

MORTGAGE MARKET REPORT

Analysis from Twenty7Tec

TWENTY7TEC



KEY FINDINGS -
DECEMBER 2021**42.3%***

Remortgages as a proportion of the mortgage market in December 2021. Purchases (excluding product transfers) = 57.7%.

12%

December 2021 was 12% busier than December 2020 for total mortgage searches.

7 Dec

December 7th was the only December day to rank in the top 50 this year for mortgage search volumes.

17.97%

December continued to see fewer First Time Buyers as a percentage of all mortgage searches (it was second only to November 2021 for the lowest FTB proportion in the past 20 months).

23,316

There were fewer 95%+ mortgage searches in December than there were in the single week ending 19 April 2021.

109,459

There were fewer <£150k property searches in December 2021 than at any time since April 2020 - during lockdown 1.0.

16,923

At year end, there were 16,923 products available on Twenty7Tec's systems, a leap of 74.6% on Dec 31 2020.

£69,349

December 12th saw the highest daily average household income for mortgage searches this year.

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A SPECIAL FOCUS ON
LTV 90%+ PRODUCTS
AND ACTIVITY

December 2021
CEO STATEMENT



December 2021

We made it! 2021 was a year that we will talk about for many years to come in our industry. It had everything from the highest volumes we've ever seen to a sense that everything has changed, fundamentally and for good, in how we support customers in searching, applying for and ultimately obtaining a mortgage.

Congratulations on making it through such a tumultuous year - look out for our Future Demands report due early in January 2022!

James Tucker
CEO, Twenty7Tec

WHAT DID DEMAND LOOK LIKE IN DECEMBER 2021?

"In most years on record, we see a slow down in mortgage searches in week two of December and fewer ESIS documents as of week three. This year, inevitably, has been different and the market took a dip from the highs of prior months with search volumes down 40.4%."

Niki Cooke, Twenty7Tec

December searches

Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
479,428	351,037	830,465	57.73%	42.27%	17.97%
↓ -39.4%	↓ -41.7%	↓ -40.4%			

November searches

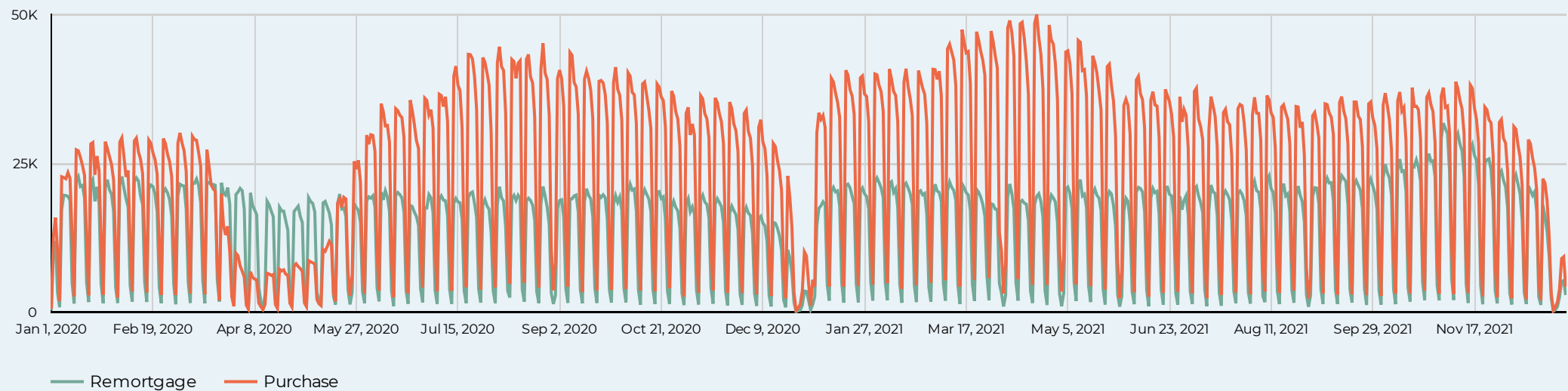
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
791,669	601,785	1,393,454	56.81%	43.19%	17.64%
↑ 7.1%	↑ 18.8%	↑ 11.8%			

October searches

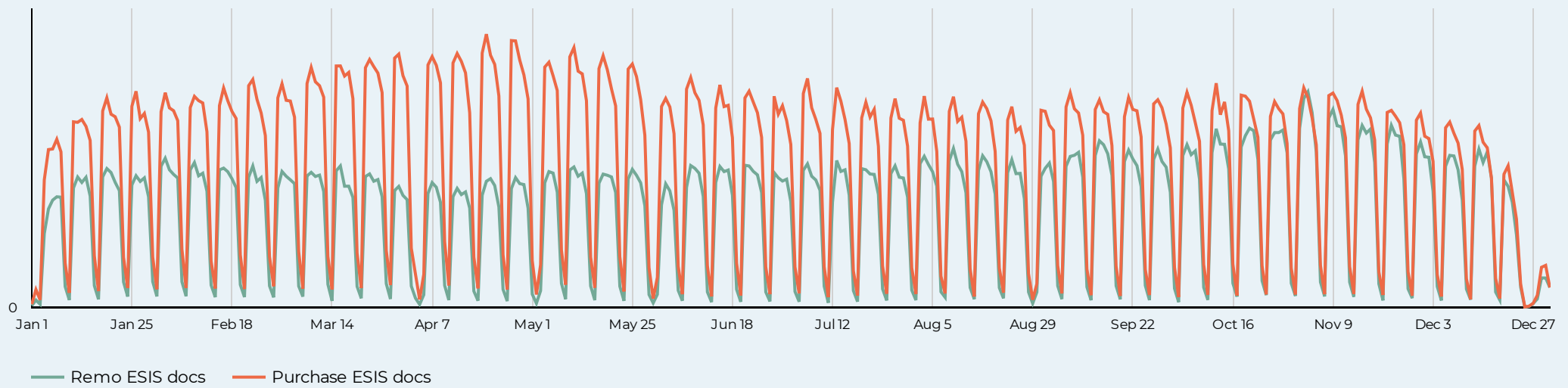
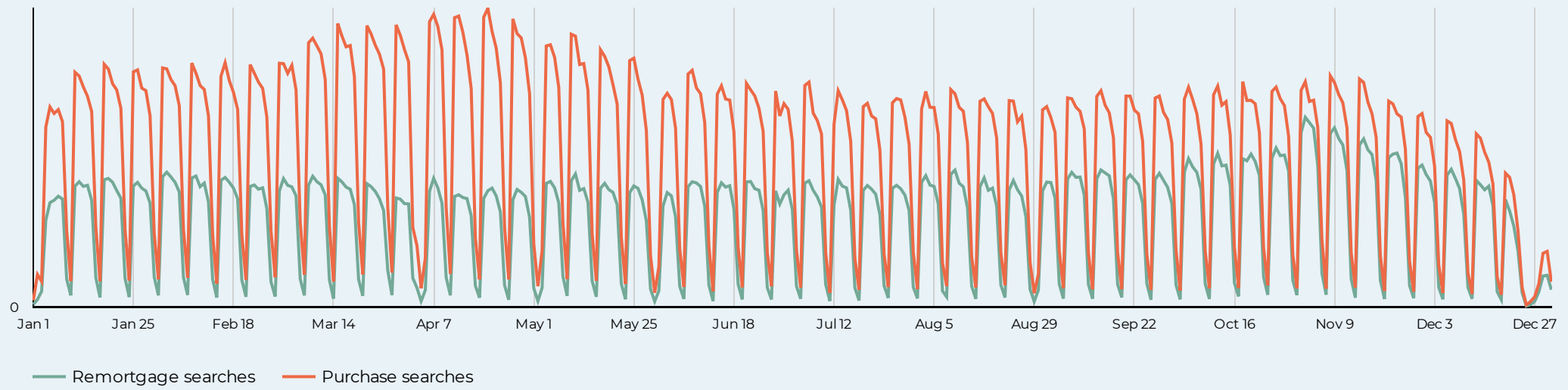
Purchase	Remortgage	Searches	Purchase %	Remo %	FTB as a percentage
766,927	523,898	1,290,825	59.41%	40.59%	18.13%
↓ -4.9%	↑ 4.5%	↓ -1.3%			

