

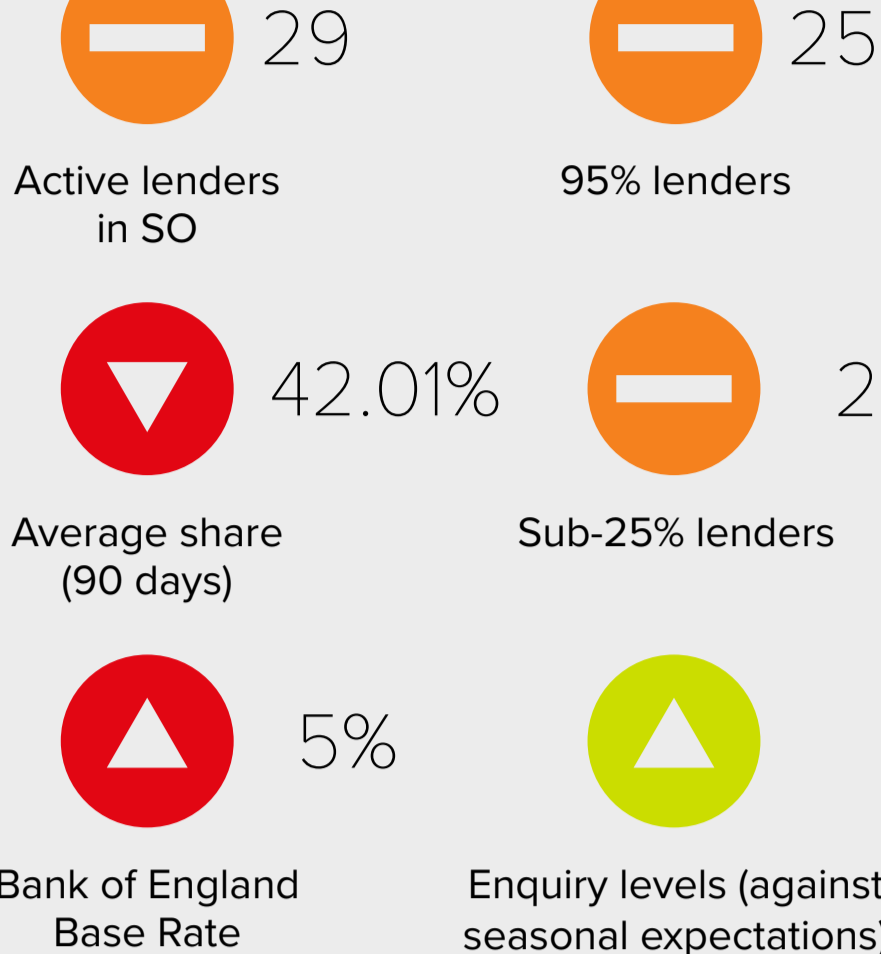
OUR AMAZINGLY HELPFUL MARKET UPDATE

KELLY'S HOT TAKE

The question I hear more than any other right now is: 'When do you think we'll see rates come down?' To which my response is: 'High rates are here to stay I'm afraid'. It's a testing time for sure. But demand for Shared Ownership, however, is as strong as ever. The market may seem somewhat paradoxical at the moment, but one thing remains firm and true – the value of expert advice.

