

MORTGAGE MARKET REPORT

Analysis from Twenty7Tec

TWENTY7TEC



KEY FINDINGS - JULY 2021

63.6%*

Purchases as a proportion of the mortgage market in July 2021 (remortgages = 36.4%)
*Excluding product transfers

7.2%

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

9.7%

Increase in July 2021 remortgage volumes compared to May 2021.

-7.8%

First Time Buyer search volumes in July 2021 versus June 2021.

19.5%

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

-4.9%

Change in July mortgage searches in the £150k-£250k valuation bracket versus June 2021 (despite the ongoing stamp duty relief in this price range).

3.75

The long term average mortgage searches per ESIS document produced

13,974

Mortgage products available at the end of July 2021.

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A SPECIAL FOCUS ON
LTV 90%+ PRODUCTS
AND ACTIVITY

July 2021
CEO STATEMENT



July 2021

Finally, a pause.

Volumes dropped slightly in July 2021 as minds turned from stamp duty holidays to summer holidays and the Euros.

The market also appears ready to go again in September - with new products, improved rates and innovation flooding into the market.

I hope that you get a chance to take a breather ahead of the market taking off again in September.

James Tucker
CEO, Twenty7Tec

WHAT DID DEMAND LOOK LIKE IN JULY 2021?

"The rebalancing of the market towards remortgaging has been on the cards for a while now. The split between purchase and remortgage searches is edging closer to its long term 60:40 average - down from recent highs of over 70% of the market for purchase searches.

In part, that's due to a 10% drop in the number of First Time Buyer searches. compared to last month."

Phil Bailey, Twenty7Tec

July searches

Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
767,571	438,614	1,206,185	63.64%	36.36%	19.45%
↓ -5.8%	↑ 0.2%	↓ -3.7%			

June searches

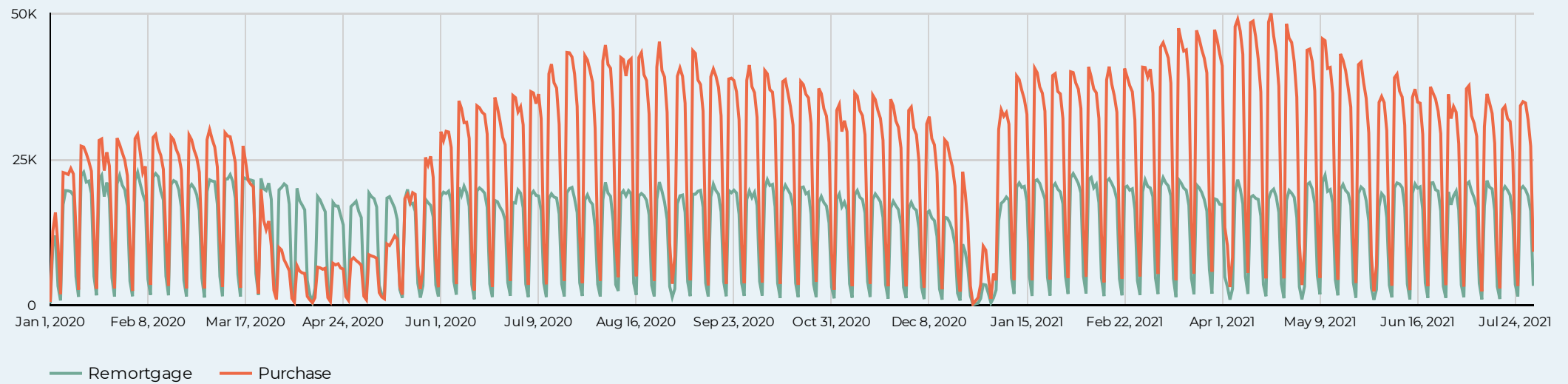
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
814,790	437,555	1,252,345	65.06%	34.94%	20.32%
↓ -4.1%	↑ 9.4%	↑ 0.2%			

May searches

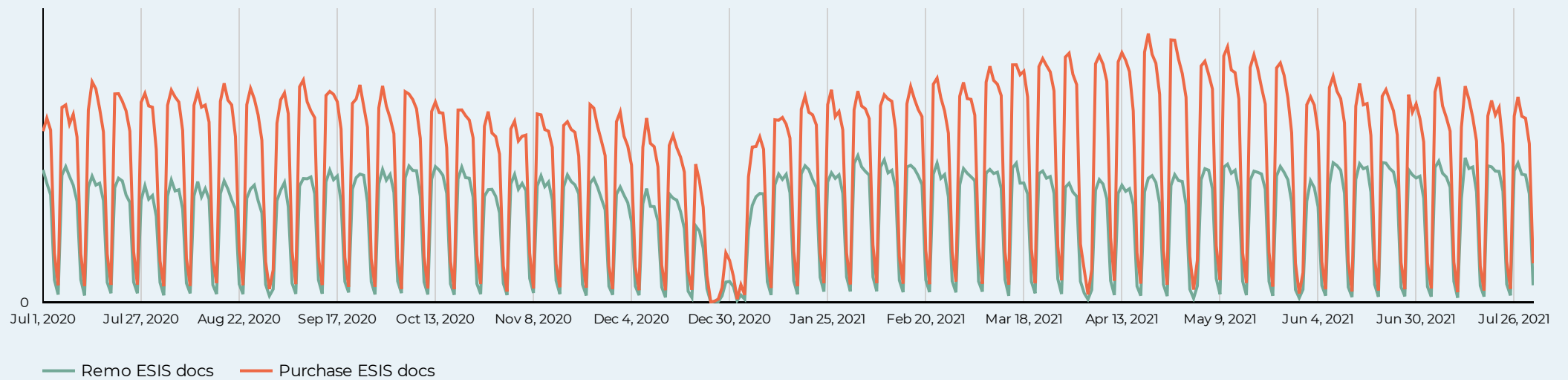
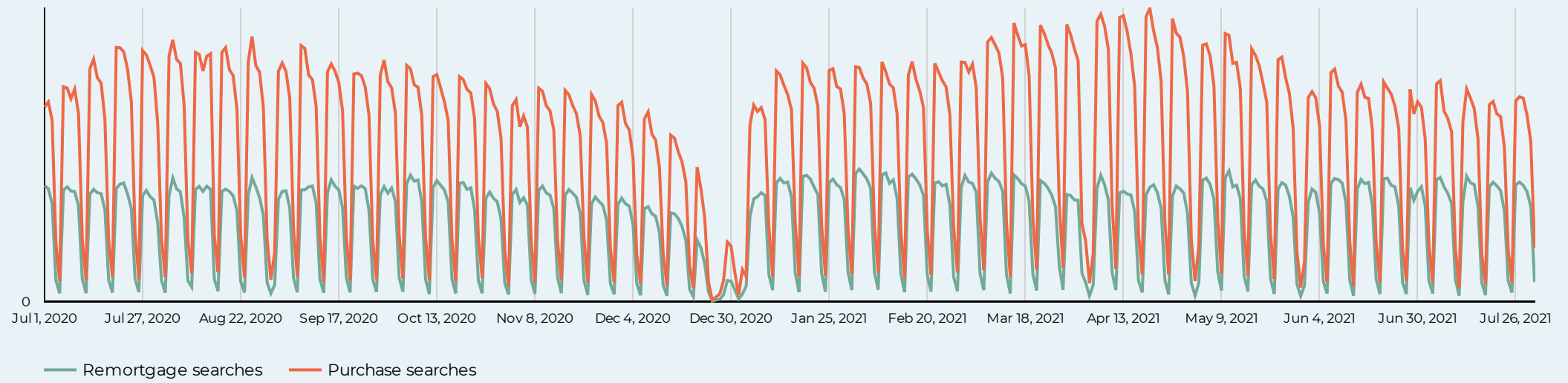
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
849,845	399,843	1,249,688	68.00%	32.00%	21.57%
↓ -13.6%	↑ 1.0%	↓ -9.4%			

WHERE WAS THE DEMAND IN THE JUNE 2021 MARKET?

