

DECEMBER 2023

# OUR AMAZINGLY HELPFUL MARKET UPDATE

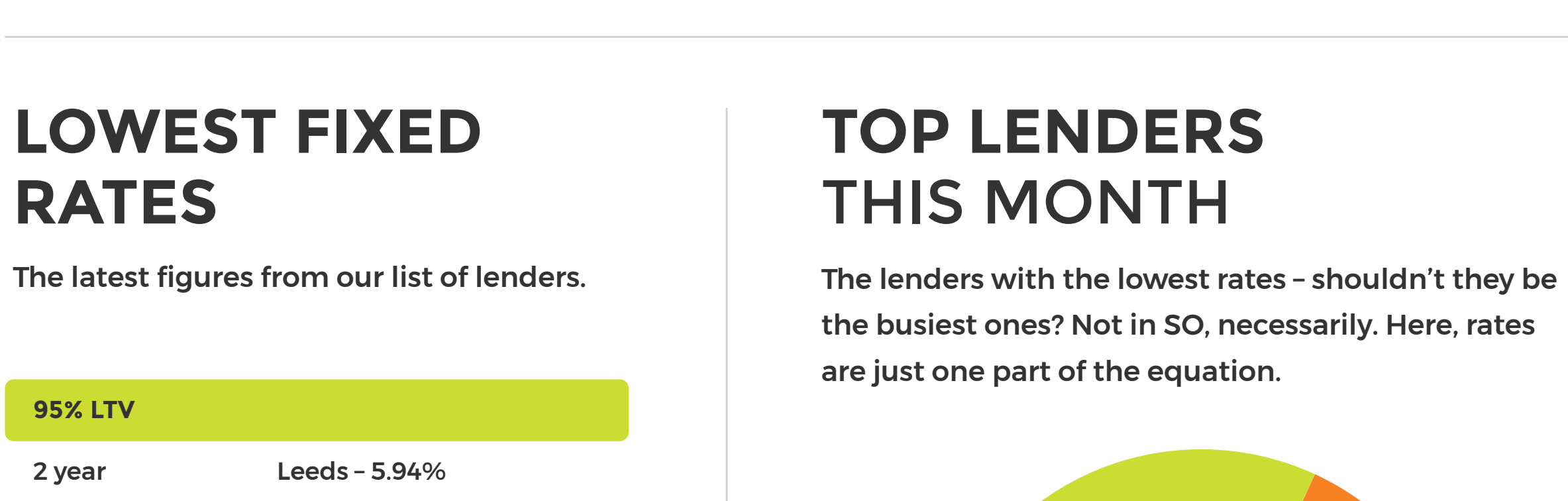


## KELLY'S HOT TAKE

Enquiries were still flying in left, right and centre during November, which shows that Shared Ownership is 'doing its job' of providing an affordable option in an increasingly-challenging wider market. But dig deeper into the figures and the situation isn't quite so positive...

