

MORTGAGE MARKET REPORT

Analysis from Twenty7Tec

TWENTY7TEC



KEY FINDINGS - AUGUST 2021

62.8%*

Purchases as a proportion of the mortgage market in August 2021 (remortgages = 37.2%)
*Excluding product transfers

-12.8%

Reduction in self-build mortgage searches in August 2021 versus July 2021.

1 in 29

One in 29 of all mortgage searches are now for properties valued at over £1m.

1 in 12

One in 12 of all completed mortgage searches on £1m+ properties were by first time buyers

19.5%

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

28.7%

Percentage of searches in the £150k-£250k valuation bracket lowest for 10 months (despite the ongoing stamp duty relief in this price range).

3.5

The August 2021 average mortgage searches per ESIS document produced - down on 12-month average of 3.75.

14,857

Mortgage products available at the end of August 2021.

In version 1 of the August update, we incorrectly stated that self-build mortgage searches had risen in August. Sorry about that.

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A SPECIAL FOCUS ON
LTV 90%+ PRODUCTS
AND ACTIVITY

August 2021
CEO STATEMENT



August 2021

After 18 months of constantly moving markets, it feels a little odd to report on stability.

August 2021, aside from the slight market side effects of the bank holiday, was broadly the same as July 2021. No major shocks, no major moves.

Is this the long-desired return to normal or the calm before the storm?

Let's see what September brings.

James Tucker
CEO, Twenty7Tec

WHAT DID DEMAND LOOK LIKE IN AUGUST 2021?

"Searches in August 2021 were broadly the same as those for July 2021.

We saw a small drop - 3.6% - in total searches, which is probably almost all down to the bank holiday.

Most figures, including first time buyers in the market, the split of purchase and remortgages, all settled around their long-term averages."

Phil Bailey, Twenty7Tec

August searches

Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
739,736	437,817	1,177,553	62.82%	37.18%	19.51%
↓ -3.6%	↓ -0.2%	↓ -2.4%			


July searches

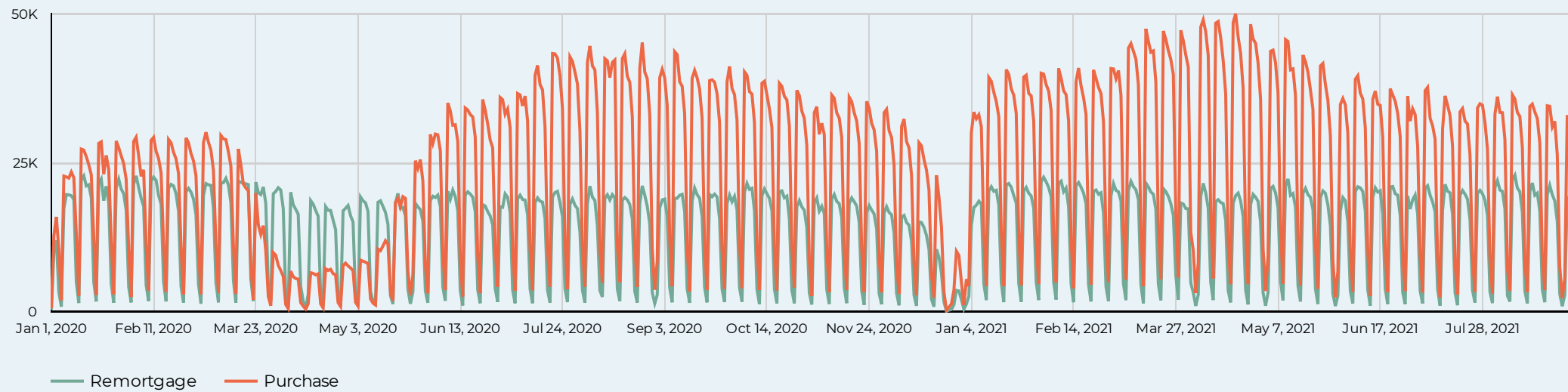
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
767,571	438,614	1,206,185	63.64%	36.36%	19.45%
↓ -9.7%	↑ 9.7%	↓ -3.5%			

June searches

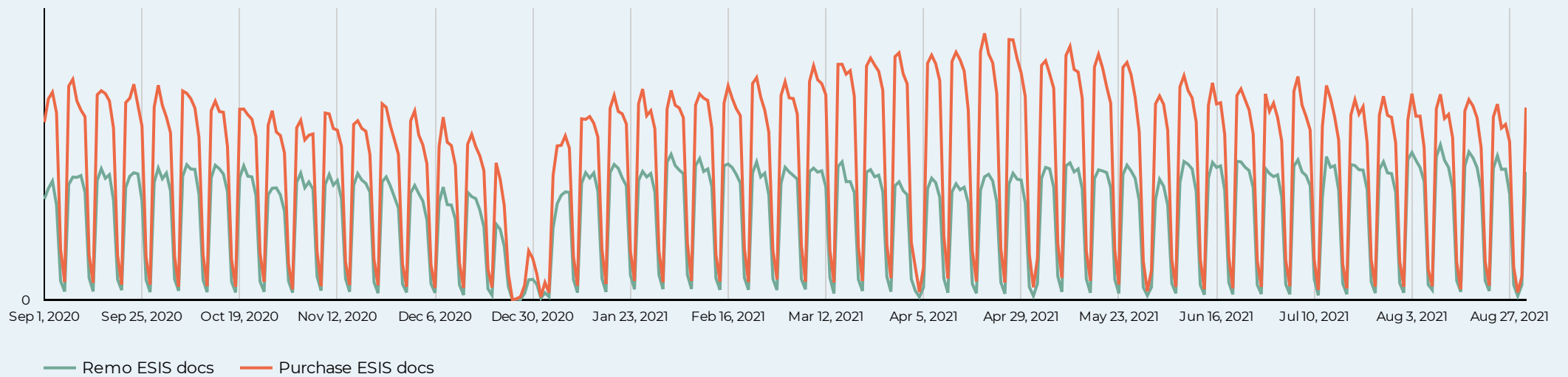
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
814,790	437,555	1,252,345	65.06%	34.94%	20.32%
↓ -17.1%	↑ 10.6%	↓ -9.2%			

WHERE WAS THE DEMAND IN THE AUGUST 2021 MARKET?


