MORTGAGE MARKET REPORT

Analysis from Twenty7Tec

TWENTY7TEC

KEY FINDINGS - JUNE 2021

65%*

Purchases as a proportion of the mortgage market in May 2021 (remortgages = 35%)
*Excluding product transfers

6.6%

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

86%

June 2021's maximum day for searches as a percentage of the best day YTD (7 April).

0

Days in June in the top 30 busiest days YTD for producing ESIS documents. It was busy in June, just not as busy as prior months.

20.3%

First time buyers as a percentage of all mortgage searches in June 2021.

4.36%

By end June 2021, 95%+ searches accounted for 4.36% of all mortgage searches on our systems as the 95% guarantee scheme bedded in.

3.5

In June 2021, average searches per document produced remained at 3.5, the long term average.

30 Sep

The end of the stamp duty free period for properties between £150k and £250k already.

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

June 2021
CEO STATEMENT

June 2021

The big question now is: what happens next? The 95% guarantee scheme is in place and set for the medium term, stamp duty relief on the £250k+ market is over, and advisers are both dying for a holiday and - according to a recent poll we ran - keen for the extension of the stamp duty holiday too.

Things will remain busy for brokers, we predict, until at least the end of the £250k stamp duty relief in September. In the meantime, I hope that you enjoy the ride!

James Tucker
CEO, Twenty7Tec

WHAT DID DEMAND LOOK LIKE IN JUNE 2021?

"Total searches in June were almost static compared to May 2021. The drop in purchase was made up for by the rise in Buy To Let, which now forms nearer it's long-term market average of 35% of all searches.
First Time Buyers remained above 20% of all searches, although down 10% on prior month's peaks."

Phil Bailey, Twenty7Tec

June searches

Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
814,790	437,555	1,252,345	65.06%	34.94%	20.32%
-4.1%	9.4%	0.2%			

May searches

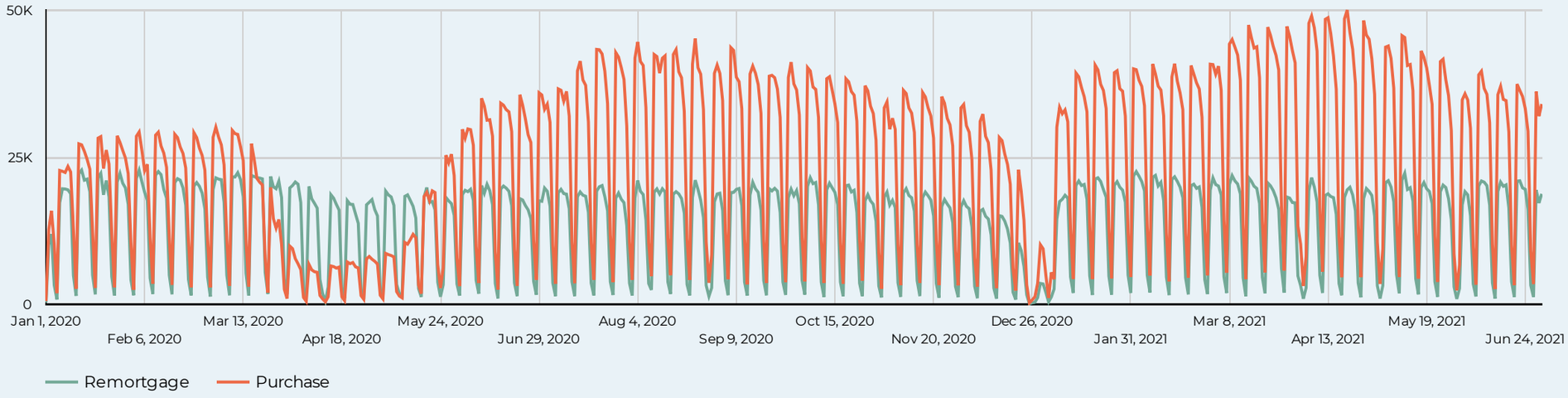
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
849,845	399,843	1,249,688	68.00%	32.00%	21.57%
-20.2%	-16.2%	-18.9%			

April searches

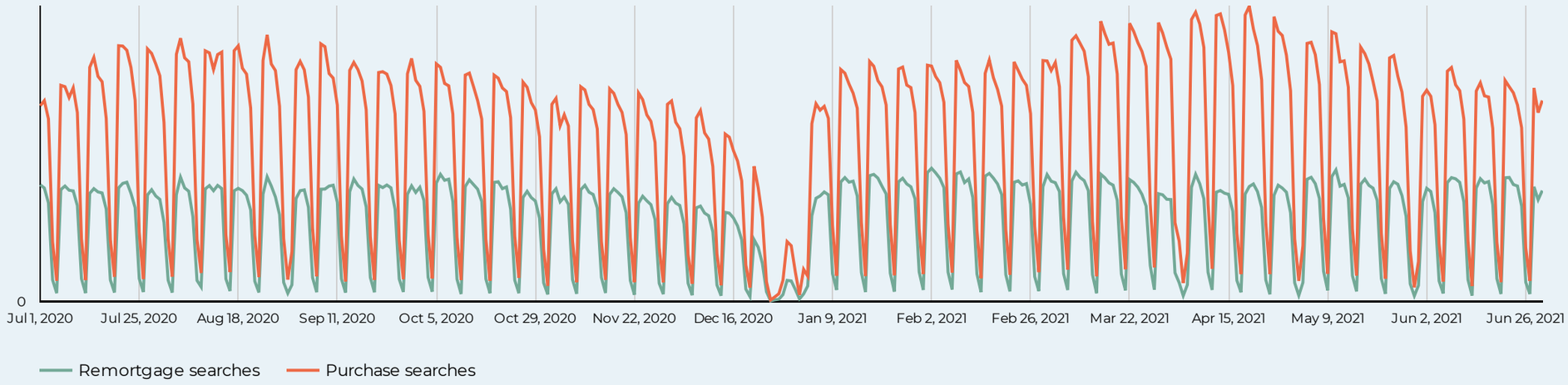
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
983,424	395,798	1,379,222	71.30%	28.70%	22.51%
20.6%	-8.5%	10.5%			