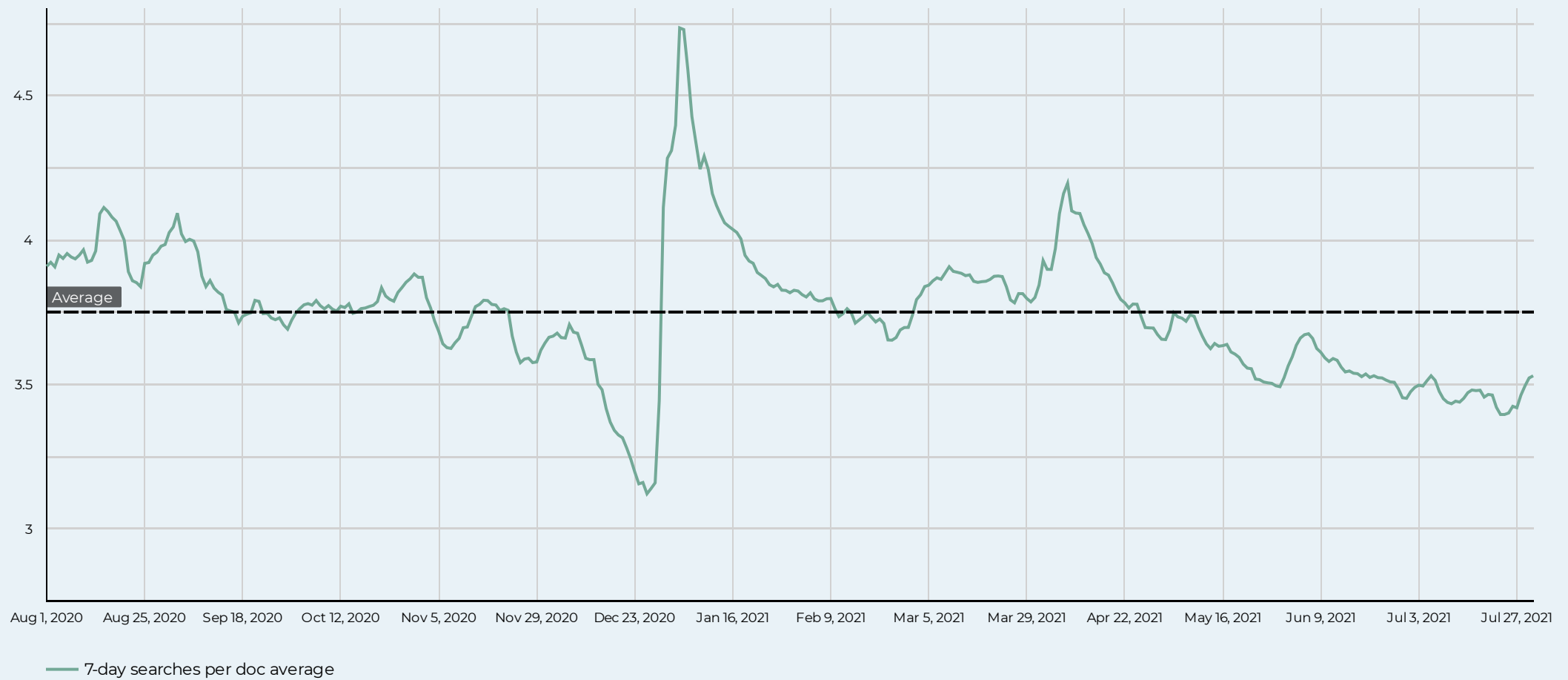
Mortgage Type ▾	May searches	June searches	July searches	July monthly difference
1. Standard Residential	907668	895944	856140	-4.44%
2. Standard (inc. Shared Equity / Help to Buy)	55919	54978	53355	-2.95%
3. Shared Ownership	32974	36288	35658	-1.74%
4. Shared Equity / Help to Buy	22885	21987	21355	-2.87%
5. Self Build	1086	1210	1019	-15.79%



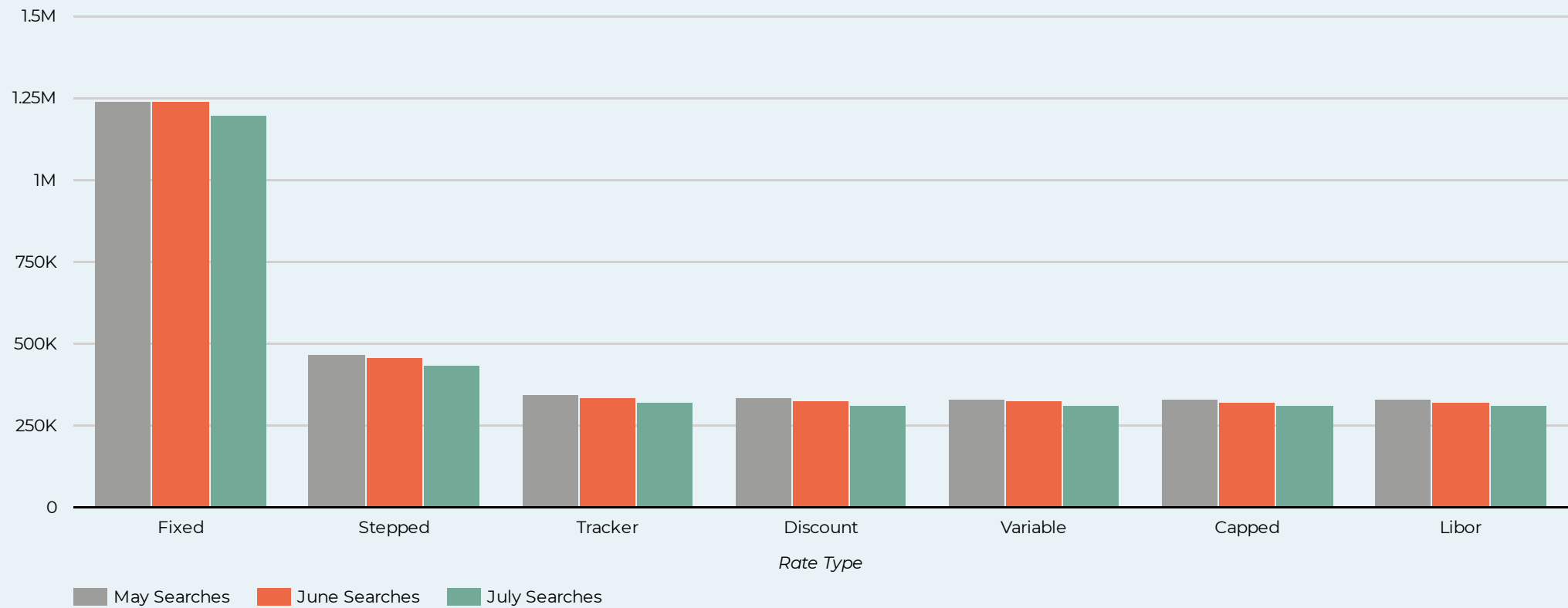
SEARCHES V DOCUMENTS IN THE JULY 2021 MARKET