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[See details](#)



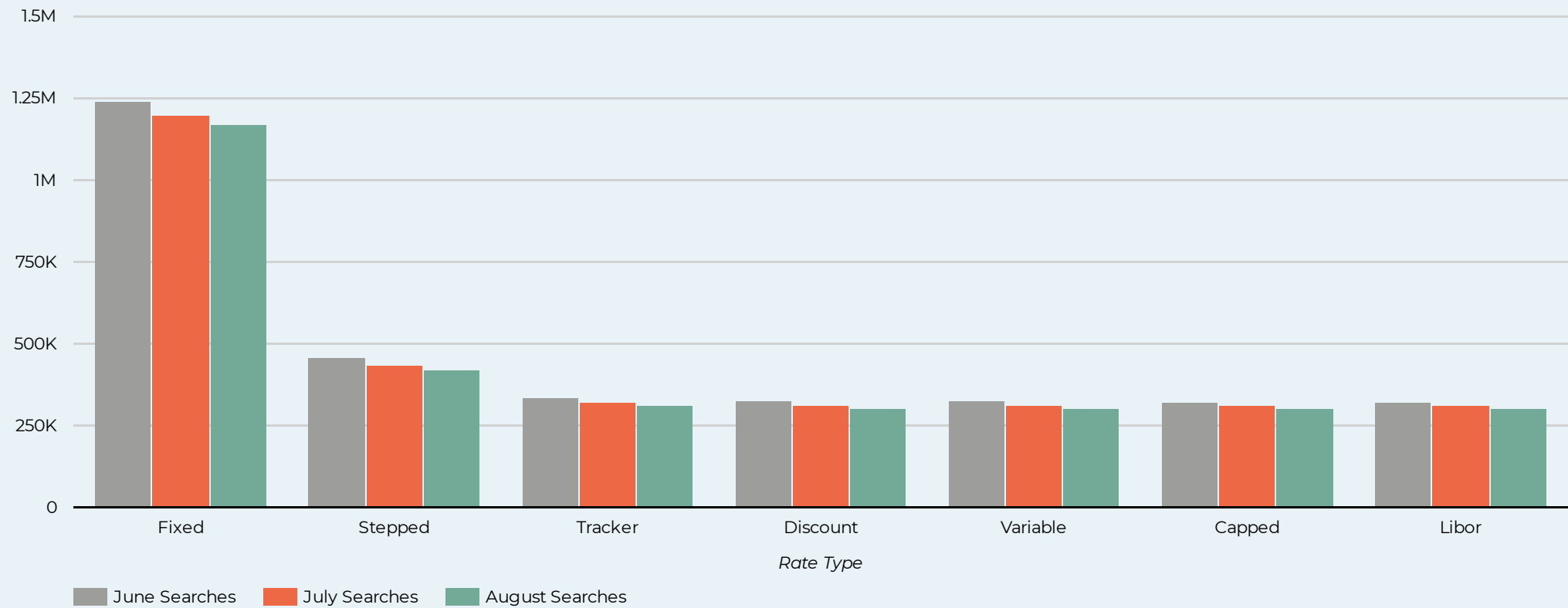
SEARCHES V DOCUMENTS IN THE AUGUST 2021 MARKET



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



SEARCHES BY MORTGAGE PRODUCT TYPE MAY TO AUGUST 2021

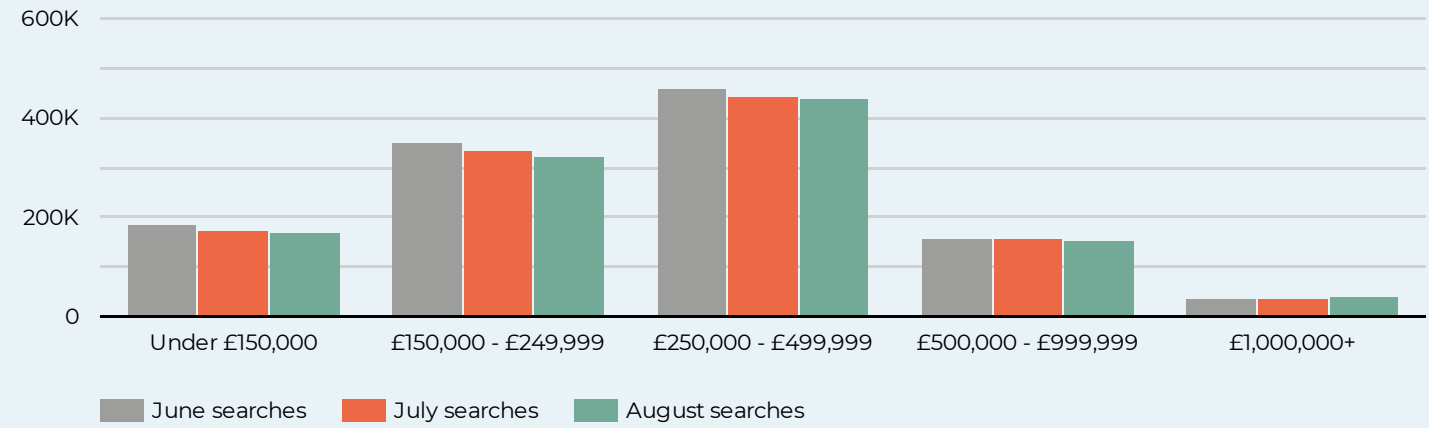


HOW DID AUGUST 2021 SPLIT BY PROPERTY VALUE?

"August saw a fall in all declared valuation ranges - except for properties worth over £1m, where we saw a small rise in volumes. Overall, one in 29 of all mortgage searches is now for a mortgage valued at over £1m."

Phil Bailey, Twenty7Tec

Property searches by value – June to August inclusive:



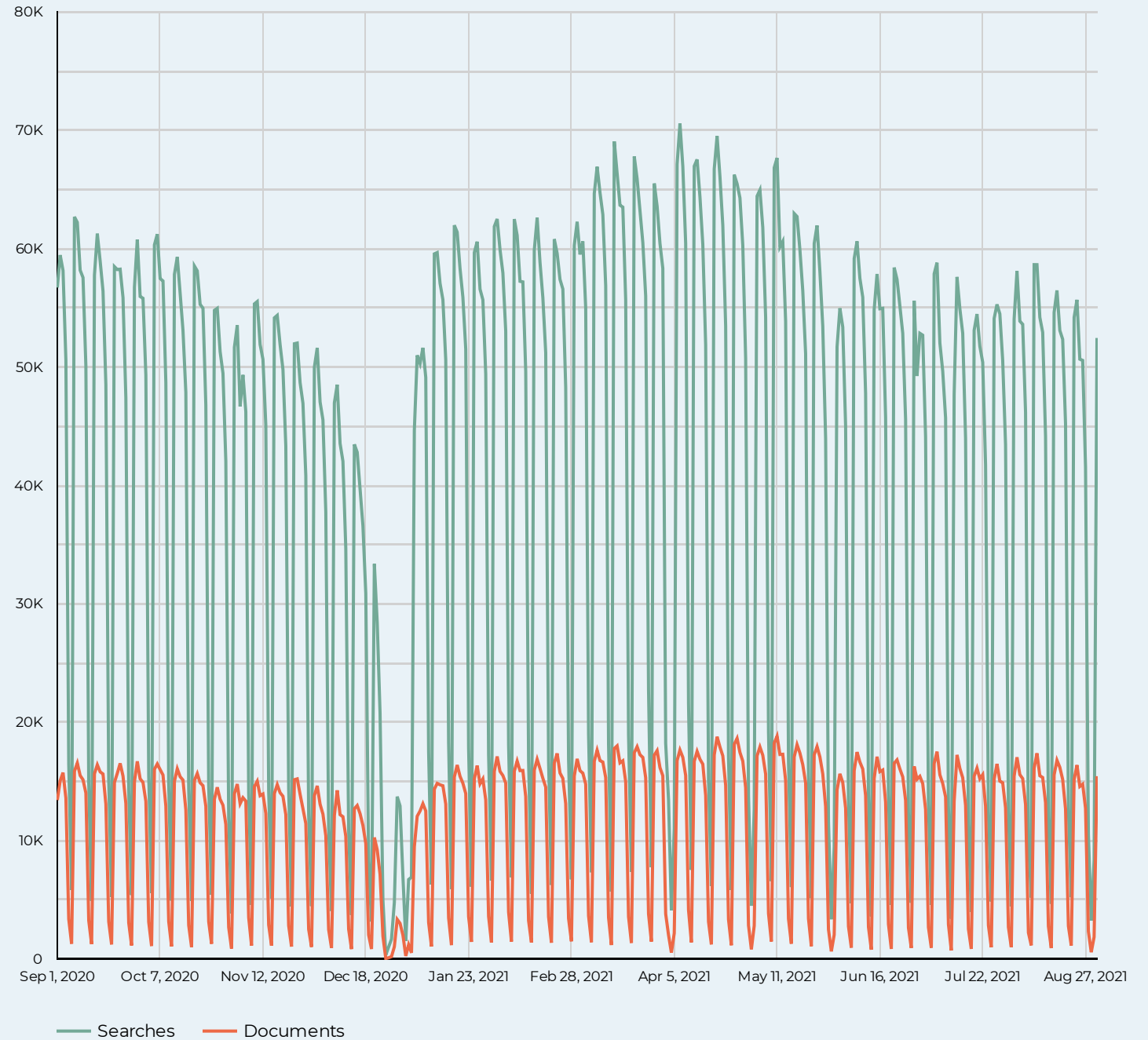
Breakdown:

Property Valuation	June searches	July searches	August search...	July to August
Under £150,000	185,458	171,744	168,354	-1.97%
£150,000 - £249,999	350,847	333,741	322,477	-3.38%
£250,000 - £499,999	460,961	443,410	438,829	-1.03%
£500,000 - £999,999	156,373	158,932	154,531	-2.77%
£1,000,000+	38,003	38,067	38,322	0.67%

SEARCHES AND DOCUMENTS PAST 12 MONTHS

"Mortgage searches have continued to nudge lower over August, but the number of ESIS documents produced remains broadly the same. There's been a market shift towards remortgaging that generally involves fewer searches per document produced."

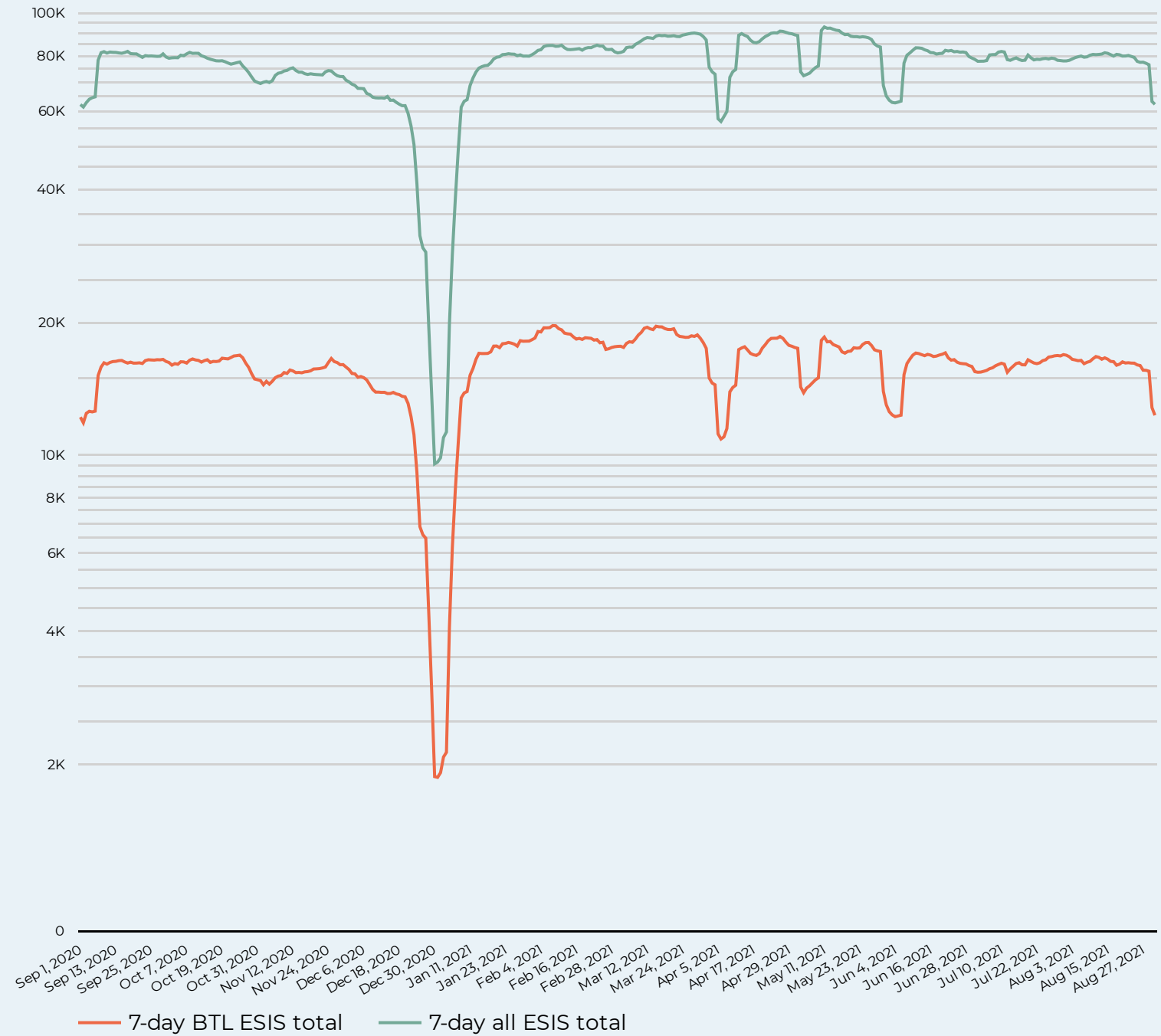
Niki Cooke, Twenty7Tec



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

"The number of Buy To Let ESIS documents produced broadly tracks the ESIS totals - although some spikes and falls are a little more pronounced."