Kelly McCabe
TMP The Mortgage People

AT A GLANCE: DASHBOARD



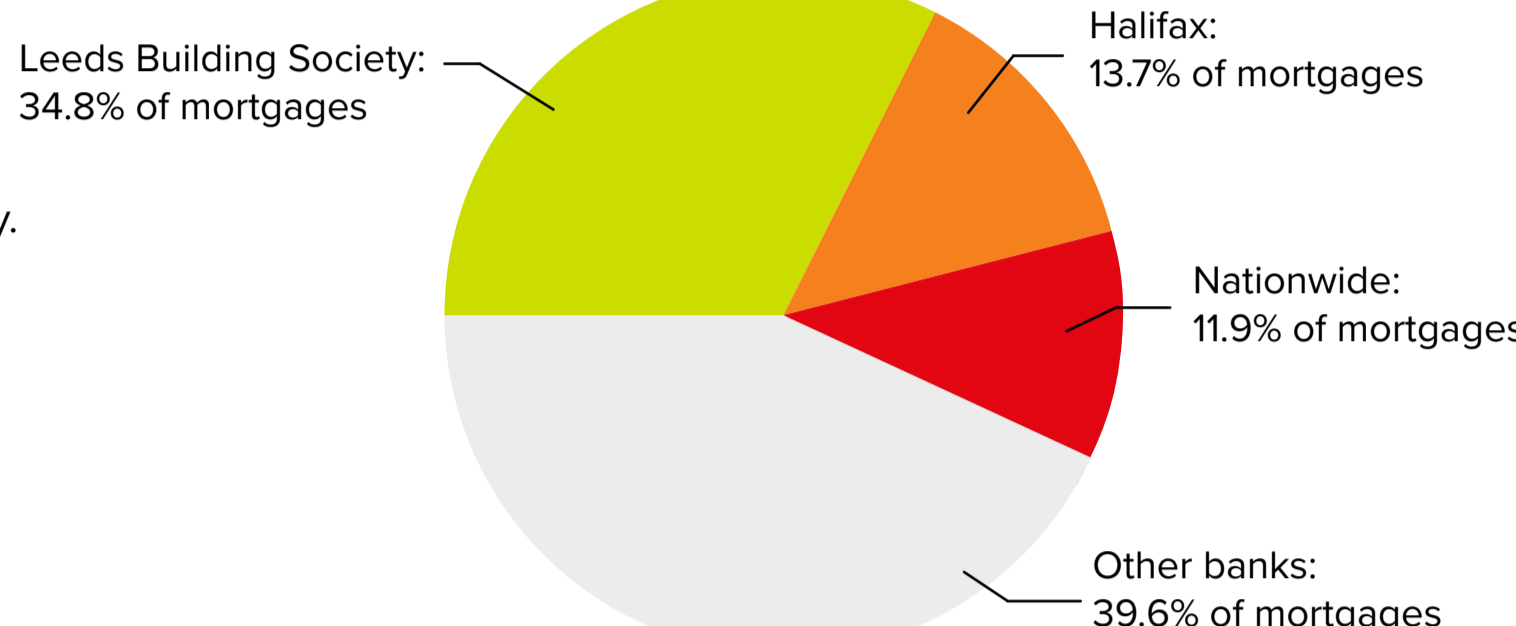
LOWEST FIXED RATES

The latest figures from our list of lenders.

| 95% LTV | |
|---------|---------------|
| 2 year | Hanley 5.64% |
| 3 year | Newbury 5.59% |
| 5 year | Newbury 5.49% |
| 90% LTV | |
| 2 year | Hanley 5.64% |
| 3 year | Leeds 5.57% |
| 5 year | Leeds 5.34% |
| 85% LTV | |
| 2 year | Leeds 5.64% |
| 3 year | Leeds 5.57% |
| 5 year | Leeds 5.12% |

TOP LENDERS THIS MONTH

The lenders with the lowest rates – shouldn't they be the busiest ones? Not in SO, necessarily. Here, rates are just one part of the equation.



THIS MONTH UNDER THE MICROSCOPE

The rates speak for themselves. We can expect further increases in the BoE Base Rate (although this isn't directly linked to banks' and lenders' subsequent mortgage rates, as they are already costed in). And so yes, some customers are holding off buying. Is this the right move? Possibly not as there's unlikely to be a sustained drop in rates for the foreseeable future.

Higher rates may be the new normal, but that doesn't mean news of further increases is any more welcome (particularly to remortgagers). And while the Government's new charter for lenders has given some reassurance that the issue is receiving attention in Westminster, its points aren't silver bullets.

