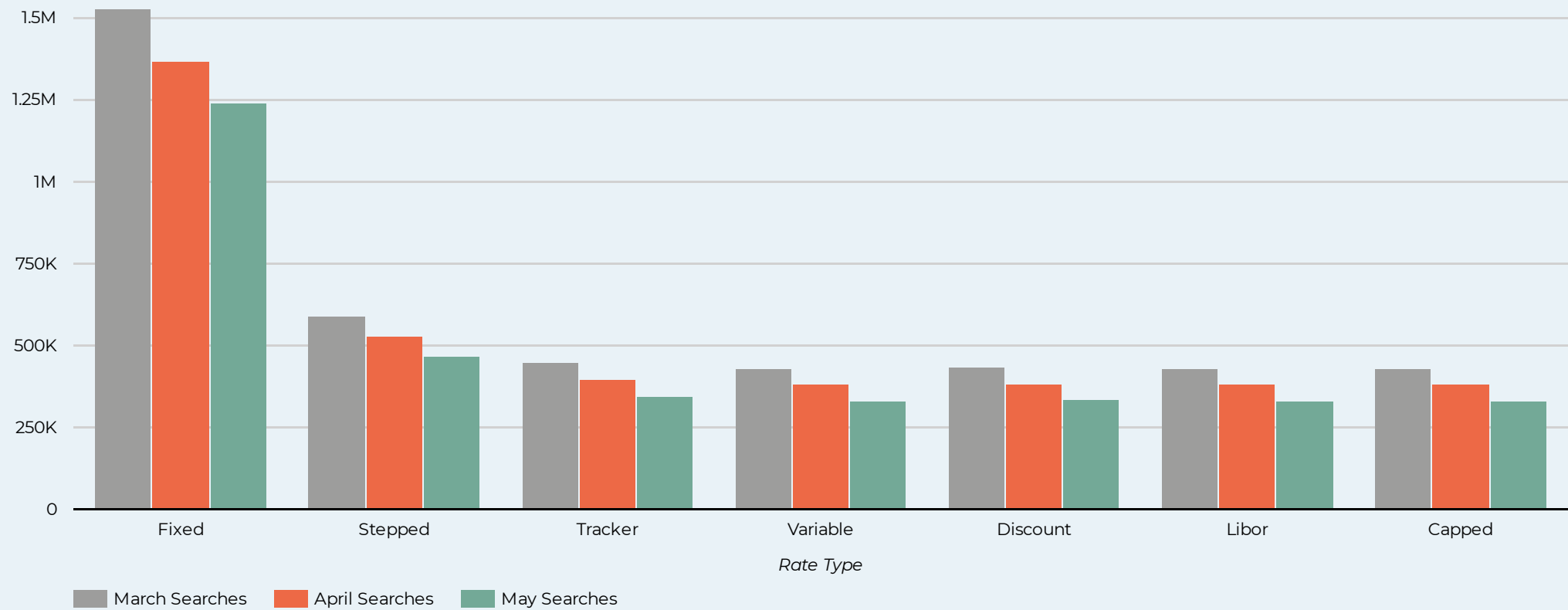
# SEARCHES V DOCUMENTS IN THE MAY 2021 MARKET



# SEARCHES PER DOCUMENT IN THE YEAR TO MAY 2021 (7- DAY ROLLING BASIS)



# SEARCHES BY MORTGAGE PRODUCT TYPE MARCH TO MAY 2021





## HOW DID MAY 2021 SPLIT BY PROPERTY VALUE?

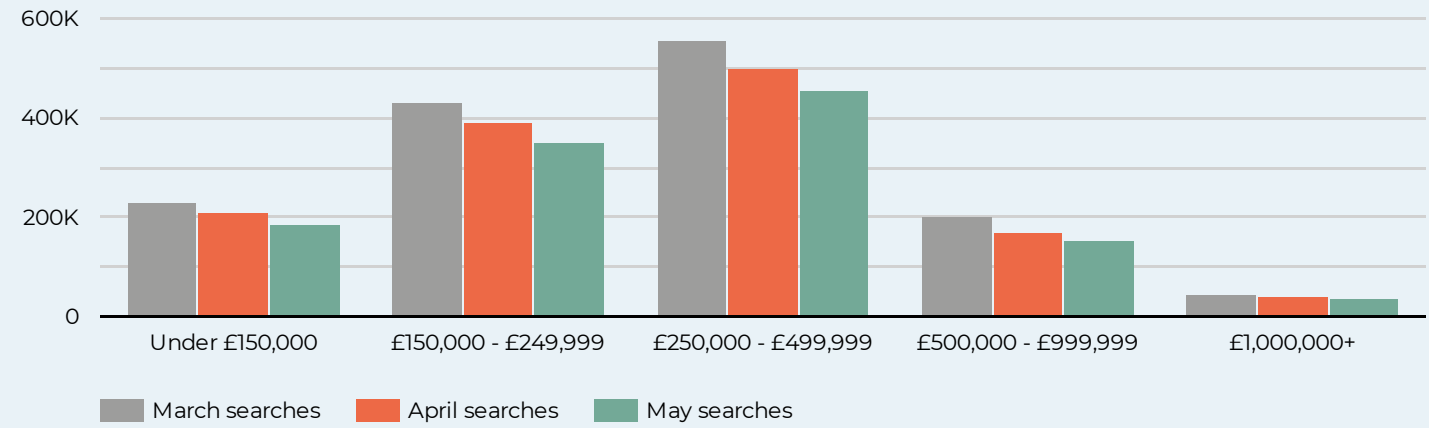
"Once again, we saw a drop in searches across all price ranges.

The imminent end of the stamp duty combined with two bank holidays are not offset by the 95% mortgage guarantee.

It will be very interesting to see if volumes rise again in June and July, which are both bank holiday free, of course."

