

MORTGAGE MARKET REPORT

Analysis from Twenty7Tec

TWENTY7TEC



KEY FINDINGS - OCTOBER 2021

40.6%*

Remortgages as a proportion of the mortgage market in October 2021 purchases (excluding product transfers) = 59.4%).

#2

October 2021 was the second busiest month for total mortgage searches in the past year (March 2021 was the busiest).

12.4%

Rise in mortgage searches for properties valued at over £1m. £1m+ mortgage searches are now up almost one-third since August 2021.

10th

October was the lowest ranking month for first time buyers as a percentage of all mortgage searches in 2021 and 17th out of the last 18 months.

18.1%

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

9 of 10

Nine of the ten busiest days for remortgaging docs created in the past year were in October 2021.

51:49

Purchase ESIS documents v Remortgage ESIS documents almost reached parity in October 2021 as a huge wave of remortgaging took place.

12/10

The 12th October was the busiest day this year for total ESIS documents produced.

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A SPECIAL FOCUS ON
LTV 90%+ PRODUCTS
AND ACTIVITY

October 2021
CEO STATEMENT



October 2021

The big theme from this month's edition?

As we'd long predicted, on the basis of the volume of mortgages due to mature in October and November, remortgaging is now over 40% of the market again for the first time in over a year.

What we had not anticipated was the relative drop off in purchase activity, however.

It's still busy, just a different kind of busy.

A lot has changed in just four short weeks. What's next?

James Tucker
CEO, Twenty7Tec

WHAT DID DEMAND LOOK LIKE IN OCTOBER 2021?

"October's small drop in purchase searches was more than made up for by remortgaging searches. Remo is up almost 20% over the past two months."

Niki Cooke, Twenty7Tec

October searches

Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
766,927	523,898	1,290,825	59.41%	40.59%	18.13%
↓ -0.8%	↑ 8.8%	↑ 2.9%			

September searches

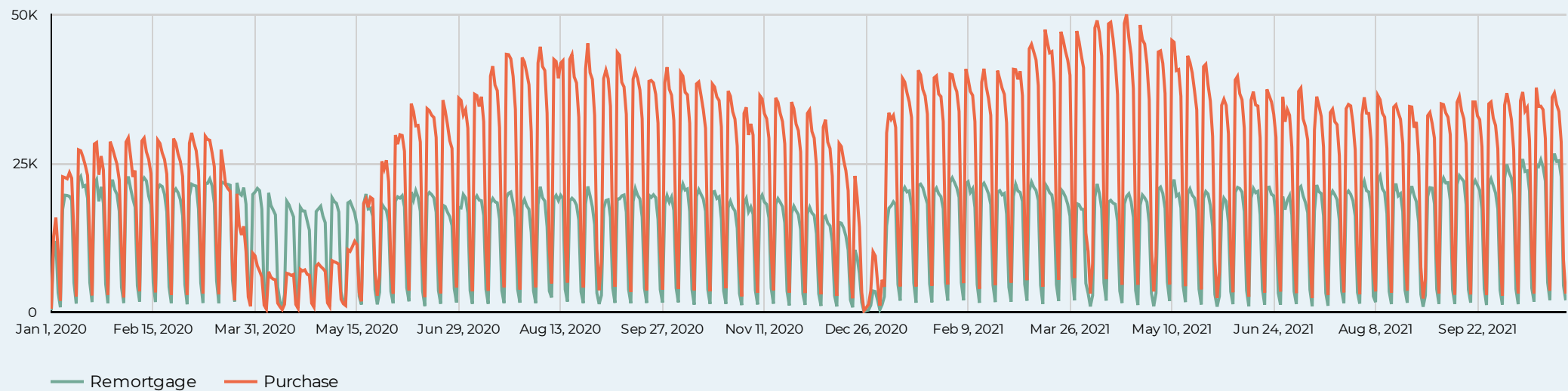
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
773,339	481,693	1,255,032	61.62%	38.38%	18.81%
↑ 5.0%	↑ 10.4%	↑ 7.0%			

August searches

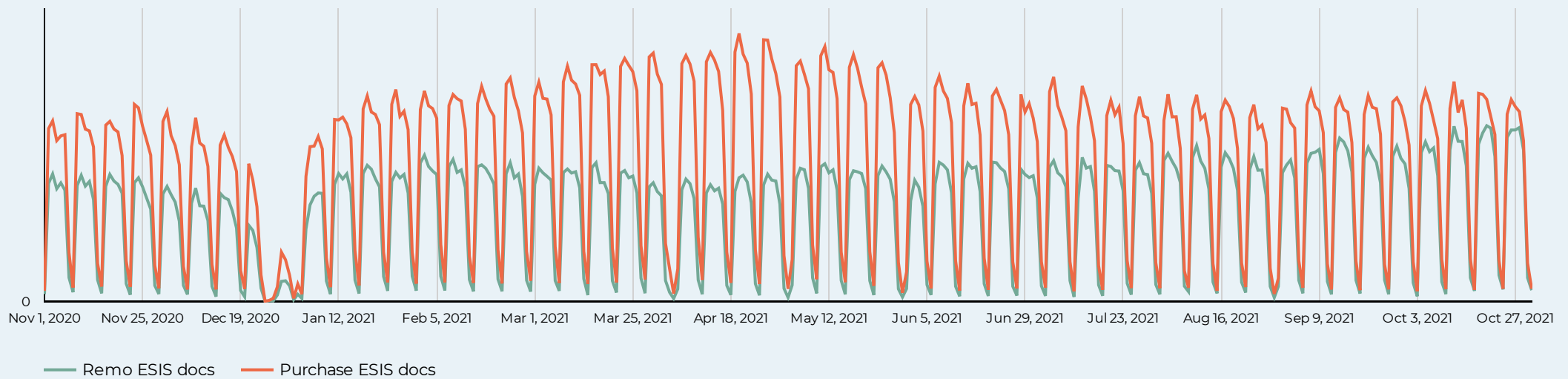
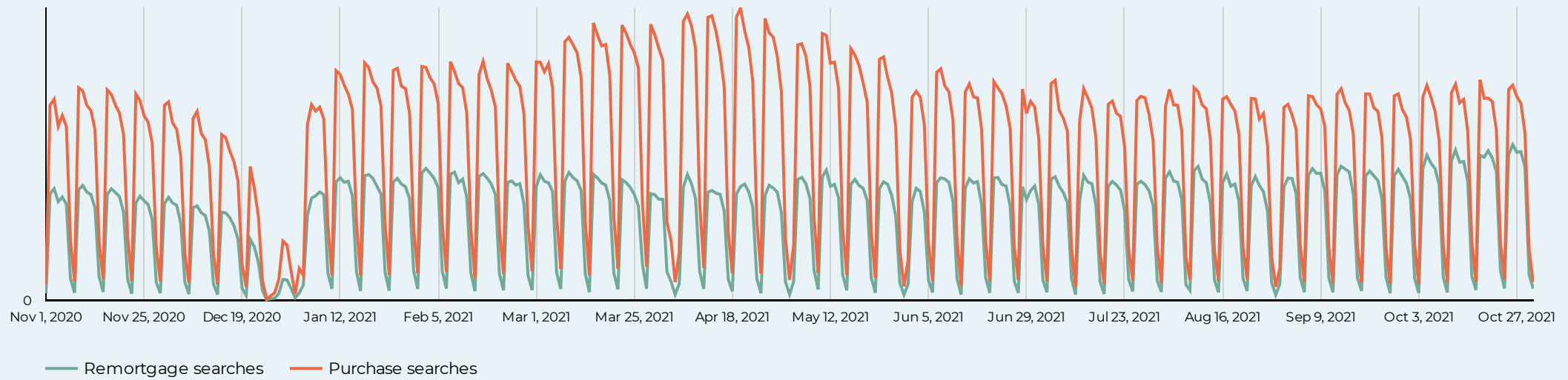
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
739,736	437,817	1,177,553	62.82%	37.18%	19.51%
↓ -3.6%	↓ -0.2%	↓ -2.4%			

WHERE WAS THE DEMAND IN THE OCTOBER 2021 MARKET?

