

MORTGAGE MARKET REPORT

Analysis from Twenty7Tec

TWENTY7TEC



KEY FINDINGS - NOVEMBER 2021

43.2%*

Remortgages as a proportion of the mortgage market in November 2021 purchases (excluding product transfers) = 56.8%).

#2

November 2021 was the second busiest month for total mortgage searches in the past two years (March 2021 was the busiest).

17

Seventeen of the top 20 days this year for Buy To Let (on a 7-day rolling basis) were in November 2021.

2/11

November 2nd was the first time we ever saw more than 20,000 documents produced on a single day on the Twenty7Tec platform.

17.6%

First time buyers as a percentage of all mortgage searches in November 2021. The lowest share of searches since lockdown 1.0

7%

The rise in fixed mortgage volumes. Every other mortgage type saw a slight fall in volumes.

49.3%

On November 4th Remortgage ESIS documents overtook Purchase ESIS document volumes for the first time in over a year.

6

Six of the ten busiest days this year for creating ESIS documents were in November 2021.

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A SPECIAL FOCUS ON
LTV 90%+ PRODUCTS
AND ACTIVITY

November 2021 CEO STATEMENT



November 2021

Continuing the trend from the previous month, Remortgage searches continued to dominate in November 2021.

In terms of volumes overall however, November was definitely a month of two halves. Huge volumes of searches and documents created in the first half, and a major drop off in most areas - Buy To Let being the exception - in the second half of the month.

If we extrapolate this forward, it could indicate that property transactions through Q1 and early Q2 2022 could be down fairly significantly on 2021. Of course, the new Covid variant could also be starting to play a role in a general slowing down in the market.

James Tucker
CEO, Twenty7Tec

WHAT DID DEMAND LOOK LIKE IN NOVEMBER 2021?

"These number show quite how prominent the remortgaging market has been over the last couple of months. The wave of remortgages will be replicated next year at a similar time when we are two years down the line from the large volumes of new mortgages that happened in Summer and Autumn 2020."

Niki Cooke, Twenty7Tec

November searches

Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
791,669	601,785	1,393,454	56.81%	43.19%	17.64%
↑ 3.2%	↑ 14.9%	↑ 8.0%			

October searches

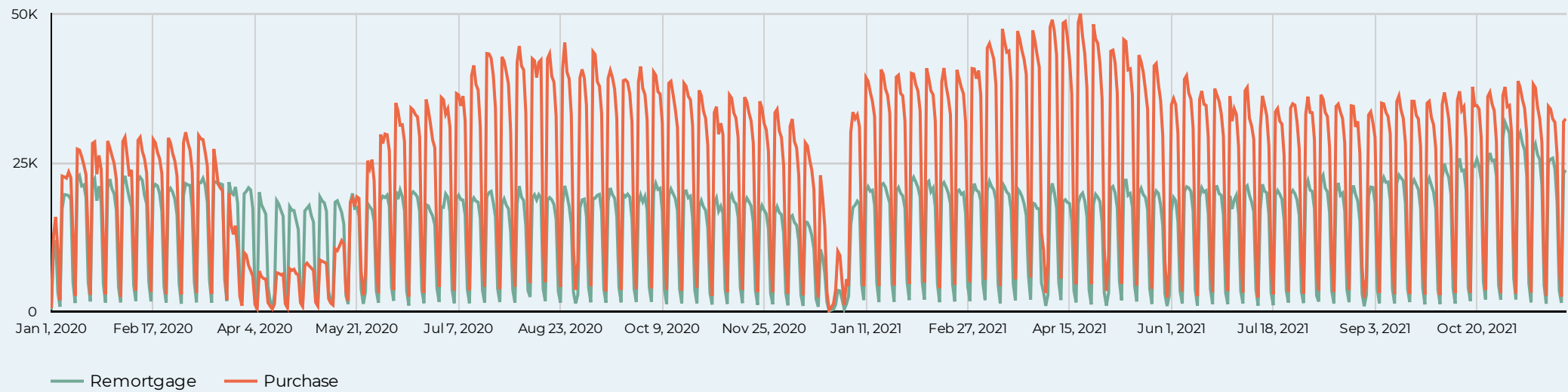
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
766,927	523,898	1,290,825	59.41%	40.59%	18.13%
↓ -4.9%	↑ 4.5%	↓ -1.3%			

September searches

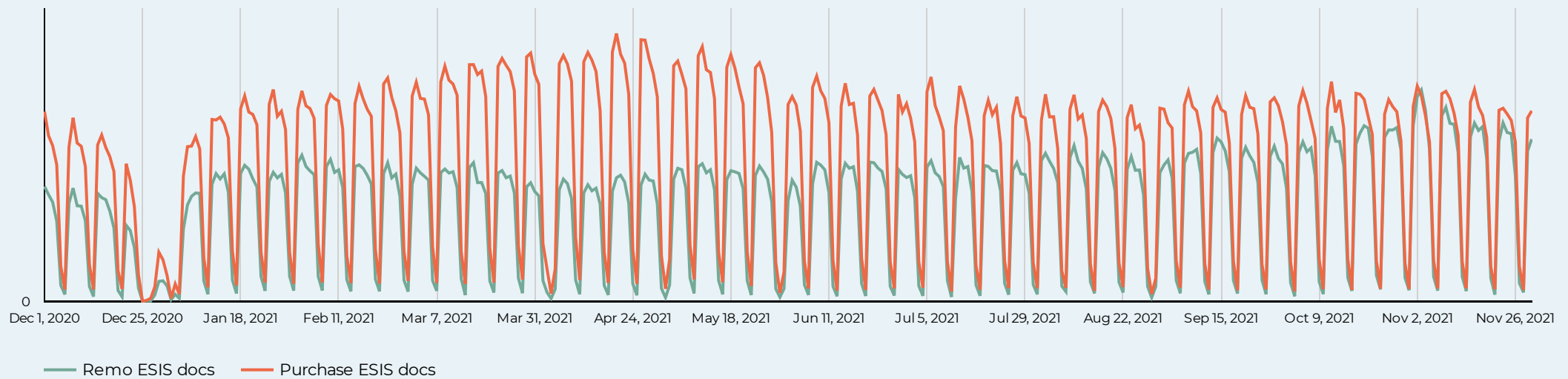
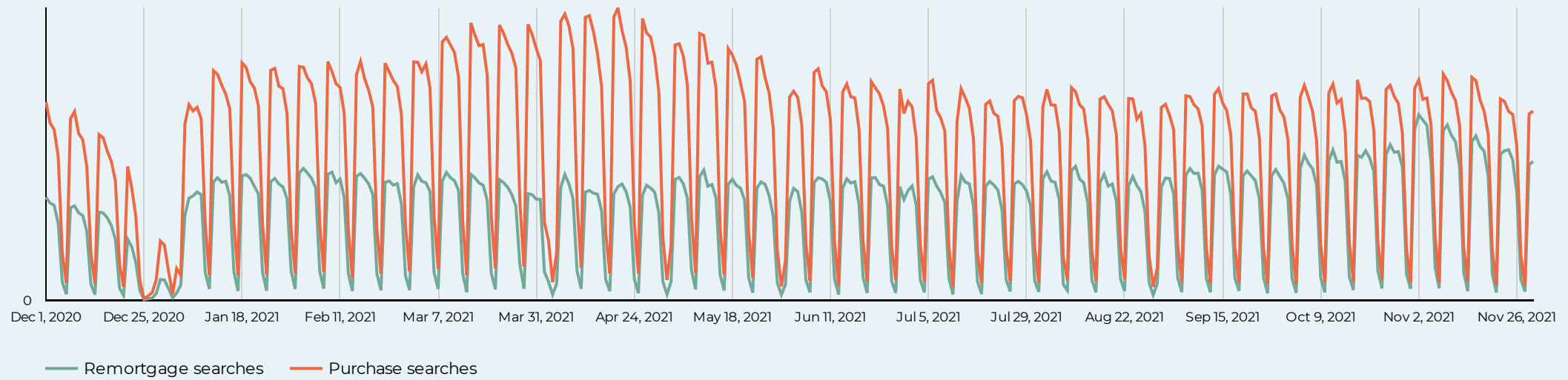
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
773,339	481,693	1,255,032	61.62%	38.38%	18.81%
↑ 5.0%	↑ 10.4%	↑ 7.0%			

WHERE WAS THE DEMAND IN THE NOVEMBER 2021 MARKET?