**Kelly McCabe**  
TMP The Mortgage People

## AT A GLANCE: DASHBOARD



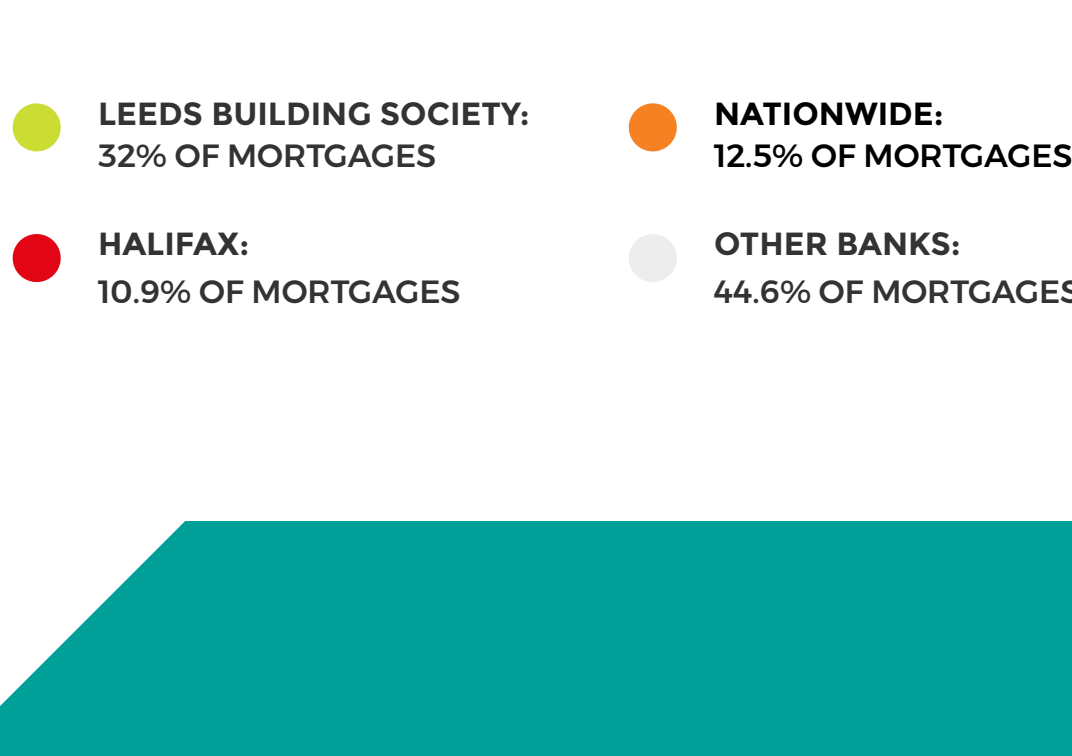
## LOWEST FIXED RATES

The latest figures from our list of lenders.

95% LTV	
2 year	Leeds - 5.94%
3 year	Newbury - 5.99%
5 year	Halifax - 5.55%
90% LTV	
2 year	Reliance Bank - 5.1%
3 year	Leeds - 5.89%
5 year	Leeds - 5.14%
85% LTV	
2 year	Reliance Bank - 5.1%
3 year	Nationwide - 5.29%
5 year	Nationwide - 4.71%

## 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

### Reality check

Here at TMP, unseasonable enquiries are still flowing in. Fast. And that's even more surprising considering this year has been quite a challenge for so many. Or is it?

When you stop and think about the context, everything starts to make sense. The shock of BoE base rate rises has passed, and public mood has taken a turn.

That old talk of a big fall in house prices probably had lots of buyers holding their breath in the hope of snatching up a bargain. But rates seem to have plateaued, property prices remain stubbornly high, and patience has worn thin.

### Tricky situation

But times are still tough. Especially for first-time buyers. High inflation has pushed up prices across the board and made saving difficult, and at the same time, high interest rates have lowered the amount people can borrow, and bigger deposits are needed to cover the shortfalls.

All this has pushed people towards the most affordable option: Shared Ownership. But even SO can't answer everyone's needs.

### We're busy, but...

The stats for the last 18 months don't paint the rosiest picture. Although customer income rates have remained more or less the same, purchase share sizes and mortgage amounts are going down while the average customer age is rising.

Buyers are changing, too. Or to put it more accurately, they're diversifying. We're now seeing applications from people of all ages, from older families as well as young couples, and even a few from intergenerational parent-son/daughter parties.

But the important thing is that people still want to become homeowners. So thank goodness for Shared Ownership. Because in times like these, it means there is still an affordable way to buy a home.

