

MortgageTek - Making Homeownership Dreams Come True!

Newsletter No. 9 – April 2024

Dear Valued Client

We hope this newsletter finds you in good health and high spirits and not too wet! 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 offers, property prices and potential interest rate movement.

1. Act quickly to secure the best deals!

People looking to buy a home typically have just 15 days to secure the best new mortgage deals before they are pulled by banks. New deals now have the shortest shelf life in six months, leaving homebuyers with little time to make a decision.

Some lenders only give a few hours' notice of a rate change. That creates a situation which is less than ideal because taking out a mortgage can be a huge financial commitment that could impact them for years to come.

Choosing the right mortgage deal locks you into a rate for two to five years – sometimes longer – while doing nothing leaves you on a variable rate that can go up as well as down.

1.6 million people will need to make a decision this year when their current mortgage rate expires. At the start of March, there were 6,000 mortgages to choose from, according to BBC Moneyfacts, the widest selection since 2008.

At the start of February, new deals lasted an average of 28 days. The average rate of a two-year fixed deal is now 5.8% and is starting to go back up.

So, act quickly to secure the best deals!

2. Property prices on the increase again?

Spring has sprung in the City of London and there are signs of green shoots in the housing market too.

House sellers lifted their asking prices by the largest amount in the 10 months in March, new data from Rightmove shows, as demand from buyers picked up in the traditionally busier spring selling season.

The average price of newly marketed properties on the market rose by 1.5%, or £5,279, this month to £368,118.

This rise in asking prices suggests the property market is heating up after a slow 2023, with the number of sales being agreed now 13% higher than a year ago.

Buyer demand is now 8% above last year, led by the larger homes sector and London, which are less mortgage-rate-sensitive than the rest of the market.

Indeed, asking prices for “Top of the ladder” properties rose almost 3% this month.



Confidence is seeping back into the housing market!

3. Interest rates set to reduce in June?.

The Bank of England is set to start cutting interest rates in June, according to a City A.M. poll of top economists, as inflation nears its target, the labour market cools and the UK takes its first steps out of recession.

The Bank's Monetary Policy Committee met on the 21st March and held the benchmark Bank Rate at 5.25 per cent, its highest level since the financial crisis, but the case for loosening the policy by the summer is growing.

Having peaked at more than 11 per cent in October 2022, inflation has fallen fast and now stands at 3.4 per cent. Several forecasters think that it will fall to the government's two per cent in the second quarter of 2024, although inflation might pick up again later in the year.

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 Founder & Mortgage Broker, MortgageTek Ltd.
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