Phil Bailey, Twenty7Tec

### Property searches by value – March to May inclusive:



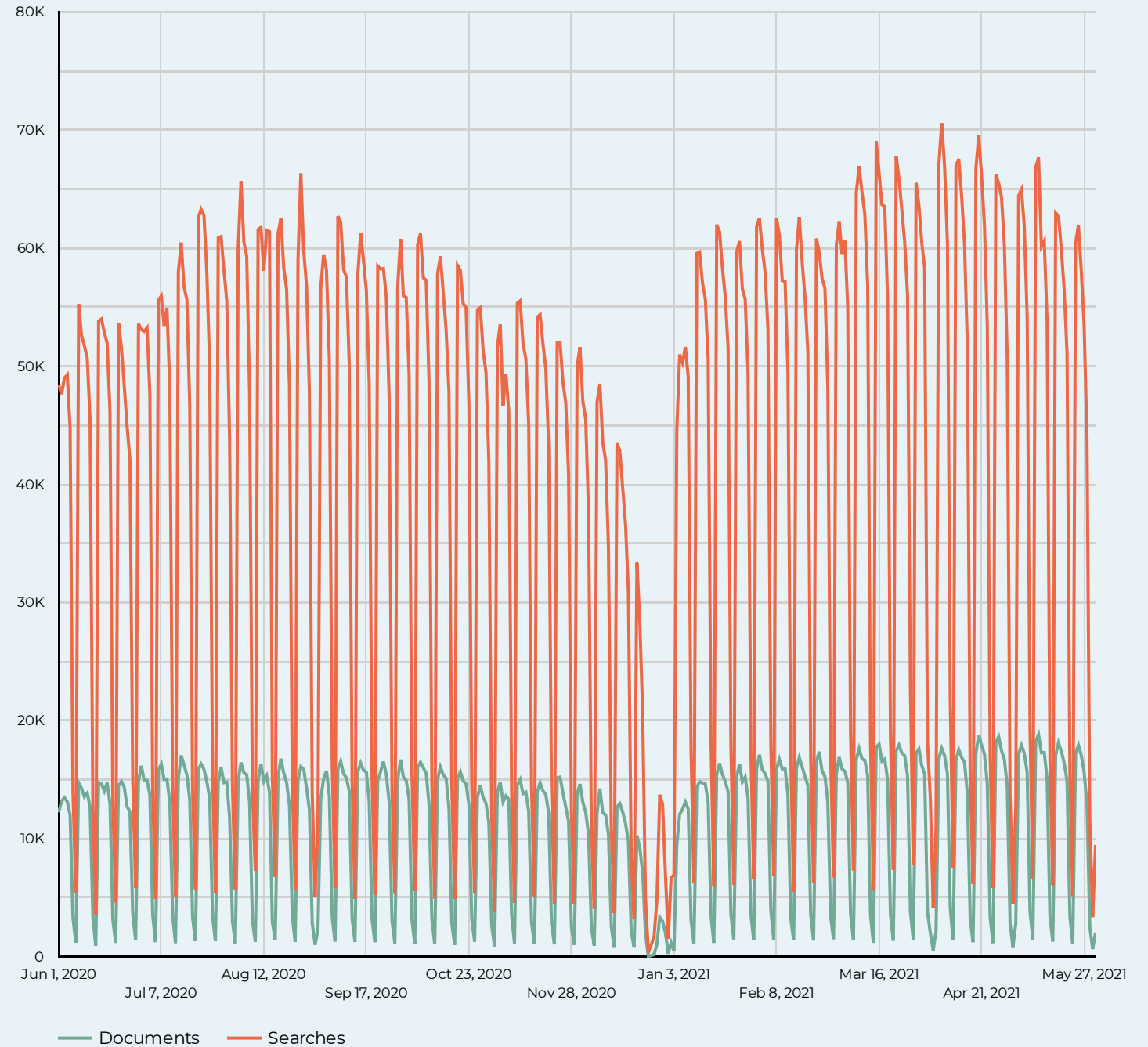
### Breakdown:

Property Valuation	March searches	April searches	May searches	April to May
Under £150,000	231,481	208,350	186,374	-10.55%
£150,000 - £249,999	431,902	390,872	351,648	-10.03%
£250,000 - £499,999	557,253	499,549	453,148	-9.29%
£500,000 - £999,999	200,118	170,458	154,365	-9.44%
£1,000,000+	45,590	38,292	38,103	-0.49%

# SEARCHES AND DOCUMENTS PAST 12 MONTHS

"Over the past few weeks, we seem to have hit an upper limit on total searches that brokers can collectively perform. However, attention has increasingly turned to creating ever higher volumes of ESIS documents instead."