### Change is in the air

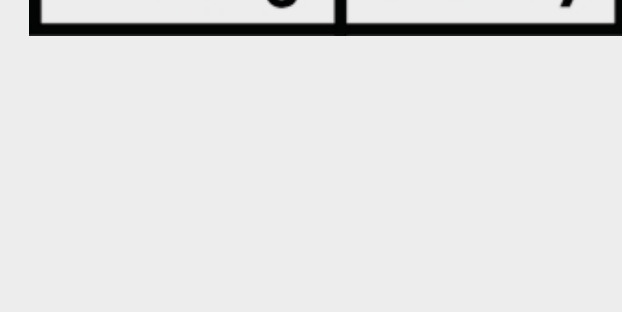
RPs are noticing the changes too, and that begs the question - does our sector still know who its customers are and understand their needs? Or is it time for a big rethink? It's clear that averages and norms are shifting, but the popularity of Shared Ownership is as high as ever. That surely means we need to realign and readjust.

And remember that re-mortgage cliff some lenders were predicting? It hasn't quite materialised. Not yet, anyway. That might indicate a lag. If it does, Spring next year is when we will start to feel some impact.

### Chin up!

The state of the market isn't exactly fun and games right now, but everyone is doing a great job of keeping the mood positive. And in any case, as long as we are prepared, keeping an eye on the data and staying one step ahead of change, we can handle now and what comes next.

## CAMPAIGN RAISES AWARENESS OF SO



### Bromford

"It's really important for us to be part of this fantastic campaign which does so much to raise awareness around the feasibility and ease of Shared Ownership. In a time [when] homeownership may seem a distant dream for some people [...] campaigns like these can help people understand that it might not be as far away as they would traditionally expect."

Catherine Jarrett, director of sales and marketing at Bromford, commenting on Bromford's recent [campaign to raise awareness about Shared Ownership](#)

## BUILDING SOCIETY RE-ENTERS THE SECTOR

"Shared Ownership enables more people to get on the housing ladder by giving an alternative to the traditional mortgage route."

Andrew Sadler, key account manager at Suffolk Building Society, commenting on the building society's launch of a [new SO product](#).

## SNAPSHOT: WIDER MARKET

"The Autumn statement had an upbeat feel and yielded some positive news for the housing industry. However, this is no time to celebrate. The cost-of-living crisis continues to limp on, and the International Monetary Fund [has forecasted] that the UK's growth will be the slowest in the G7, whilst its inflation will be the highest. The resultant uncertainty continues to impact the housing market. In the residential sales sector, interest rates remain high, causing first-time buyers and movers to think twice."

Nathan Emerson, CEO, Property mark

## NEWS IN BRIEF

### Newcastle Intermediaries expands Shared Ownership offering

The intermediary reported on [Newcastle Intermediaries' expansion of their Shared Ownership offering](#). Newcastle Intermediaries has reduced rates across its 95% loan-to-value (LTV) Shared Ownership proposition, and introduced 85% and 90% LTV products to the range.

The expansion of Newcastle Building Society's Shared Ownership range follows recent enhancements to its proposition, including the introduction of products for remortgage and staircasing.

These updates provide Shared Ownership buyers with greater flexibility and the opportunity to increase their share in the property up to 100% of the value in increments of 5%.