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



SEARCHES BY MORTGAGE PRODUCT TYPE MAY TO JULY 2021

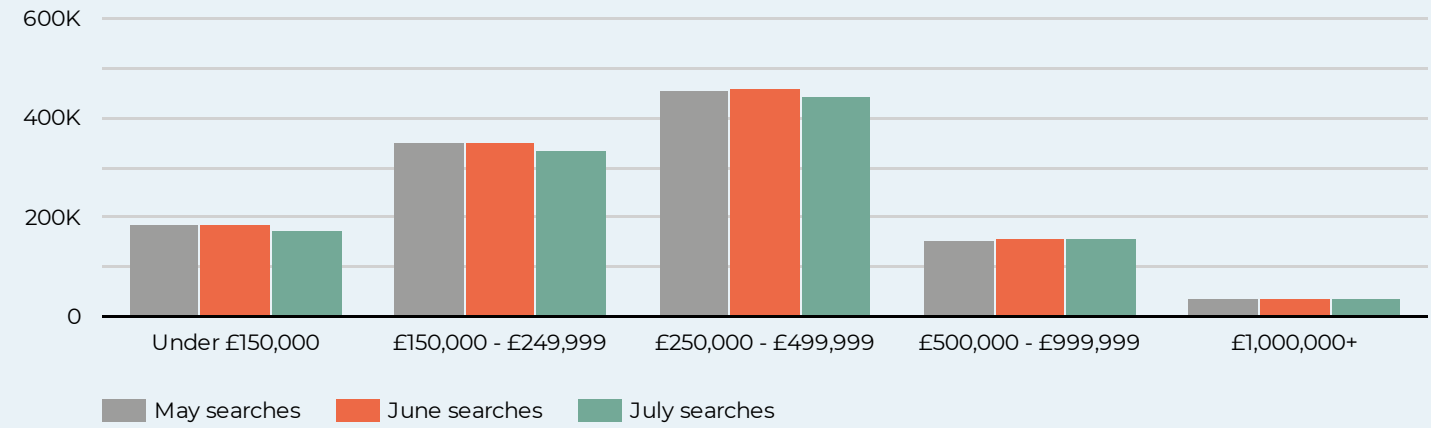


HOW DID JULY 2021 SPLIT BY PROPERTY VALUE?

"Despite the stamp duty holiday remaining in place for properties sub £250k, the only price ranges which saw a rise in volume of searches were £500k-£1m and £1m+ in July."

Phil Bailey, Twenty7Tec

Property searches by value – May to July inclusive:



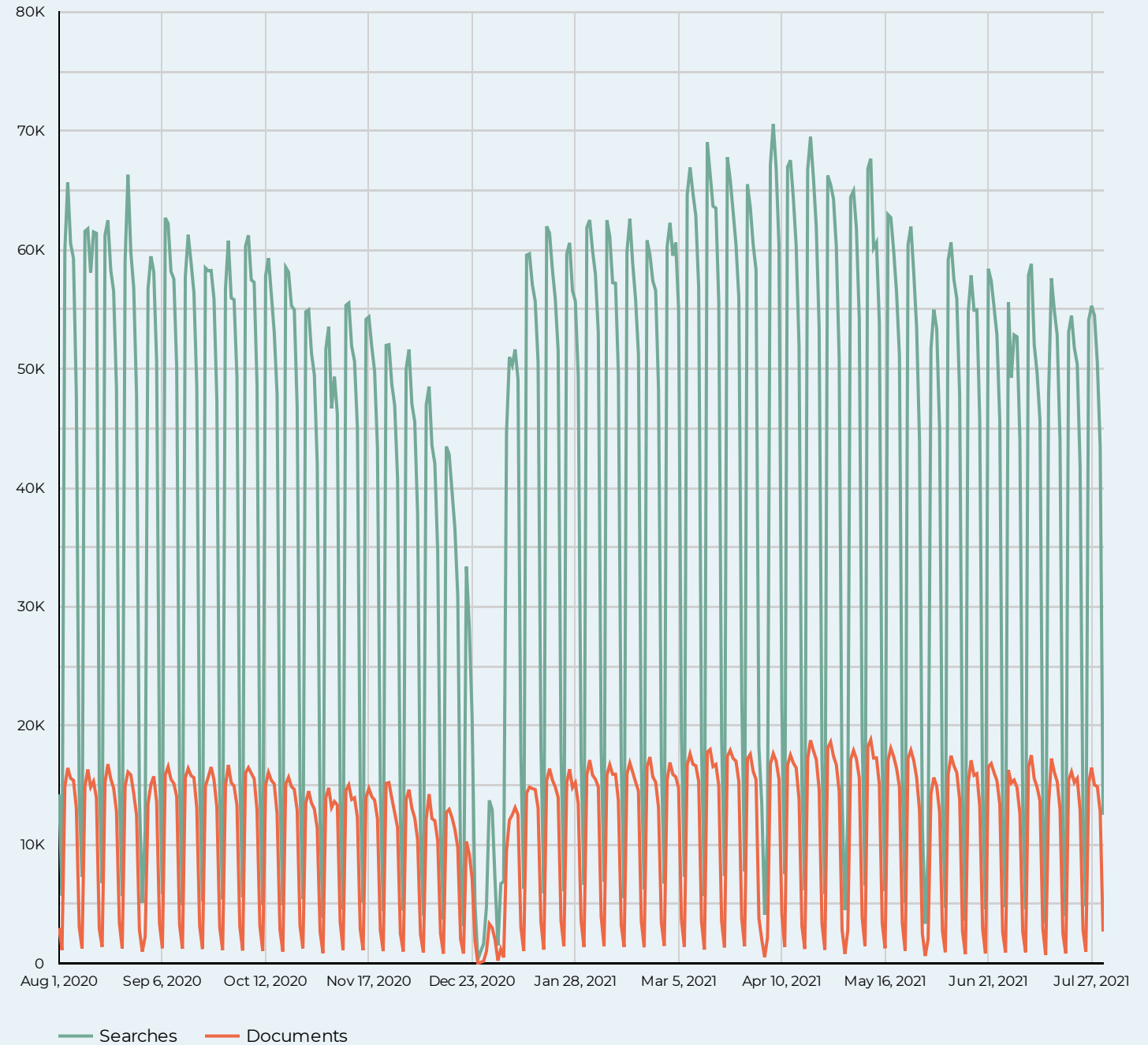
Breakdown:

Property Valuation	May searches	June search...	July searc...	June to July
Under £150,000	186,374	185,458	171,744	-7.39%
£150,000 - £249,999	351,648	350,847	333,741	-4.88%
£250,000 - £499,999	453,148	460,961	443,410	-3.81%
£500,000 - £999,999	154,365	156,373	158,932	1.64%
£1,000,000+	38,103	38,003	38,067	0.17%

SEARCHES AND DOCUMENTS PAST 12 MONTHS

"Searches have continued to drop since April 2021 peaks, but ESIS documents remain pretty steady as the market moves from purchase to remo and has fewer first time buyers, both of which traditionally use more searches per ESIS document created.