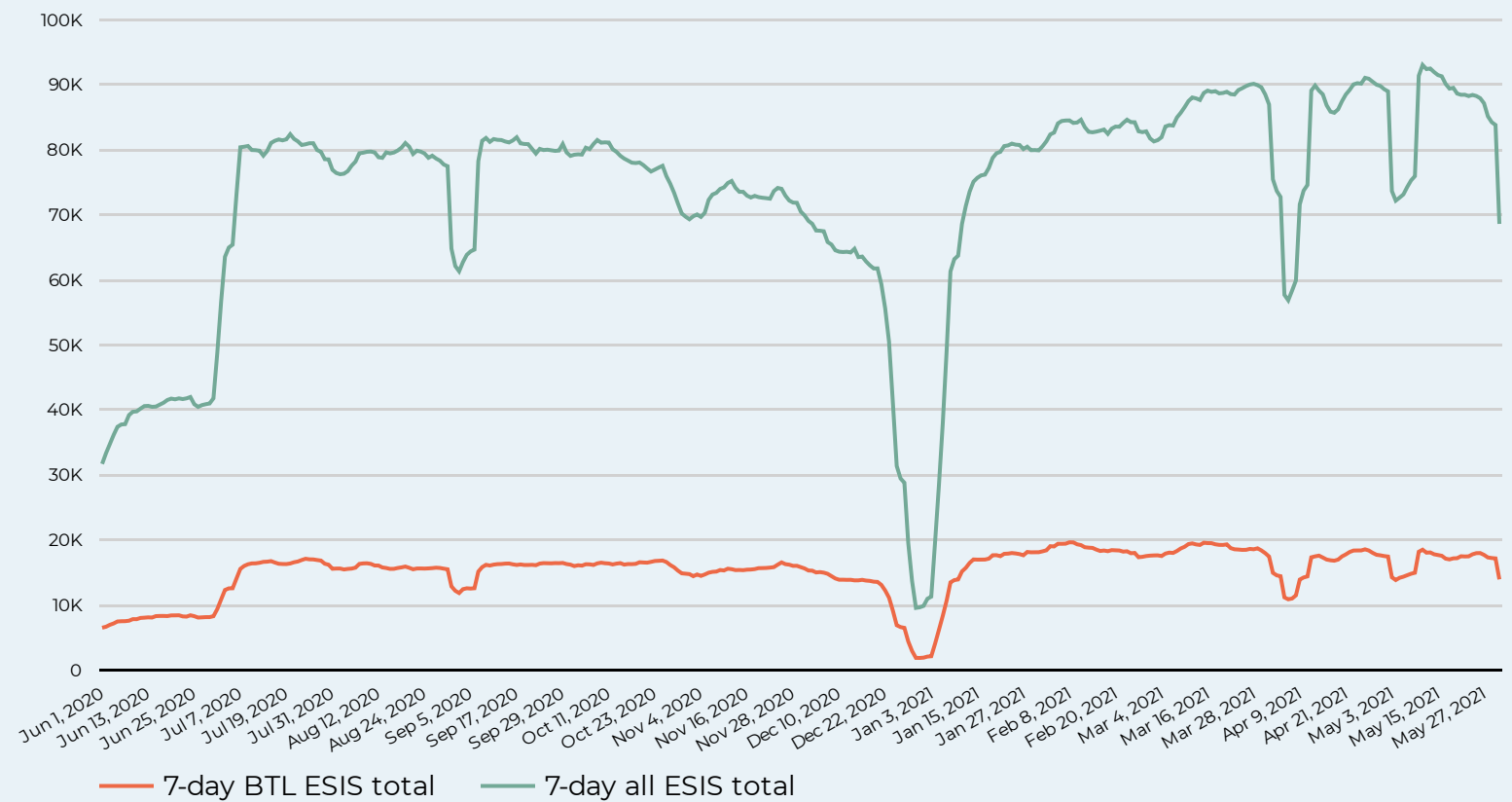
**Niki Cooke, Twenty7Tec**



# 7-DAY AVERAGE ESIS DOCUMENTS YTD (ALL AND BTL)

"In the second week of May, we saw the seven busiest days ever for producing ESIS documents using Twenty7Tec's systems on a 7-day rolling basis."

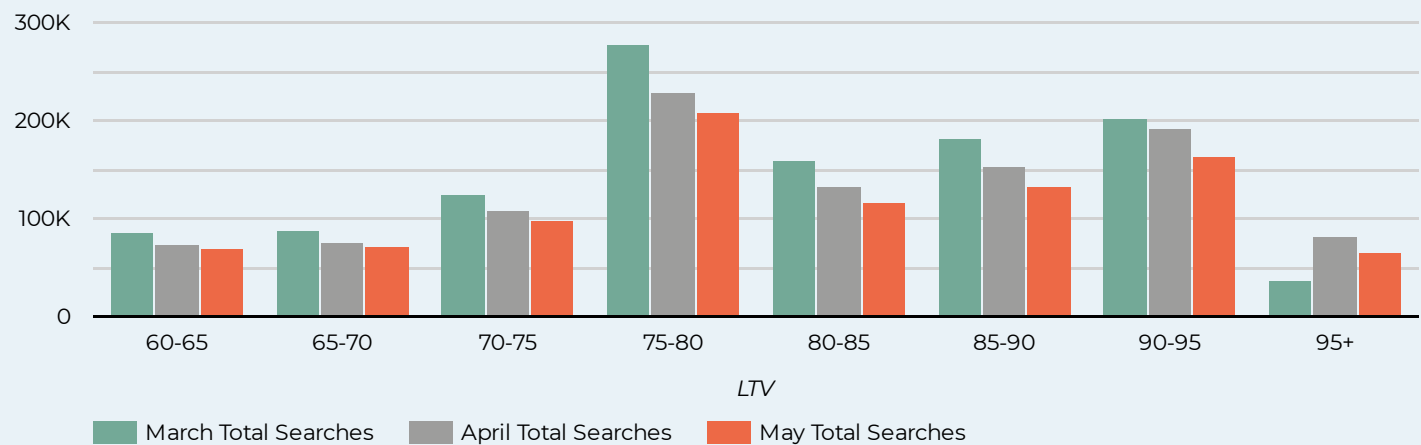
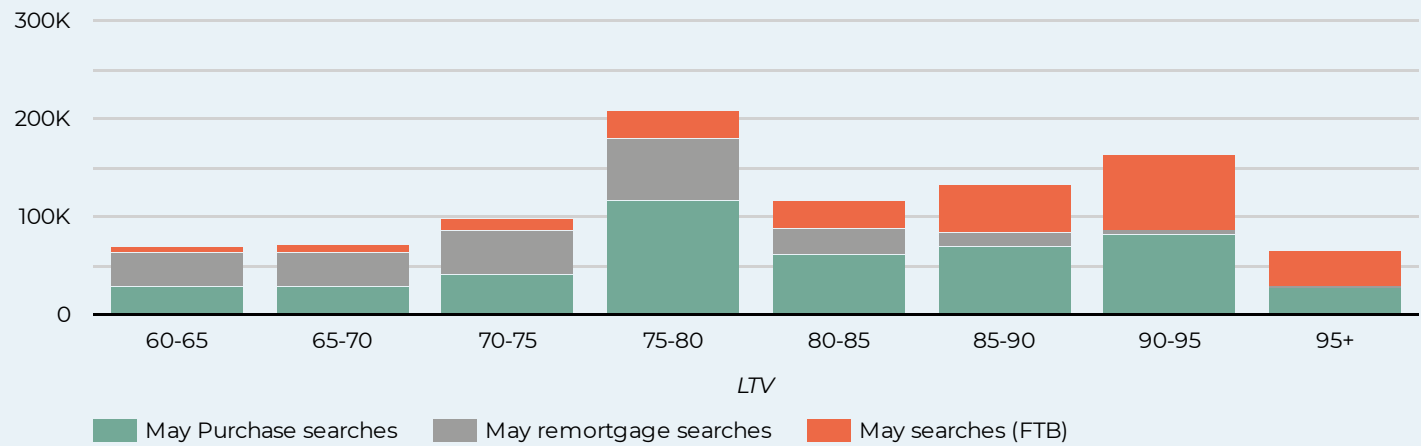
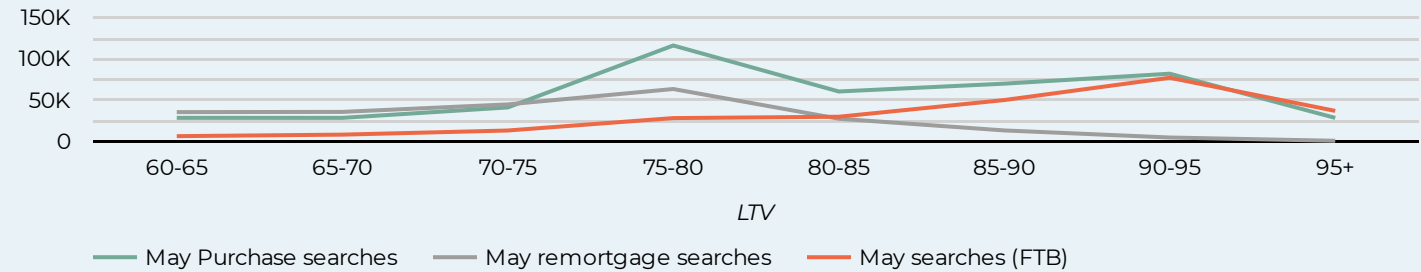
**Niki Cooke, Twenty7Tec**