Any remedy needs to be weighed against the long-term needs of the individual, and a six-month interest-only break, for example, is not necessarily the best advice. The better choice for customers is likely to be taking on a longer term mortgage. But we urge caution. Customers should talk to their lenders and think carefully before making any final decisions.

Let's talk about language

As a sector, the best thing we can do for our customers is act responsibly and err on the side of caution. Against a backdrop of rising rates, cost of living pressures and everything else, our usual narrative around maximising shares, for example, feels off.

We have to think about the language we use as an industry and consider the implications of further changes over the next few months and what impact they will have on our customers. It's about getting the right share for the customer.

Staircasing under the spotlight

Similarly, for now, the usual mantra of 'if you can staircase, you should', is contentious. In today's cash-strapped era, rent is – in the main – considerably cheaper than mortgage repayments for shared owners. Any request to staircase should be taken seriously and if a customer is considering switching out some of their rent for a mortgage, they should do that with their eyes open.

Sound advice rules the roost

Sound expert advice remains, now and ever, the best way to help people avoid finding themselves unable to keep up with rent and mortgage repayments. Often it's about keeping a step, or two, or even three ahead. Which is all about thinking through likely future scenarios and how they might affect customers.

If ever there was a time when advice is more valuable than ever, it's now.

“When it comes to ensuring long-term repayment affordability, nothing beats carefully considered expert advice.”



NOW'S THE TIME TO GET SHARED OWNERSHIP RIGHT

"It's about time that we take a more forensic look at the shared ownership tenure to understand how successful it is to help first time buyers start their journey into being a homeowner."

"The shortcomings of Shared Ownership identified in the report should not be used as an excuse to kill shared ownership as we are in the middle of an affordable housing crisis. The challenge is to get it right."

Paula Higgins, CEO of the HomeOwners Alliance, [commenting on the recent report, Shared Ownership: The Consumer Perspective](#)



DE-STAIRCASING AN OPTION IN EXCEPTIONAL CIRCUMSTANCES

"We will allow customers to reverse staircase in exceptional situations and this will be dealt with on a case-by-case basis. Our Shared Owners, like all of our customers, can access support from our successful tenancies team and apply for help through our established Wellbeing Fund."

Laura Osborne, director of sales and marketing at Platform Housing Group, [commenting on giving Shared Owners the option to de-staircase](#)



SNAPSHOT: WIDER MARKET

"Despite the current economic conditions, it is reassuring to see that the number of new prospective buyers coming to the market is only 4% lower than last year when the sales market was in a frenzy."

Those looking for rental properties continues to grow however, due to the lack of available properties and because of an ongoing introduction of regulation and financial barriers for landlords, inevitably, rents are rising to keep up with increasing costs including tax and mortgage payments."

Nathan Emerson, CEO, [Propertymark](#)

NEWS IN BRIEF

Some Shared Owners will be allowed to de-staircase

[Inside Housing reported](#) on the decision made by some to allow some Shared Owners to de-staircase: Housing Associations are preparing to allow Shared Owners to 'de-staircase' to a lower level of equity as higher mortgage rates bite.

...the Bank of England raised the base interest rate to 5%, the latest in a series of hiked rates over the last two years, which has lifted rates from a low of 0.1% in December 2021.

This means borrowers face sharp rises as deals fixed for two years at lower rates start to expire.

New support package for mortgage holders

[Property Industry Eye](#) reported on the Government's new support package for mortgage holders:

... the Treasury was keen to point out that the latest market indicators (FCA; UK Finance) show that mortgage arrears and defaults remain below pre-pandemic levels, which were themselves extremely low.