WHERE WAS THE DEMAND IN THE DECEMBER 2021 MARKET?

Mortgage Type ▾	October searches	November searches	December searches	December monthly difference
1. Standard Residential	904255	971898	580324	-40.29%
2. Standard (inc. Shared Equity / Help t...	54971	58655	36724	-37.39%
3. Shared Ownership	34232	36605	25767	-29.61%
4. Shared Equity / Help to Buy	20308	21501	13039	-39.36%
5. Self Build	1130	1691	1079	-36.19%



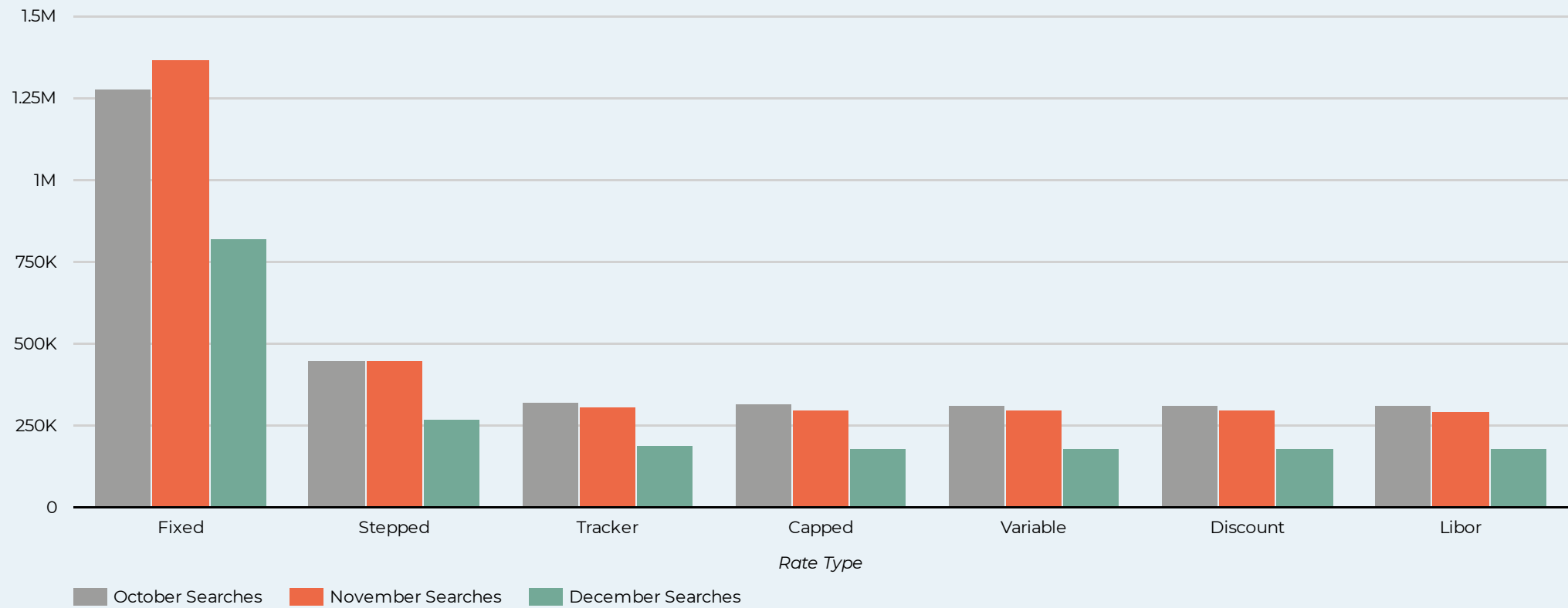
SEARCHES V DOCUMENTS IN THE DECEMBER 2021 MARKET



SEARCHES PER DOCUMENT IN 2021 (7-DAY ROLLING BASIS)



SEARCHES BY MORTGAGE PRODUCT TYPE OCTOBER TO DECEMBER 2021

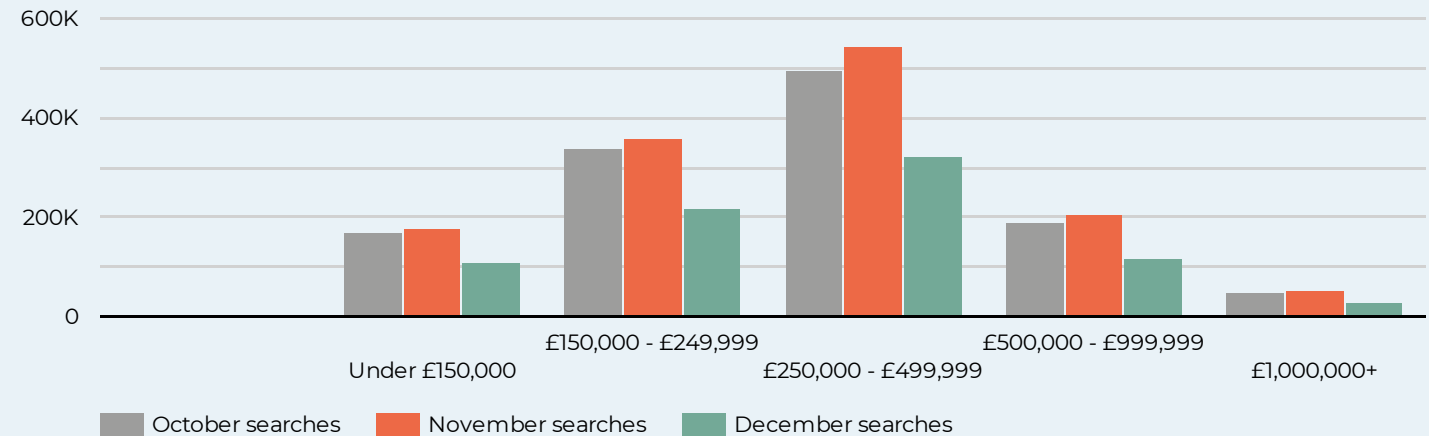


HOW DID DECEMBER 2021 SPLIT BY PROPERTY VALUE?