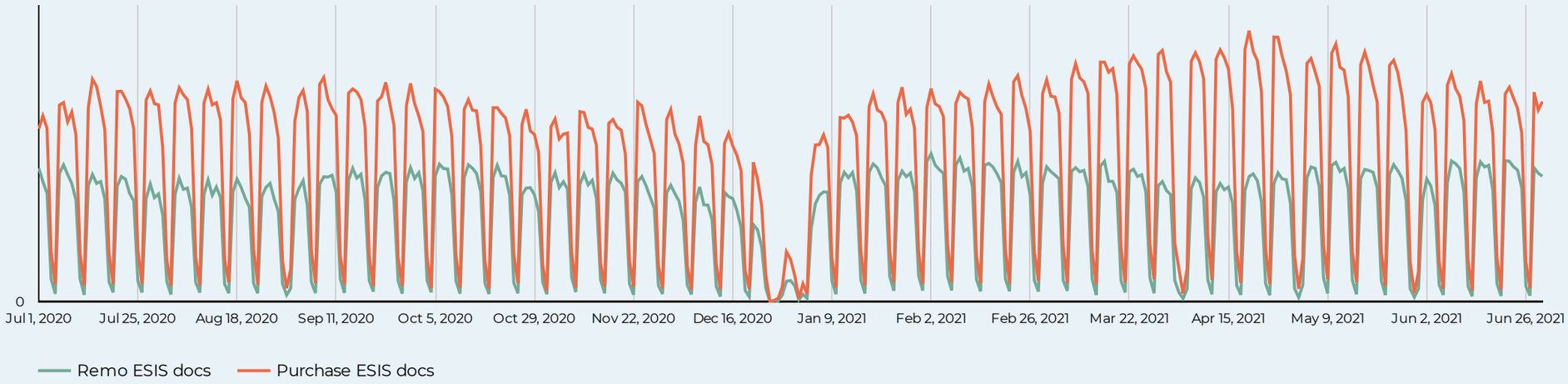
WHERE WAS THE DEMAND IN THE JUNE 2021 MARKET?

	Mortgage Type	April searches	May searches	June searches	June monthly difference
1.	Standard Residential	994733	907668	895944	-1.29%
2.	Buy To Let	214081	198751	208837	5.07%
3.	Standard (inc. Shared Equity / Help to Buy)	66311	55919	54978	-1.68%
4.	Shared Ownership	36842	32974	36288	10.05%
5.	Shared Equity / Help to Buy	33438	22885	21987	-3.92%
6.	Let To Buy	18770	16602	17427	4.97%
7.	Secured Loan	6221	6484	7016	8.20%
8.	Right To Buy	6141	5947	7168	20.53%