Mortgage Type ▾	September searches	October searches	November se...	November monthly difference
1. Standard Residential	890875	904255	971898	7.48%
2. Standard (inc. Shared Equity / Help to Buy)	54461	54971	58655	6.70%
3. Shared Ownership	34977	34232	36605	6.93%
4. Shared Equity / Help to Buy	21500	20308	21501	5.87%
5. Self Build	1063	1130	1691	49.65%



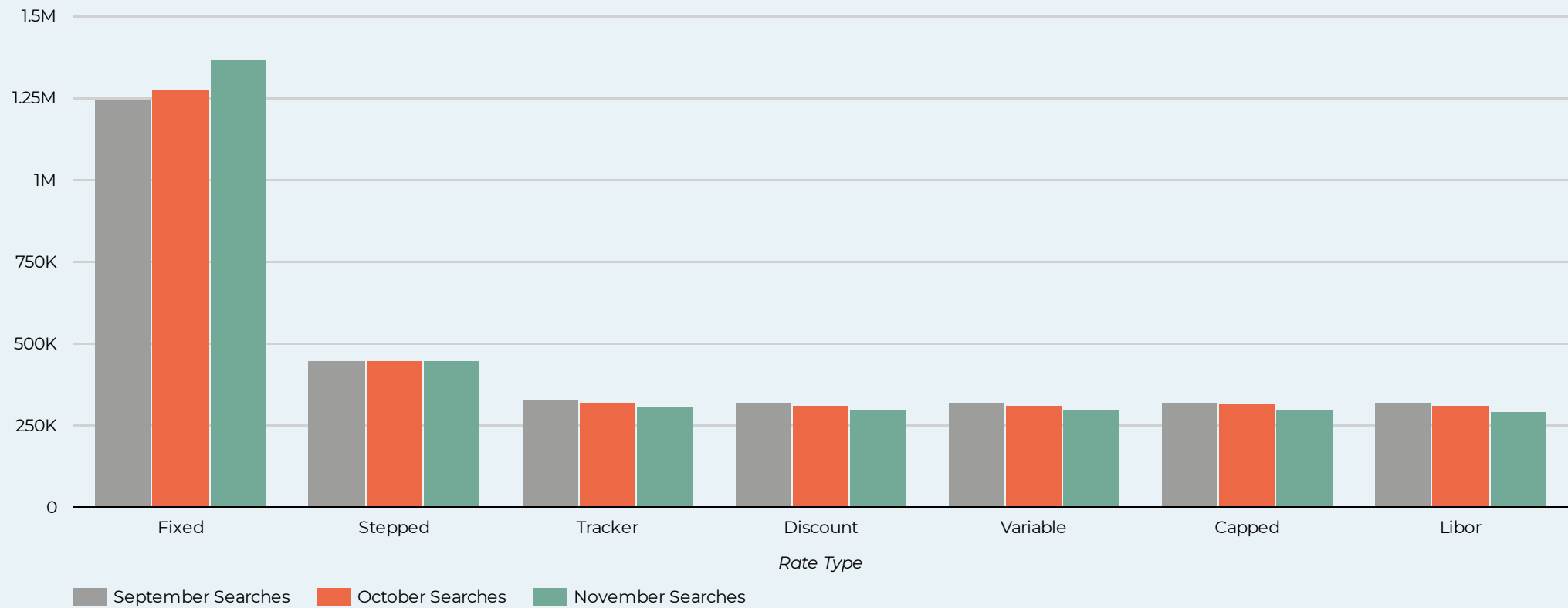
SEARCHES V DOCUMENTS IN THE NOVEMBER 2021 MARKET



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



SEARCHES BY MORTGAGE PRODUCT TYPE SEPTEMBER TO NOVEMBER 2021

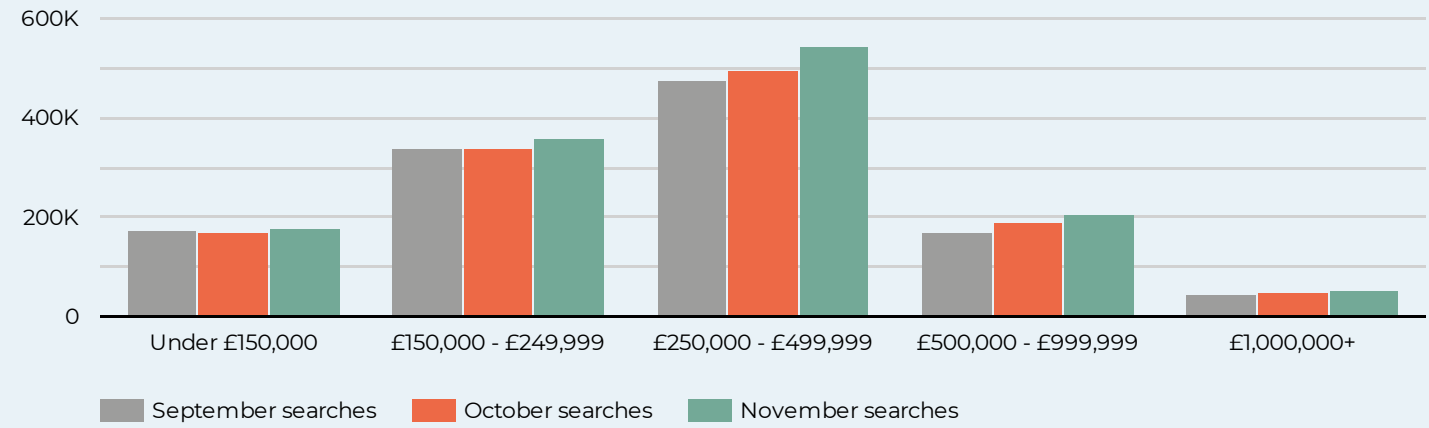


HOW DID NOVEMBER 2021 SPLIT BY PROPERTY VALUE?

"We saw search volumes increase across all house price ranges in November 2021."

