OUR **AMAZINGLY** HELPFUL MARKET UPDATE







They say that some buyers are holding off because of the general election. As ever though, Shared Ownership

KELLY'S HOT TAKE

is ticking along very nicely regardless of what's happening in the wider market. In other news, big changes are coming in our sector, and we're confident they're going to be positive. PLUS, we've developed some tools and resources that will help you implement these changes. More below. **Kelly McCabe** TMP The Mortgage People

AT A GLANCE: DASHBOARD

95% LENDERS **ACTIVE LENDERS IN SO**

- 30

-3

△ 27

5.25%

(90 DAYS)

41.69%

AVERAGE SHARE

ENQUIRY LEVELS (AGAINST SUB-25% LENDERS BANK OF ENGLAND BASE RATE SEASONAL EXPECTATIONS)

LOWEST FIXED RATES

TOP LENDERS THIS MONTH

85% LTV Reliance Bank – 4.45% 2 year Nationwide – 5.04% 3 year

Virgin Money – 4.59% 5 year

The latest figures from our list of lenders.

90% LTV	
2 year	Reliance Bank – 4.45%
3 year	Leeds – 5.44%
5 year	Virgin Money – 4.79%
95% LTV	
2 year	Reliance Bank – 5.2%
3 year	Newbury – 5.59%
5 year	Newbury – 5.19%

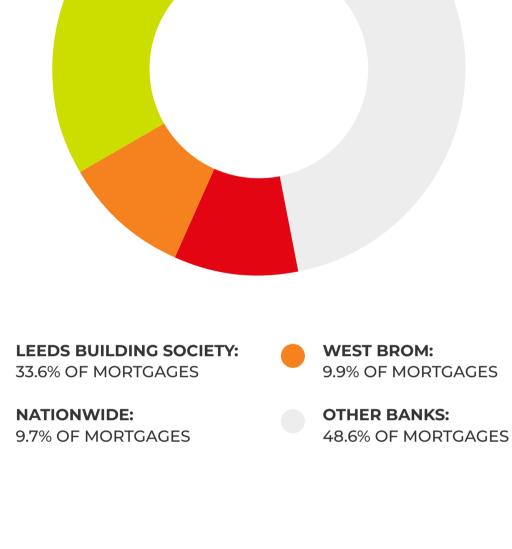
THIS MONTH

Just when you thought...

are just one part of the equation.

The lenders with the lowest rates – shouldn't they be

the busiest ones? Not in SO, necessarily. Here, rates



'Gentle' reminders

tale. The Government has announced its (not-so gentle) reminders about following reaction, and it's largely... Balanced. That's the rules, too. RPs now need to publish their hugely reassuring. It goes to show that at least First Come First Served (FCFS) policy, which

Remember the Levelling Up, Housing and

Communities (LUHC) Committee's Inquiry

it caused? Well, there's been a twist in the

some people in power understand Shared

into Shared Ownership and all the commotion

UNDER THE MICROSCOPE

Ownership and its importance. Which isn't to say the Inquiry wasn't valid. It made some very important points. And changes need to happen. But although this is good news, it also draws attention to a pretty huge 'what if?'. The general election is weeks away and no one can say who the next Government will be and what they'll think of SO. That sums up the big theme of right now: uncertainty. **Change is coming** Either way, Shared Ownership is about to be altered in some important ways. The Leasehold Reform Act — though not

as transformative as initially promised is driving some of the changes, but at the moment Homes England's amendment to affordability is at the forefront of our world. Rest assured; we know what it looks like. Headlines will read 'affordability threshold for SO to drop from 45 to 30', and yes, that's what's

happening. But it isn't as dramatic as it sounds.

more accurate to think of it like a switch from

Rather than looking at it as a 15% drop, it's

kilometers to miles per hour. And actually,

that's a good thing.

real-world costs and come into alignment alongside other housing products, bringing it a big step closer to the mainstream. And you know that problem with minimums and maximums the old calculator struggled with? It'll sort that out too. So it's all set to bring

about some really beneficial changes.

accountable for upholding it. Again though, that's a good thing. It aids transparency. And most importantly, it helps ensure fairness. For everyone. Striking the balance Getting FCFS policies right is tricky. First Come First Served means what it says on the tin, but can be interpreted in different ways. And then of course, adjustments need to be made for people who might not be as quick because of reasons beyond their control (neurodivergence, for example). The challenge is how to identify those people and cater for them fairly.