Mortgage Type	August searches	September searches	October searches	October monthly difference
1. Standard Residential	844383	890875	904255	1.50%
2. Standard (inc. Shared Equity / Help to Buy)	50012	54461	54971	0.94%
3. Shared Ownership	33341	34977	34232	-2.13%
4. Shared Equity / Help to Buy	22515	21500	20308	-5.54%
5. Self Build	889	1063	1130	6.30%



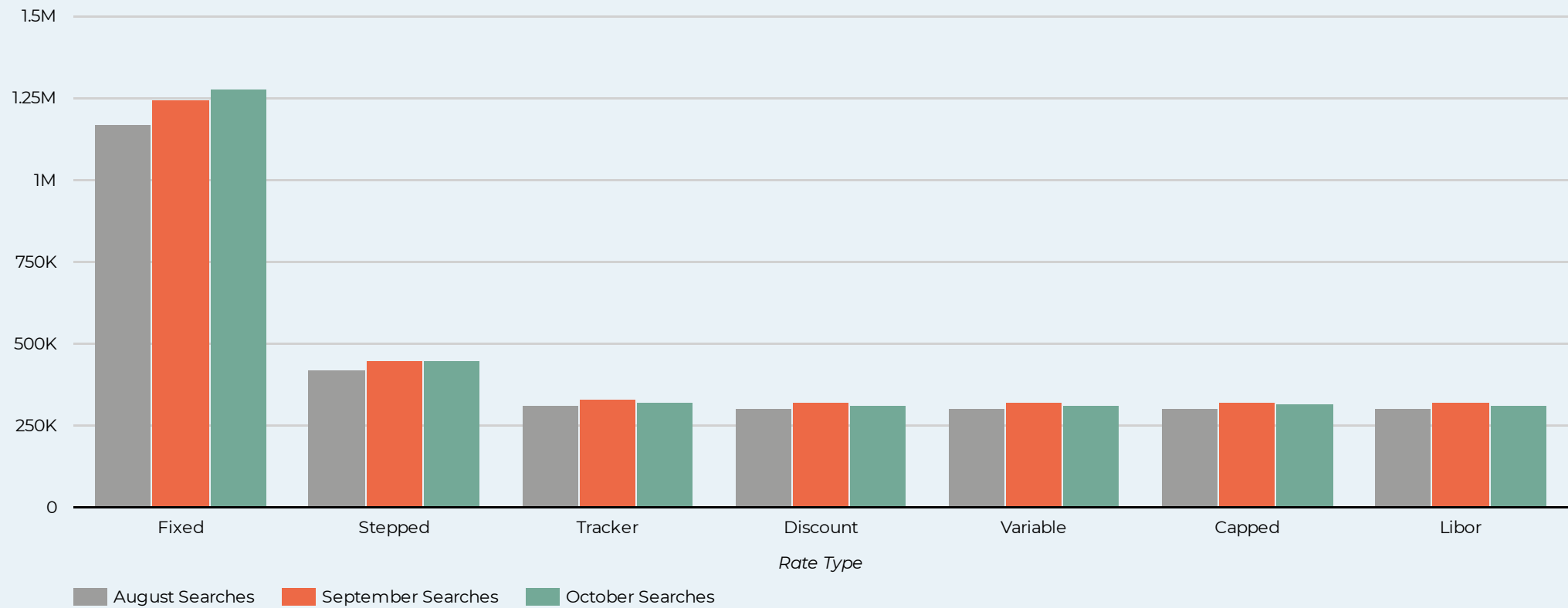
SEARCHES V DOCUMENTS IN THE OCTOBER 2021 MARKET



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



SEARCHES BY MORTGAGE PRODUCT TYPE AUGUST TO OCTOBER 2021

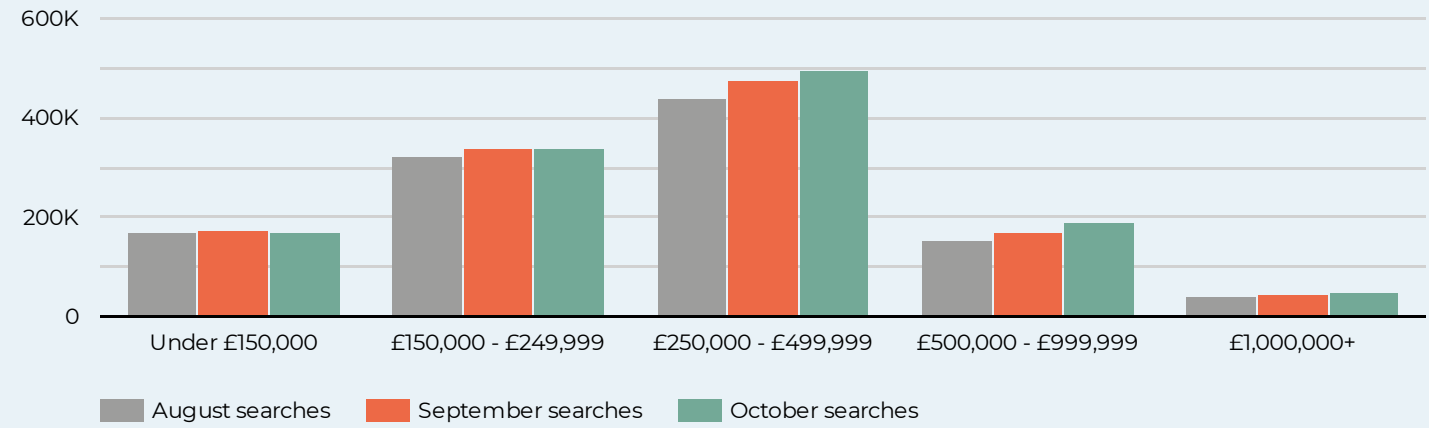


HOW DID OCTOBER 2021 SPLIT BY PROPERTY VALUE?

"The increased search volumes in October 2021 were all in the £250k+ price range. The most notable rise is for homes valued at over £1m."