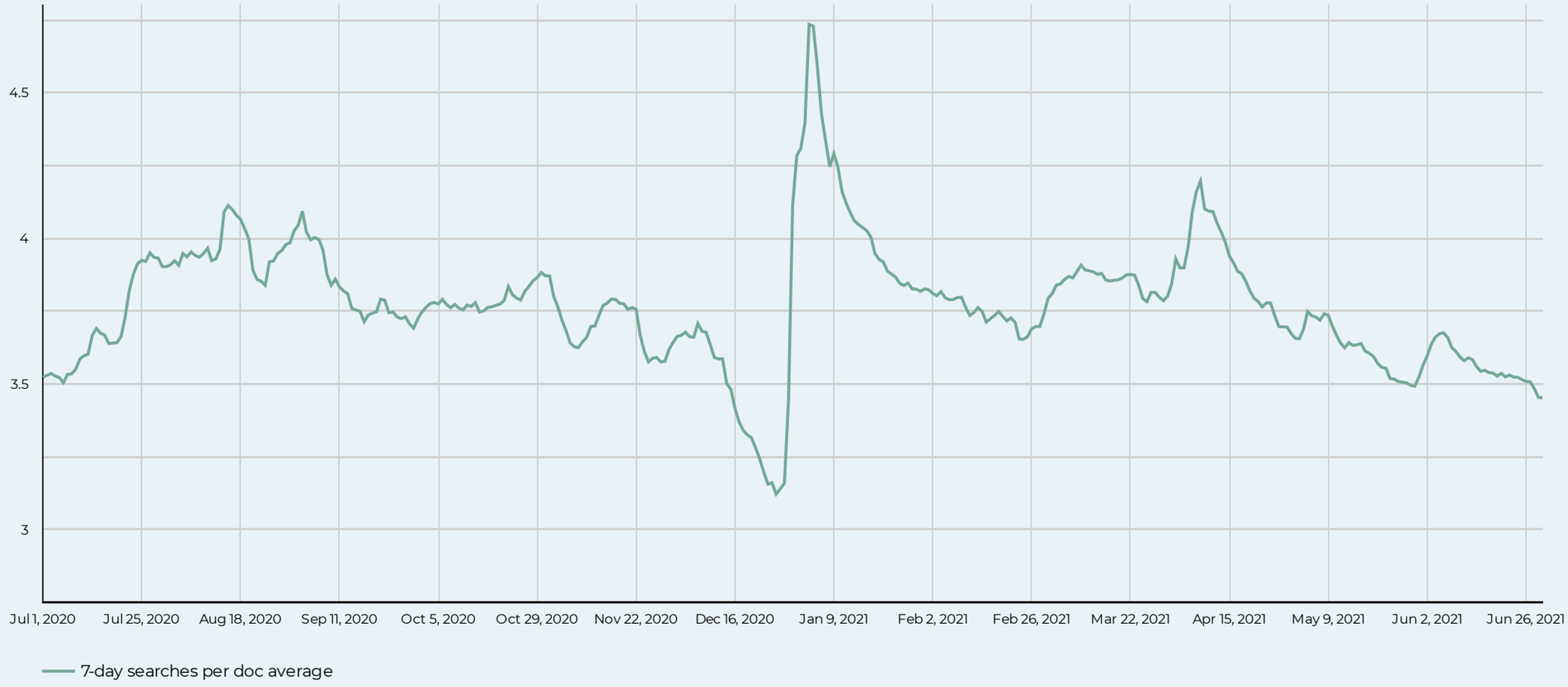


SEARCHES V DOCUMENTS IN THE JUNE 2021 MARKET

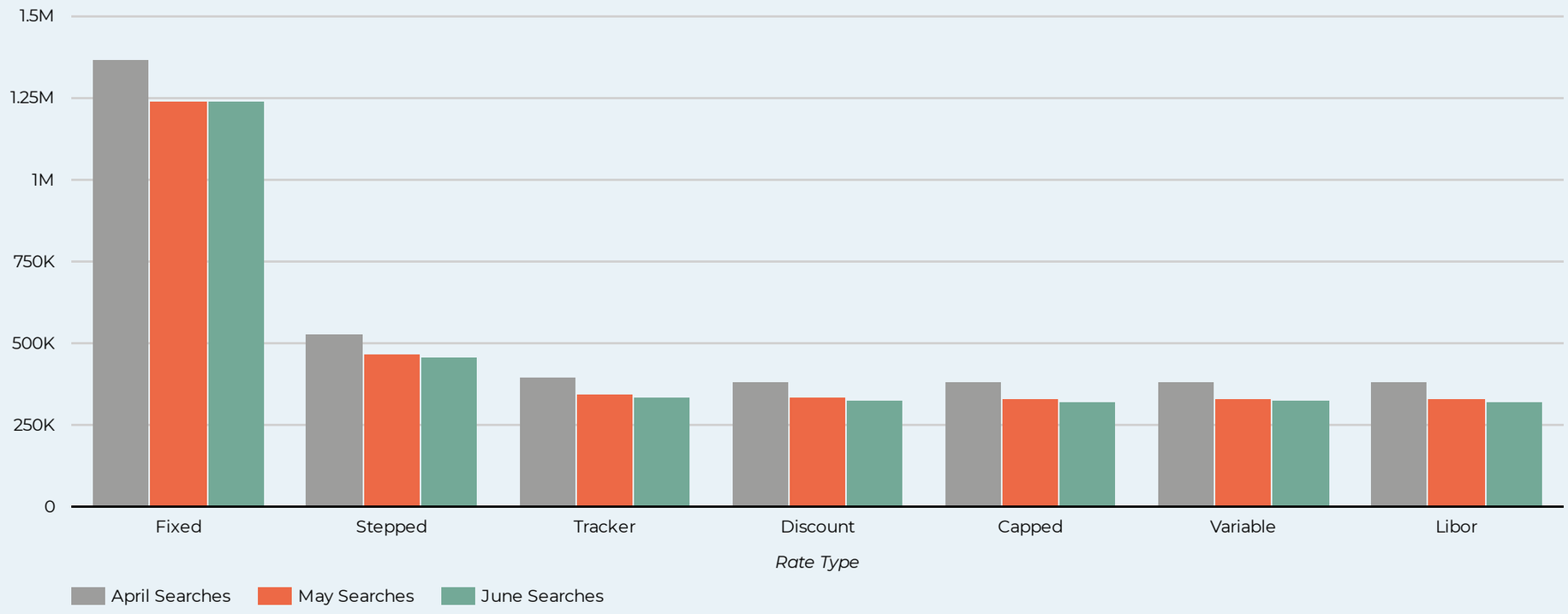




SEARCHES PER DOCUMENT IN THE YEAR TO JUNE 2021 (7-DAY ROLLING BASIS)



SEARCHES BY MORTGAGE PRODUCT TYPE APRIL TO JUNE 2021

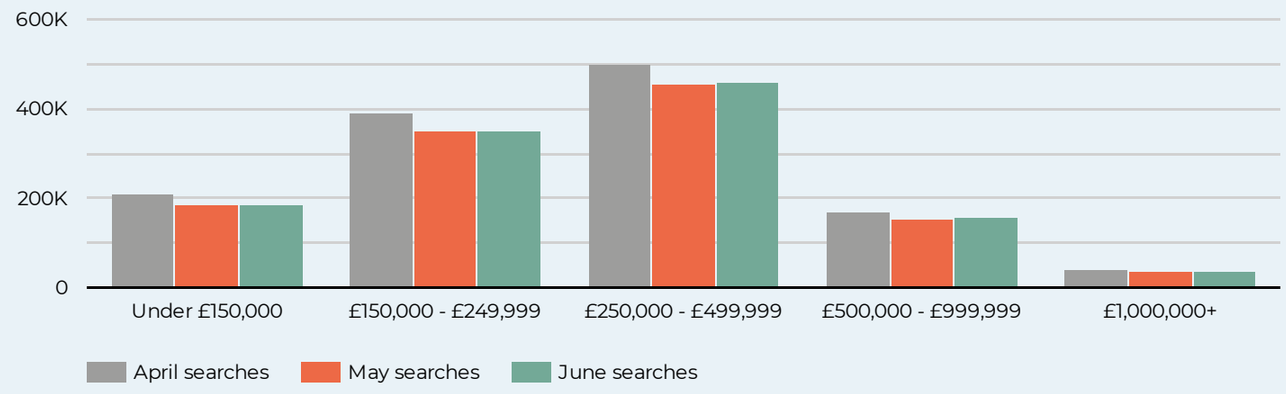


HOW DID JUNE 2021 SPLIT BY PROPERTY VALUE?

"The stamp duty holiday had already been priced so volumes of searches for mortgages above £250k rose in June 2021 just as the scheme was closing for all £250k+ valuations."

Phil Bailey, Twenty7Tec

Property searches by value – April to June inclusive:



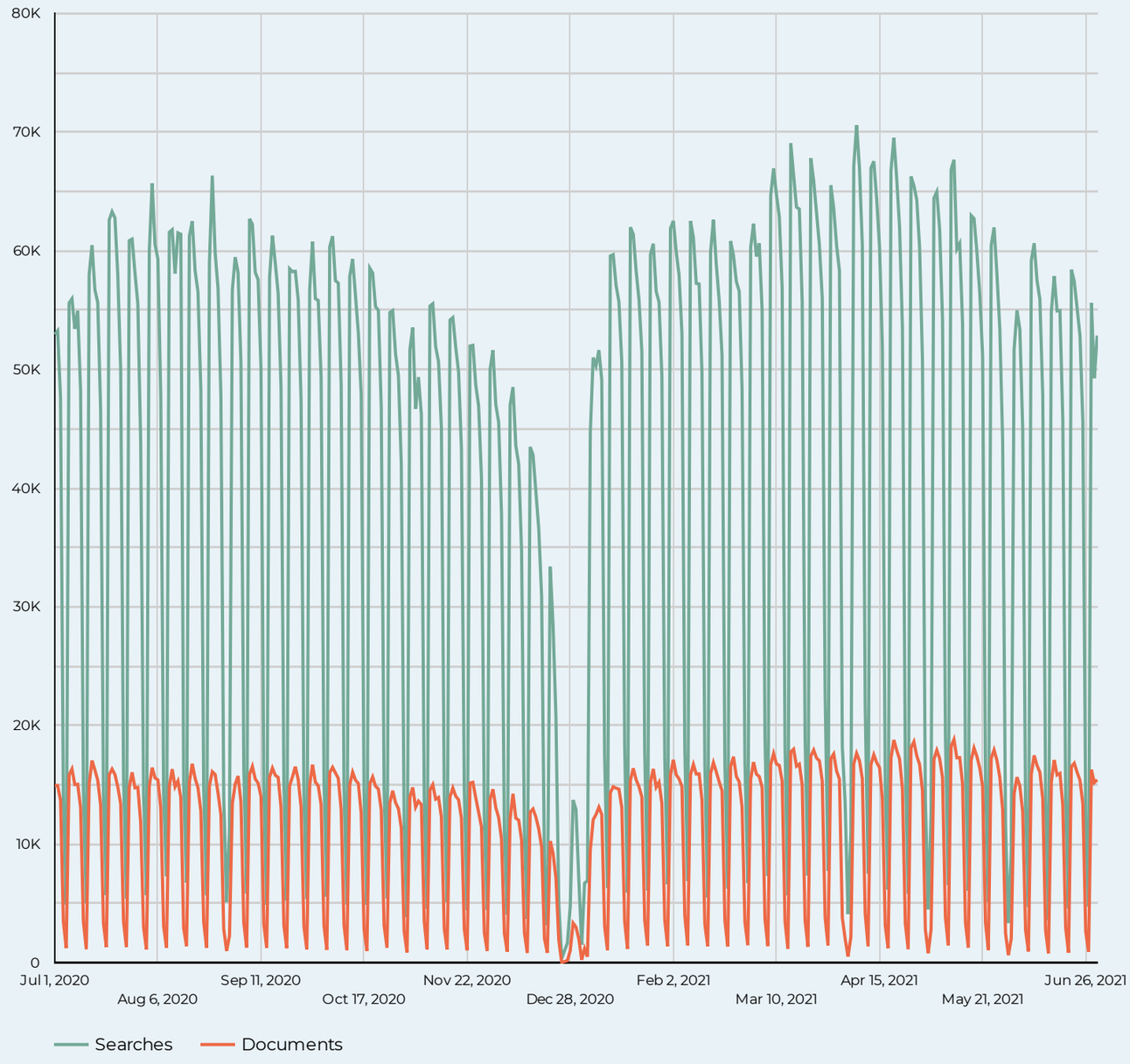
Breakdown:

Property Valuation	April searches	May searches	June sear...	May to Ju...
Under £150,000	208,350	186,374	185,458	-0.49%
£150,000 - £249,999	390,872	351,648	350,847	-0.23%
£250,000 - £499,999	499,549	453,148	460,961	1.72%
£500,000 - £999,999	170,458	154,365	156,373	1.30%
£1,000,000+	38,292	38,103	38,003	-0.26%

SEARCHES AND DOCUMENTS PAST 12 MONTHS

"Over the past few weeks, searches have come down quite a lot from their April peak. But ESIS documents have remained stable for months now."

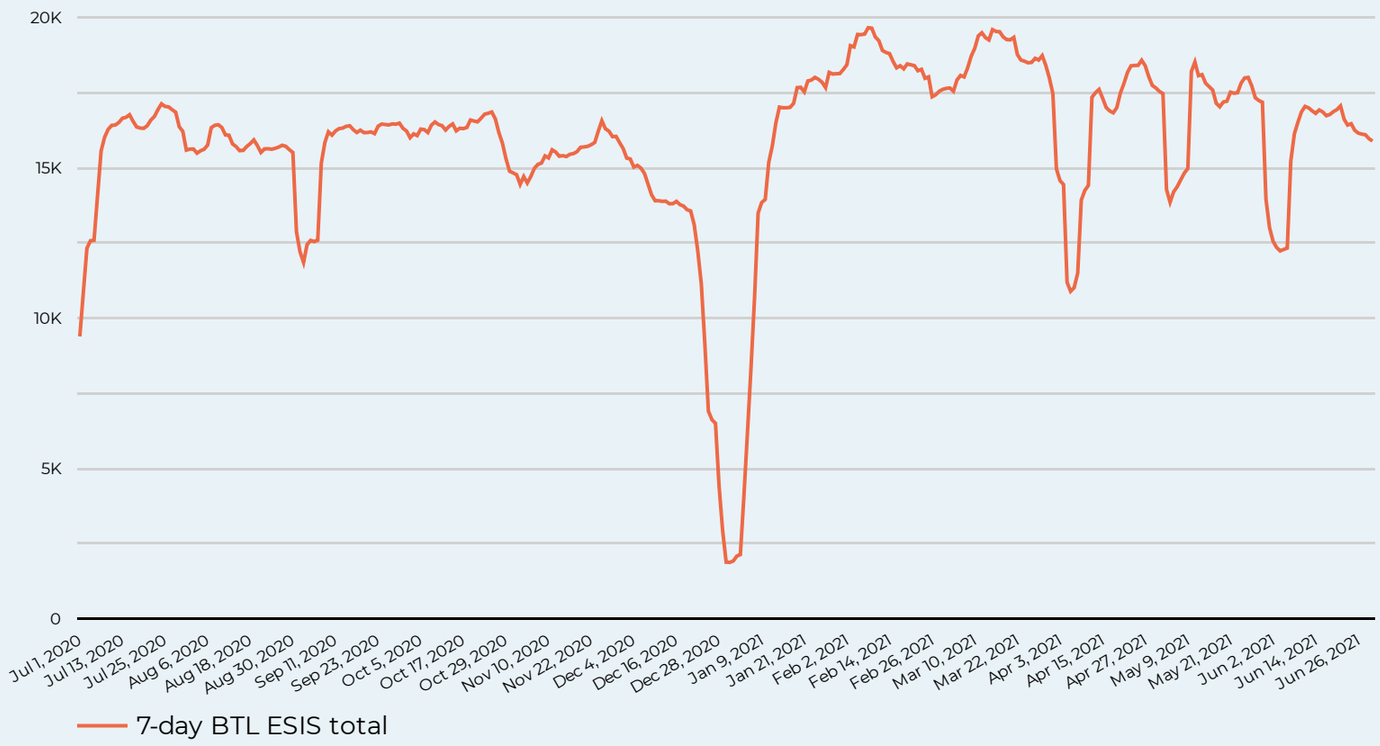
Niki Cooke, Twenty7Tec



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

"At the beginning of June, we saw a mini trough in 7-day BTL averages as we had the bank holiday weekend. Since then, activity has dropped a little but remains overall higher than in 2020."