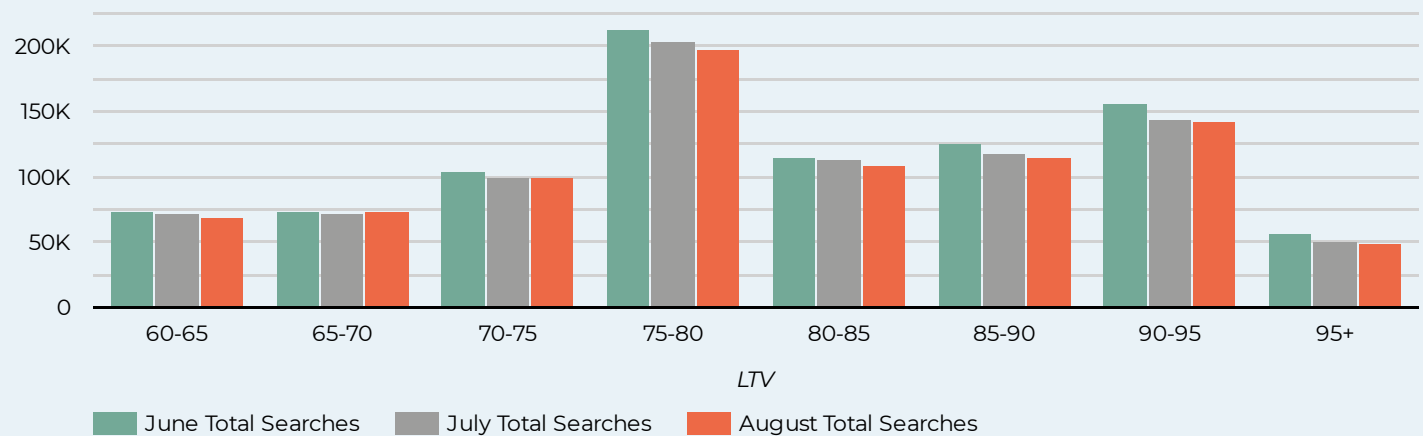
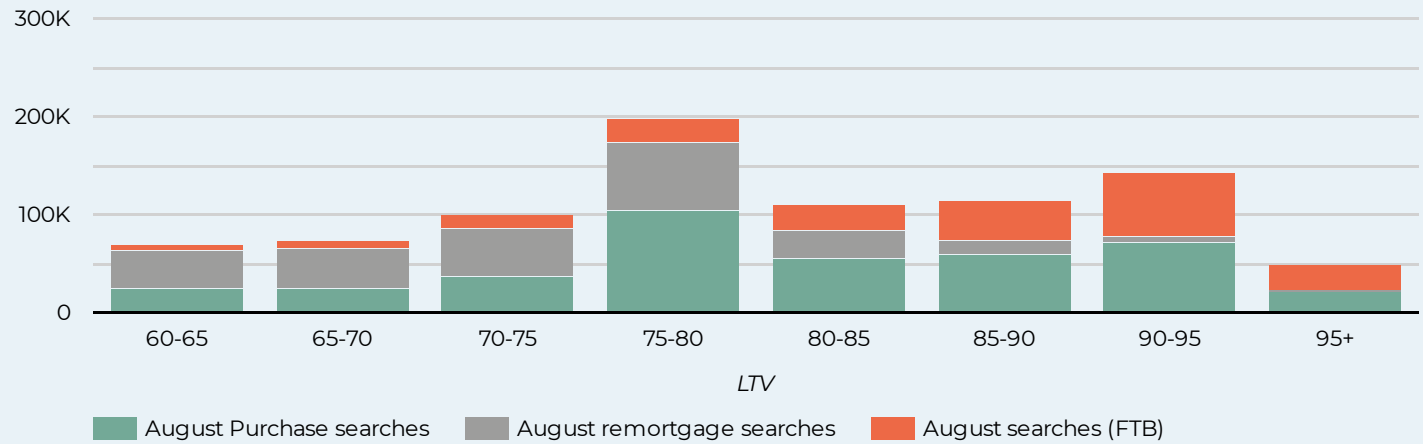
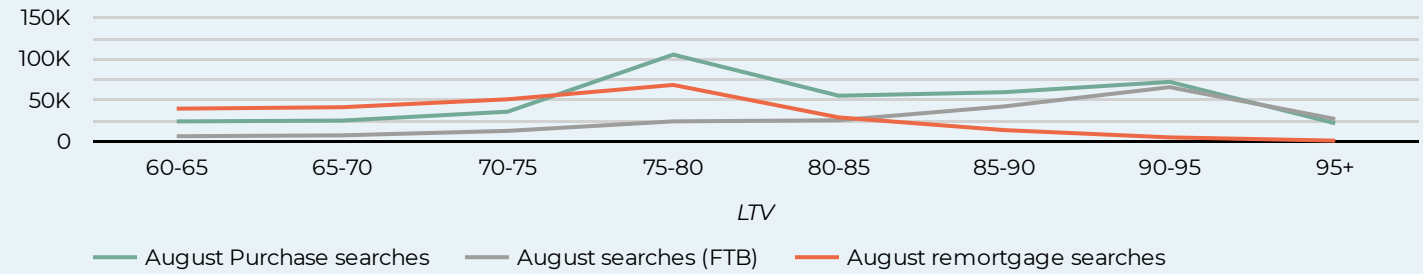
Niki Cooke, Twenty7Tec



WHAT PRODUCTS ARE APPLICANTS SEARCHING FOR?

"August saw a drop across all LTV ranges for search volumes except for the 65-70% range."