The update to the Capital Funding Guide

The Surplus Income Policy, which relates

effectively means they'll become publicly

has also brought in a brand new policy:

to the 30% rule. There are some gentle

And that's something we've been working on too. One thing we've done so far is made it easier for people to let us know if they need

additional support. We've got you We're actually relieved, these changes are positive and seem like they're going to make our sector stronger for us stakeholders and bring about fairer outcomes for all our customers. There'll be a hump of change to get over, but hey, we're used to adapting by now. And as ever, we're here whenever you need a hand. We're running 1-2-1 sessions with RPs to work through their policies and practices. If you'd

like to book one, just let us know. We've

even created a due diligence pack for our RP

partners. It explains the process and provides

everything needed - just to make adapting

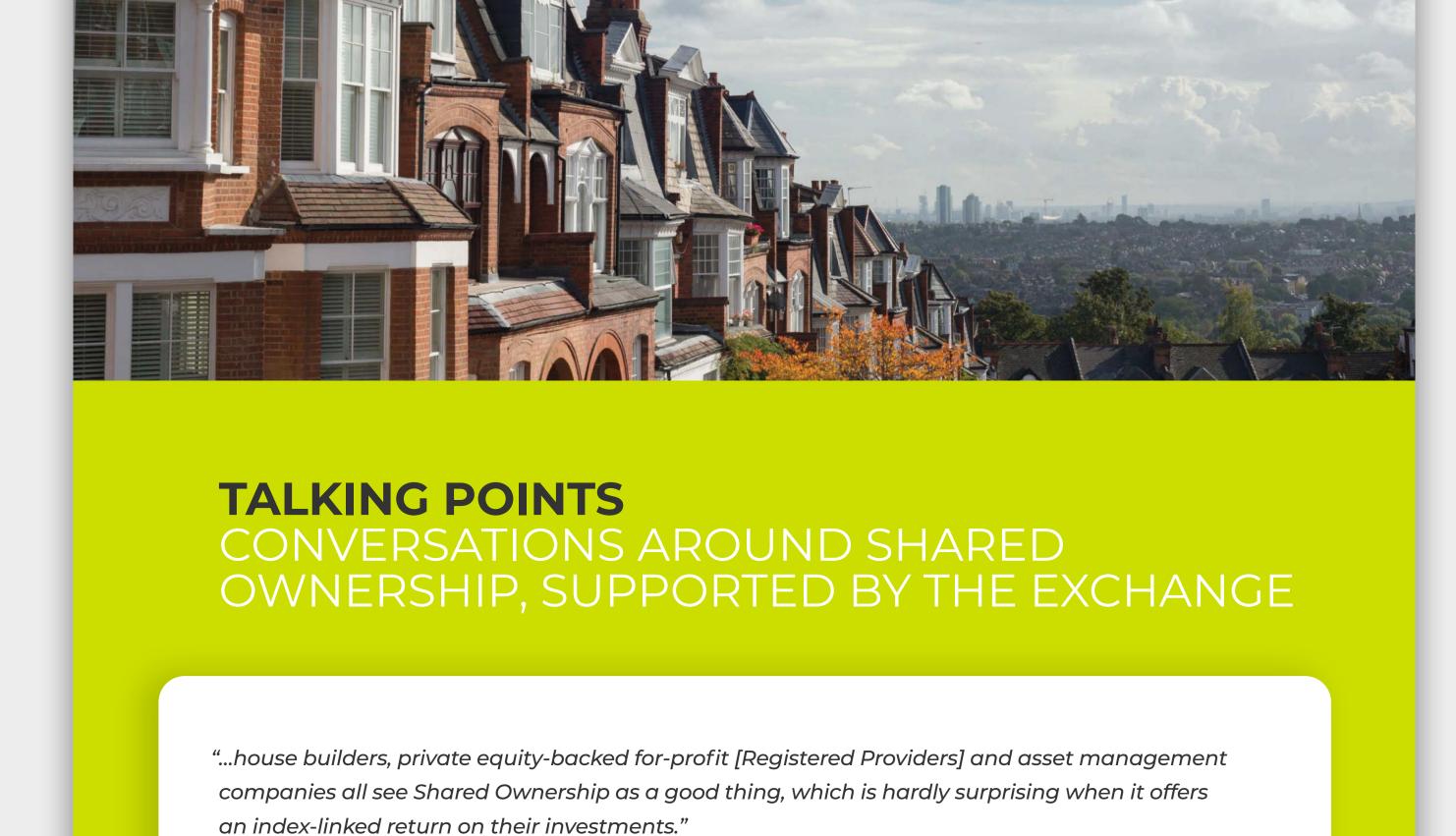
to the new rules a little easier. If you'd like

to work with us, we'll send you a copy too.