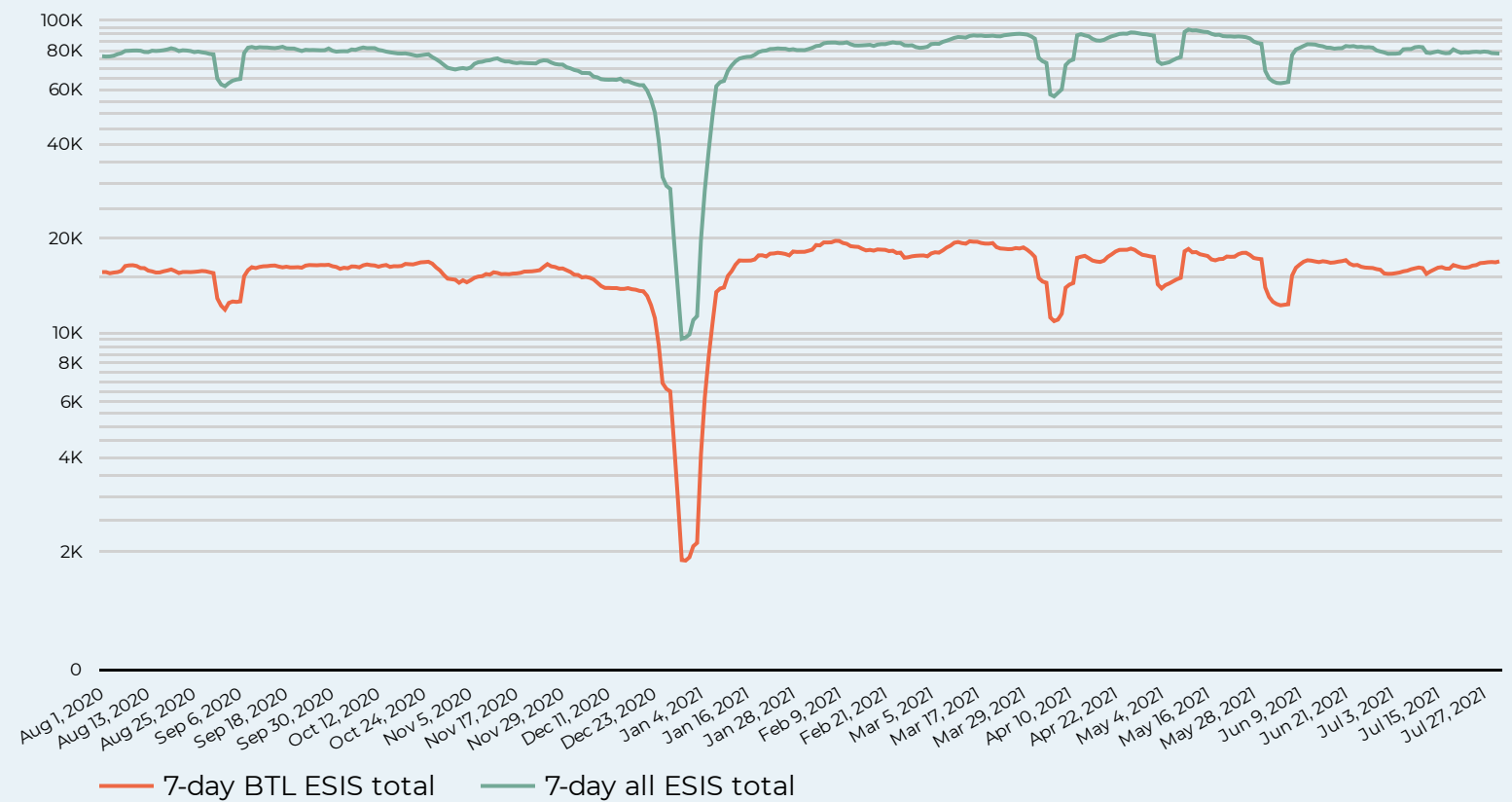
Niki Cooke, Twenty7Tec



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

"Buy To Let ESIS documents formed a slightly higher proportion of the overall volume of ESIS documents created in July 2021 as you can see from the uptick at the end of the month."

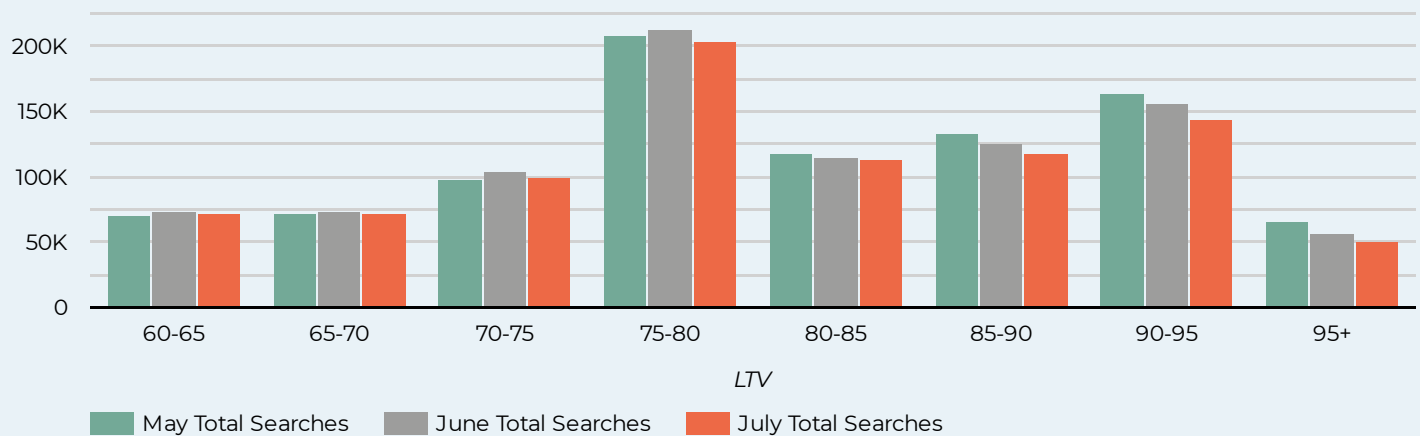
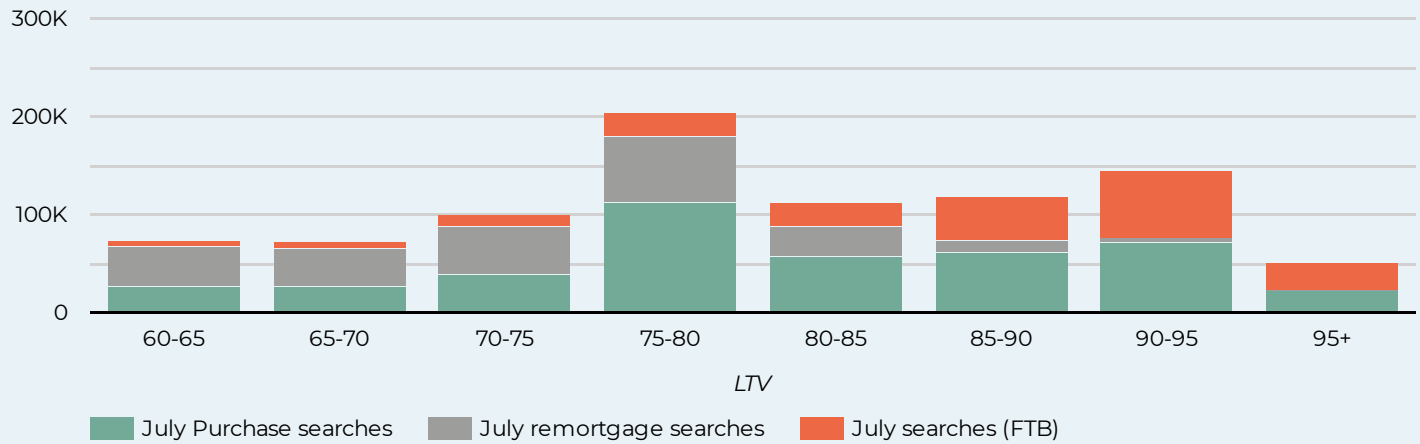
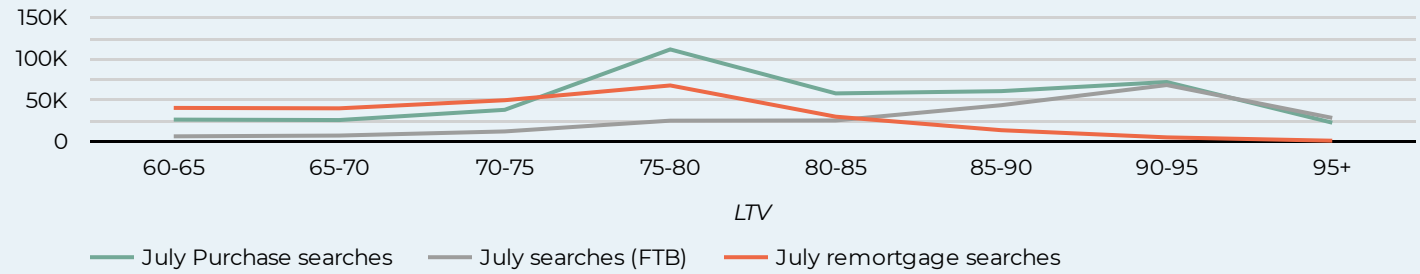
Niki Cooke, Twenty7Tec