James Tucker, Twenty7Tec

Property searches by value – August to October, inclusive:



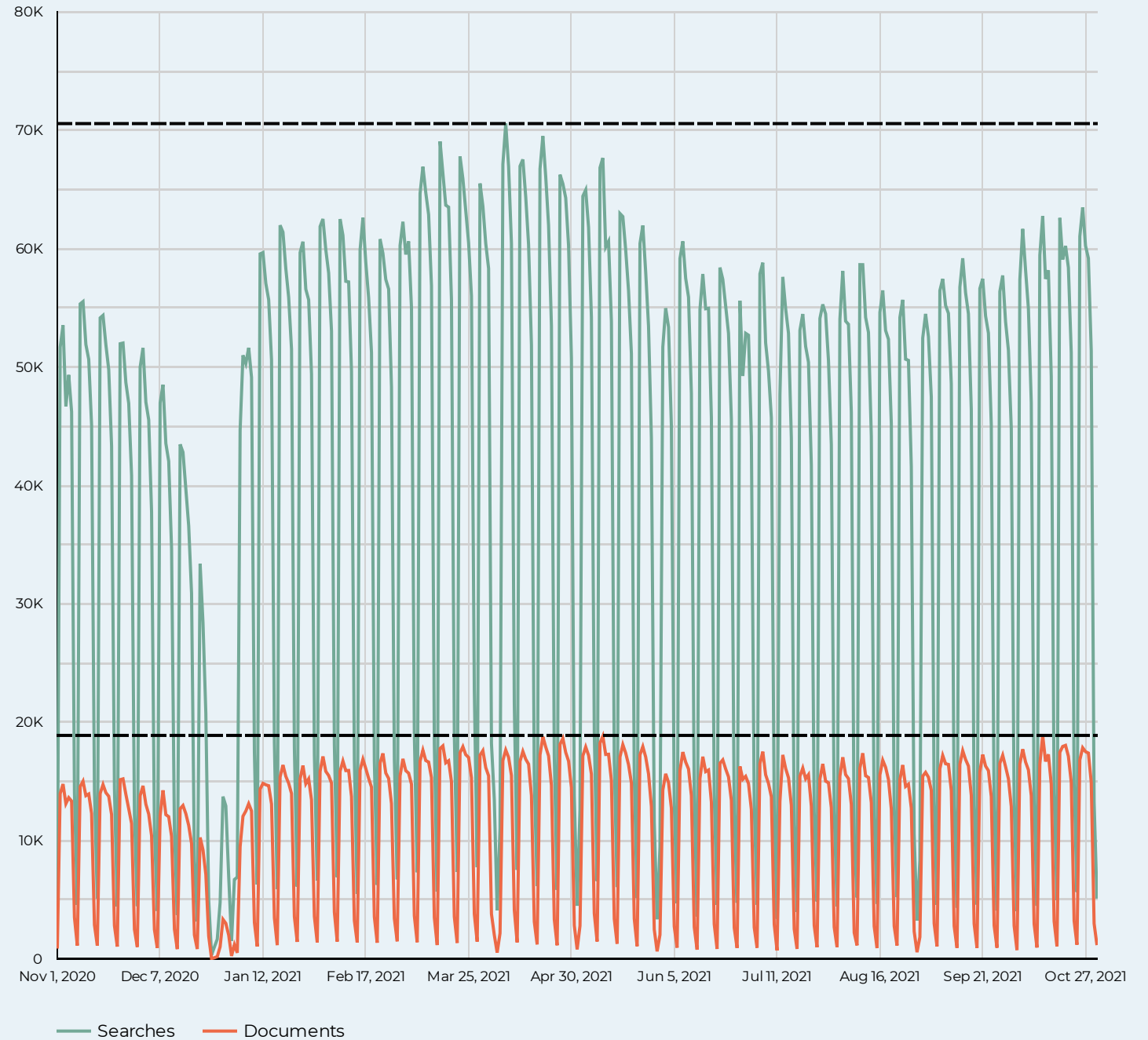
Breakdown:

Property Valuation	August searches	September searches	October searches	September to Octo...
Under £150,000	168,354	172,359	169,508	-1.65%
£150,000 - £249,999	322,477	337,619	337,892	0.08%
£250,000 - £499,999	438,829	474,186	493,985	4.18%
£500,000 - £999,999	154,531	170,475	188,752	10.72%
£1,000,000+	38,322	44,525	50,034	12.37%

SEARCHES AND DOCUMENTS PAST 12 MONTHS

"Mortgage searches remain well below their March peak, whereas ESIS documents produced are much closer to their May highs. The shift from purchase to remortgages has reduced the overall volume of searches per document produced."

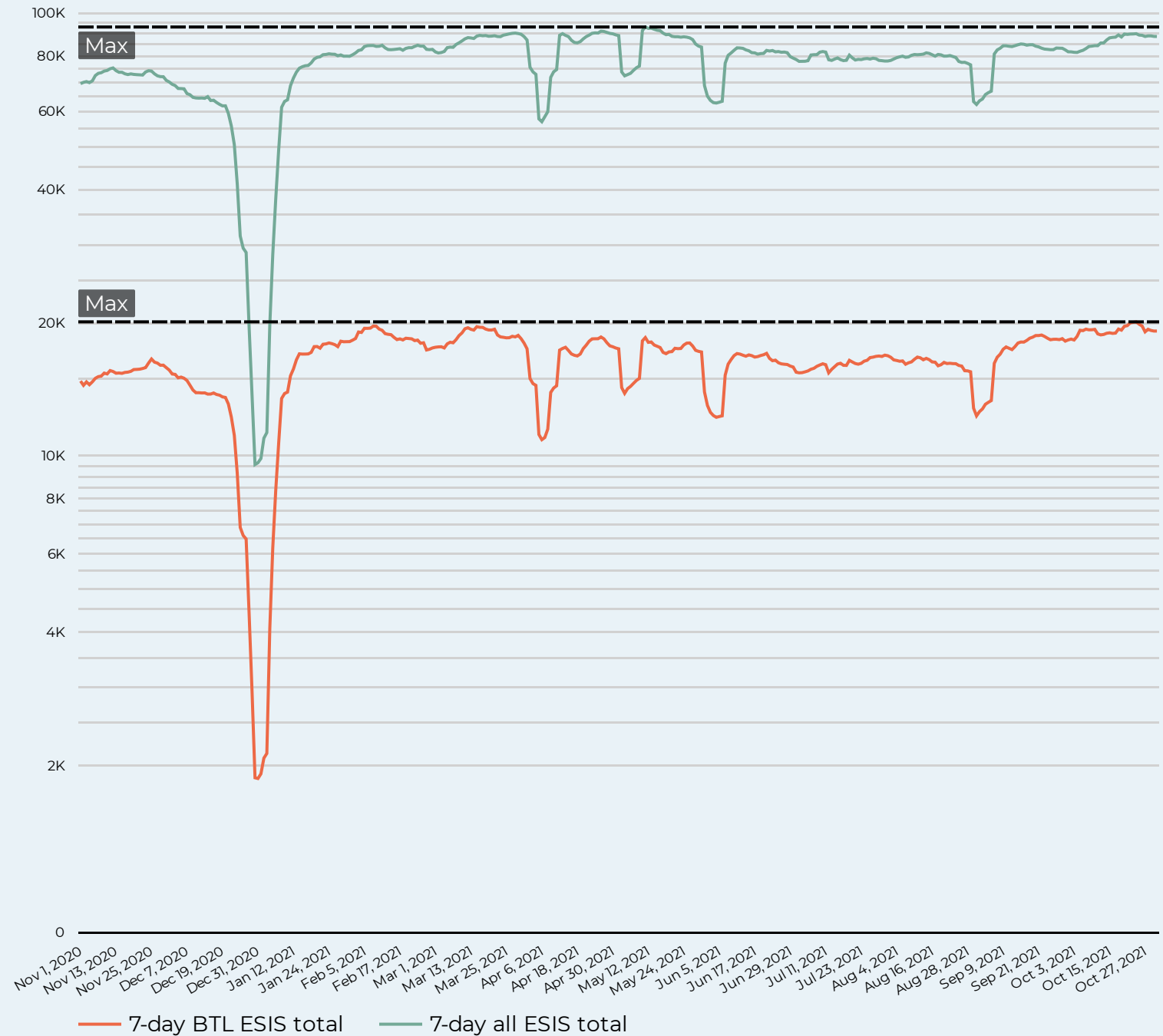
Niki Cooke, Twenty7Tec



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

"As we'd expect at this time of year, things are hotting up and we're almost at the year's maximum run rate on a 7-day rolling average for both BTL ESIS documents and All ESIS documents."