# WHAT PRODUCTS ARE APPLICANTS SEARCHING FOR?

"The volume of searches dropped in every LTV range during May 2021 even the 95%+ range. However, the long-term effects of the 95% mortgage guarantee look clear as it's the only banding where May's searches are ahead of March's."

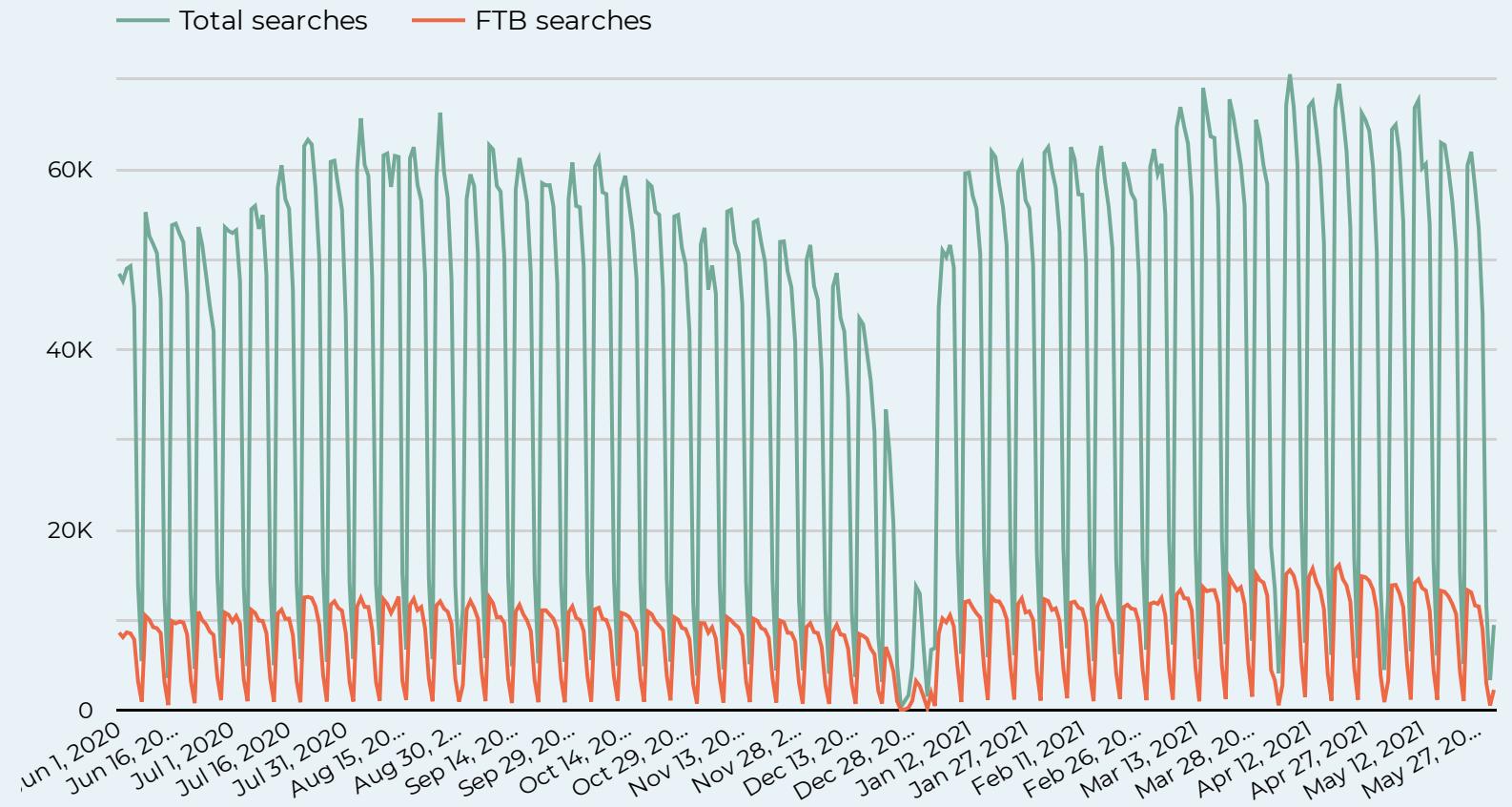
Niki Cooke, Twenty7Tec



# THE NEED FOR AN ACTIVE FTB MARKET

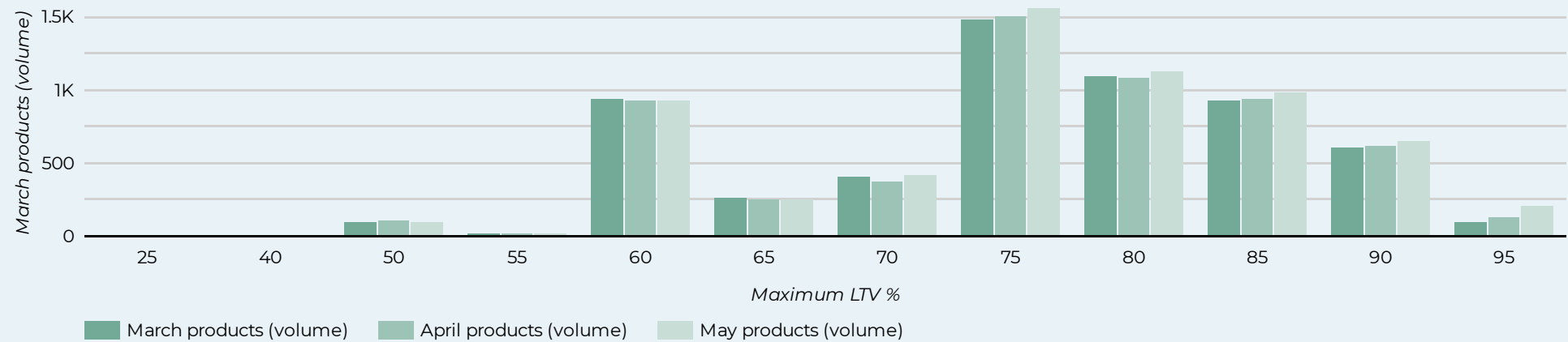
"All searches are up on last year but there's a particular bump in the volume of first time buyer searches."

Nathan Reilly, Twenty7Tec



# PRODUCT HEATMAPS AS AT END MAY 2021

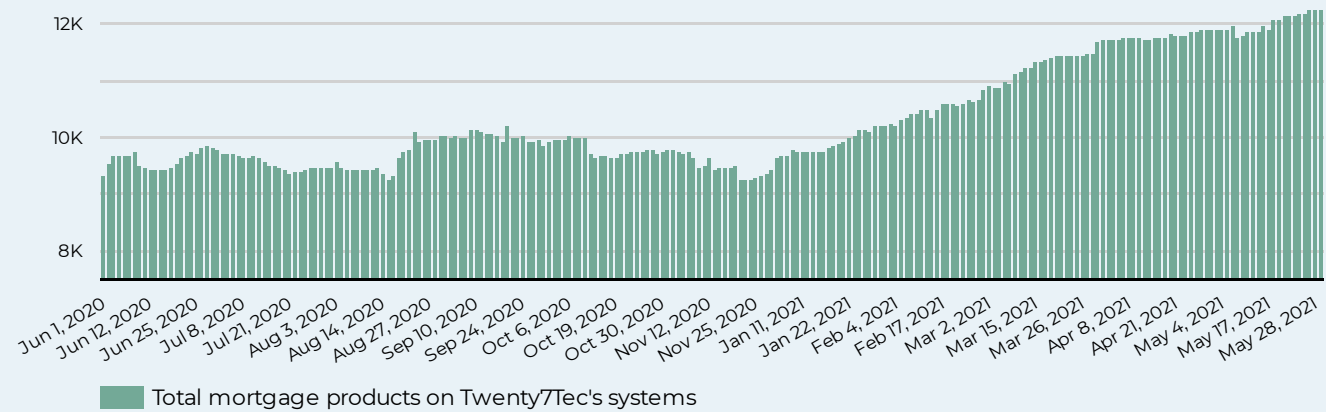