### Property prices fall

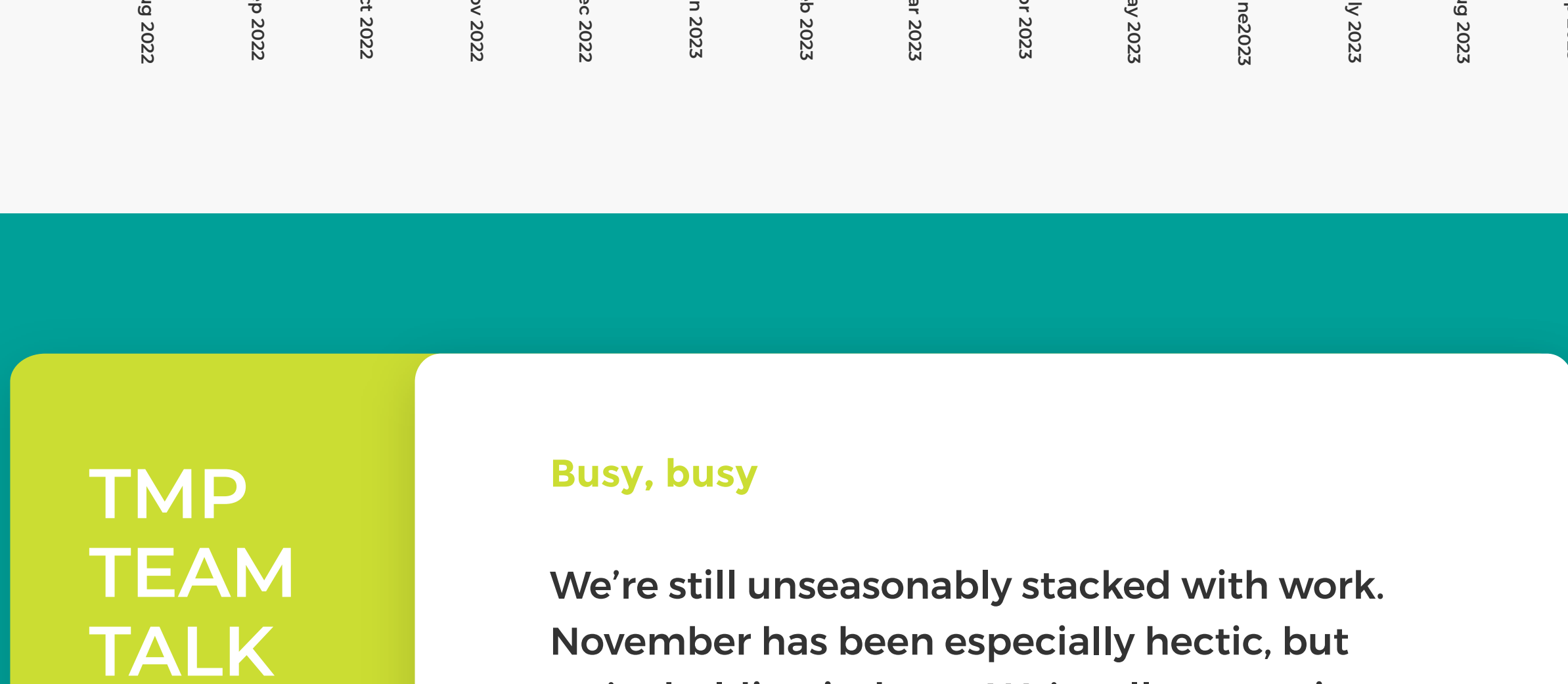
Property Industry Eye covered the [first annual house price fall since 2012](#). Residential property prices dropped marginally in September, official data revealed [...]. the first annual decline for more than a decade, as rents increased at a record rate.

According to the latest provisional House Price Index from the Office for National Statistics, average UK house prices dropped by 0.1% in the 12 months to September.

The ONS said that the decline, which compares to a revised 0.8% increase in August, was the first official fall since April 2012.

## DATA DIVE: HOUSE PRICE INDEX

As of September 2023 (most recent figures from ONS), the average house price in the UK is £291,385, and the index stands at 152.8. Property prices have fallen by 0.5% compared to the previous month, and fallen by 0.1% compared to the previous year.



## TMP TEAM TALK

### Busy, busy

We're still unseasonably stacked with work. November has been especially hectic, but we're holding it down. We're all supporting each other and keeping in mind the positive, approachable, amazing helpful ethos that TMP is famous for.

The Christmas break is nearly here, and after that, well... we're expecting to be busy again!

## YOUR AMAZINGLY HELPFUL MORTGAGE PARTNERS

15+ YEARS IN THE BUSINESS

70+ RP PARTNERSHIPS

We know the Shared Ownership sector better than any other mortgage broker.

Along with our famously human approach, that wealth of experience is the key to TMP's success. Accurately evaluating your customers, matching them with their perfect mortgage and guiding them along the home-buying process from initial assessment to point of exchange is all part and parcel of what we do best.

LET'S TALK ABOUT WORKING TOGETHER

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