WHAT PRODUCTS ARE APPLICANTS SEARCHING FOR?

"July saw a drop across all LTV ranges for search volumes unlike the prior month which this only happened for LTV ranges above 80%."

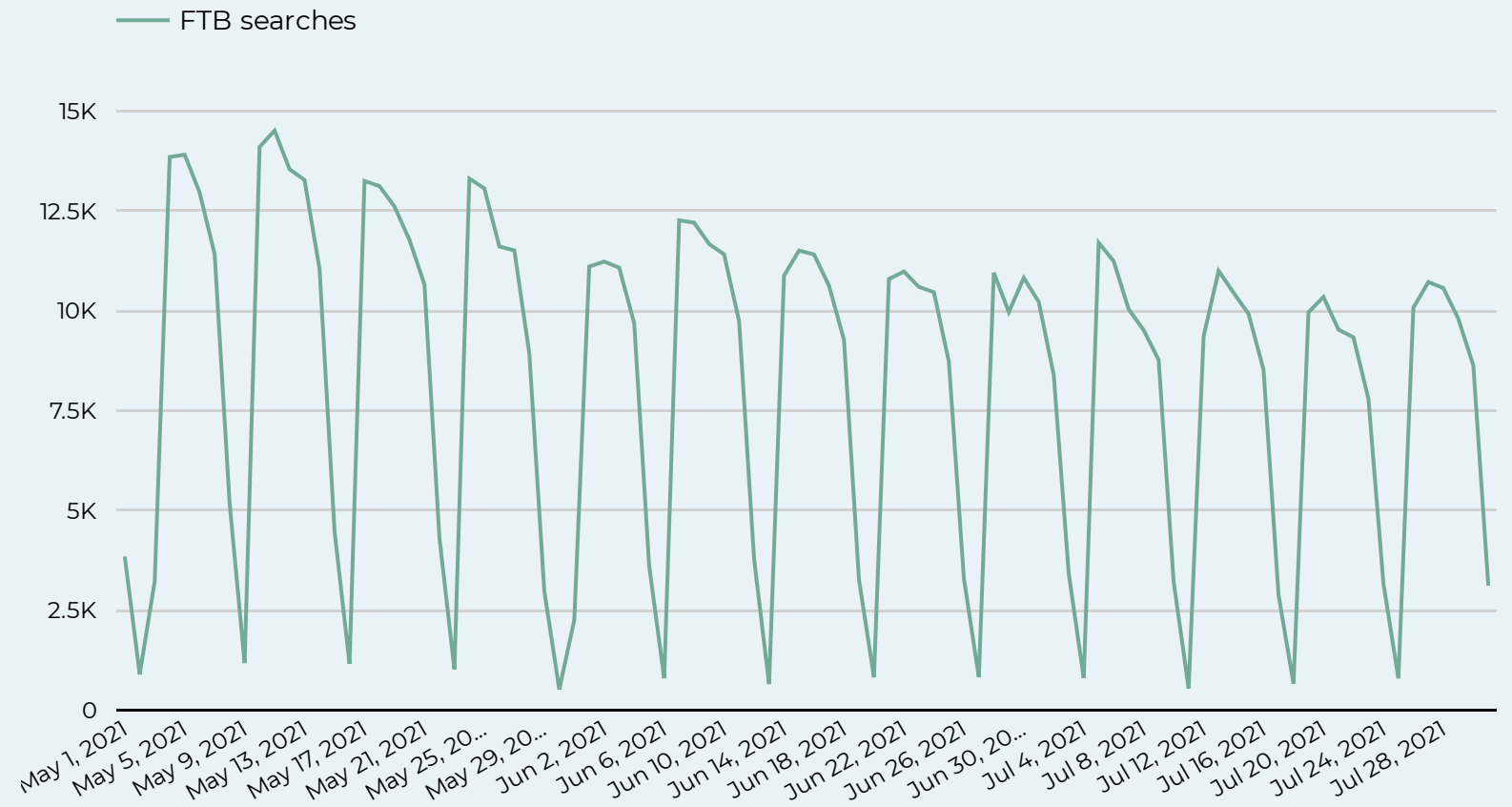
Niki Cooke, Twenty7Tec



THE NEED FOR AN ACTIVE FTB MARKET

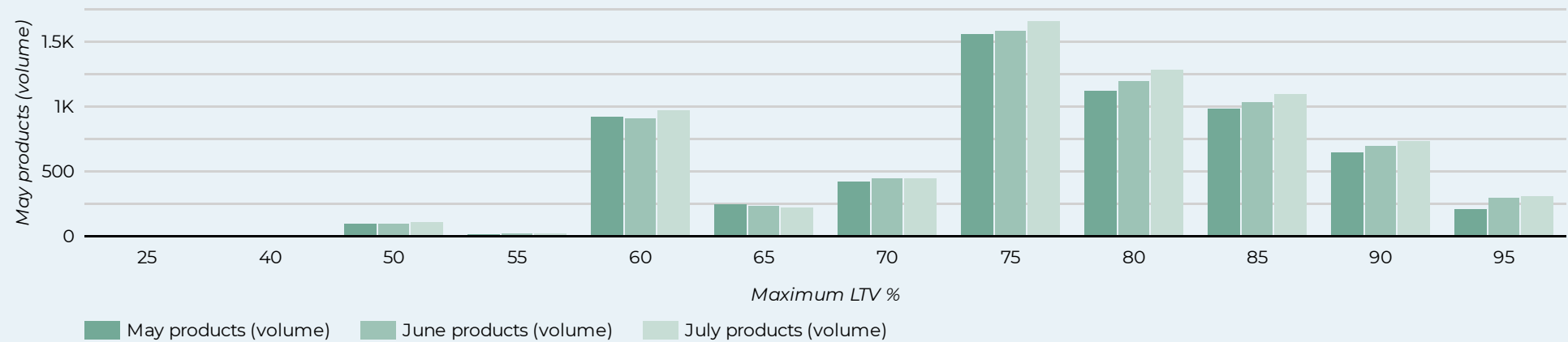
"Weekday search volumes for First Time Buyers are down a massive 40% on their May highs."