James Tucker, Twenty7Tec

Property searches by value – September to November, inclusive:



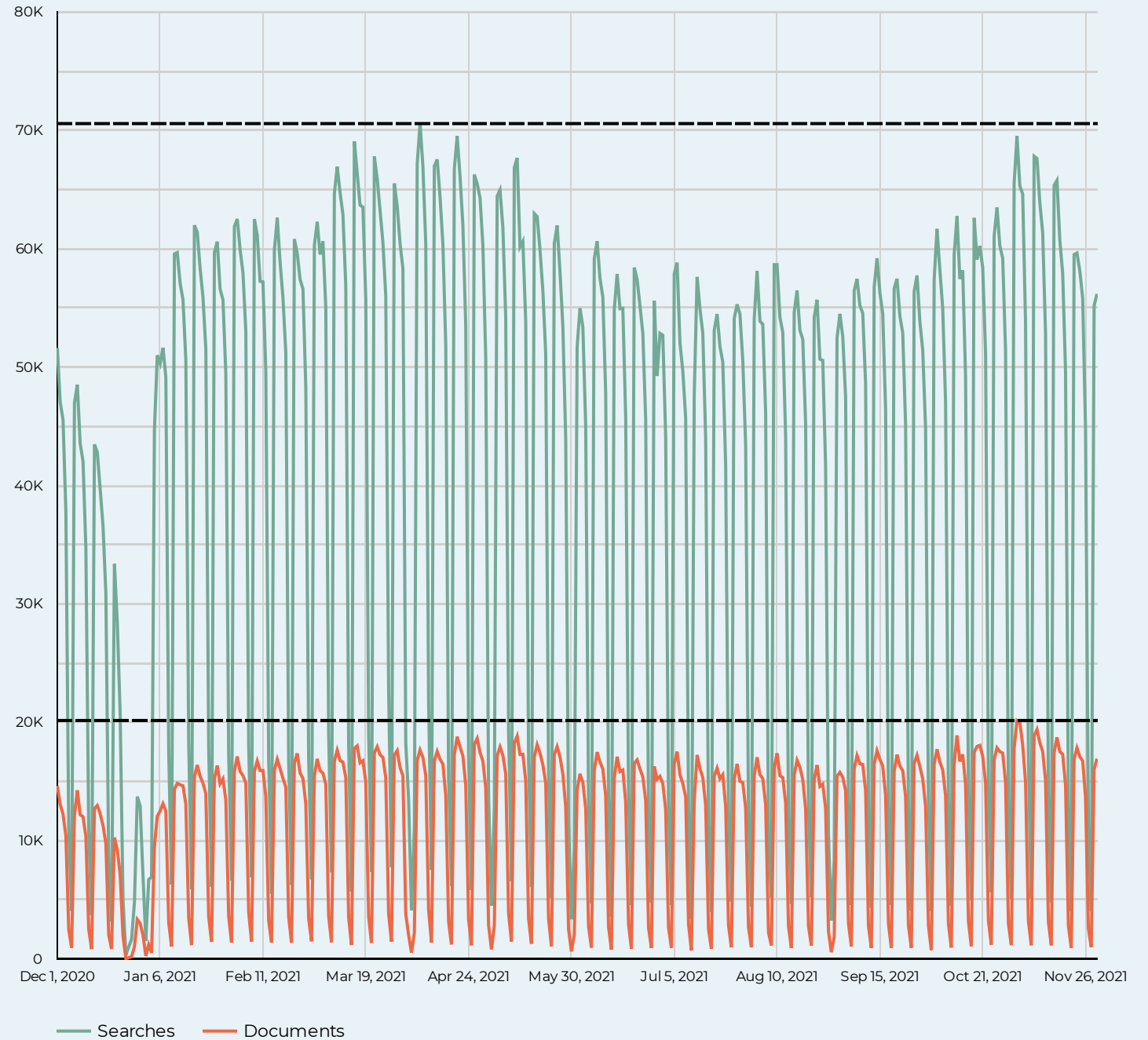
Breakdown:

Property Valuation	September searches	October searches	November sea...	October to No...
Under £150,000	172,359	169,508	178,808	5.49%
£150,000 - £249,999	337,619	337,892	357,733	5.87%
£250,000 - £499,999	474,186	493,985	541,739	9.67%
£500,000 - £999,999	170,475	188,752	206,978	9.66%
£1,000,000+	44,525	50,034	52,461	4.85%

SEARCHES AND DOCUMENTS PAST 12 MONTHS

"For the first time ever this month, over 20,000 ESIS documents were created on our platform on a single day - November 2nd. That day was the second busiest ever for searches in the past 12 months. But on April 5 2021, there were a lot more first time buyers in the market and, on average, they tend to perform more searches per ESIS document created."

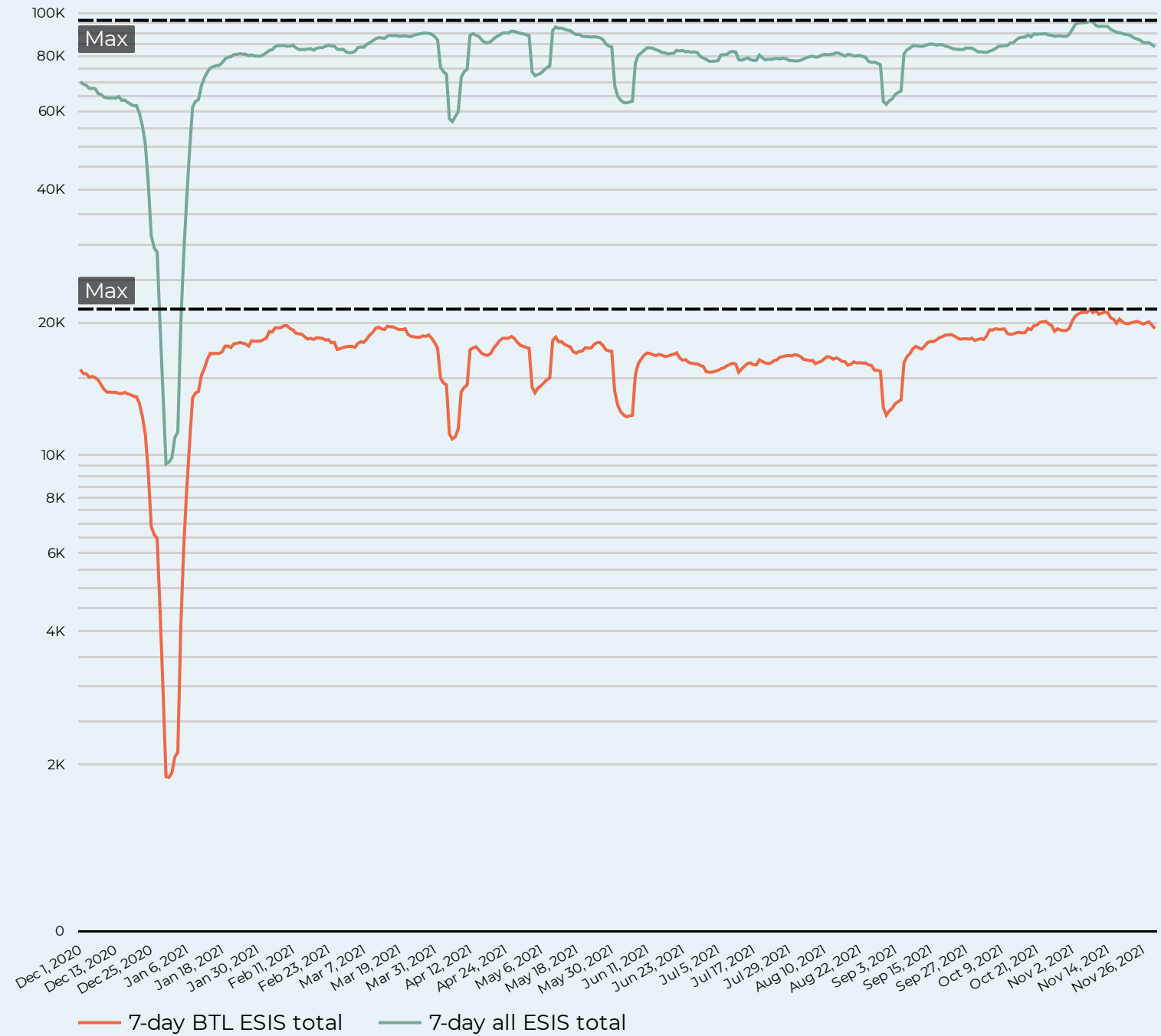
Niki Cooke, Twenty7Tec



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

"As you can see from this chart, ESIS documents created hit new heights (on a rolling 7-day basis) in early November overall and for Buy To Let,"

