

**Newsletter No. 7 – February 2024**

Dear Valued Client

We hope this newsletter finds you in good health and high spirits and not too cold! We are thrilled to bring you the latest updates and relevant information from the world of mortgages and property. In this edition, we cover some commentary on Mortgage rates, property prices and the buy to let market.

**1. Will Mortgage Rates continue to fall?**

Mortgage lenders had already started cutting rates at the tail-end of 2023. Figures from Moneyfacts reveal that average fixed rates fell for a fourth straight month in December. And now rates have dropped even further, with experts saying home buyers and remortgage customers could continue to benefit from the mortgage price war. Banks are also aware that high mortgage rates have put people off taking out mortgages. The number of people struggling to meet their repayments has also risen.

The rates for five year fixed rate mortgages have fallen by some providers to under 4% but with the rate of inflation still running higher than wanted and the Bank of England reluctant to release their stranglehold on debt costs, the mortgage war cannot surely be maintained.

**2. Property prices not dropping fast enough!**

Property prices still on hold in the south-east despite predictions of a correction in the market.

While house prices are falling, they are still £40,000 above pre-pandemic levels on average. For banks to continue to attract customers, they know that they'll need to make cuts to mortgage rates.

**3) Buy-to-let back again?**

Maybe it's time to get back into buy-to-let. Some reports suggest that rents will rise more than four times faster than house prices between 2023 and 2026. Furthermore, with the Bank of England poised to cut the base rate this year, savings rates will likely follow suit. This may see more investors look past the regulatory and wider economic uncertainties, and return to bricks and mortar in the hope that rents continue climbing and house prices move back into positive territory.

Chestertons predicts rents will rise 6.5 per cent this year. It agrees that rising yields and falling house prices are enticing more landlords back to the rental market.

#### **4. Our Commitment to You**

As we continue to grow and expand our services, our primary focus remains to provide you with unparalleled customer support and expert mortgage advice. We are dedicated to being your trusted partners throughout your homeownership journey and beyond.

#### **5. Do let us know your thoughts**

Thank you for your continued support and trust in MortgageTek. If you have any questions or need assistance, please don't hesitate to contact us. We look forward to helping you achieve your homeownership dreams!

Best regards,

Mo Khan

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MortgageTek - Making Homeownership Dreams Come True!



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