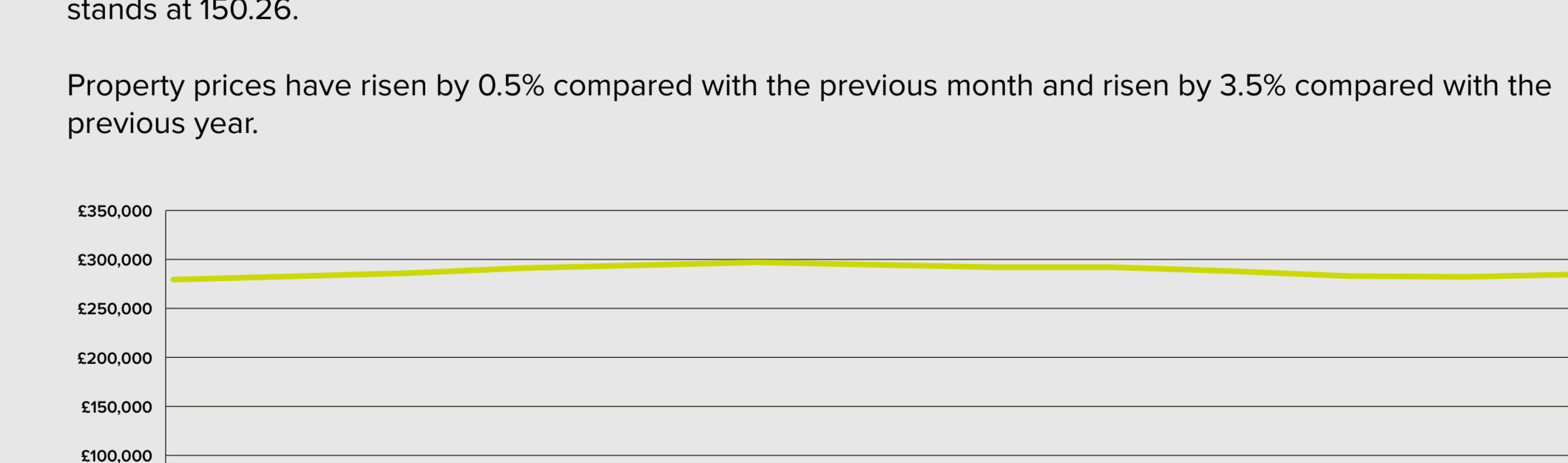
[The Chancellor] Hunt said: "There are two groups of people that we are particularly worried about. The first are people who are at real risk of losing their homes because they fall behind in their mortgage payments. And the second are people who are having to change their mortgage because their fixed rate comes to an end."

"These measures should offer comfort to those who are anxious about high interest rates and support for those who do get into difficulty."

DATA DIVE: HOUSE PRICE INDEX

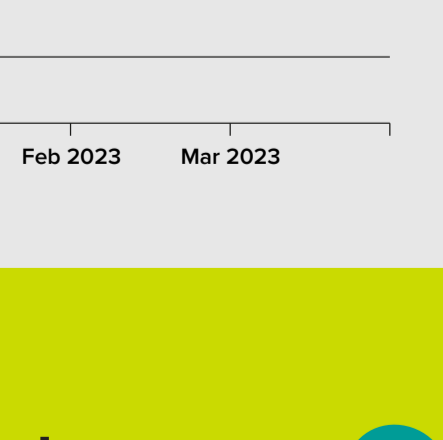
According to the most recent data (April 23), the average house price in the UK is £286,489. The index figure stands at 150.26.

Property prices have risen by 0.5% compared with the previous month and risen by 3.5% compared with the previous year.



TMP TEAM TALK

'Reasonable' is our word of the month. That means putting in extra effort to recommend the percentage of ownership that's right for each customer. We want people to get what they can afford, but we also want them to afford what they can afford – tomorrow as well as today. As ever, it all comes down to being amazingly helpful.



GOT A QUESTION? WANT TO KNOW MORE?



Please do get in touch. Drop us an email:
chirpy@tmpmortgages.co.uk
tmpmortgages.co.uk