Phil Bailey, Twenty7Tec



PRODUCT HEATMAPS AS AT END JULY 2021

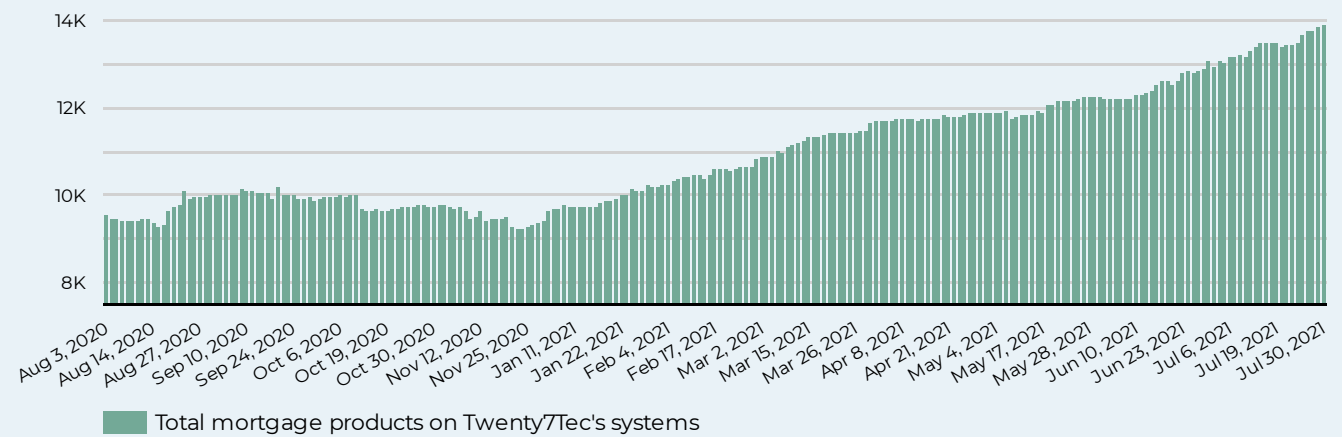
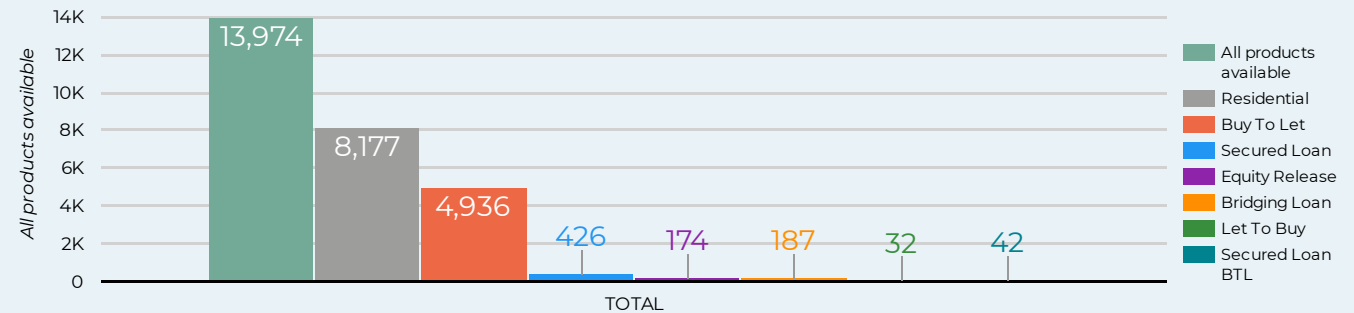
LTV ^	July Purchase searches	July searches (FTB)	July remortgage searches	July Total Sear...
60-65	26,189	5,876	40,384	72,449
65-70	25,651	6,817	39,861	72,329
70-75	38,063	11,833	49,703	99,599
75-80	111,375	24,909	67,638	203,922
80-85	57,991	25,165	29,732	112,888
85-90	60,741	43,675	13,318	117,734
90-95	71,806	68,113	4,619	144,538
95+	22,430	28,249	552	51,231



PRODUCTS AVAILABLE ON TWENTY7TEC SYSTEM AS AT JULY 2021

"Product volumes are rising quickly as lender confidence returns to the market. We broke through 13,000 products available last month and are almost at 14,000 by end July 2021."