"We saw search volumes decrease across all house price ranges in December 2021. We normally see a dip in December figures, but these drops are around 20-25% worse at each LTV band than in 2020."

James Tucker, Twenty7Tec

Property searches by value – September to November, inclusive:



Breakdown:



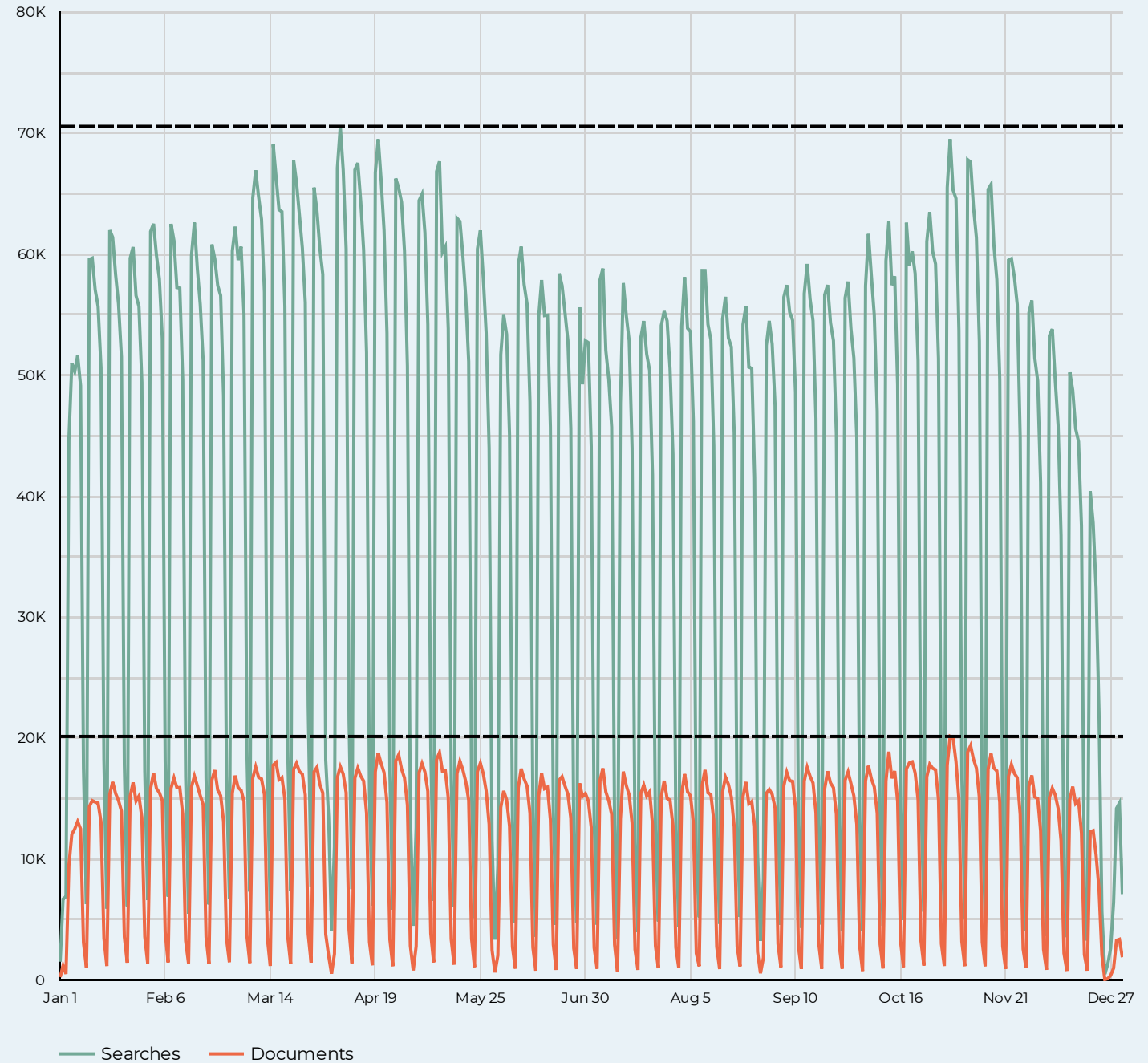
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[See details](#)

SEARCHES AND DOCUMENTS PAST 12 MONTHS

"The sharper decline in mortgage searches in December 2021 was not quite as apparent in ESIS documents as the remortgage market held up relatively well during this period. Remortgaging, on average, takes fewer searches per ESIS document produced."

