



**** Newsletter No. 8 – March 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 interest rates.

Recession?The restaurants round our way are packed every evening!

The UK is technically in recession, having experienced a reduction in GDP for two consecutive quarters.

Yet inflation is holding its own at 4%, the Monetary Policy Committee are keeping the Bank of England base rate at 5.25%, and the interest rates war between the big lenders seems to have ended. Are we experiencing a strange stability and maybe mortgage clients can return to a predictable normality?

I'm not too sure. We have some enormous global pots boiling right now with the lids not that firmly sealed. US elections, elections everywhere, ensuring that super and 'not so super' powers will continue to flex their grandstanding muscles to gain cheap popularity.

Maybe move and buy now rather than wait for the inevitable future turmoil.

Property prices are not dropping fast enough!

There are signs of UK property market recovery as price falls ease. Average UK house prices fell by only £4,000 last year. The price of the average home decreased by 1.4% in the 12 months to December 2023, an improvement on an annual fall of 2.3% recorded in November.

A long-term reduction in property prices and a possible price correction still appears to be behind the figures and yet the UK population is set to increase by 10% over the next dozen or so years. They've got to live somewhere and we're clearly never building enough homes each year. Planning permissions will continue to restrict the big builders – so higher prices are surely the only factor that can motivate house and flat building.

Interest rates race to the bottom ends

Nationwide BS have said that its mortgage rates would rise by up to 0.25% percentage points. First time buyers and home movers will pay 4.49% interest for a two year mortgage while those remortgaging will pay 4.54%. They blame SWAP rates which are a key factor in mortgage pricing.

They are increasing because rising inflation is still a fear caused by among other things the interruption of trade route shipping lanes. Lenders use SWAP deals to hedge their interest rates.

Interest rates are unlikely to fall significantly in the medium term.



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.

Do let us know your thoughts

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

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Best regards,

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