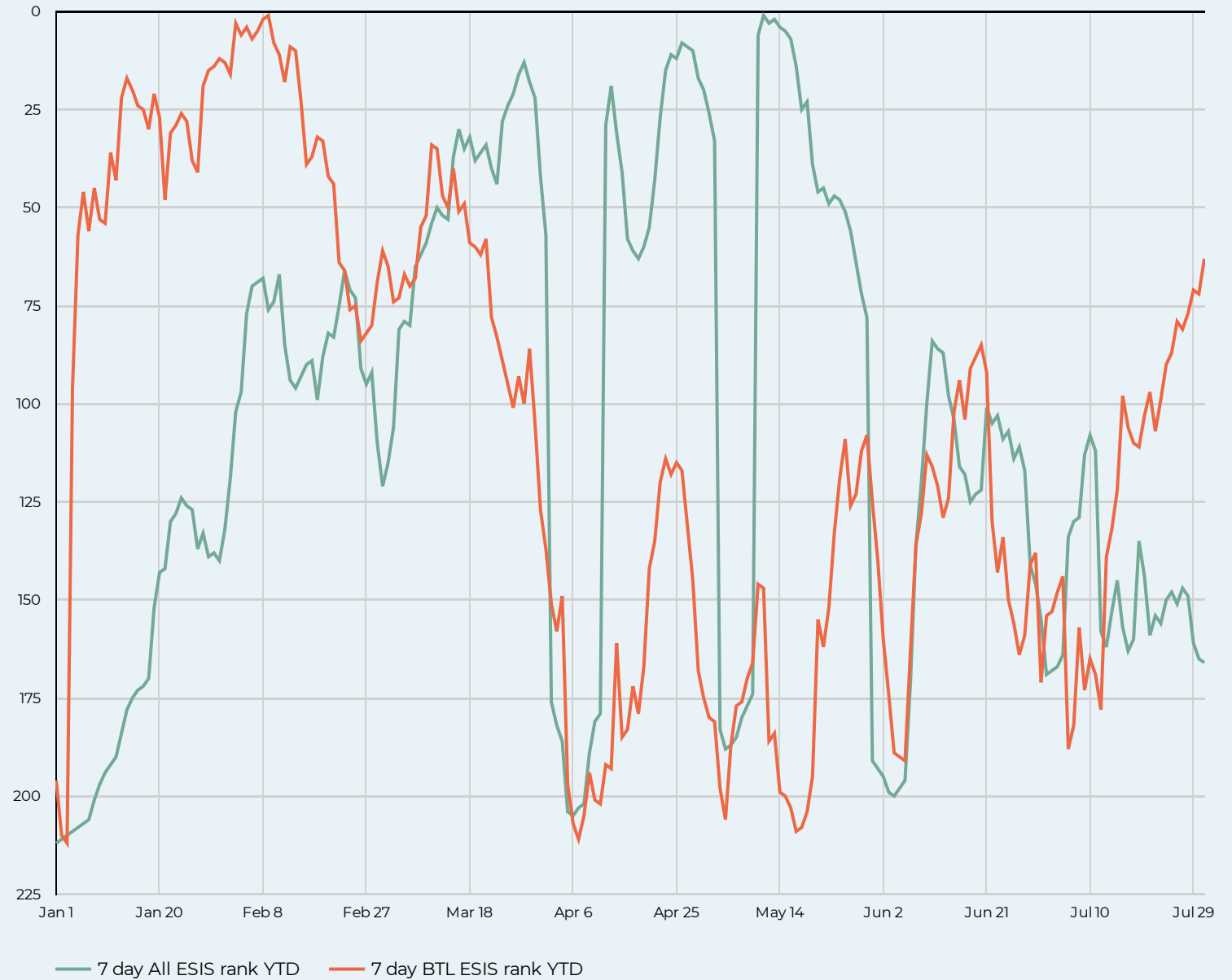
Nathan Reilly, Twenty7Tec



ESIS DOCUMENTS – BUSIEST WEEKS SINCE 1 JAN 2021

"Buy To Let documentation is rapidly rising in terms of focus - ranking among the 75 days this year for volumes. Documents as a whole, however, remain at lower levels of 'busyness' on a seven-day rolling average."

Niki Cooke, Twenty7Tec



HOW ARE SEARCHES DISTRIBUTED ACROSS LTV RANGES?

"Product volumes are rebalancing - with more available in the 80%+ LTV ranges now than in prior months."

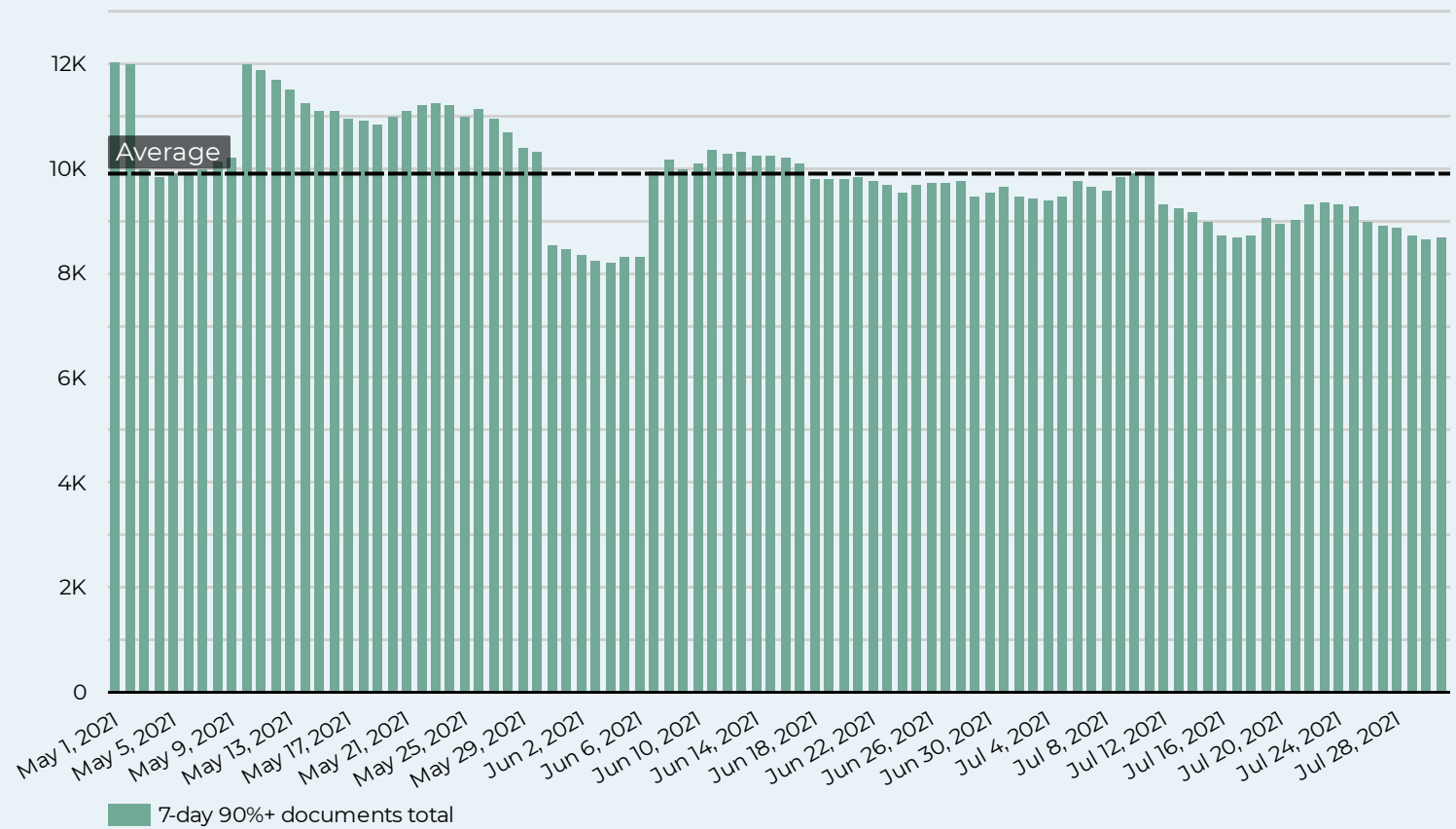
Phil Bailey, Twenty7Tec

	Maximum LTV %	% of Total June Pr...	% of Total July ...
1.	25	0.00%	0.00%
2.	40	0.08%	0.07%
3.	50	1.60%	1.54%
4.	55	0.35%	0.30%
5.	60	13.81%	14.01%
6.	65	3.54%	3.30%
7.	70	6.83%	6.52%
8.	75	24.04%	23.97%
9.	80	18.04%	18.49%
10.	85	15.68%	15.88%
11.	90	10.65%	10.56%
12.	95	4.49%	4.47%

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

"The volume of ESIS documents prepared on a 7-day rolling basis in July remained below the quarterly average for the whole month."