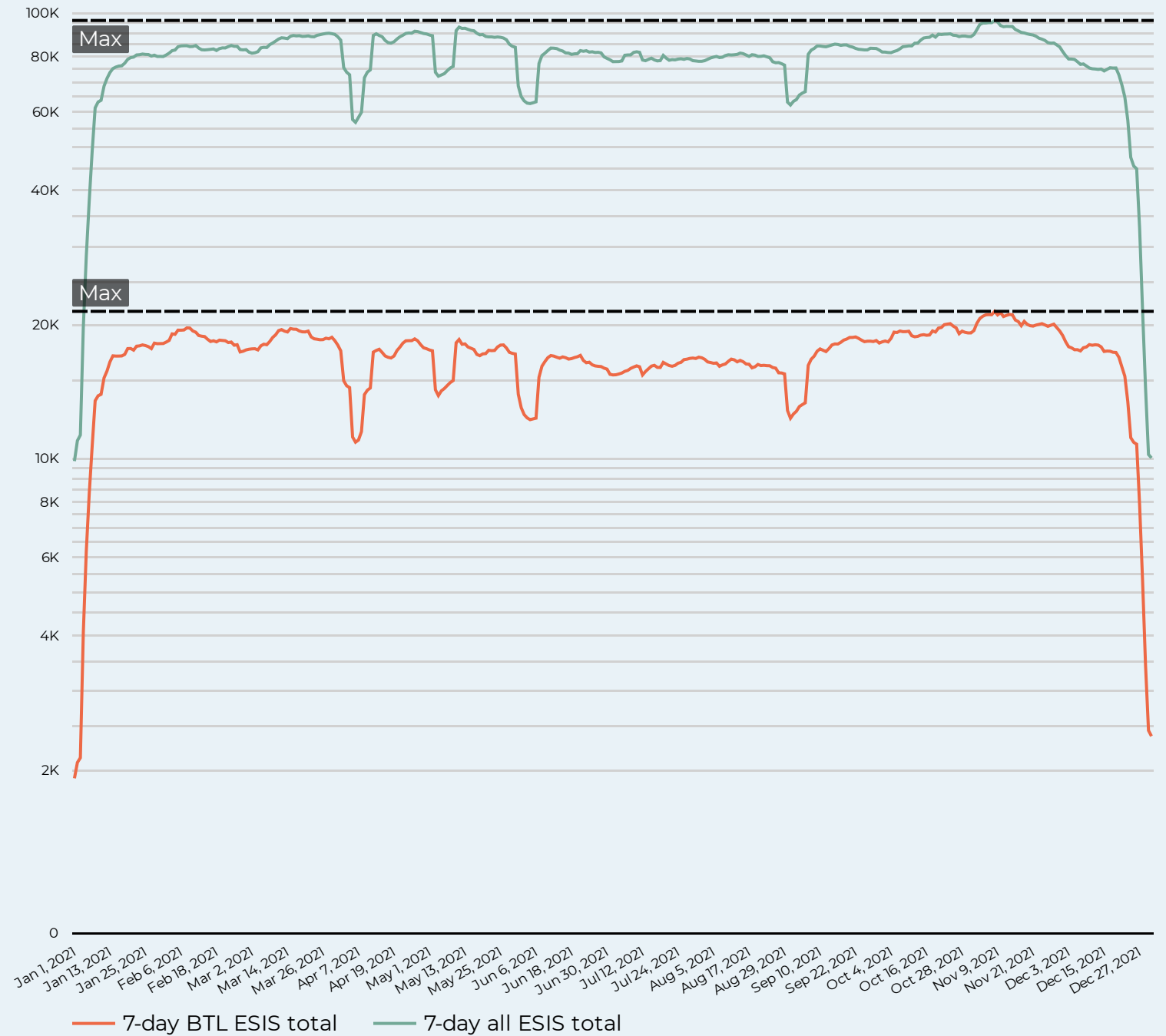
Niki Cooke, Twenty7Tec



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

"The traditional drop off over the Christmas period is clear in this chart on ESIS (All) and ESIS (BTL) documents produced per day."

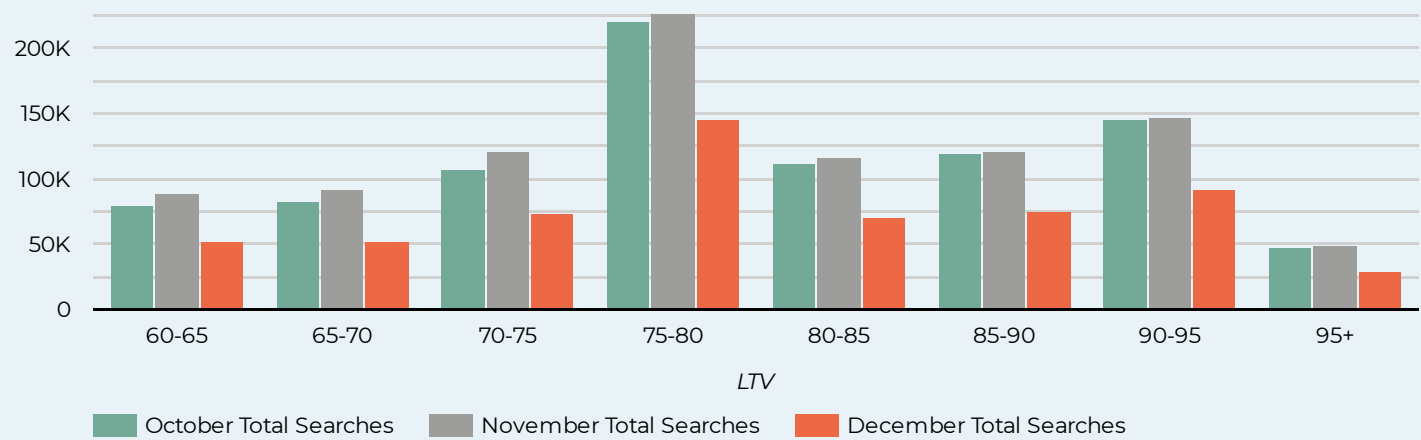
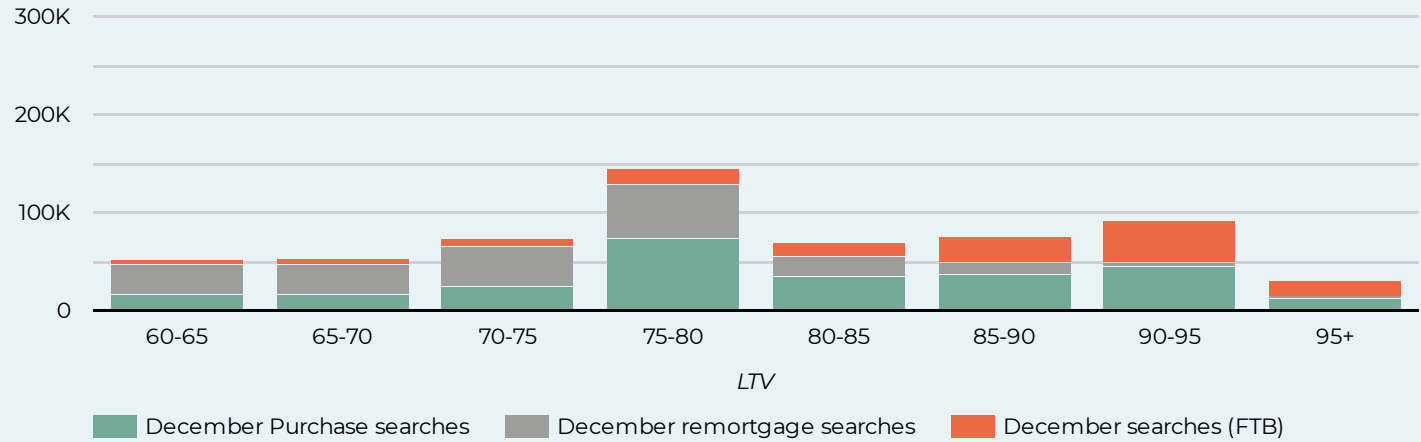
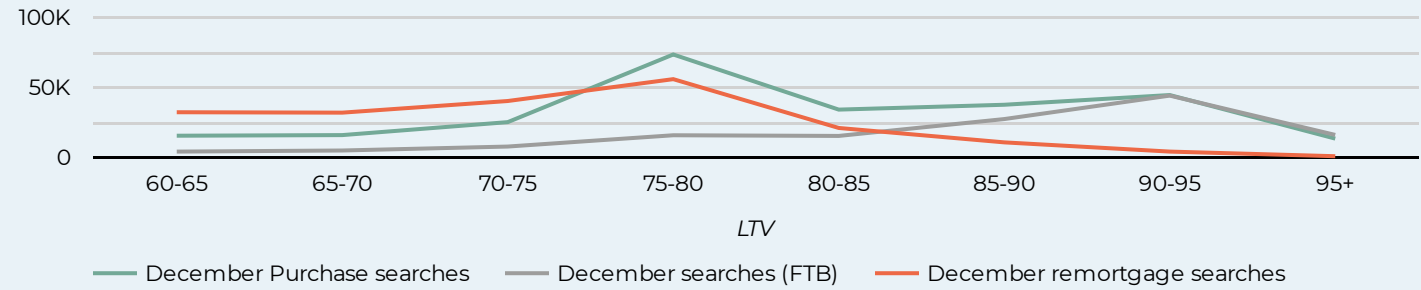
Niki Cooke, Twenty7Tec



WHAT PRODUCTS ARE APPLICANTS SEARCHING FOR?

"Search volumes dropped at least 30% across all LTV ranges in December 2021."