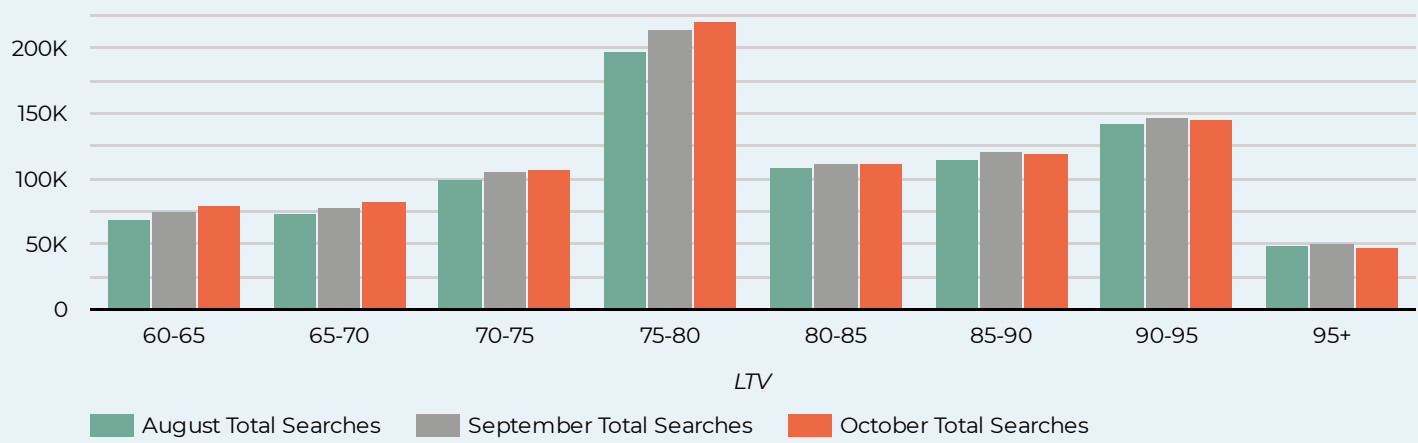
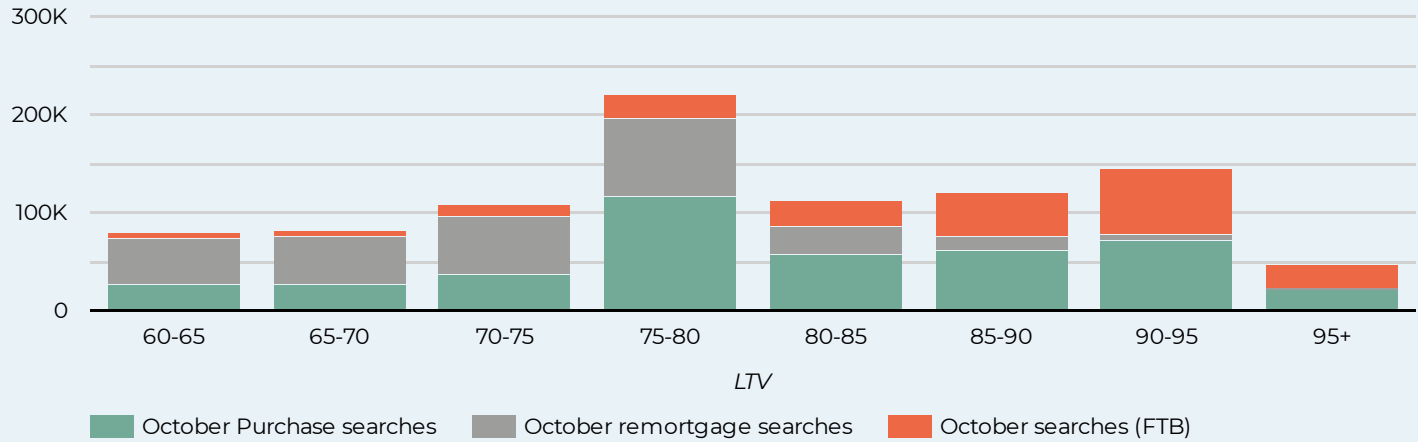
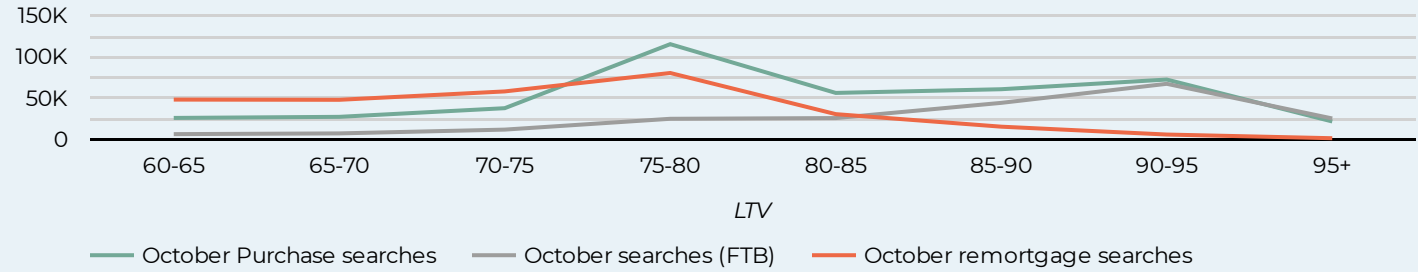
Niki Cooke, Twenty7Tec



WHAT PRODUCTS ARE APPLICANTS SEARCHING FOR?

"LTV volumes rose for products up to 80/85% and then dropped for products in the 85%+ ranges."