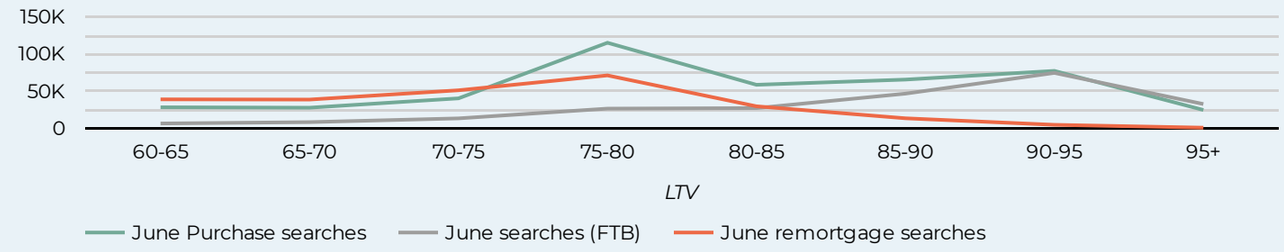
Niki Cooke, Twenty7Tec

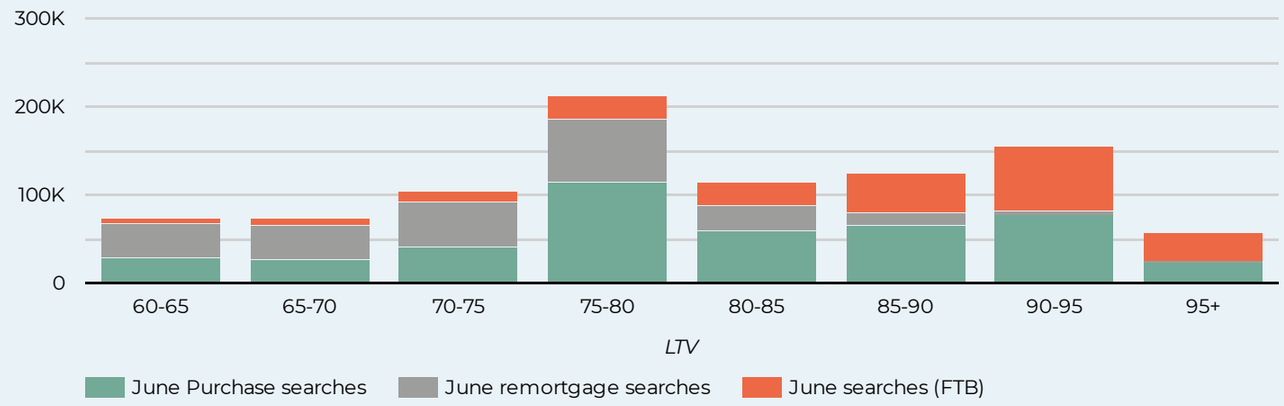


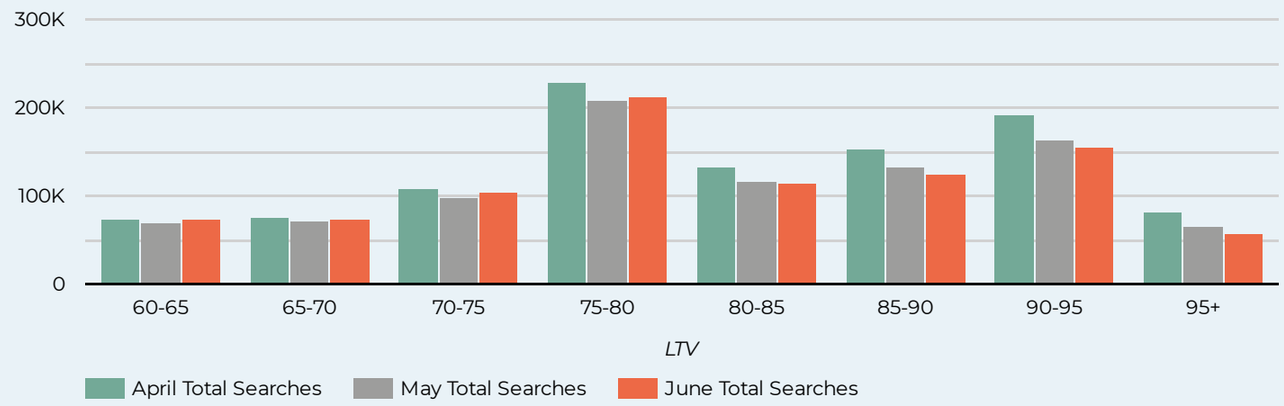
WHAT PRODUCTS ARE APPLICANTS SEARCHING FOR?

"June saw a dip in searches for 80%+ mortgages but a rise in all LTV groups below that range. This is at least partially explained by the increased proportion of the market being for BTL mortgages."