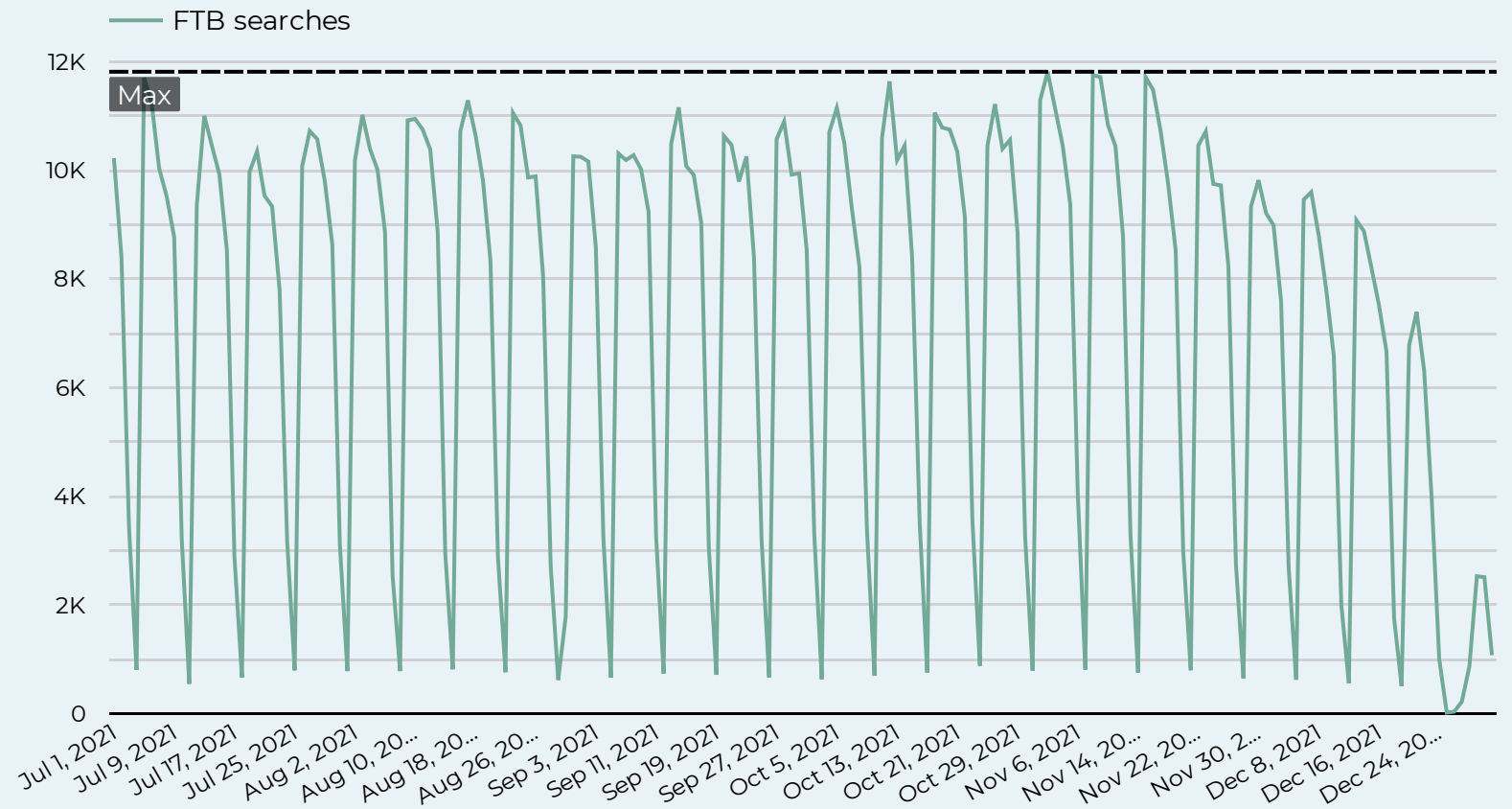
Niki Cooke, Twenty7Tec



THE NEED FOR AN ACTIVE FTB MARKET

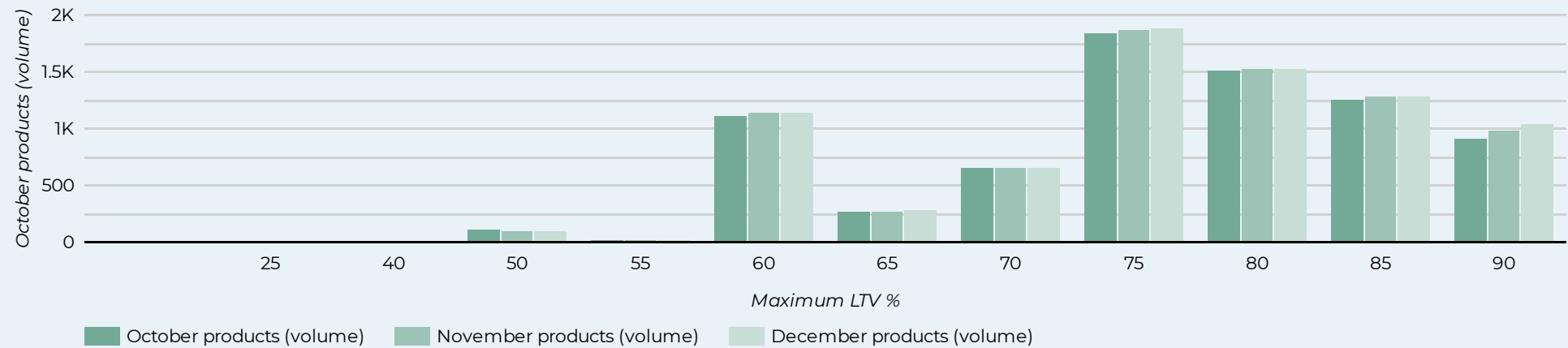
"This chart clearly demonstrates the 40% fewer First Time Buyer searches in the market in December 2021."