And we've built a new calculator. Homes England isn't going to provide one anymore, so we've made it to ensure one is still available. Oh, and... **The National Housing Federation Affordable** Home Ownership conference is happening

on the 6th. It'd be lovely to see you there.

The stats have aligned In reality, the affordability threshold for SO won't shift by much. But it'll better reflect with the way lenders view affordability. Which is great. Because it means SO will sit credibly



be renting or living with my parents...It gives you a lifeline, especially if you are someone in their 20s or 30s." Farhana Mallick, Teacher, commenting on how Shared Ownership gave her an otherwise unattainable route into homeownership

"The updates to the Capital Funding Guide relating to Shared Ownership affordability were published

last week. So far, we've held three sessions to talk through the impacts of the changes, say what

It's been wonderful to see so many of you join us. Thank you for your time and input about the

potential effects to your organisations and, more importantly, all our customers."

Amy Nettleton, Assistant Sales & Marketing Director at Aster Group and Cofounder

we propose to do, and help guide our members through them.

"In London, house prices are now very high – if I hadn't bought with Shared Ownership, I would still

Jules Birch, Columnist at Inside Housing, commenting on the investment value of

Shared Ownership

the exchange

of The Exchange, commenting on a cross-Shared Ownership sector session held by The Exchange

SNAPSHOT: WIDER MARKET

Although the economic environment remains

base rate will occur in the near term.

Nathan Emerson, CEO, Propertymark

challenging, there is some positivity in the air. GDP

is estimated to have grown by 0.4% in March and inflation

(CPI) reduced from 3.2% in March to 2.3% in April, which is

within touching distance of the Bank of England's target.

We remain hopeful that a much-needed reduction in the

Mortgage Strategy reported on The House of Lords'

scrutiny of the Leasehold and Freehold Reform Bill:

[which included] amendments to cap costs imposed

of commonhold was included with a requirement for

the Secretary of State to make proposals to ensure

a fairer deal for Shared Ownership leaseholders.

on tenants for remediation and making Shared

An amendment to publish a report on Shared

Ownership, 999-year leases and the adoption

Ownership fairer.

to 999 years.

remortgage product.



NEWS IN BRIEF

Lords propose fairer

Shared Ownership

It said this should be published within six months of the Leasehold and Freehold Reform Act passing, and include matters relating to lease extensions, to give Shared Owners similar rights to other tenants under current legislation as well as the right to extend leases

Mortgage Solutions reported on Melton Building Society's launch of a 95% loan-to-value (LTV) Shared Ownership offering and rate reductions: Melton Building Society's new Shared Ownership deal is a two-year fixed product, priced at 6% with no application fee.

This comes less than a month after the mutual re-entered

product from 5.75% to 5.29%. It also has no application fee.

the 95% LTV space with a five-year fixed purchase and

Melton Building Society has reduced the rate of this

As of March 2024, the average house price in the UK

risen by 1.8% compared to the previous year.

is £282,776, and the index stands at 148.3. Property prices

have risen by 0.7% compared to the previous month, and

Helping you navigate the changes

DATA DIVE:

INDEX

£350,000

£300,000

£250,000

HOUSE PRICE

The team here are ready and waiting to help our RP partners navigate the upcoming changes as smoothly as possible. Need a hand? Want to ask

Jan 2024

YOUR AMAZINGLY HELPFUL **MORTGAGE PARTNERS**

70+

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

LET'S TALK ABOUT

WORKING TOGETHER 0800 4880 814 chirpy@tmpmortgages.co.uk tmpmortgages.co.uk/housing-associations

Prepared by the team at TMP The Mortgage People, 2024. This document is for internal use only and may not be shared with or reproduced for external audiences.

£200,000 £150,000 £100,000 £50,000 £0

> **TMP TEAM**

TALK

The new affordability guidance is coming!

questions? Let us know.

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.

18+

YEARS IN THE

BUSINESS