Niki Cooke, Twenty7Tec



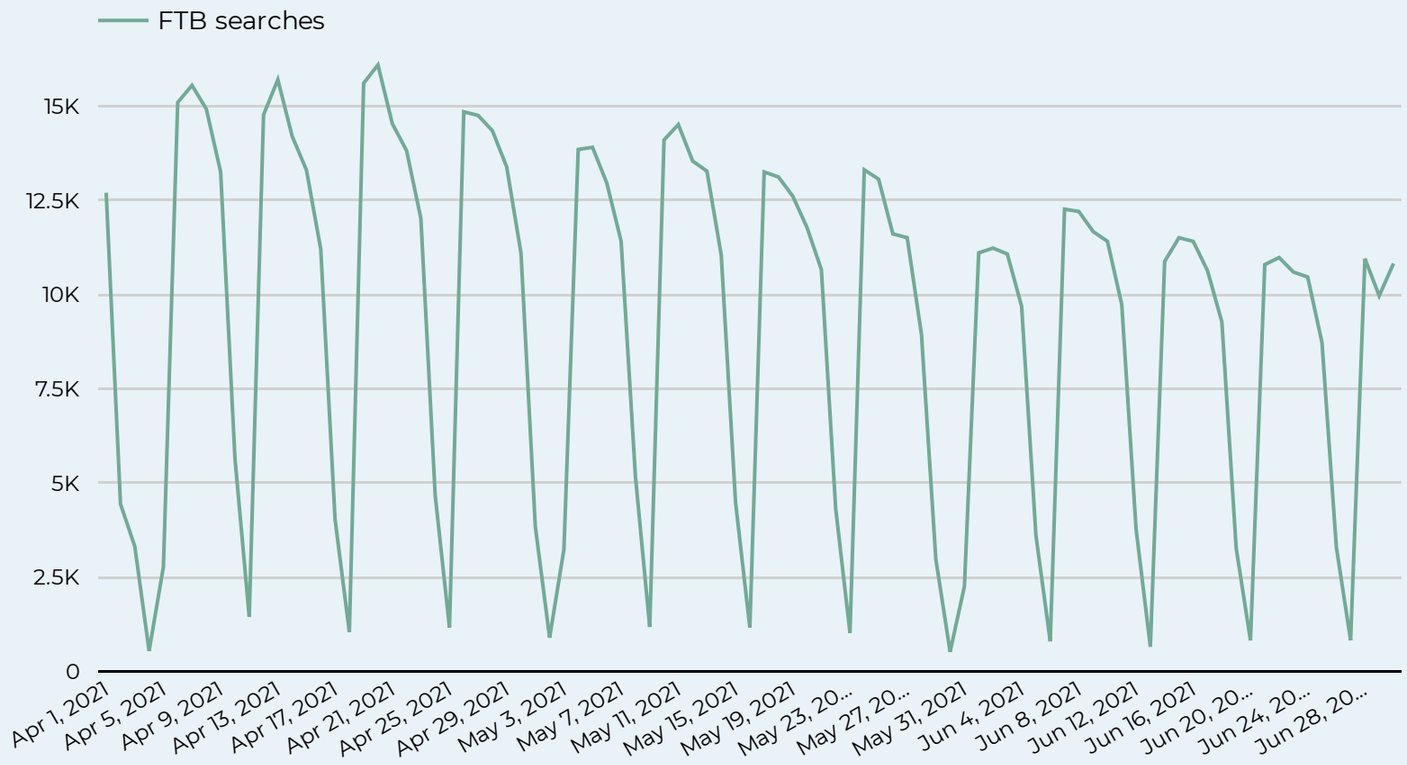




THE NEED FOR AN ACTIVE FTB MARKET

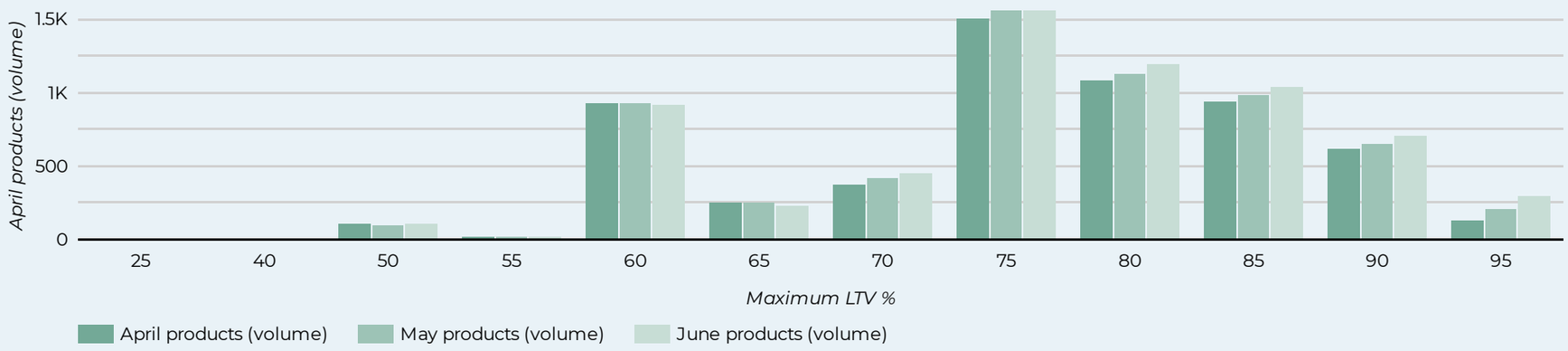
"June saw lower levels of First Time Buyer mortgage search activity as you'd expect with the ending of the stamp duty holiday being imminent."

Phil Bailey, Twenty7Tec



PRODUCT HEATMAPS AS AT END JUNE 2021

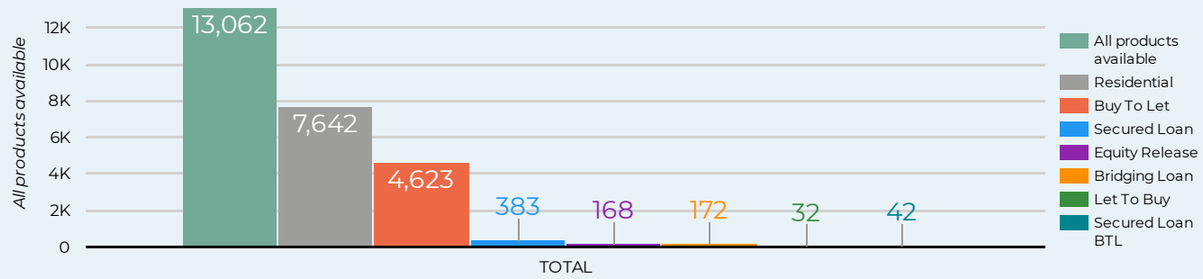
LTV	June Purchase searches	June searches (FTB)	June remortgage searches	June Total Searches
60-65	28,060	6,201	38,750	73,011
65-70	27,494	8,016	38,457	73,967
70-75	40,088	13,092	50,978	104,158
75-80	115,088	26,262	71,050	212,400
80-85	58,390	26,956	29,396	114,742
85-90	65,404	46,446	13,212	125,062
90-95	77,156	74,395	4,398	155,949
95+	24,418	32,435	543	57,396

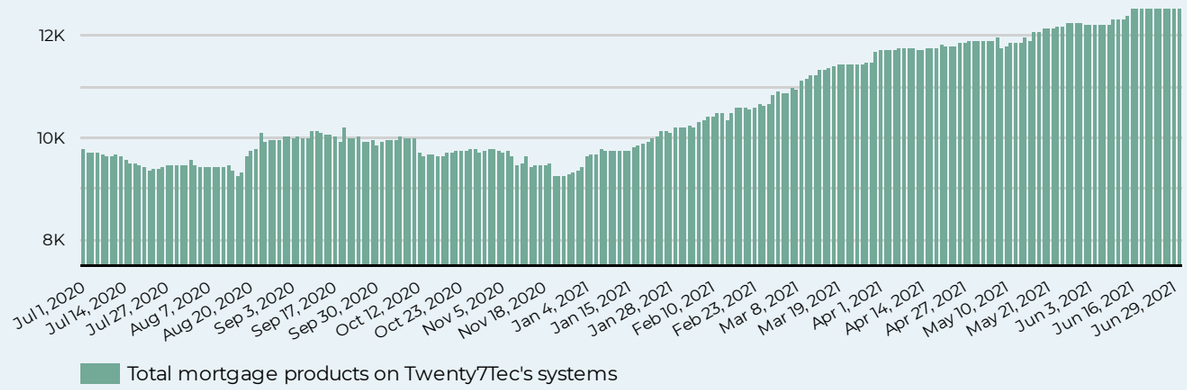


PRODUCTS AVAILABLE ON TWENTY7TEC SYSTEM AS AT JUNE 2021

"Product volumes have risen above 13,000 for the first time in over a year, but we're still at only 65% of last year's pre-pandemic peak."