Niki Cooke, Twenty7Tec



PRODUCT HEATMAPS AS AT END DECEMBER 2021

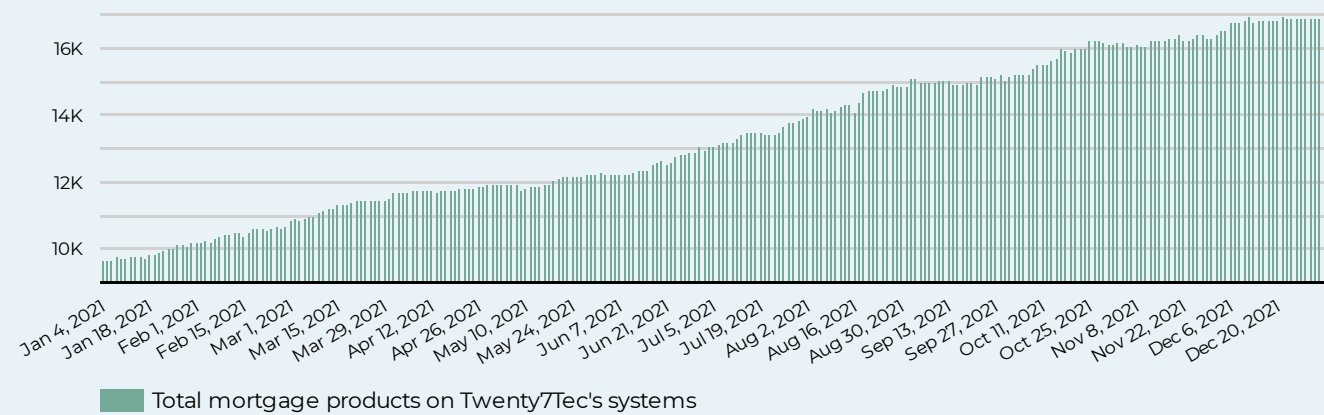
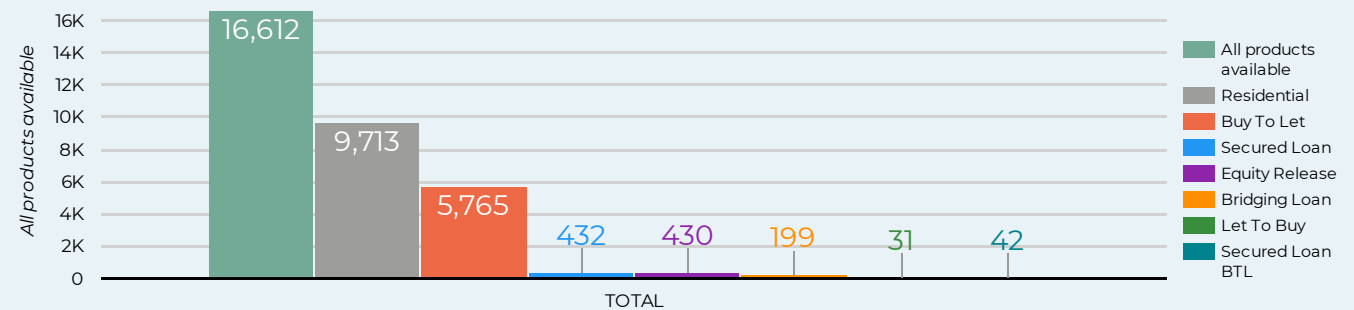
LTV ^	December Purchase searches	December searches (FTB)	December remortgage searches	December Total Searches
60-65	15,323	3,986	32,089	51,398
65-70	15,763	4,768	31,792	52,323
70-75	25,023	7,588	40,101	72,712
75-80	73,321	15,653	55,716	144,690
80-85	33,962	15,174	20,858	69,994
85-90	37,428	27,213	10,575	75,216
90-95	44,366	43,961	3,989	92,316
95+	13,251	15,898	684	29,833



PRODUCTS AVAILABLE ON TWENTY7TEC SYSTEM AS AT DECEMBER 2021

"We've seen a pretty much unbroken rise in the volume of products available since the beginning of 2021 and look set to break through 17,000 products during January 2022."

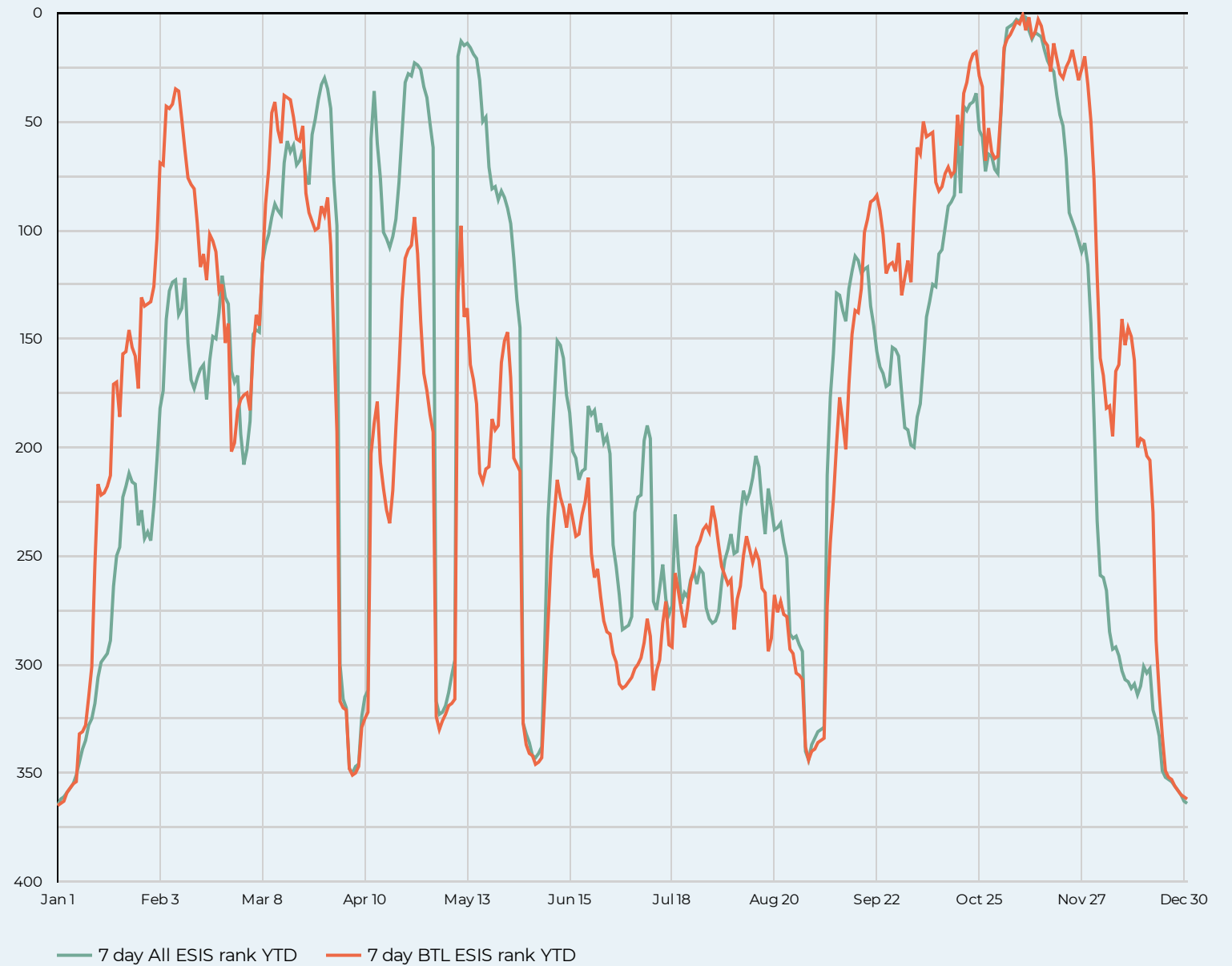
Nathan Reilly, Twenty7Tec



ESIS DOCUMENTS – BUSIEST WEEKS SINCE 1 JAN 2021

"The decline in BTL ESIS documents was less sharp than for the broader ESIS document total. The second and third weeks of December were markedly busier for BTL than for purchase, compared to the year's highs."

Niki Cooke, Twenty7Tec



HOW ARE PRODUCTS DISTRIBUTED ACROSS LTV RANGES?