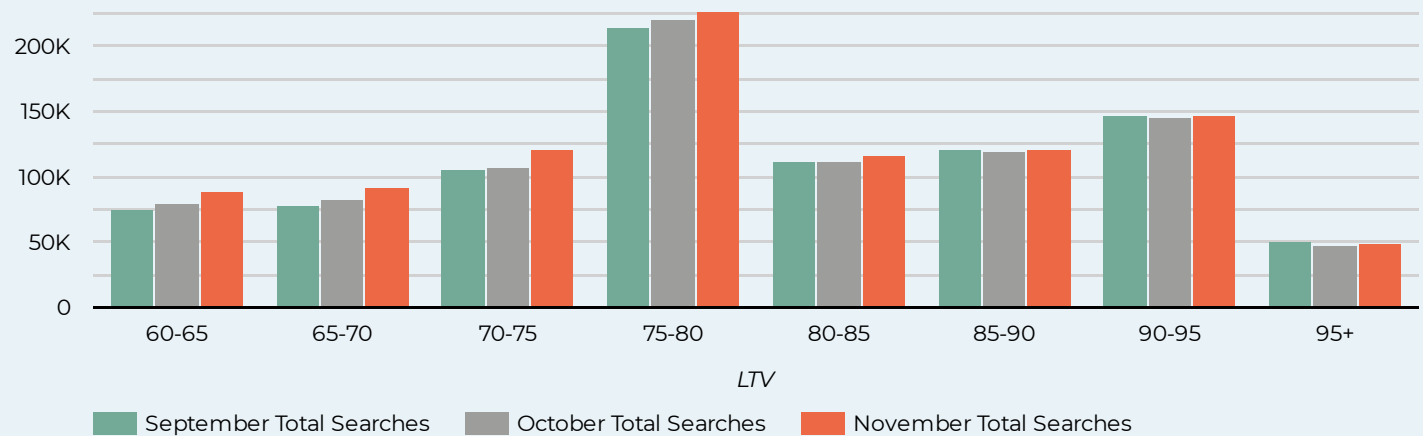
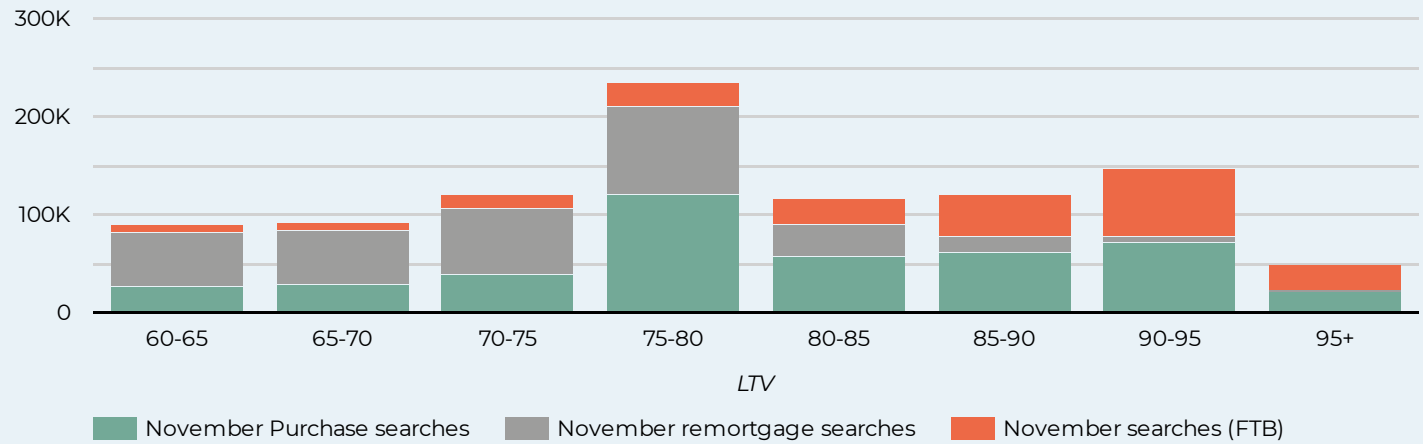
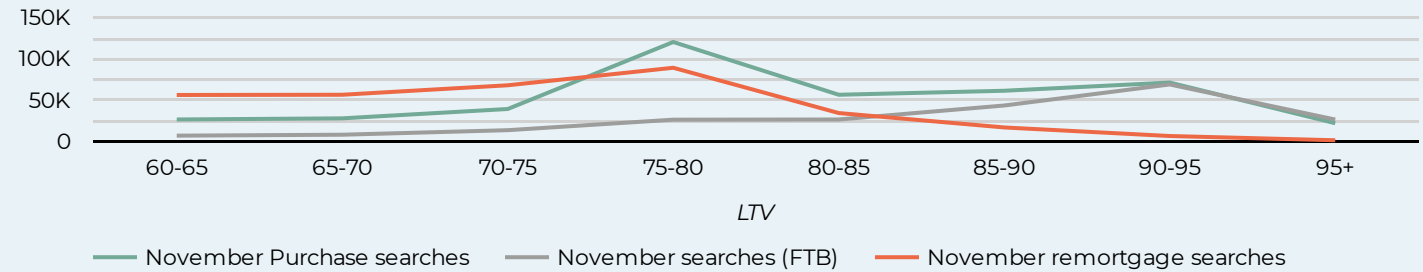
Niki Cooke, Twenty7Tec



WHAT PRODUCTS ARE APPLICANTS SEARCHING FOR?

"Search volumes rose across all LTV ranges in November 2021. With remortgaging being more prominent, it's no surprise that the 75-80 LTV bracket saw the most growth."