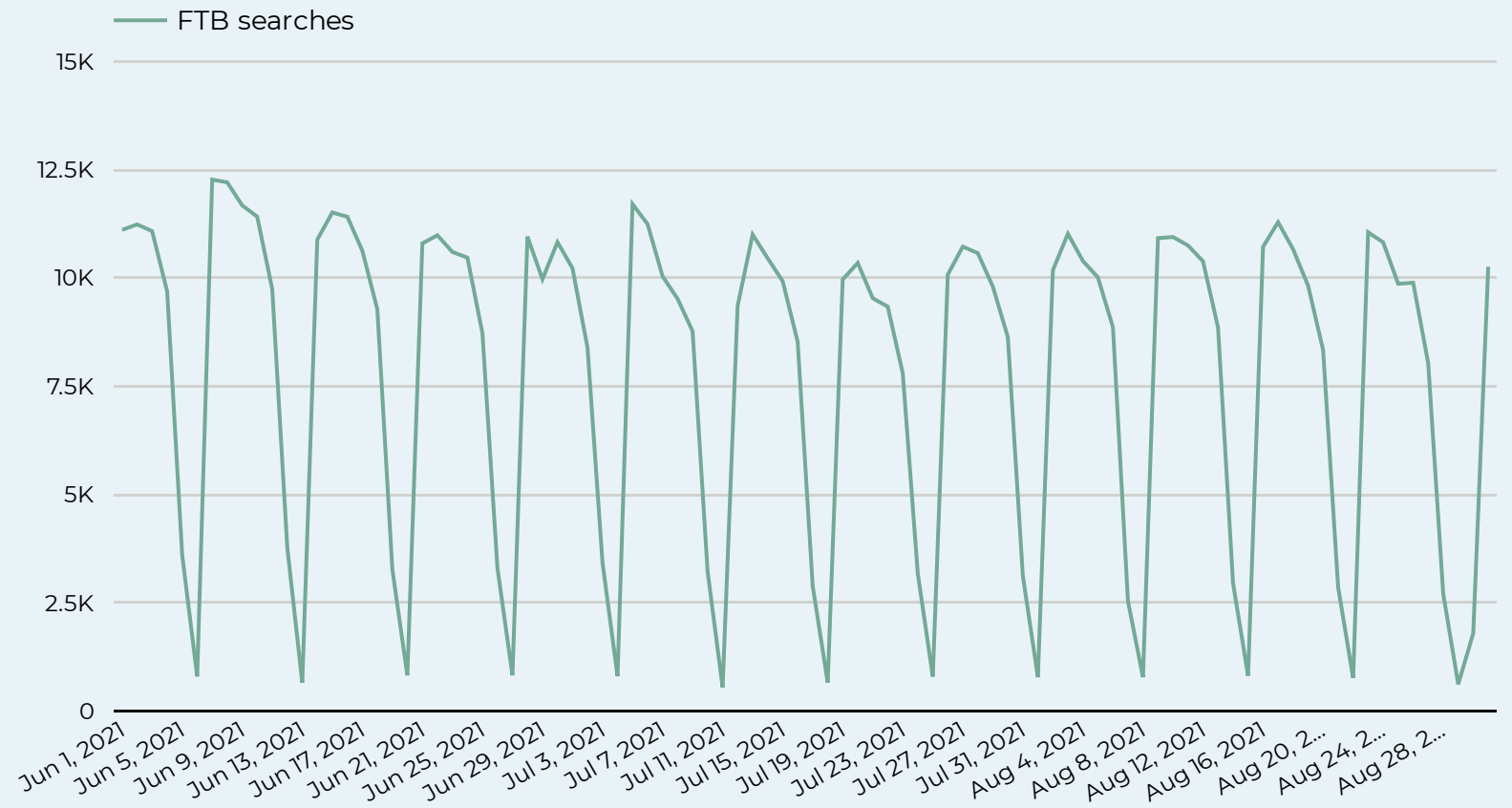
Niki Cooke, Twenty7Tec



THE NEED FOR AN ACTIVE FTB MARKET

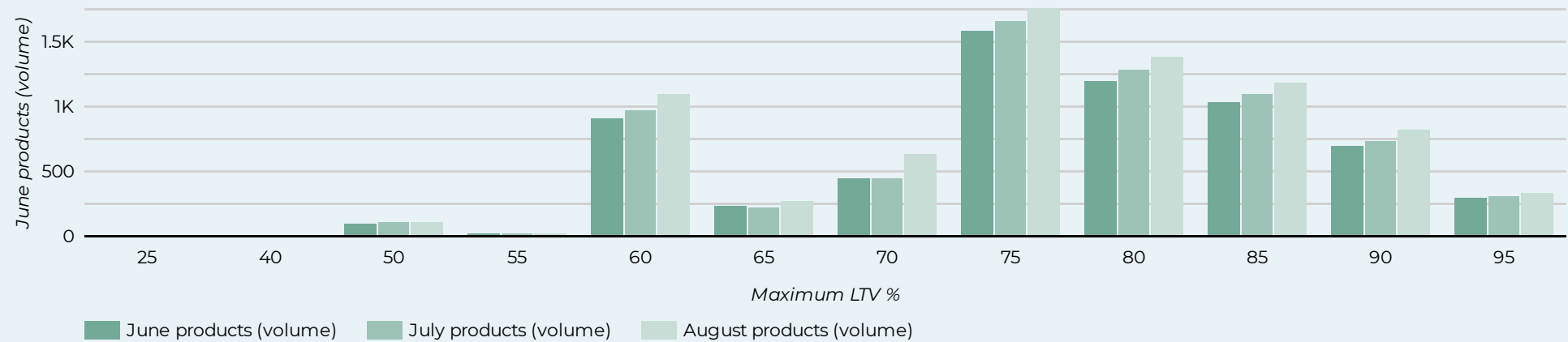
"In August 2021, weekly peaks of first time buyer search activity were up on July 2021."