"December 2021 saw an increased level of products available in the 90%+ ranges - a larger percentage of all products in this range than at any time in 2021."

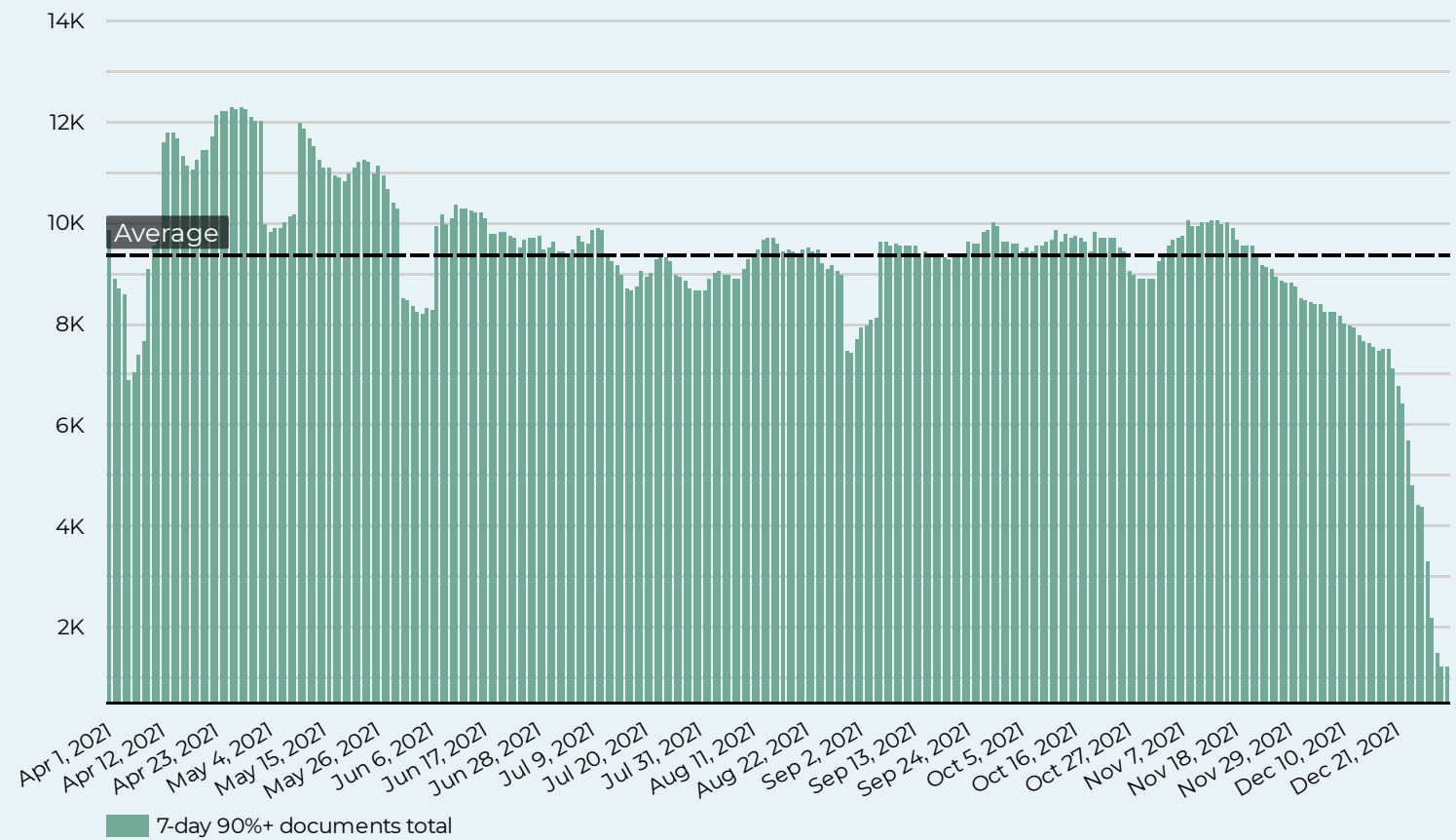
Nathan Reilly, Twenty7Tec

Maximum LTV %	% of Total October Products	% of Total November Products	% of Total December Products
25	0.00%	0.00%	0%
40	0.02%	0.02%	0.02%
50	1.47%	1.25%	1.22%
55	0.26%	0.25%	0.25%
60	13.50%	13.68%	13.58%
65	3.39%	3.29%	3.36%
70	8.03%	7.83%	7.82%
75	22.37%	22.30%	22.27%
80	18.49%	18.24%	18.07%
85	15.24%	15.24%	15.22%
90	11.20%	11.70%	12.26%
95	5.25%	5.43%	5.18%

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

"Despite more 90%+ mortgages being available than at any recent time, fewer 90%+ ESIS documents were prepared in December 2021."