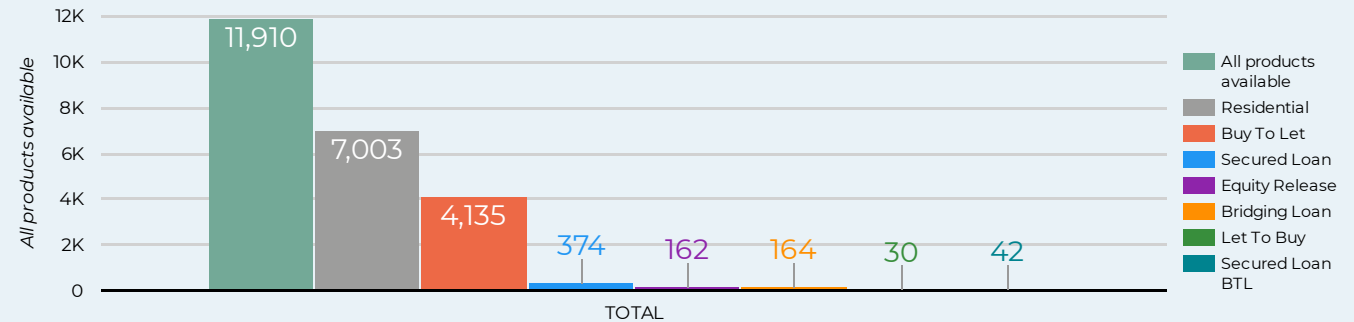
LTV ^	May Purchase searches	May searches (FTB)	May remortgage searches	May Total Searches
60-65	28,338	6,089	35,267	69,694
65-70	28,302	7,936	35,522	71,760
70-75	40,953	12,952	44,641	98,546
75-80	116,134	28,029	63,324	207,487
80-85	60,311	29,656	27,257	117,224
85-90	69,814	49,910	13,045	132,769
90-95	81,896	76,969	4,442	163,307
95+	28,249	36,771	485	65,505



# PRODUCTS AVAILABLE ON TWENTY7TEC SYSTEM AS AT APRIL 2021

"Product volumes have risen above 12,000 for the first time in over a year, but we're still at only 60% of last year's pre-pandemic peak."