Phil Bailey, Twenty7Tec



PRODUCT HEATMAPS AS AT END AUGUST 2021

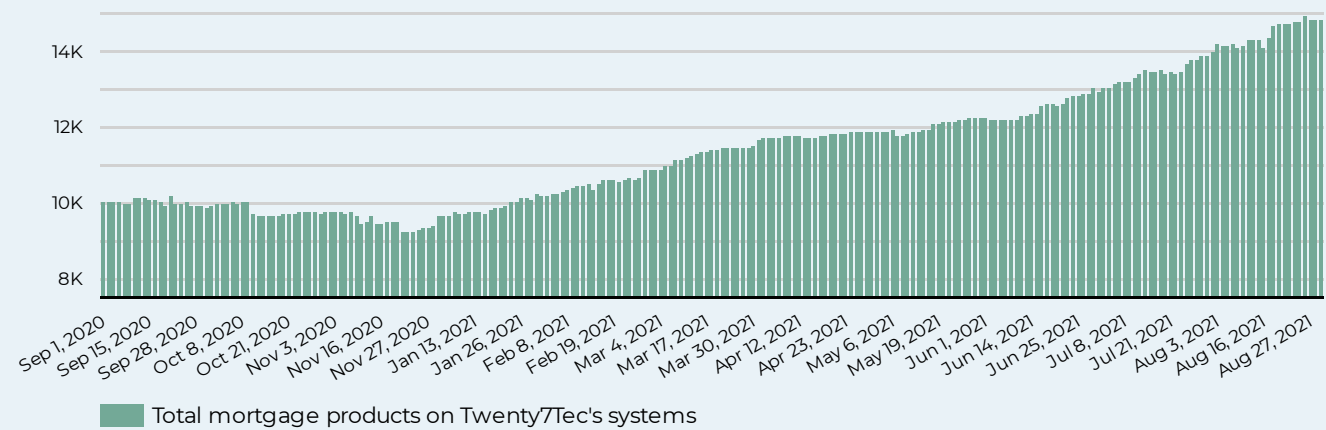
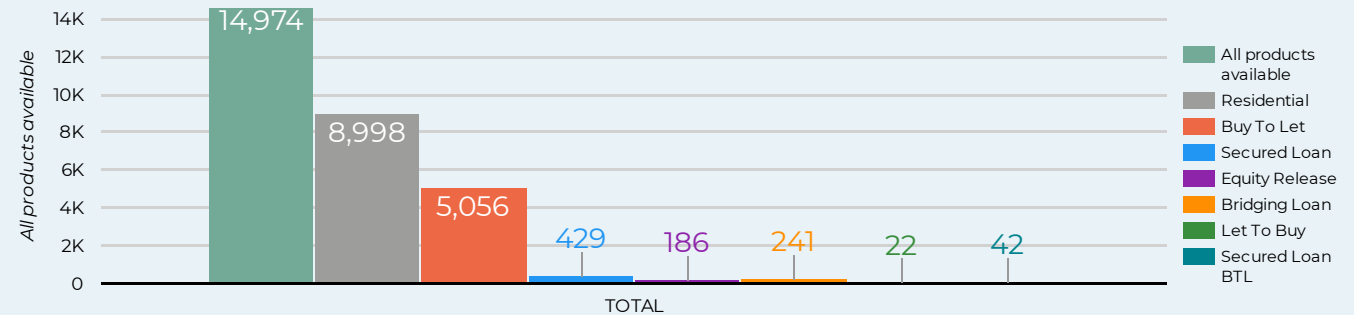
LTV ^	August Purchase searches	August searches (FTB)	August remortgage searches	August Total S...
60-65	23,995	6,003	39,459	69,457
65-70	24,999	7,083	41,226	73,308
70-75	35,813	12,503	50,839	99,155
75-80	105,082	24,034	68,268	197,384
80-85	55,171	25,381	28,836	109,388
85-90	59,450	42,211	13,436	115,097
90-95	71,968	65,580	4,607	142,155
95+	21,720	26,912	653	49,285



PRODUCTS AVAILABLE ON TWENTY7TEC SYSTEM AS AT AUGUST 2021

"Product volumes are rising quickly as lender confidence returns to the market. We bare now at almost 75% of the pre-pandemic product numbers."

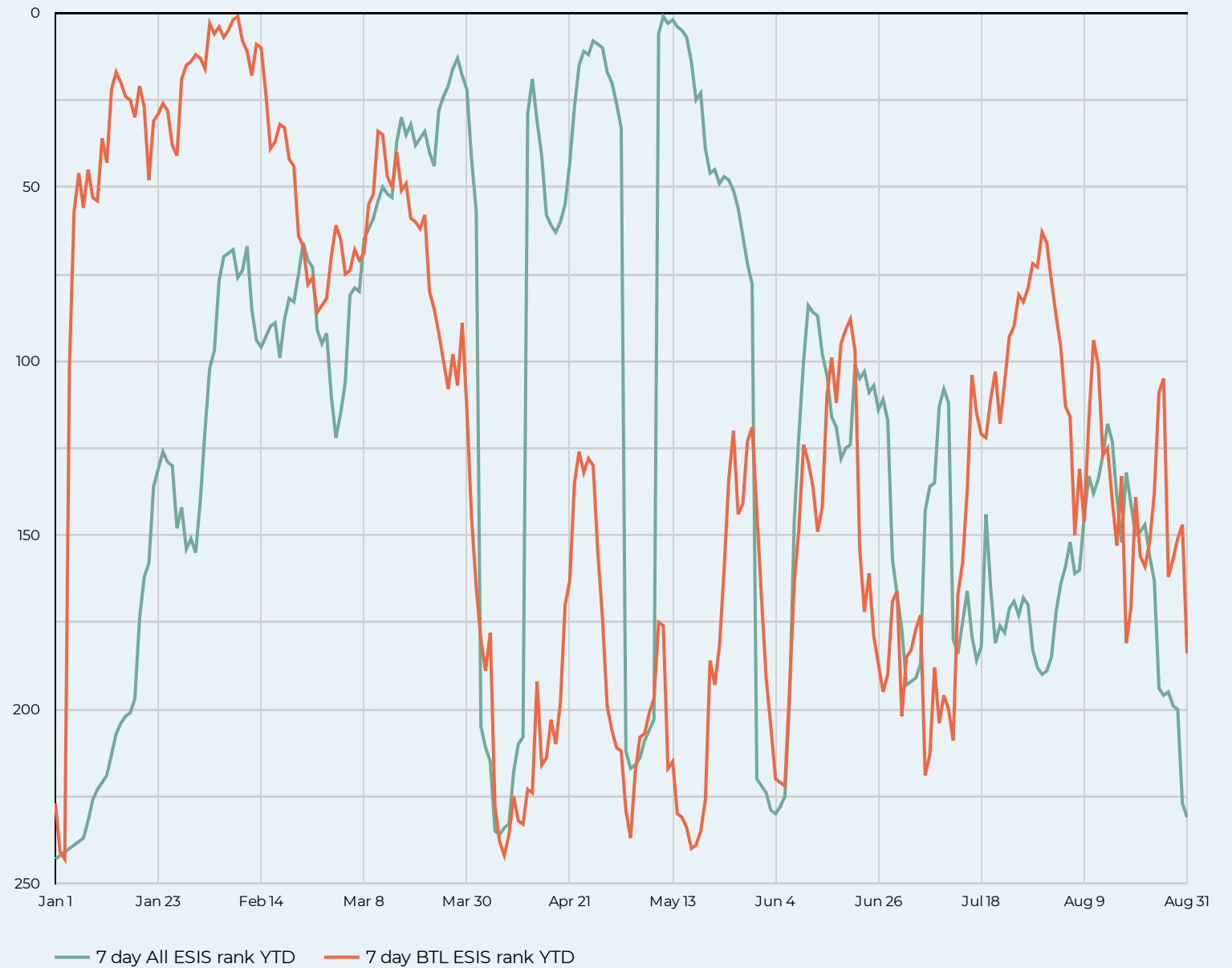
Nathan Reilly, Twenty7Tec



ESIS DOCUMENTS – BUSIEST WEEKS SINCE 1 JAN 2021

"This graph maps activity on a seven-day rolling basis for ESIS documents produced (both the total and Buy To Let).
"Buy To Let activity is definitely busier than the rest of the market compared to prior months."