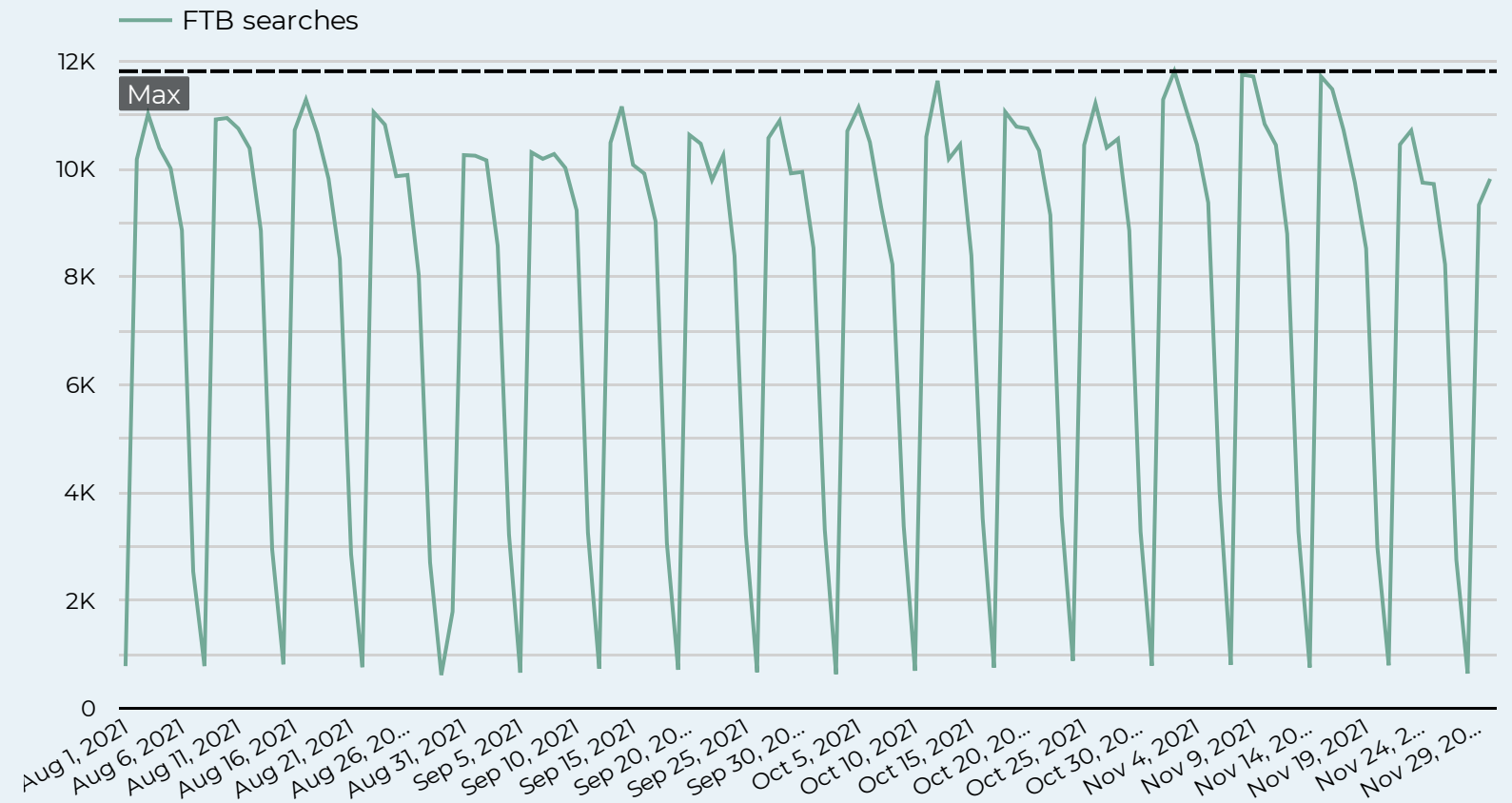
Niki Cooke, Twenty7Tec



THE NEED FOR AN ACTIVE FTB MARKET

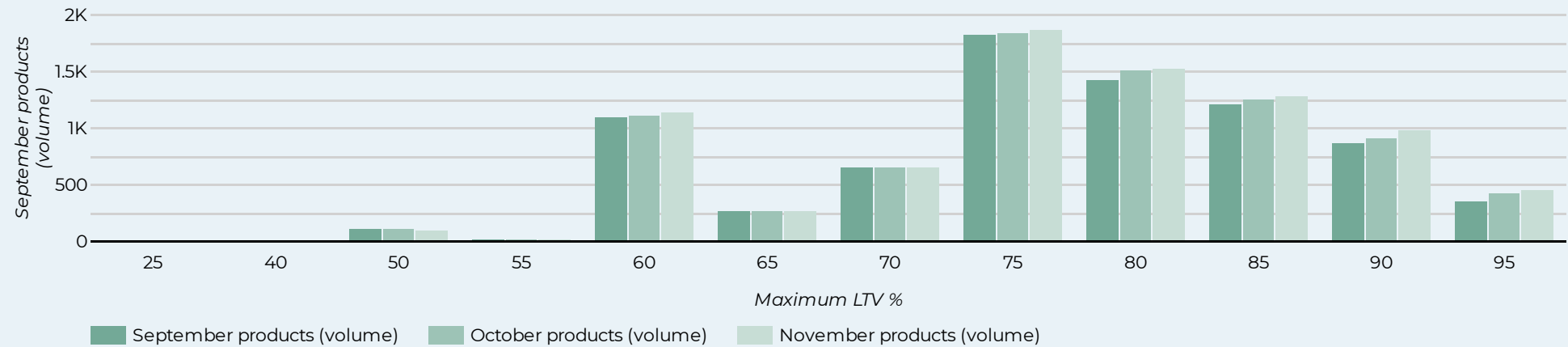
"November 2021 was a month of two halves for first time buyer search volumes. In the first half, we saw very high volumes and then it dropped markedly in the last two weeks of the month."

Niki Cooke, Twenty7Tec



PRODUCT HEATMAPS AS AT END NOVEMBER 2021

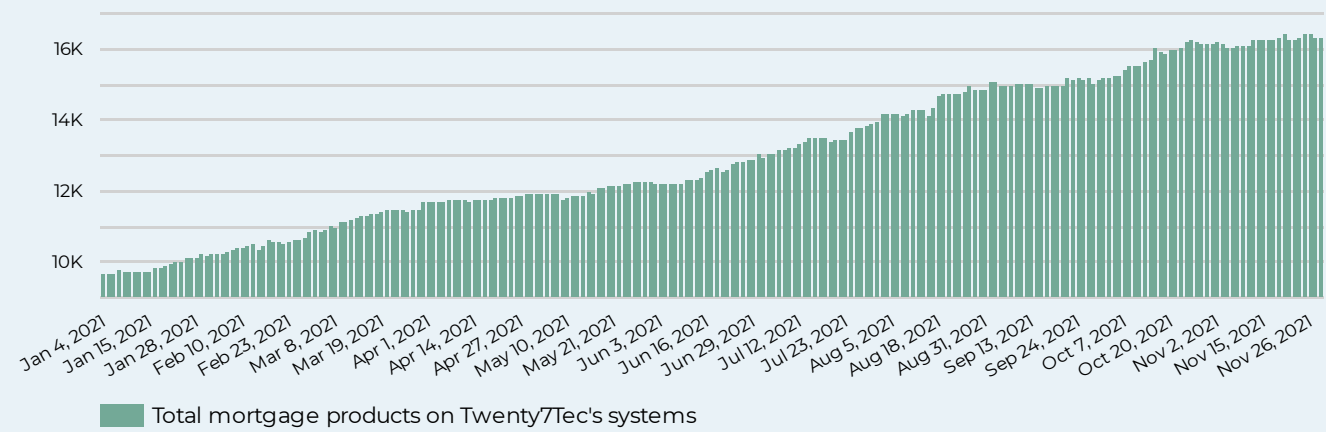
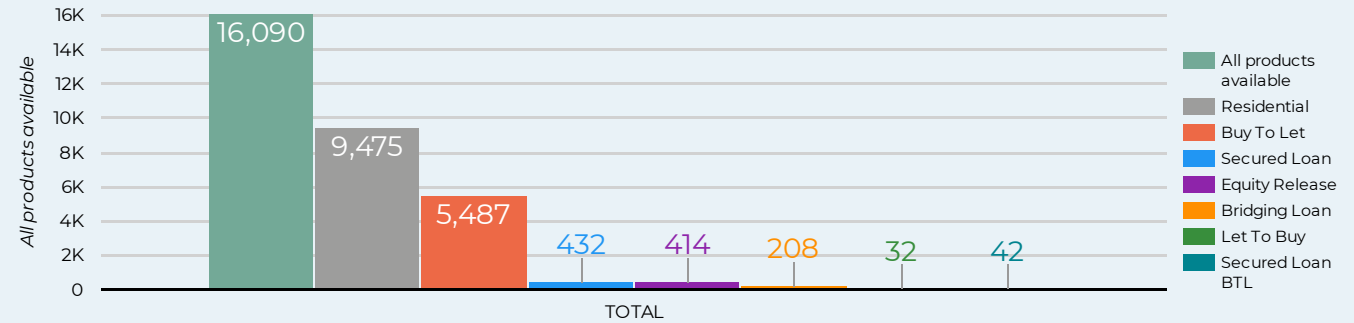
LTV ^	November Purchase searches	November searches (FTB)	November remortgage searches	November Total Searches
60-65	26,340	6,705	56,081	89,126
65-70	27,710	7,837	56,340	91,887
70-75	39,058	13,342	67,849	120,249
75-80	120,380	26,093	89,106	235,579
80-85	56,341	26,328	34,142	116,811
85-90	61,201	43,314	16,659	121,174
90-95	71,162	68,836	6,259	146,257
95+	21,776	26,232	1,106	49,114