Phil Bailey, Twenty7Tec

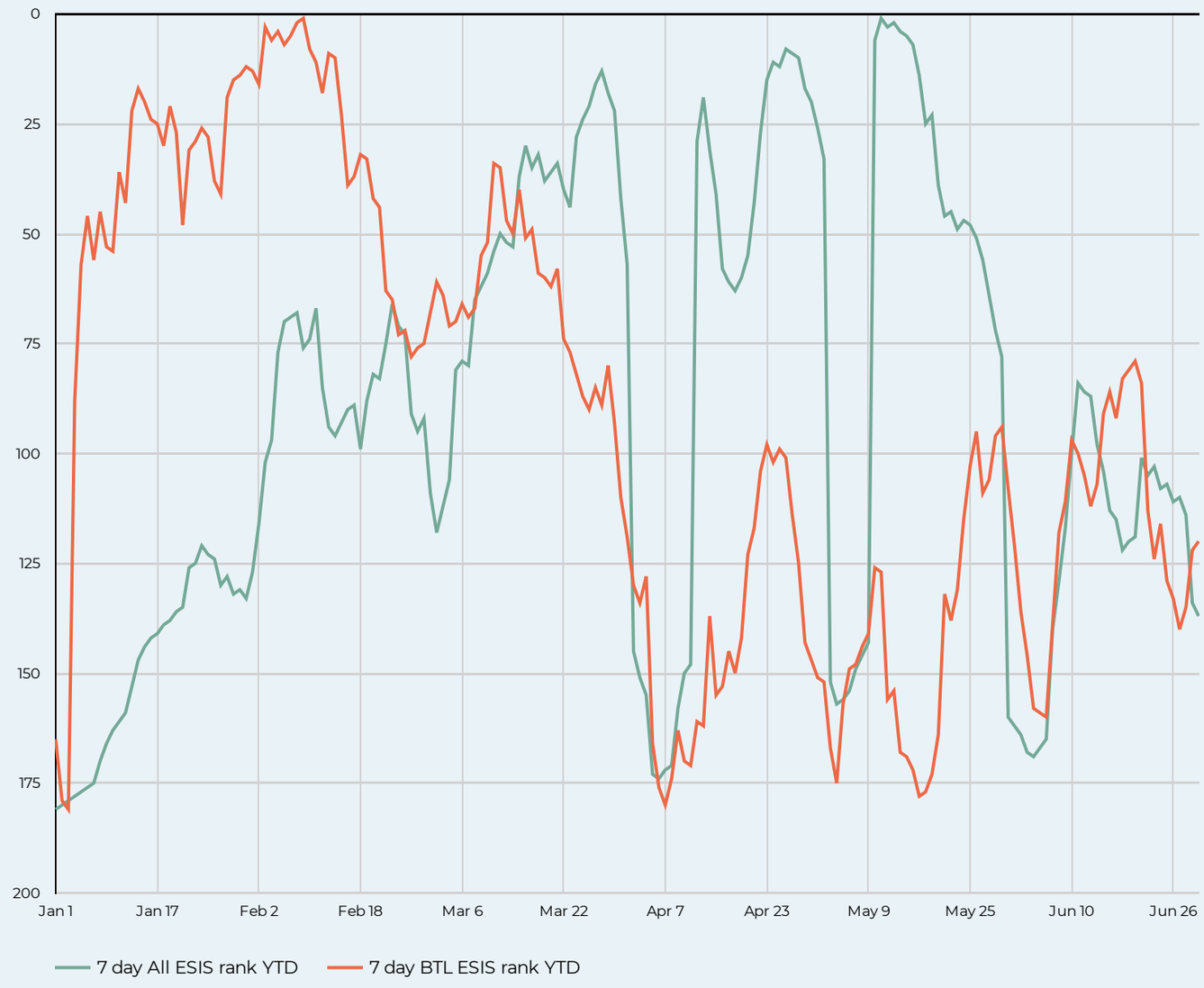




ESIS DOCUMENTS – BUSIEST WEEKS SINCE 1 JAN 2021

"As we can see clearly from this chart, BTL was busiest on a 7-day basis in February and purchase in April and May either side of Easter. Since then, volumes of ESIS document production have dropped off due to the end of the mortgage stamp duty relief."

Niki Cooke, Twenty7Tec



HOW ARE SEARCHES DISTRIBUTED ACROSS LTV RANGES?

"The product volumes have gone up in the areas of the market where the search volumes have dropped off slightly over the past few weeks."

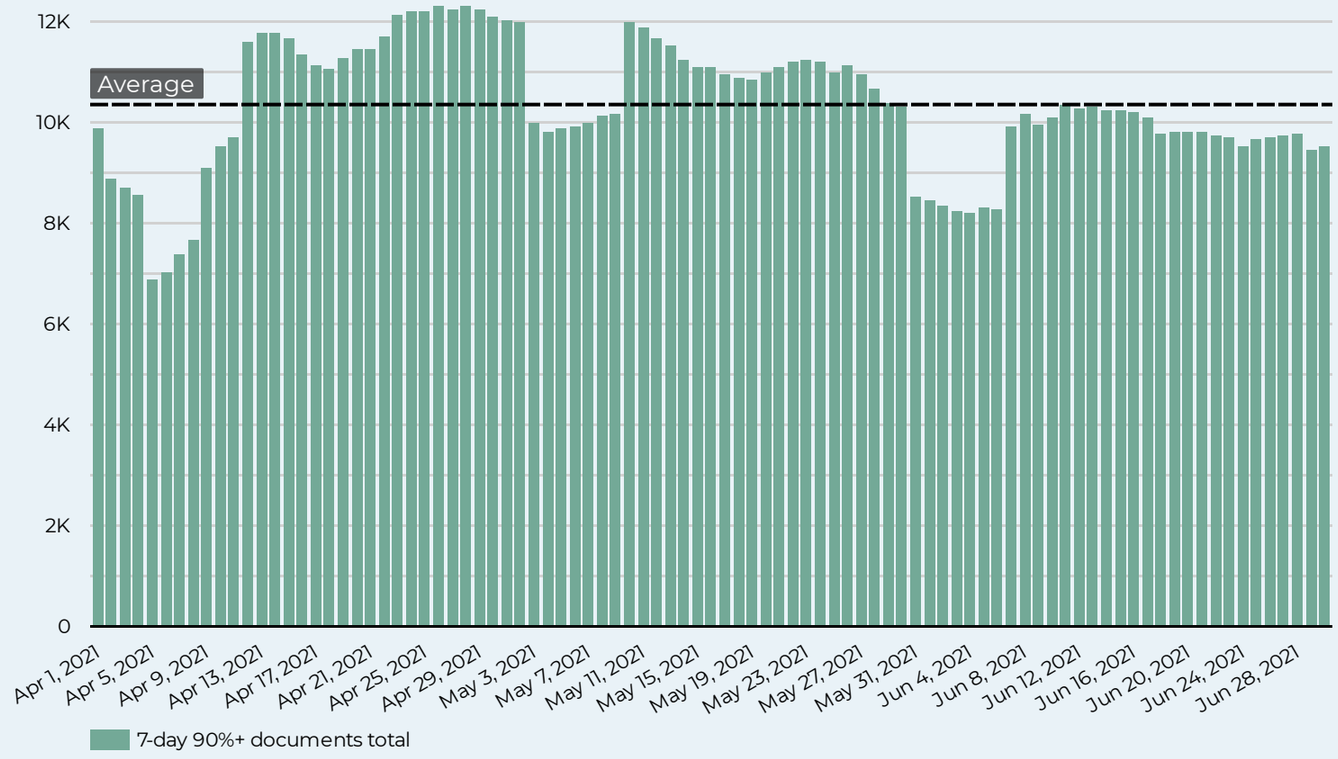
Phil Bailey, Twenty7Tec

	Maximum LTV %	% of Total May Products	% of Total June ...
1.	25	0.00%	0.00%
2.	40	0.08%	0.08%
3.	50	1.66%	1.60%
4.	55	0.28%	0.35%
5.	60	14.68%	13.81%
6.	65	3.95%	3.54%
7.	70	6.64%	6.83%
8.	75	24.62%	24.04%
9.	80	17.84%	18.04%
10.	85	15.55%	15.68%
11.	90	10.35%	10.65%
12.	95	3.40%	4.49%

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

"The volume of ESIS documents prepared on a 7-day rolling basis was slightly lower in June than the average for the recent quarter."