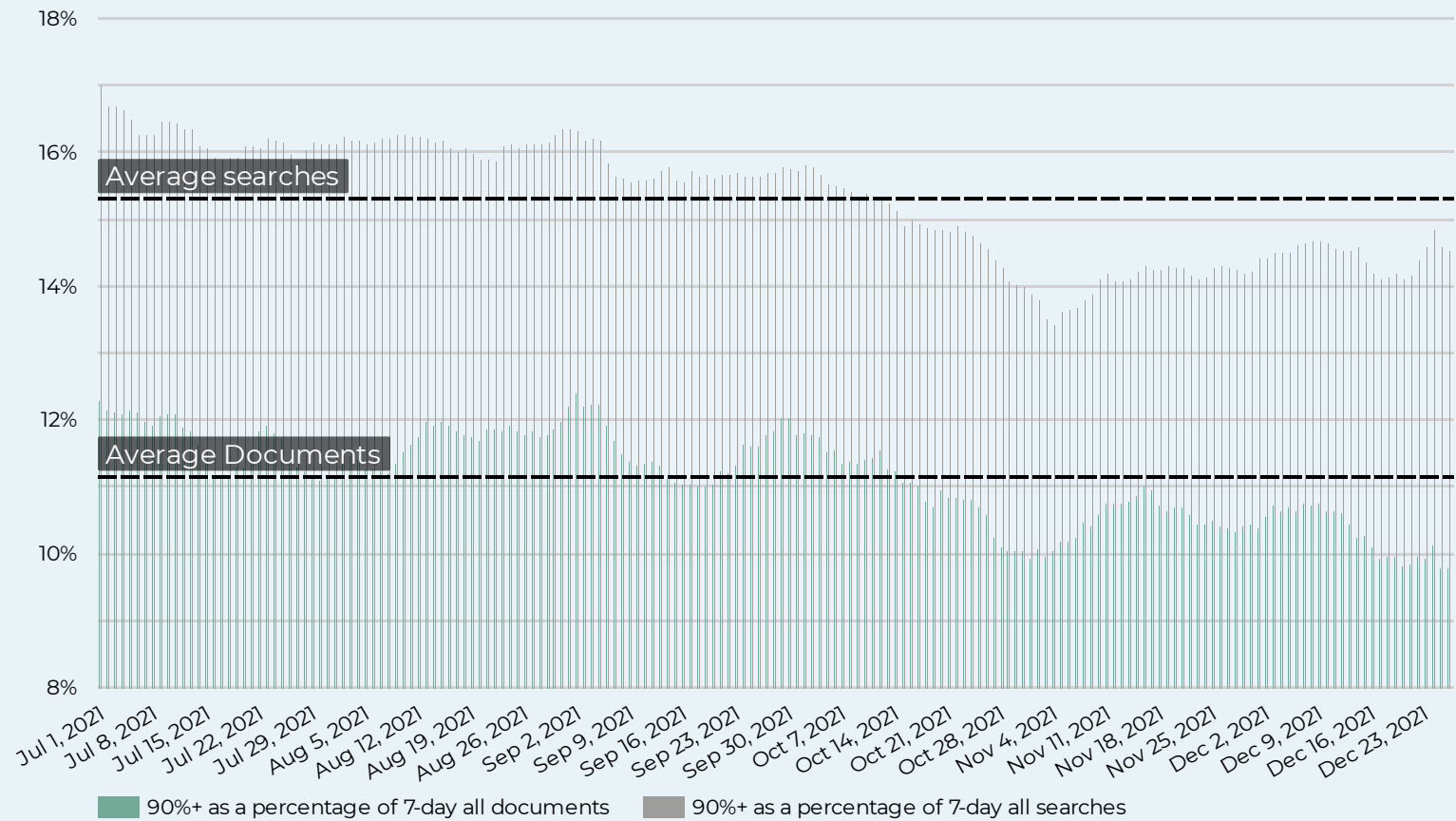
Niki Cooke, Twenty7Tec



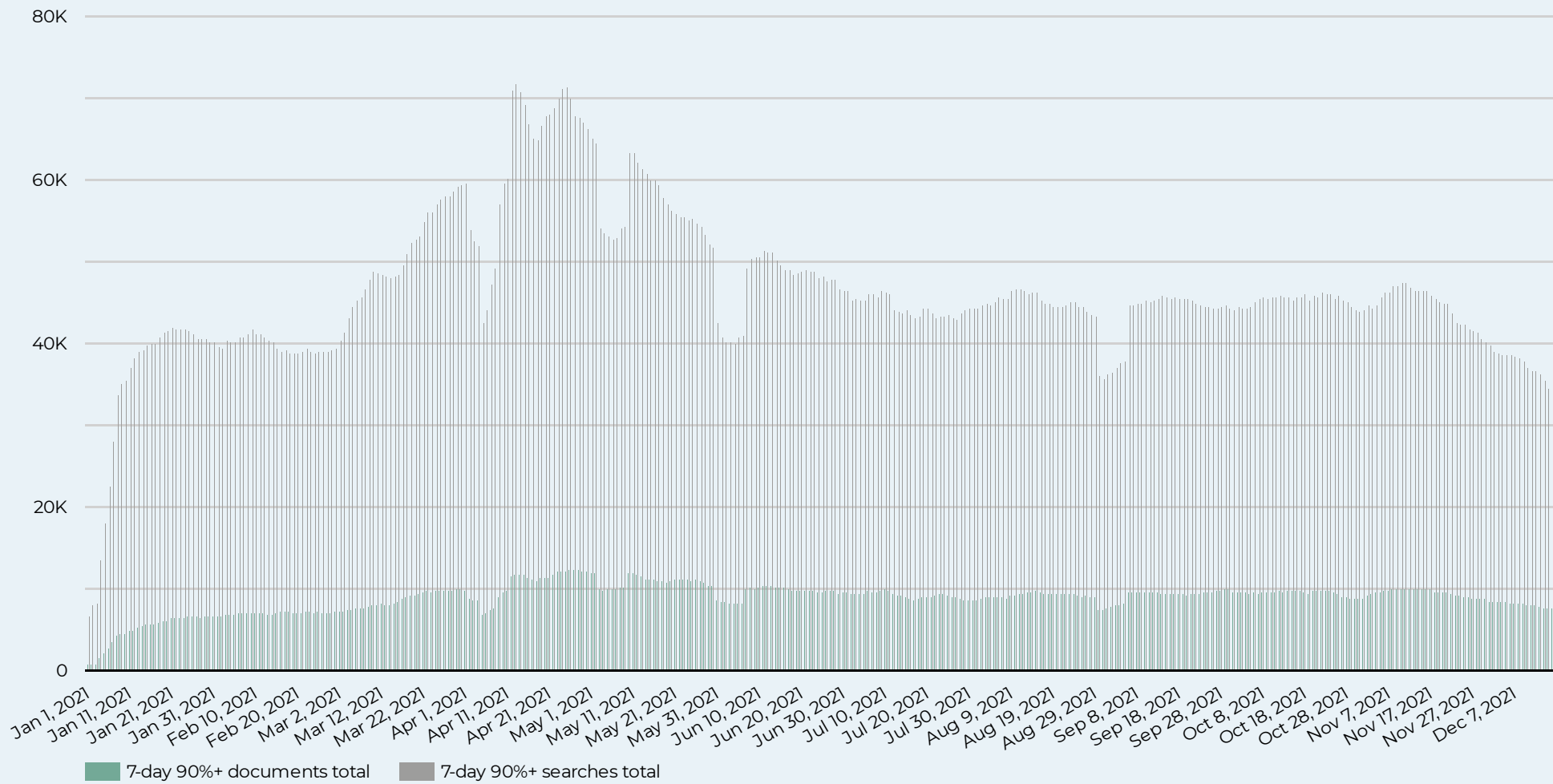
WHAT PERCENTAGE OF ALL DOCS/SEARCHES DO THE 90%+ RANGE MAKE UP ON A 7-DAY ROLLING AVERAGE?

"The 90%+ market has now operated below the six month average since mid-October 2021 for both percentage of all mortgage searches and ESIS documents produced."

Niki Cooke, Twenty7Tec



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



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



CRITERIA SEARCHES IN DECEMBER 2021

“Criteria search usage changed radically in December 2021, with a lot more of the searches dedicated to positive criteria searches, for example residency, as opposed to defaults and credit rating issues.”
Niki Cooke, Twenty7Tec

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

1. Is an application for joint borrowers, where only one will be the legal owner be acceptable and under what circumstances (Lending - Applicant Type)

2. Can applicants on a VISA be considered and what are the acceptable requirements (Applicant - Residency)

3. Are applicants acceptable where the term of the mortgage takes them into retirement and if so what are the conditions (Lending - Retirement)

4. Can applicants with satisfied Defaults be considered and what is acceptable (Applicant - Credit History)

5. Can applications from Non EU, EEA Non UK Foreign Nationals be accepted and under what conditions (Applicant - Residency)

6. Can applicants with unsatisfied / outstanding Defaults be considered and what is acceptable (Applicant - Credit History)

7. Are Self Employed applicants with 1 Years Accounts acceptable (Employment and Income - Self Employed)

8. What is the acceptable Maximum Age for applicants at the end of the mortgage term (Applicant - Lending Limits)

9. Can applicants with late or missed payments on credit commitment be accepted (Applicant - Credit History)

10. Can applicants with Satisfied County Court Judgements (CCJs) be considered and what is acceptable (Applicant - Credit History)