Niki Cooke, Twenty7Tec



HOW ARE PRODUCTS DISTRIBUTED ACROSS LTV RANGES?

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

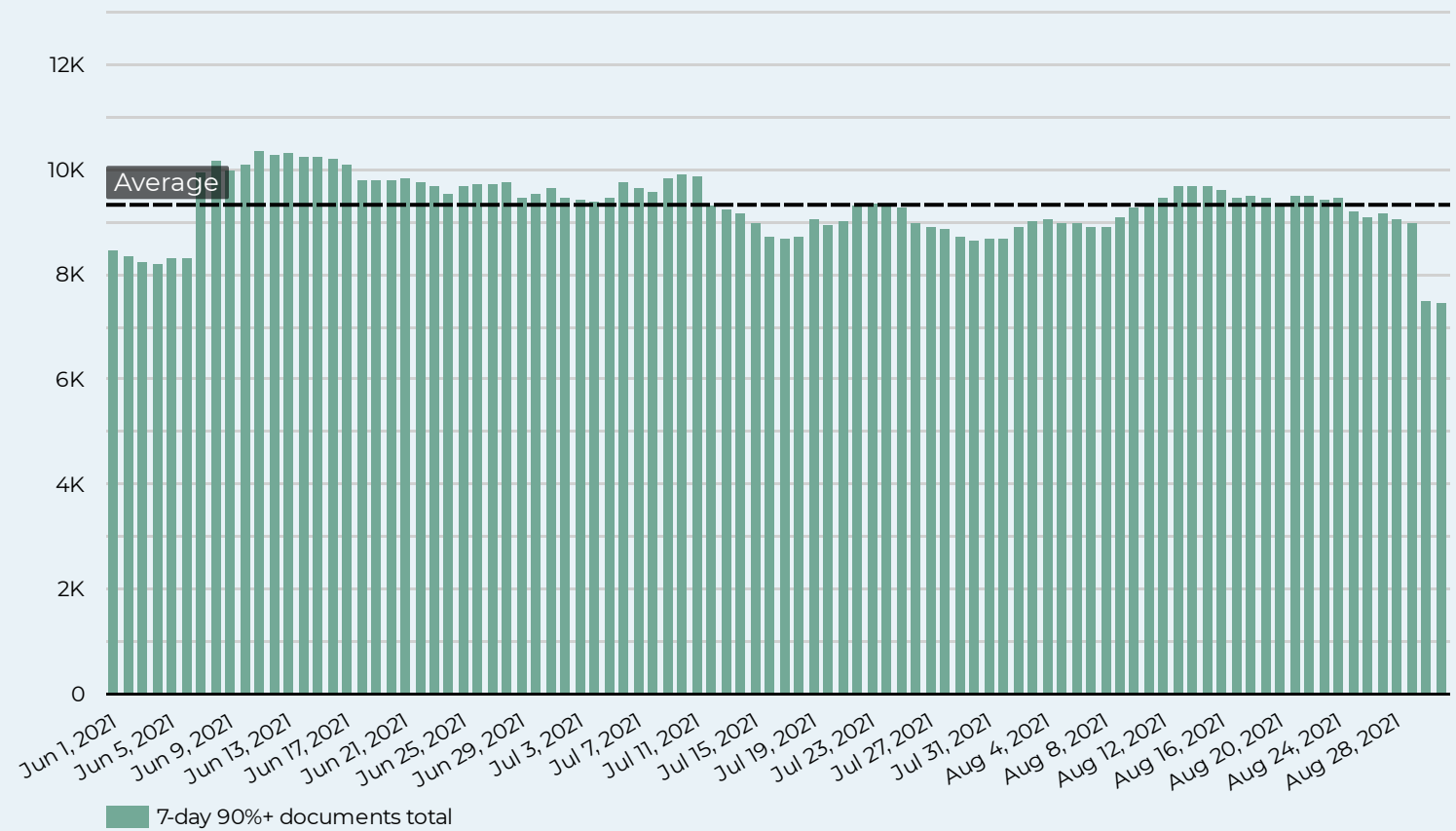
Phil Bailey, Twenty7Tec

	Maximum LTV %	% of Total July Products	% of Total August Products
1.	25	0.00%	0.00%
2.	40	0.07%	0.06%
3.	50	1.54%	1.38%
4.	55	0.30%	0.27%
5.	60	14.01%	14.14%
6.	65	3.30%	3.50%
7.	70	6.52%	8.17%
8.	75	23.97%	23.68%
9.	80	18.49%	17.87%
10.	85	15.88%	15.31%
11.	90	10.56%	10.60%
12.	95	4.47%	4.36%

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

"The volume of ESIS documents prepared on a 7-day rolling basis in August remained around the quarterly average."