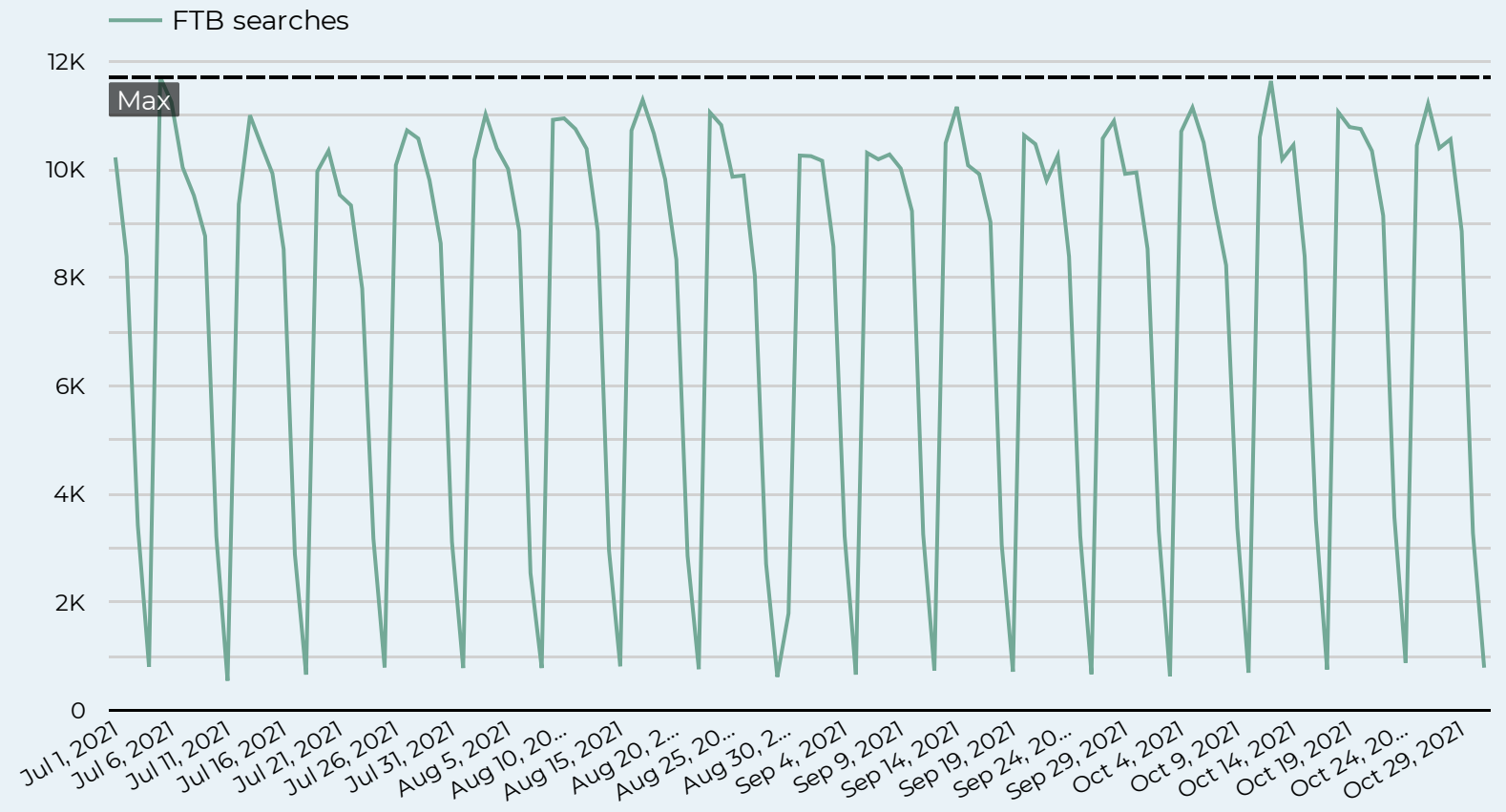
Niki Cooke, Twenty7Tec



THE NEED FOR AN ACTIVE FTB MARKET

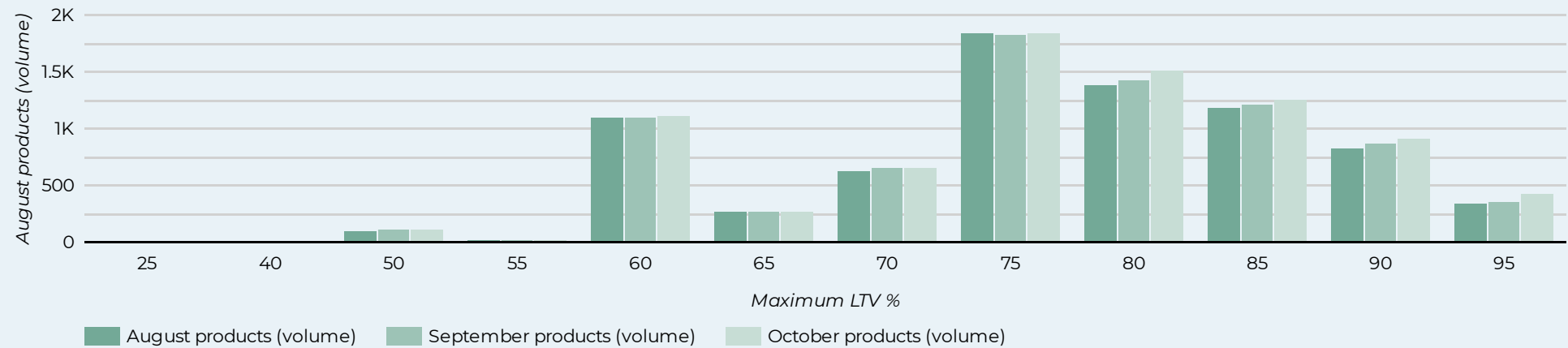
"The volume of first time buyer mortgage searches peaked on a few individual days in October but lacked the intensity and consistency of some prior months."

Niki Cooke, Twenty7Tec



PRODUCT HEATMAPS AS AT END OCTOBER 2021

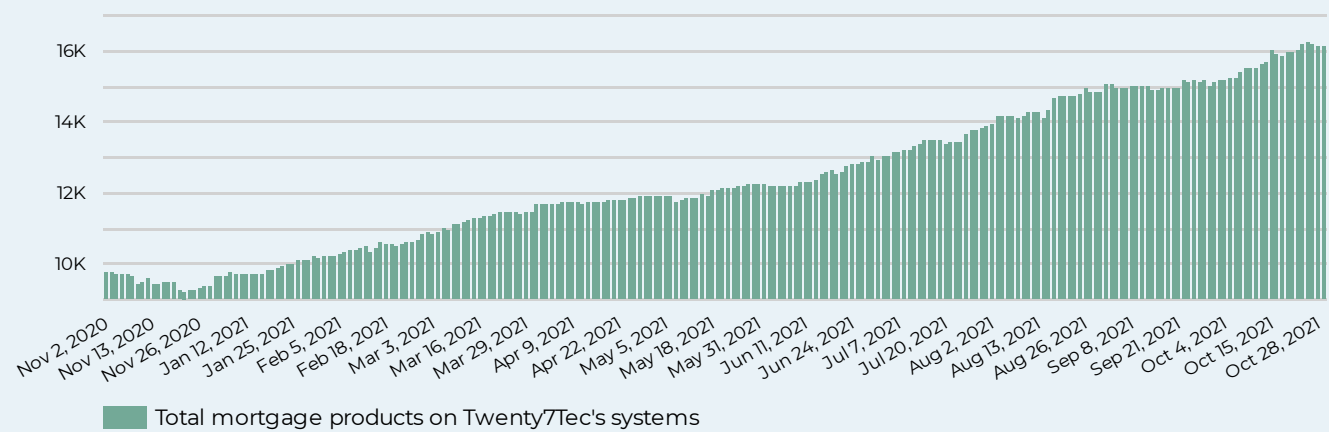
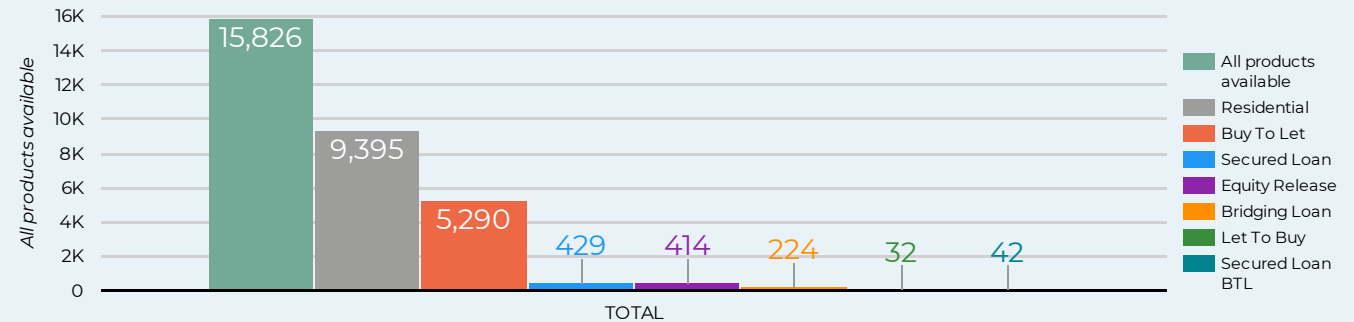
LTV ^	October Purchase searches	October searches (FTB)	October remortgage searches	October Total Searches
60-65	25,797	6,120	48,044	79,961
65-70	27,112	7,008	47,785	81,905
70-75	37,619	11,611	57,971	107,201
75-80	115,340	24,745	80,341	220,426
80-85	56,144	25,620	30,396	112,160
85-90	60,632	44,073	15,176	119,881
90-95	72,364	67,196	5,630	145,190
95+	21,489	25,145	1,156	47,790



PRODUCTS AVAILABLE ON TWENTY7TEC SYSTEM AS AT OCTOBER 2021

"October saw us move over 16,000 products in the market - back to 80% of pre-pandemic totals."