PRODUCTS AVAILABLE ON TWENTY7TEC SYSTEM AS AT NOVEMBER 2021

"November saw the climb in available products slow a little - it's still rising but less rapidly than a few months ago."

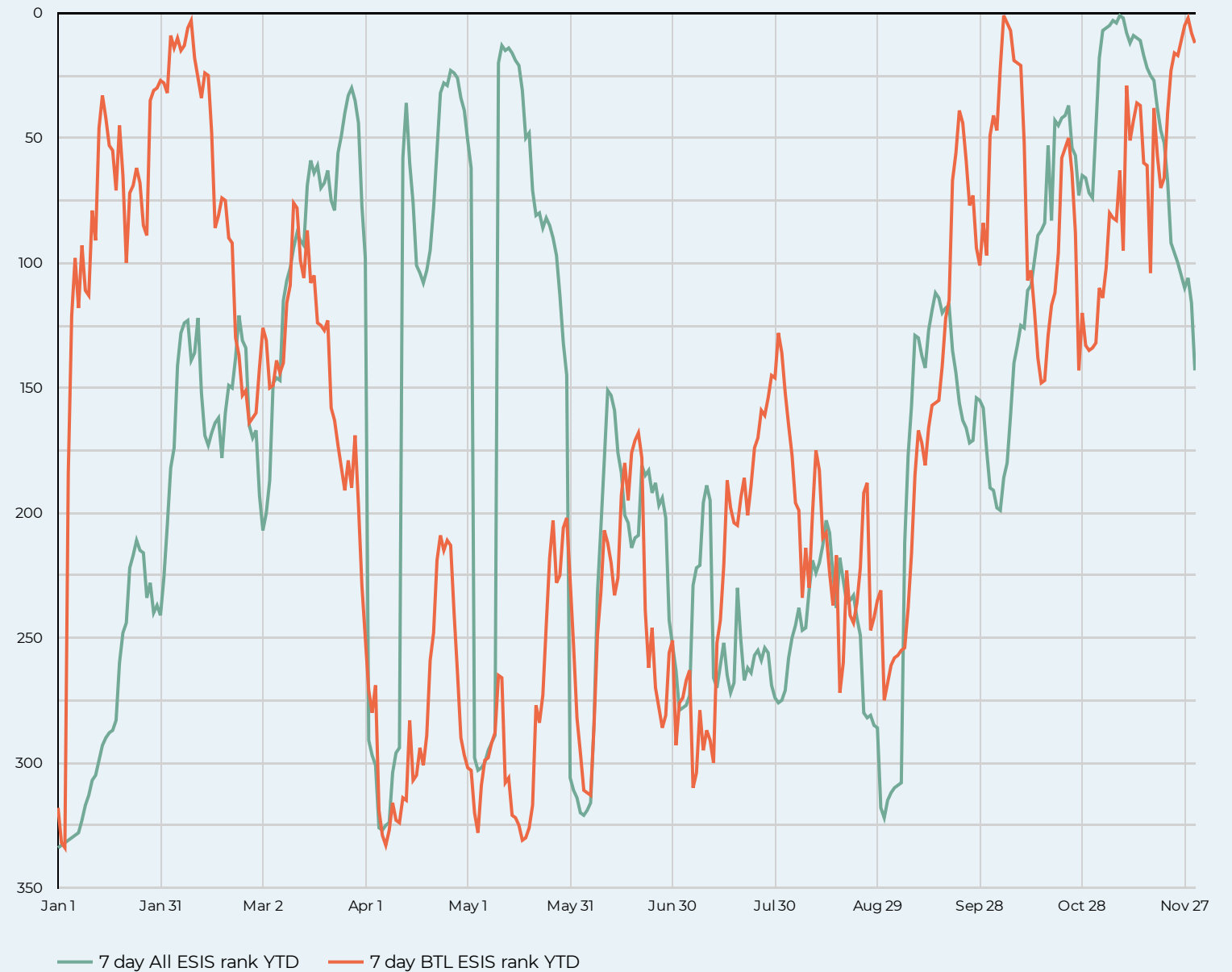
Nathan Reilly, Twenty7Tec



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).
"Total documents produced hit a peak in early November, with Buy To Let hitting fresh peaks later in the month."

Niki Cooke, Twenty7Tec



HOW ARE PRODUCTS DISTRIBUTED ACROSS LTV RANGES?

"There are increasing numbers of products now in the 90%+ max LTV range, just as demand appears to have dropped a little in that tranche of the market."