Nathan Reilly, Twenty7Tec



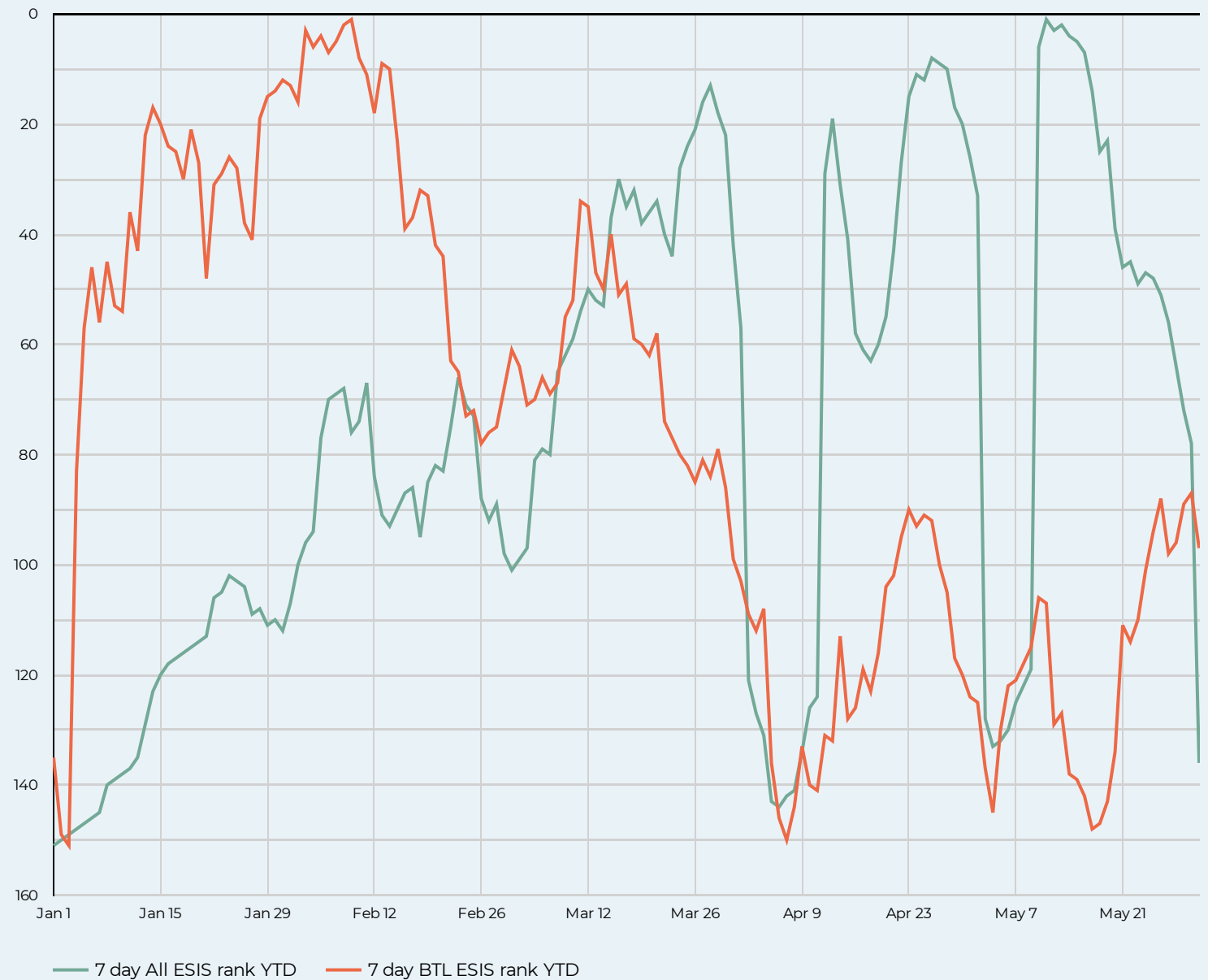
## ESIS DOCUMENTS – BUSIEST WEEKS SINCE 1 JAN 2021

"The busiest times this year for BTL ESIS documents were in early February. We've ranked each day on a 7-day rolling basis for BTL and all documents,.

All ESIS docs have risen all year to mid-May when there's been a drop as the stamp duty deadline became a reality.

The drop off of daily rankings since mid May is sharp and rather dramatic."

**Niki Cooke, Twenty7Tec**





## HOW ARE SEARCHES DISTRIBUTED ACROSS LTV RANGES?

"The shift towards products available at 90%+ and 95%+ continued in May as you'd expect with the guarantee scheme in place."