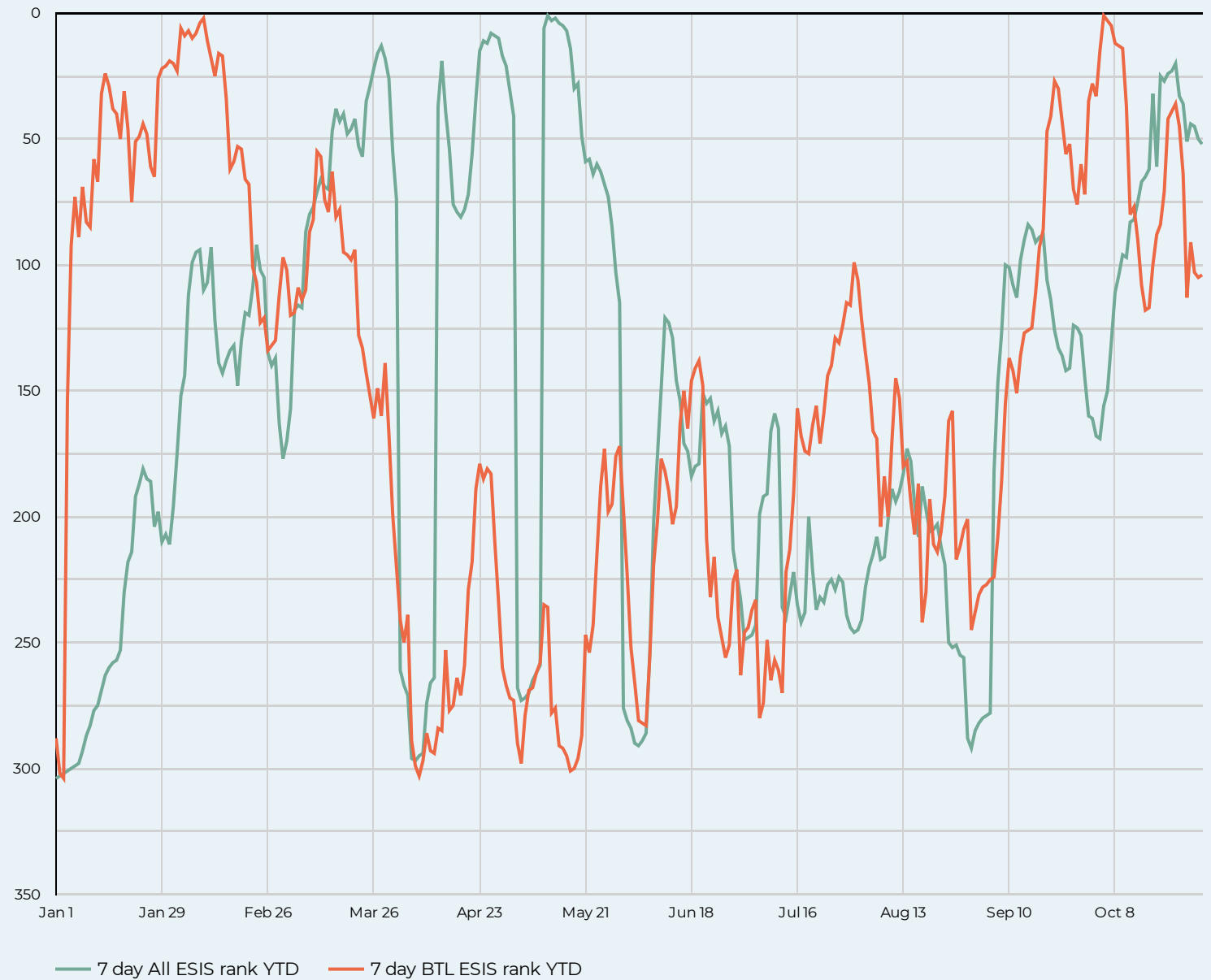
Nathan Reilly, Twenty7Tec



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).
"BTL hit a new peak in early October 2021."

Niki Cooke, Twenty7Tec



HOW ARE PRODUCTS DISTRIBUTED ACROSS LTV RANGES?

"There are increasing numbers of products now in the 95%+ max LTV range, just as demand appears to have dropped a little in that tranche of the market."