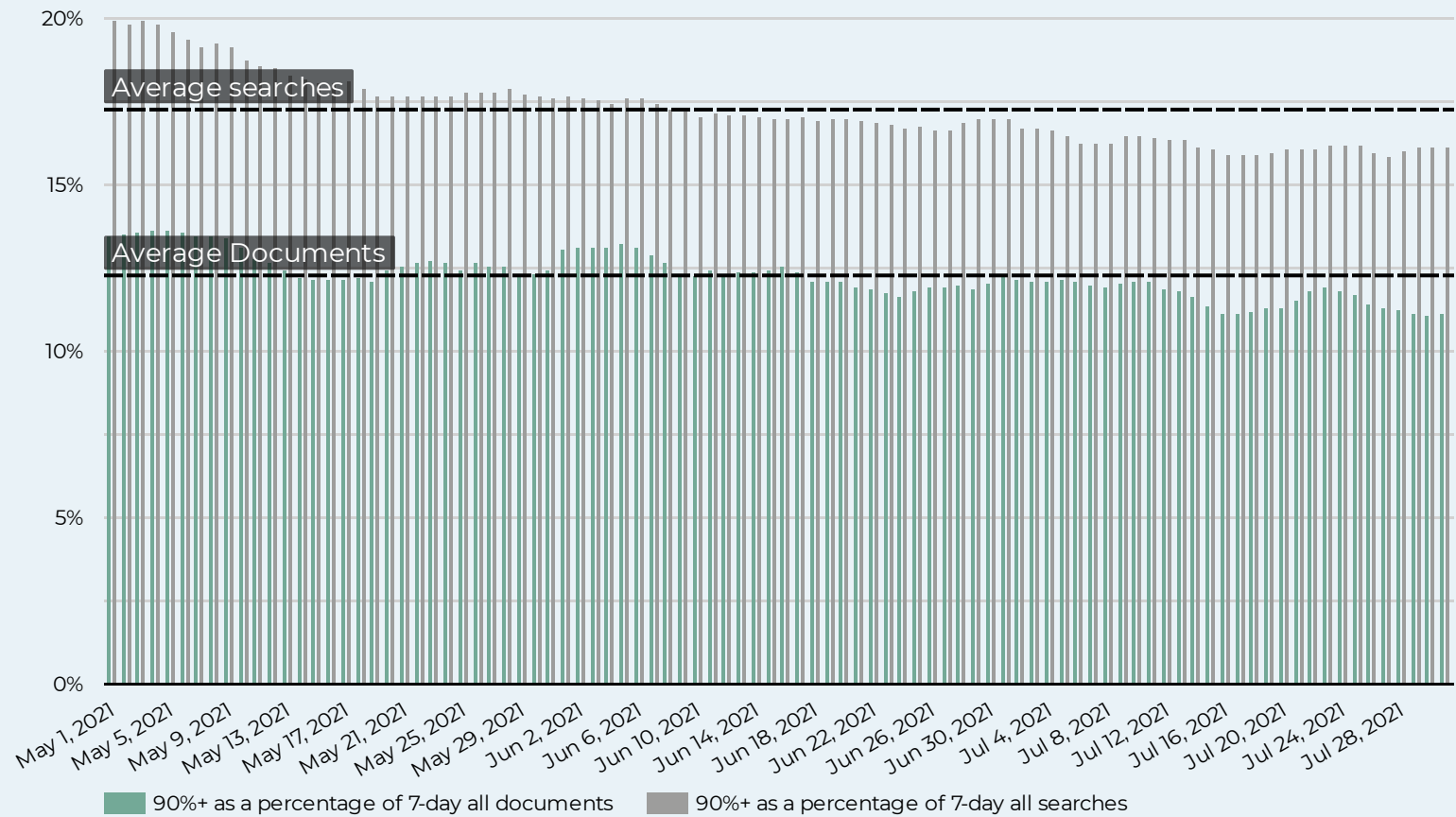
Phil Bailey, Twenty7Tec



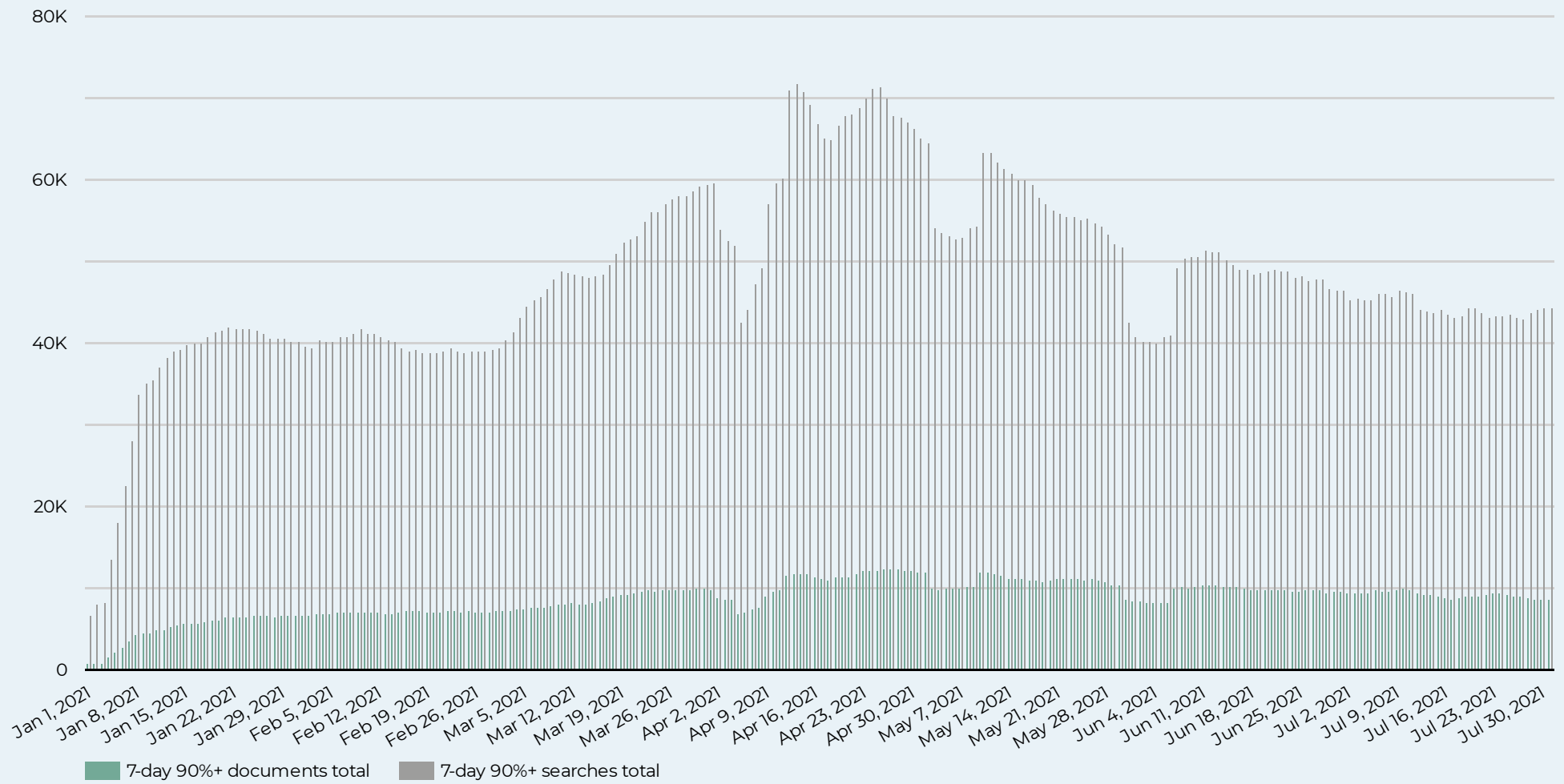
WHAT PERCENTAGE OF ALL DOCS/SEARCHES DO THE 90%+ RANGE MAKE UP ON A 7-DAY ROLLING AVERAGE?

"Search and documentation volumes remained below the quarterly average in July on a seven-day rolling average."

Phil Bailey, Twenty7Tec



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



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