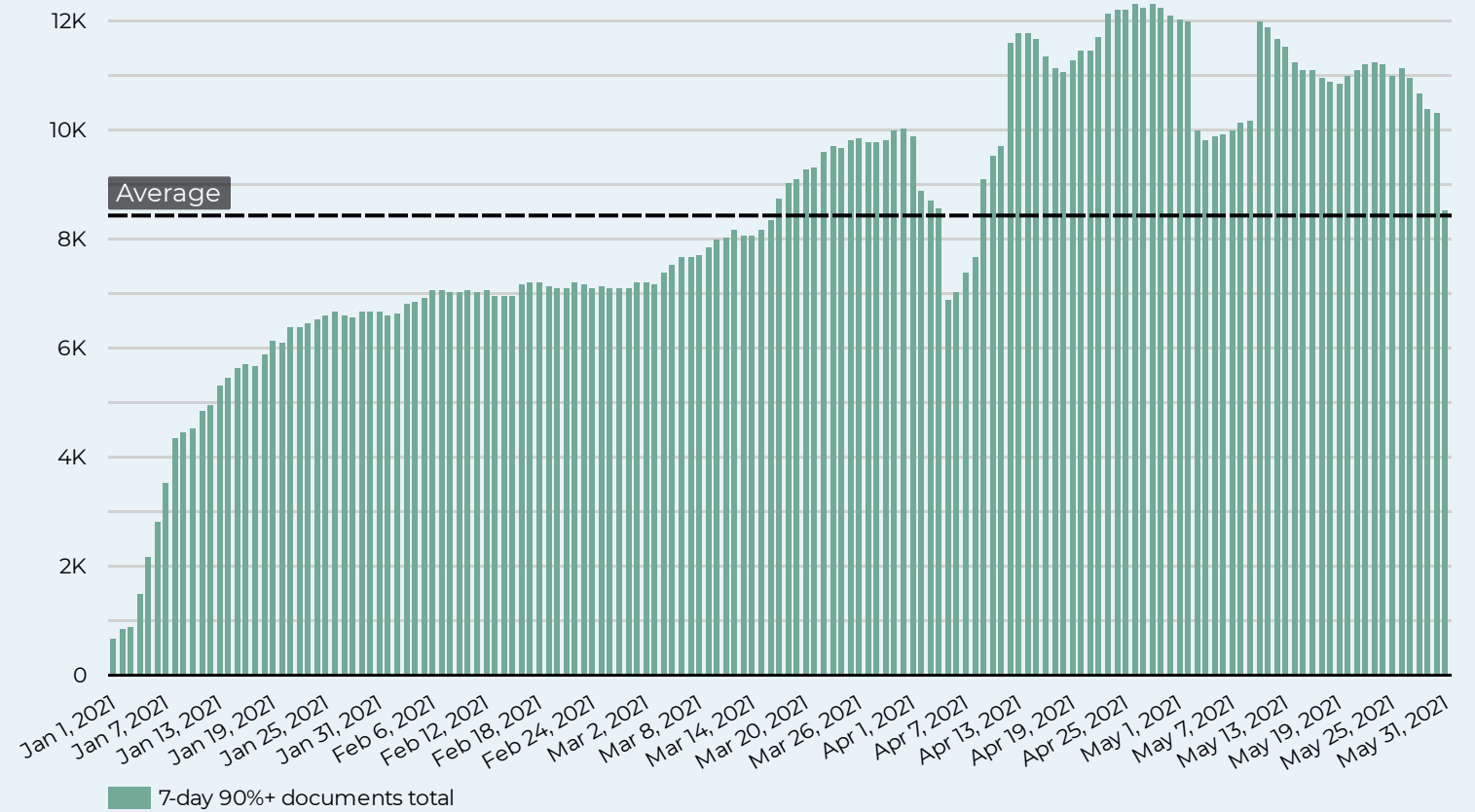
**Nathan Reilly, Twenty7Tec**

	Maximum LTV %	% of Total April Products	% of Total May Produ...
1.	25	0.00%	0.00%
2.	40	0.08%	0.08%
3.	50	1.76%	1.66%
4.	55	0.30%	0.28%
5.	60	15.36%	14.68%
6.	65	4.15%	3.95%
7.	70	6.20%	6.64%
8.	75	25.05%	24.62%
9.	80	17.92%	17.84%
10.	85	15.58%	15.55%
11.	90	10.34%	10.35%
12.	95	2.29%	3.40%

# WHAT IS THE VOLUME OF 90%+ LTV DOCS PREPARED YTD?

"The bank holidays have affected the market this month so it will be interesting to see how the 90%+ market functions in June. That said, every day for the past two months has been above average for YTD 90%+ documents produced."