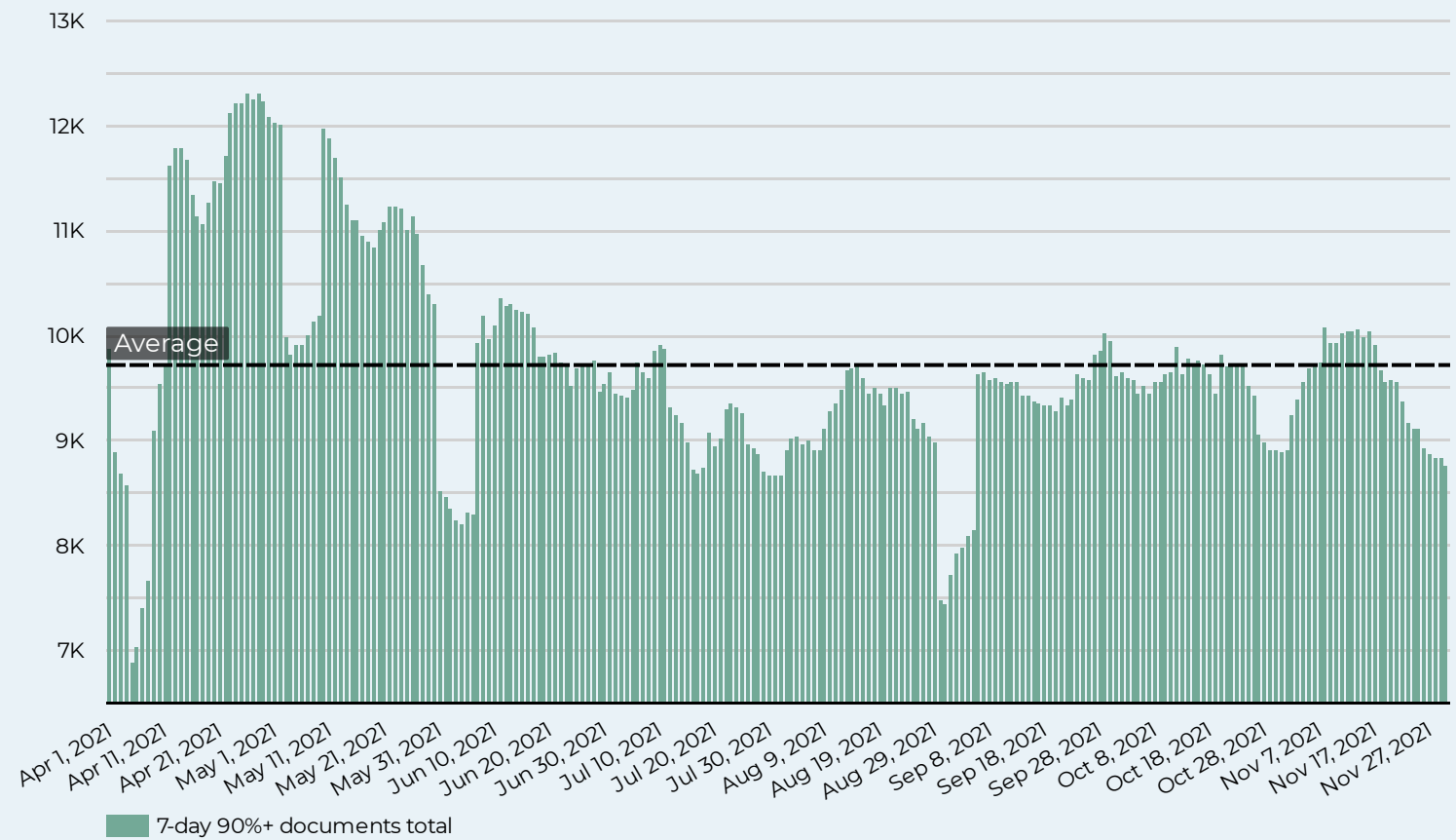
Nathan Reilly, Twenty7Tec

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?

"Looking back a few months, we can see quite how stark the drop off is in the volume of 90%+ documents produced in November 2021 compared to the highs of Spring 2021."