Phil Bailey, Twenty7Tec

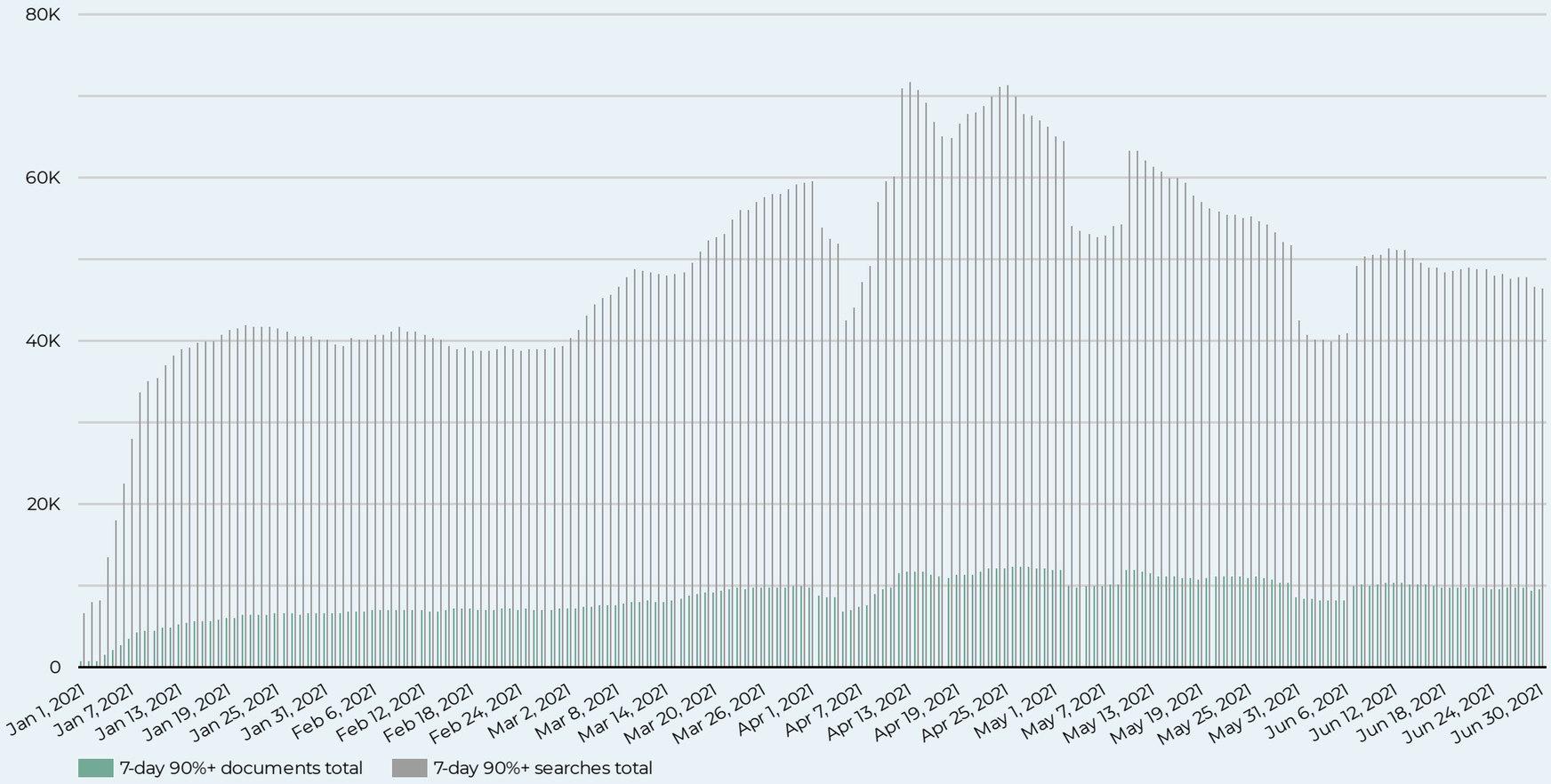


WHAT PERCENTAGE OF ALL DOCS/ SEARCHES DO THE 90%+ RANGE MAKE UP ON A 7-DAY ROLLING AVERAGE?

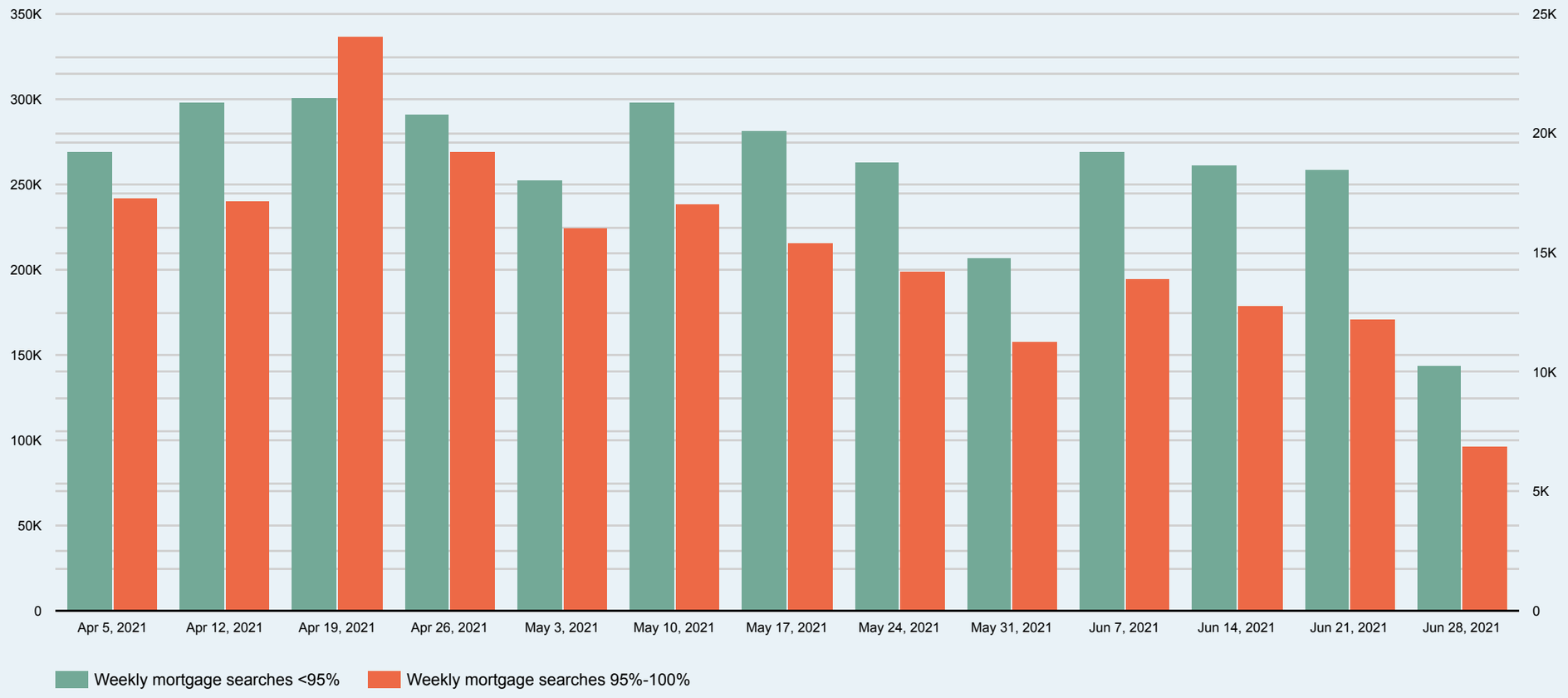
"Fewer searches took place from mid May onwards in the 90% LTV bracket. What will be interesting to see is if this picks up again now that the stamp duty holiday has ended."

Phil Bailey, Twenty7Tec

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



95%-100% MORTGAGE SEARCHES IN APRI, MAY AND JUNE 2021 COMPARED TO 0-95% PRODUCT SEARCHES



A blog on our methodology

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