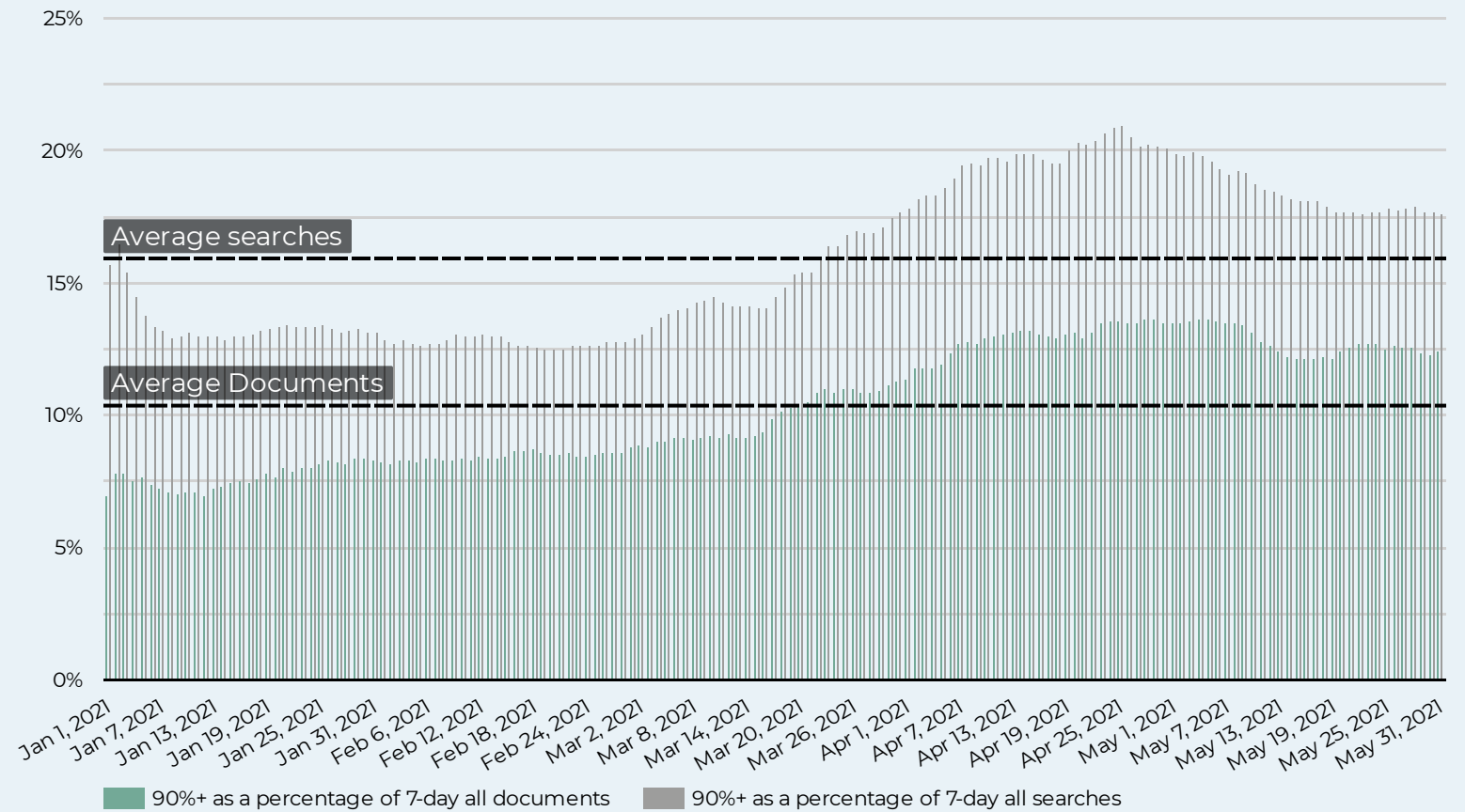
**Nathan Reilly, Twenty7Tec**



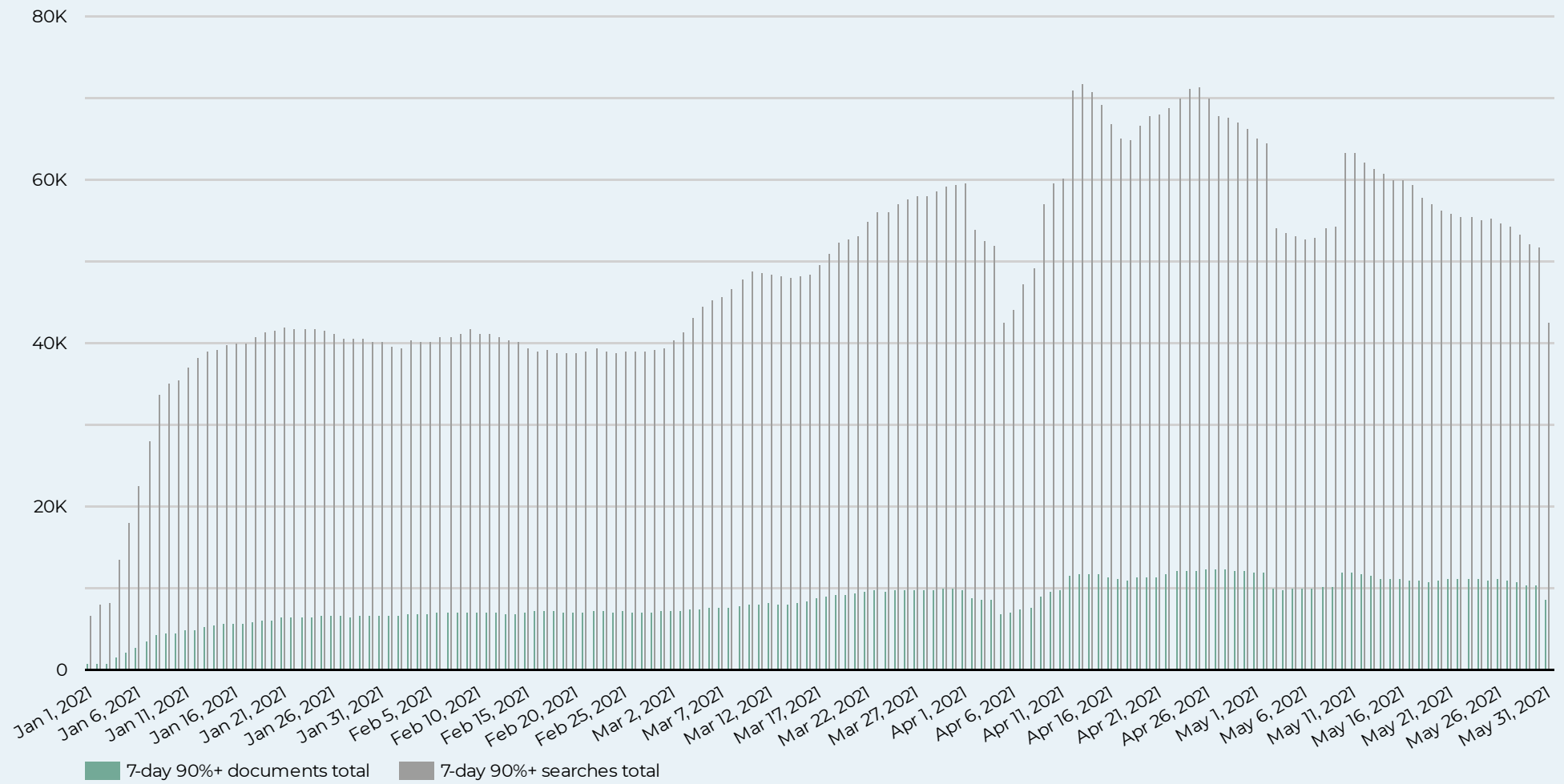
# WHAT PERCENTAGE OF ALL DOCS/SEARCHES DO THE 90%+ RANGE MAKE UP ON A 7-DAY ROLLING AVERAGE?

"The 90%+ tranche of the market has stabilised at around 18% of searches and 12.5% of all documents produced."

Phil Bailey, Twenty7Tec



# WHAT IS THE VOLUME OF ALL 90%+ DOCUMENTS PREPARED YTD?



# 95%-100% MORTGAGE SEARCHES IN MARCH, APRIL AND MAY 2021 COMPARED TO 0-95% PRODUCT SEARCHES