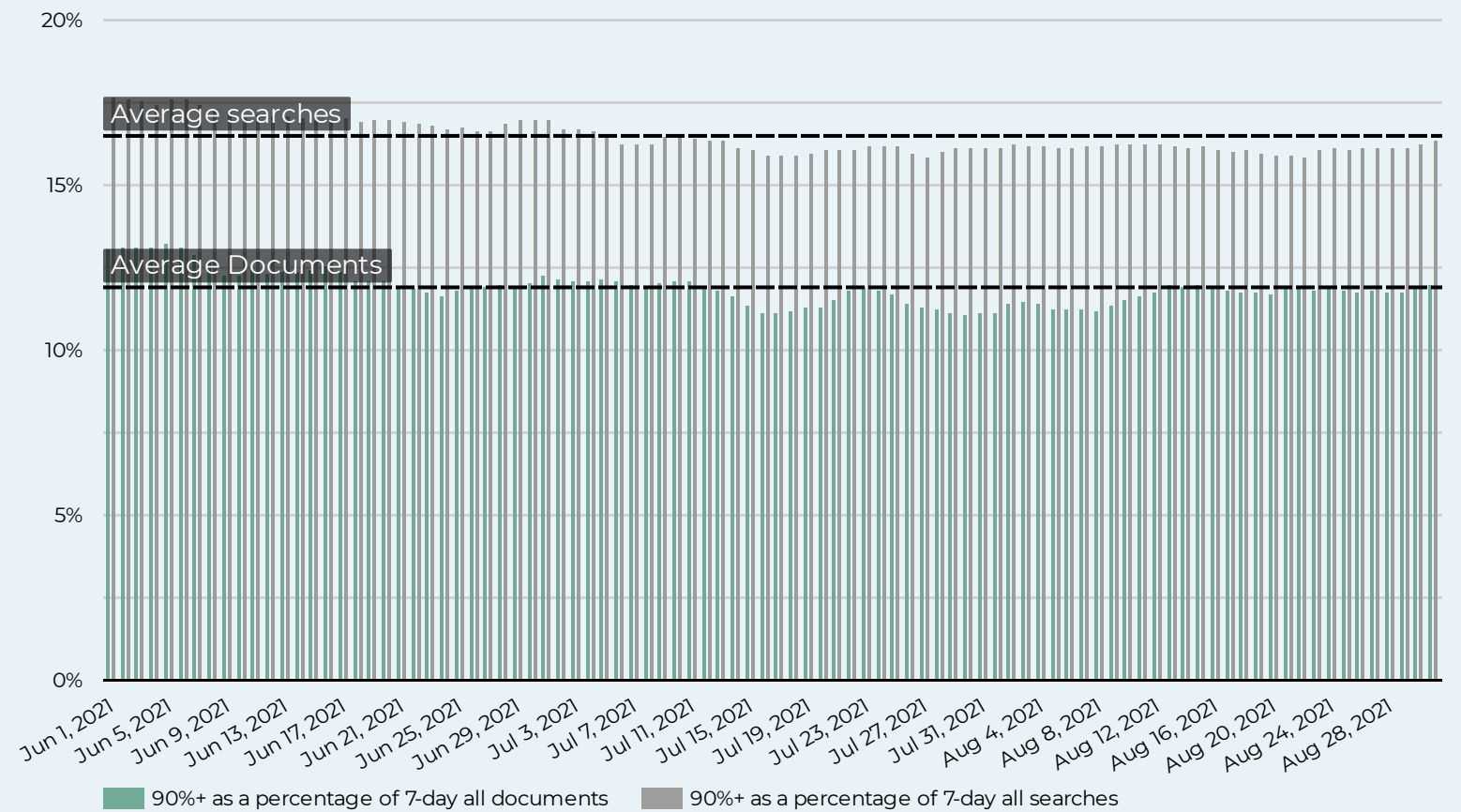
Phil Bailey, Twenty7Tec



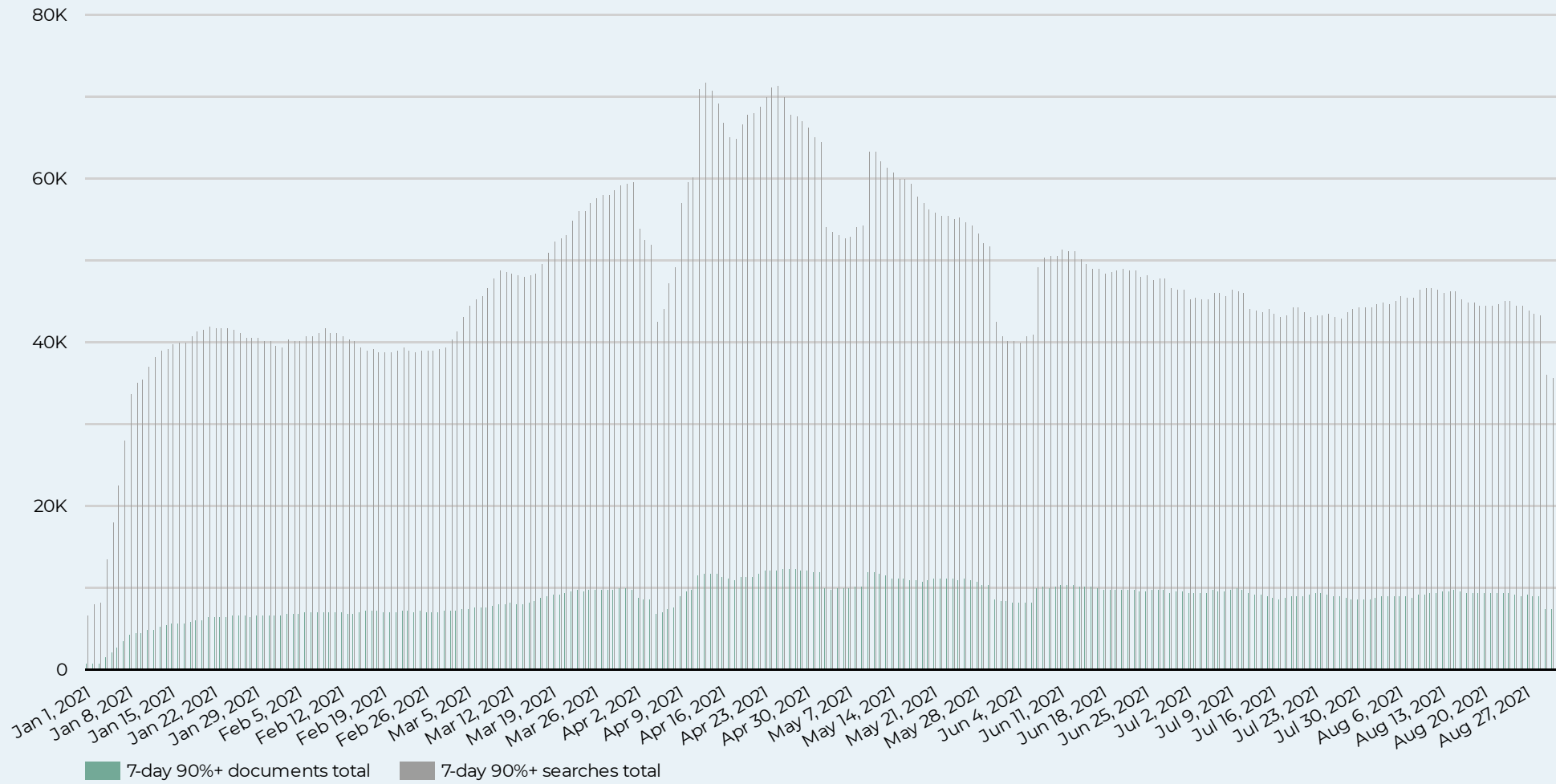
WHAT PERCENTAGE OF ALL DOCS/SEARCHES DO THE 90%+ RANGE MAKE UP ON A 7-DAY ROLLING AVERAGE?

"The volume of 90%+ searches and documents produced remained around the same on a 7-day rolling average in August 2021."

Phil Bailey, Twenty7Tec



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



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