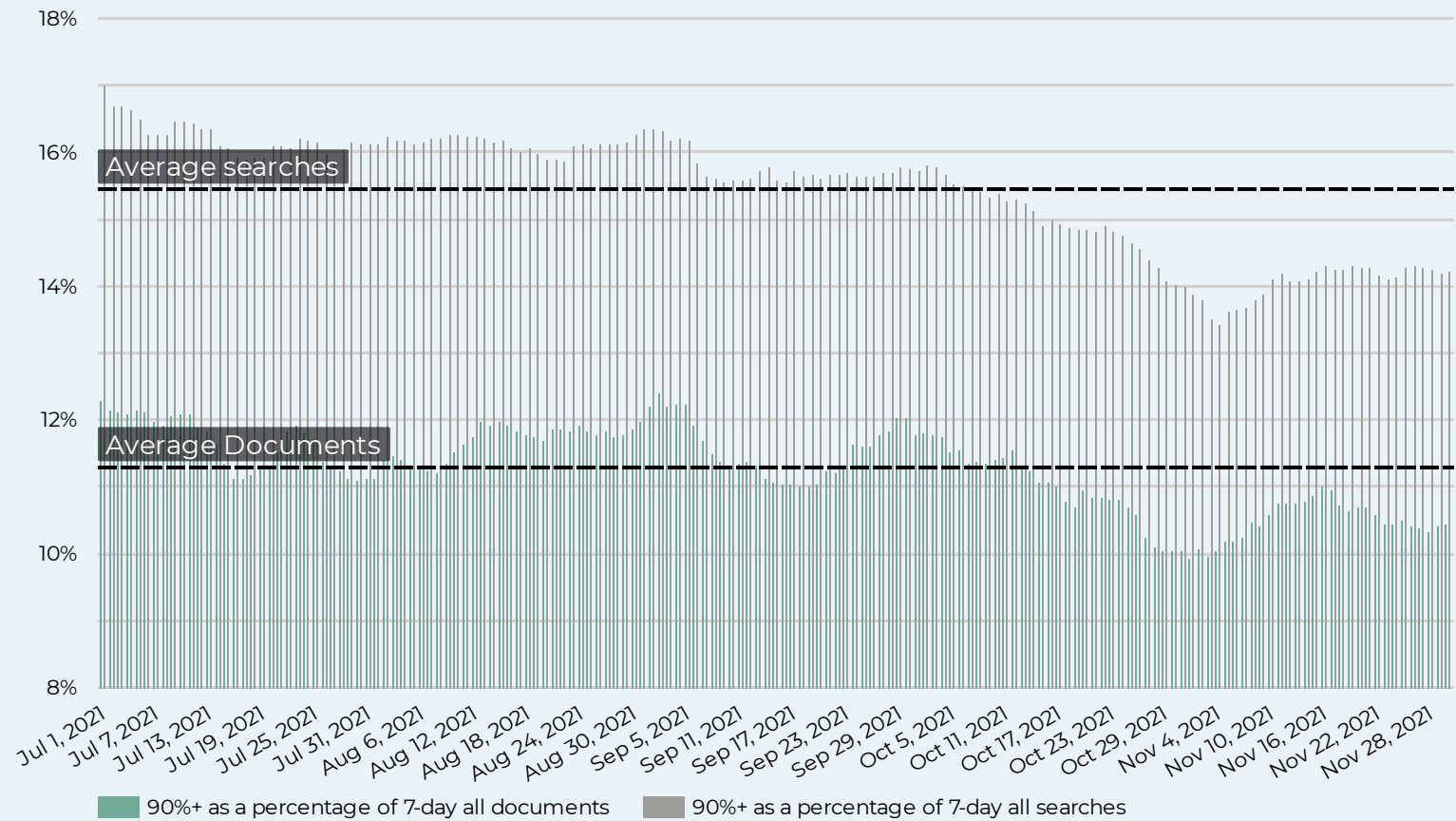
Niki Cooke, Twenty7Tec



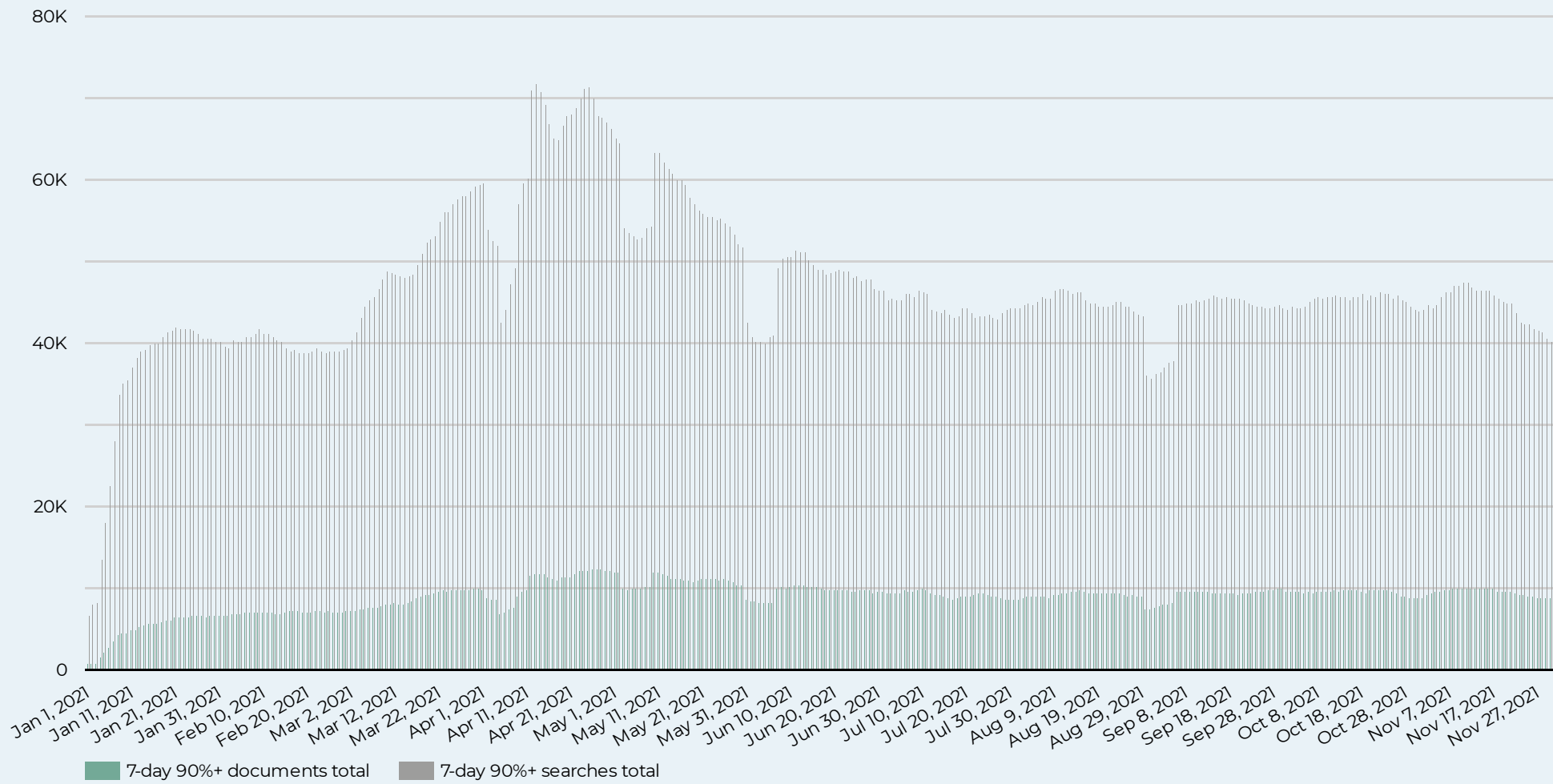
WHAT PERCENTAGE OF ALL DOCS/SEARCHES DO THE 90%+ RANGE MAKE UP ON A 7-DAY ROLLING AVERAGE?

"The drop off in 90%+ LTV mortgage searches is a marked difference this year compared to other years. It's a sign that First Time Buyers aren't currently propping the market as much as landlord are."

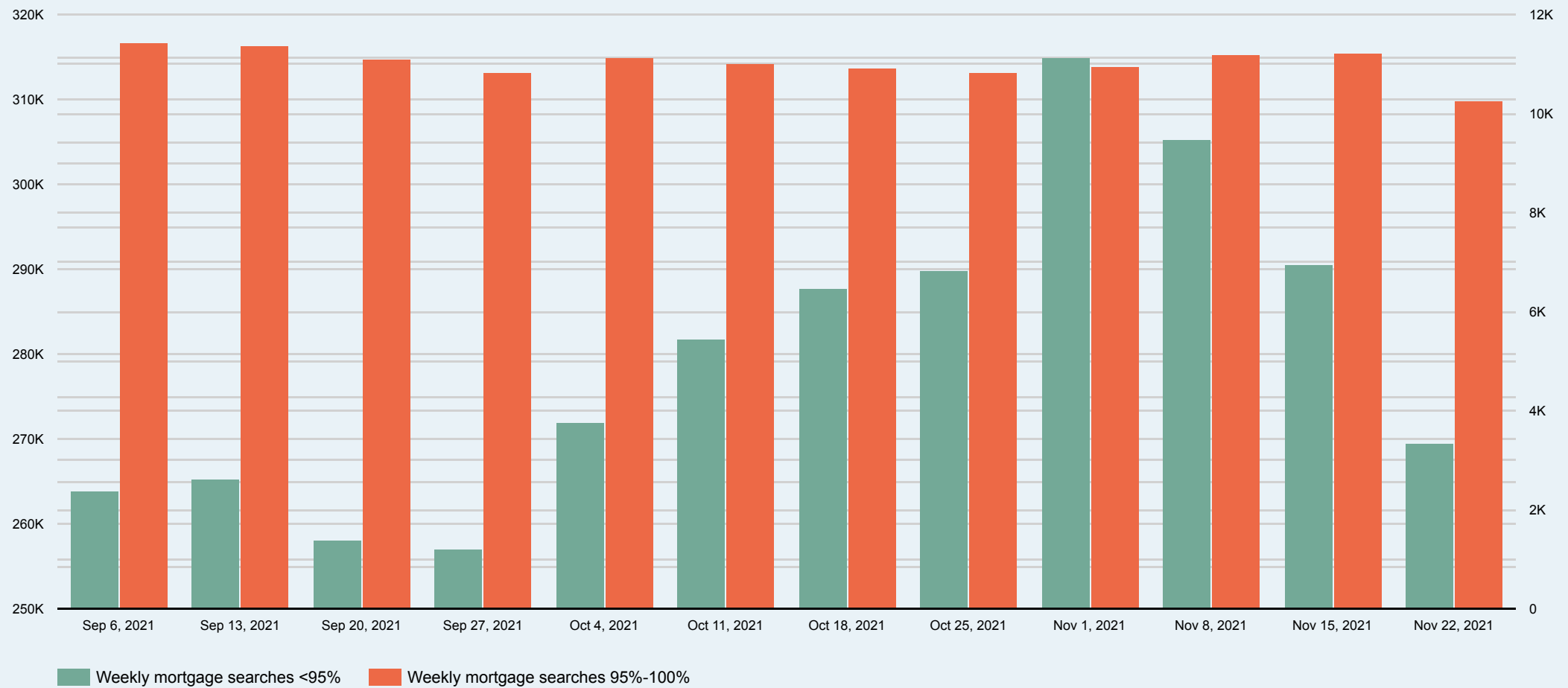
Niki Cooke, Twenty7Tec



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



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



CRITERIA SEARCHES IN NOVEMBER 2021

"Searches on credit default criteria were up 49.8% on October 2021 as more and more people integrate criteria into their initial searches.

"On average, we saw use of criteria up over 23% across the top ten most common criteria last month"

Niki Cooke, Twenty7Tec

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

1. Can applicants with satisfied Defaults be considered and what is acceptable (Applicant - Credit History)
2. Can applicants on a VISA be considered and what are the acceptable requirements (Applicant - Residency)
3. Can applicants with unsatisfied / outstanding Defaults be considered and what is acceptable (Applicant - Credit History)
4. Is an application for joint borrowers, where only one will be the legal owner be acceptable and under what circumstances (Lending - Applicant Type)
5. Can applicants with Satisfied County Court Judgements (CCJs) be considered and what is acceptable (Applicant - Credit History)
6. Can applications from Non EU, EEA Non UK Foreign Nationals be accepted and under what conditions (Applicant - Residency)
7. What is the acceptable Maximum Age for applicants at the end of the mortgage term (Applicant - Lending Limits)
8. Can applicants with late or missed payments on credit commitment be accepted (Applicant - Credit History)
9. Are applicants on a Zero Hour Contract and the income received acceptable (Employment and Income - Contractors)
10. Are applicants acceptable where the term of the mortgage takes them into retirement and if so what are the conditions (Lending - Retirement)