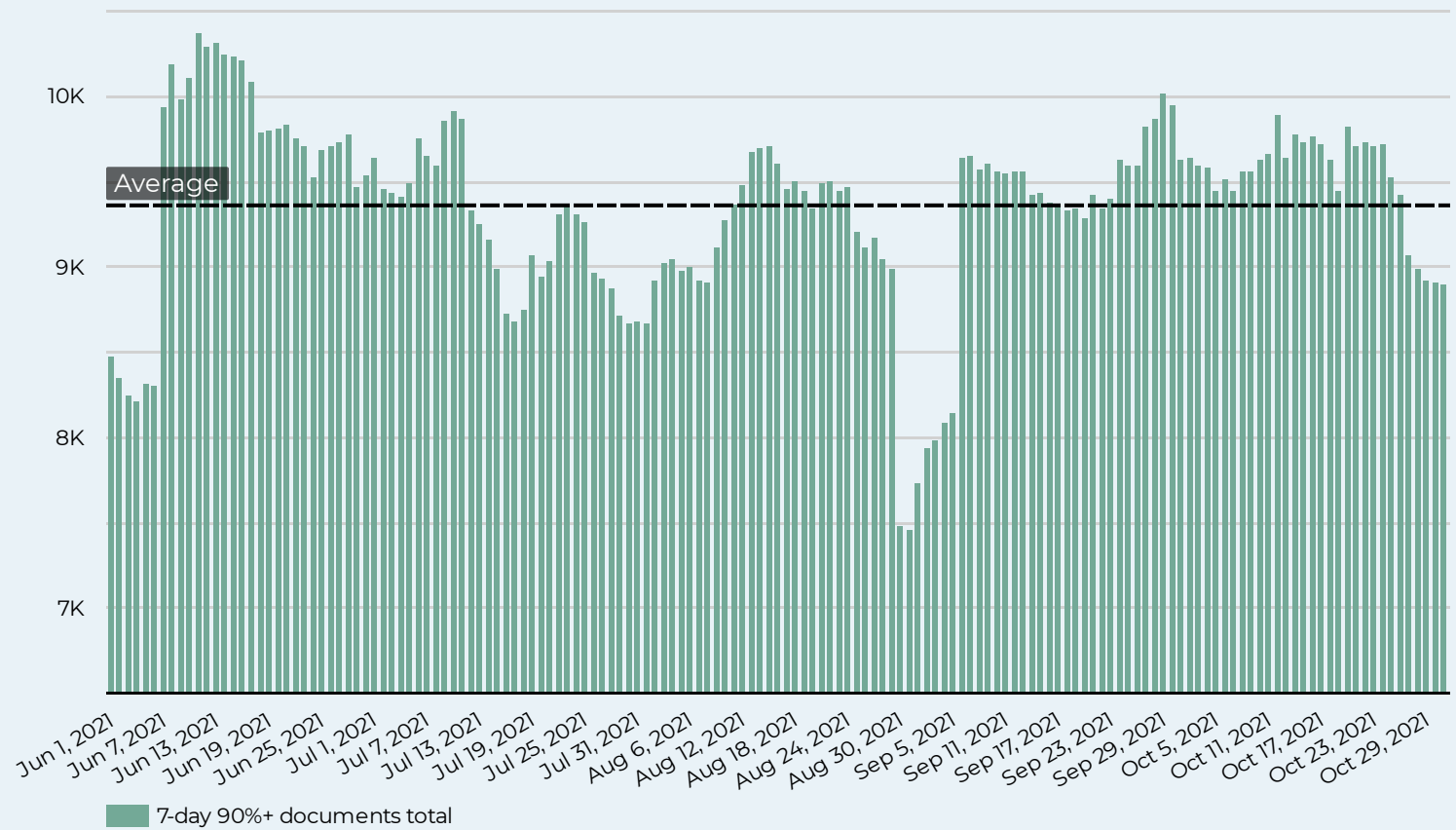
Nathan Reilly, Twenty7Tec

Maximum LTV %	% of Total September Products	% of Total October Products
25	0.00%	0.00%
40	0.06%	0.02%
50	1.43%	1.48%
55	0.27%	0.26%
60	13.90%	13.52%
65	3.43%	3.39%
70	8.28%	8.04%
75	23.05%	22.41%
80	18.01%	18.53%
85	15.43%	15.27%
90	10.98%	11.22%
95	4.50%	5.26%

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

"The last week of October saw a drop off in the volume of 90%+ mortgage documents being prepared after a seven week bull run."

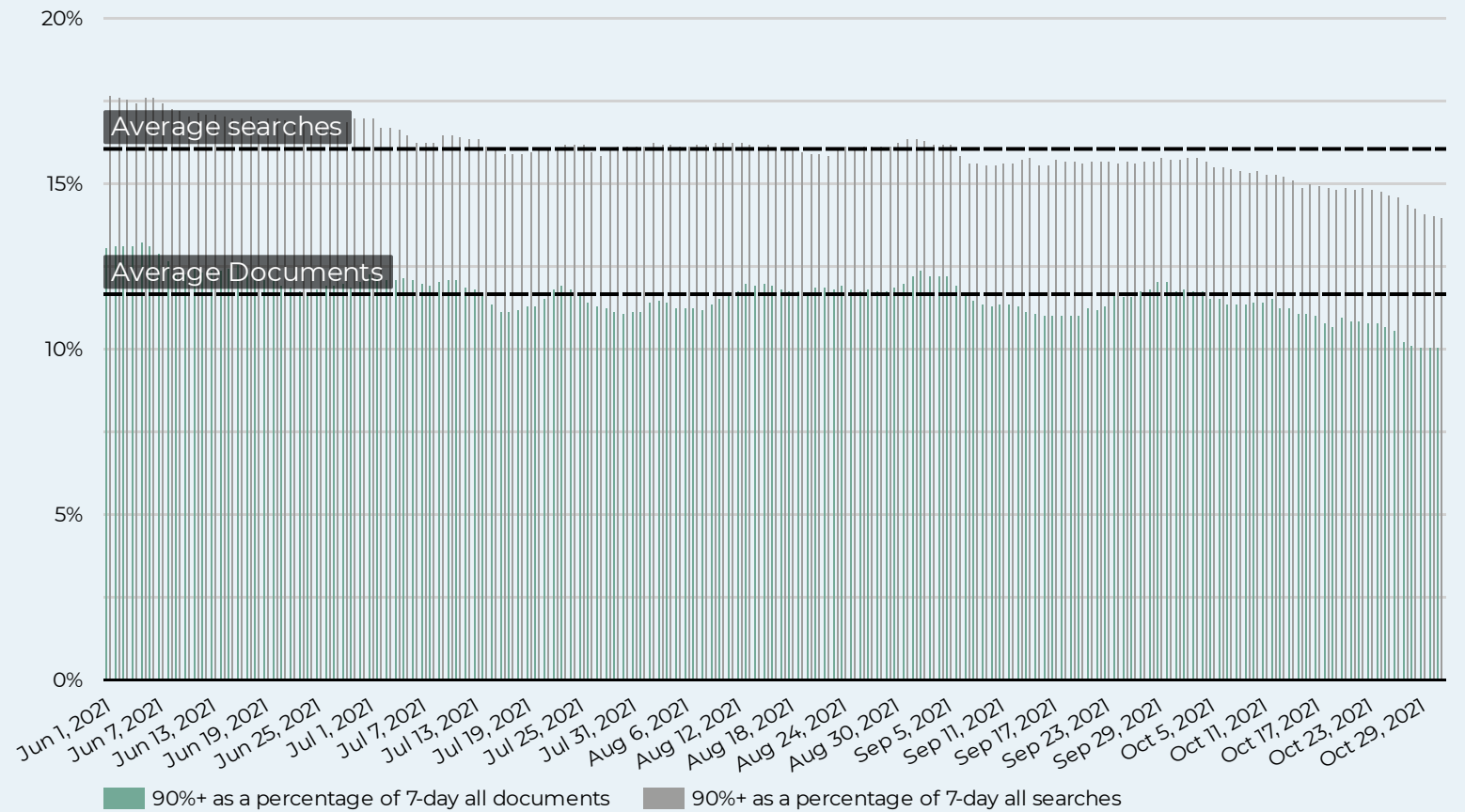
Niki Cooke, Twenty7Tec



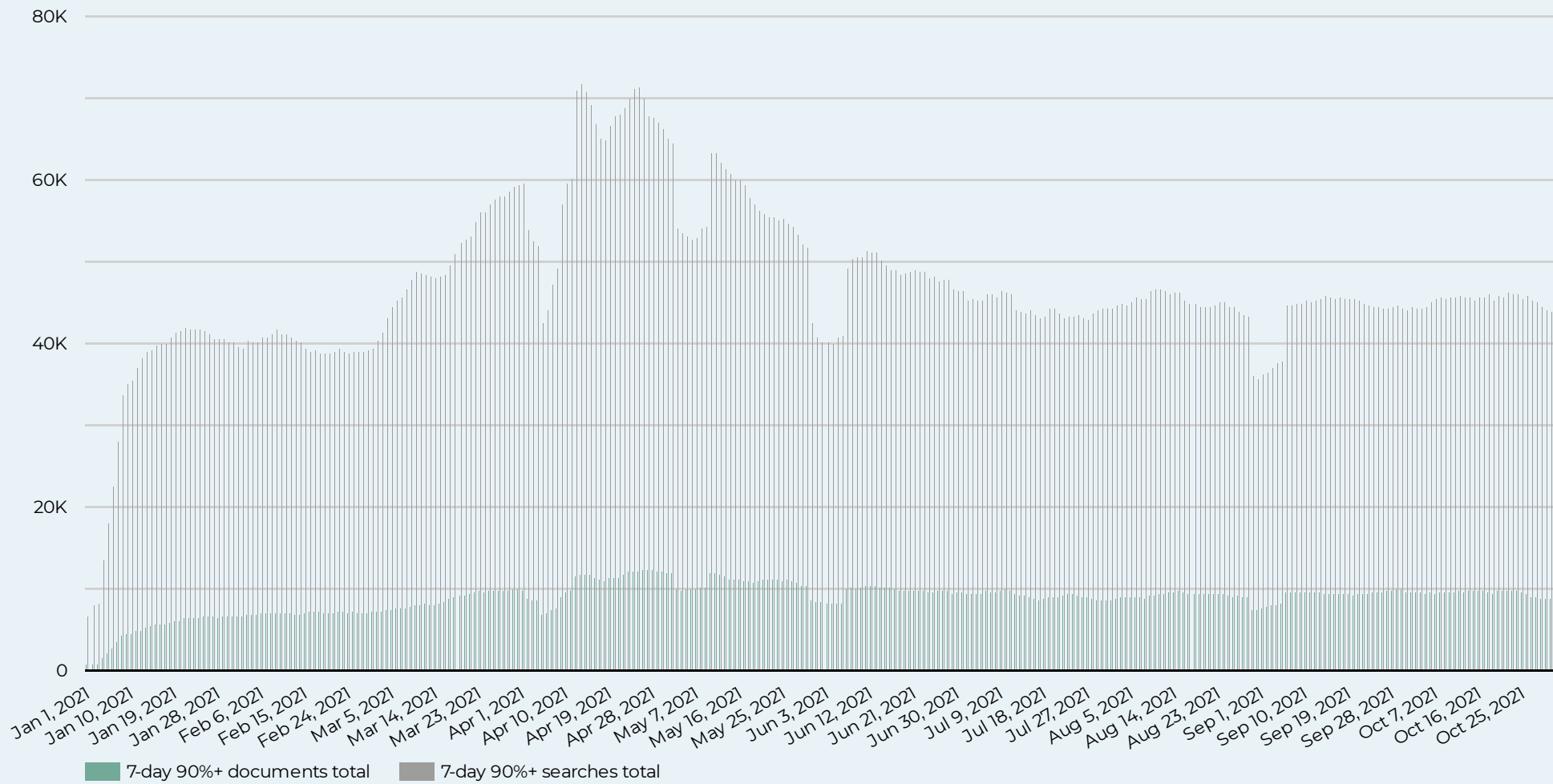
WHAT PERCENTAGE OF ALL DOCS/SEARCHES DO THE 90%+ RANGE MAKE UP ON A 7-DAY ROLLING AVERAGE?

"The drop off in 90%+ LTV mortgage searches at the end of October is not something that we would normally expect at this time of year in a normal year."

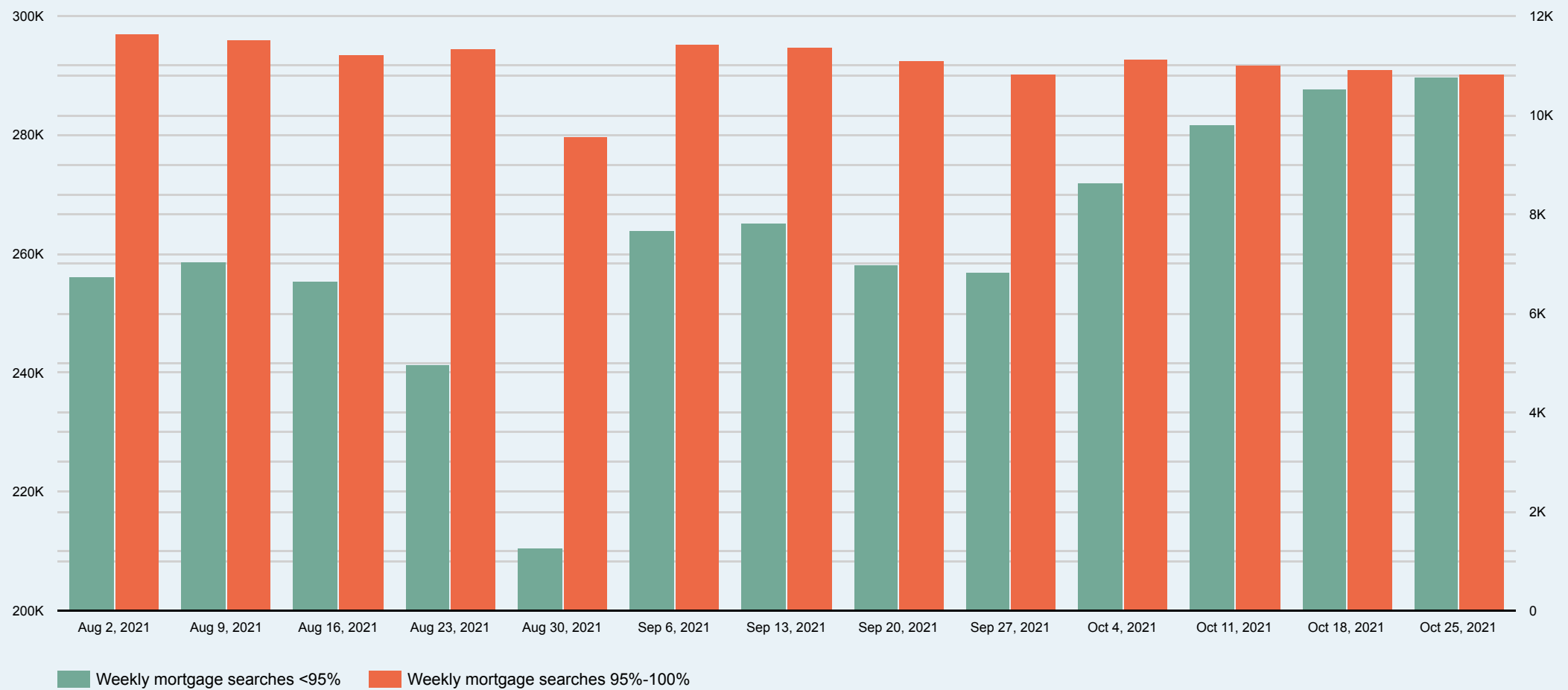
Niki Cooke, Twenty7Tec



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



95%-100% MORTGAGE SEARCHES IN AUGUST, SEPTEMBER AND OCTOBER 2021 COMPARED TO 0-95% PRODUCT SEARCHES



CRITERIA SEARCHES IN OCTOBER 2021

“Each month, we process thousands of criteria-based queries in our system. The good news is that products are often available even for those who’ve had a Debt Relief Order, an adverse credit rating, are self employed or have complex residency needs.

“Criteria is available to all of our subscribers - but with Source+, you can combine criteria and sourcing at the same time to get speedier, more accurate results for your customers.”

Niki Cooke, Twenty7Tec

Here are the top ten most commonly requested criteria searches on our systems from October 2021:

1. How long does a Debt Relief Order have to be discharged / completed before it can be considered? (Applicant - Credit History)
2. Is a Vendor Gifted Deposit acceptable? (Lending - Applicant Type)
3. Can applicants with satisfied Defaults be considered and what is acceptable? (Applicant - Credit History)
4. Are applicants with a default or missed payments on a mobile or other communication contracts acceptable? (Applicant - Credit History)
5. Are Applicants who are Self Employed under an Umbrella Company and their income acceptable? (Employment and Income - Self Employed)
6. Are Contract Workers and income from this type of employment acceptable? (Employment and Income - Contractors)
7. What is the Lender's policy regarding residency? (Applicant - Residency)
8. What is the acceptable Maximum and Minimum Age for applicants at application? (Applicant - Lending Limits)
9. How long does a Individual Voluntary Arrangement (IVA) have to be discharged / completed to be considered? (Applicant - Credit History)
10. Can applicants with a history of Gambling or looking to capital raise to repay gambling debts be considered? (Lending - Retirement)

