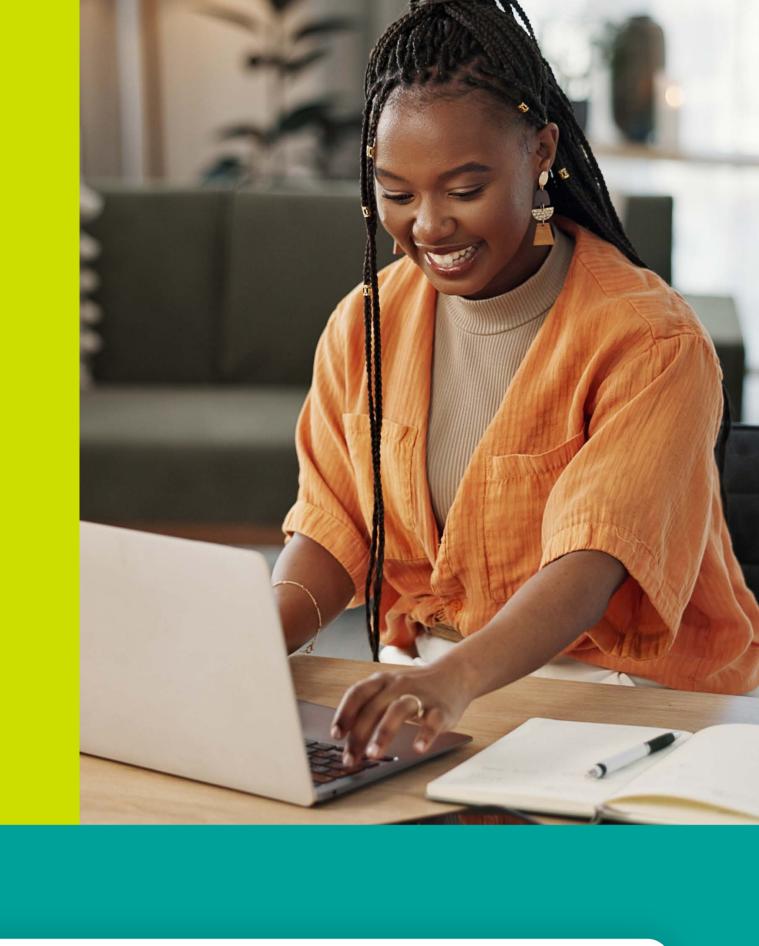
# AMAZINGLY HELPFUL MARKET UPDATE





## Woah. Big week. A major Budget, the US election and – plot twist! – a BoE interest rates cut. The Budget was always going to be a tricky one. But for a lot of Shared Owners, it

KELLY'S HOT TAKE

seems to have turned out better than it might have. You know when sometimes answers lead to more questions though? There's more than a bit of that going on. Meanwhile, the recent demand in our corner of the SO world is as strong as ever and the scheme is once again happily bucking wider-market trends. **Kelly McCabe** TMP The Mortgage People

AT A GLANCE: DASHBOARD

**-** 30

## **ACTIVE LENDERS IN SO** 95% LENDERS

**SUB-25% LENDERS** 

4.75% BANK OF ENGLAND

**BASE RATE** 

**-** 27

**ENOUIRY LEVELS (AGAINST** 

**AVERAGE SHARE** 

**38.14**%

(90 DAYS)

95% LTV

**LOWEST FIXED RATES** 

**SEASONAL EXPECTATIONS)** 

TOP LENDERS THIS MONTH The lenders with the lowest rates — shouldn't they

## Newbury - 5.29% 2 year Newbury - 5.29% 3 year

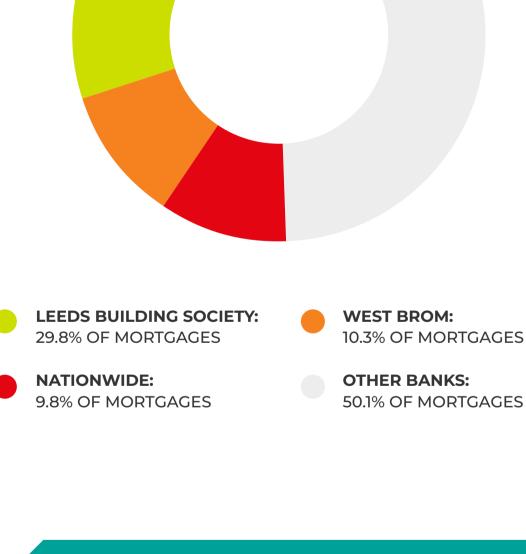
Newbury - 4.99% 5 year

The latest figures from our list of lenders.

90% LTV	
2 year	West Brom – 4.87%
3 year	Nationwide – 4.95%
5 year	Virgin – 4.49%
85% LTV	
2 year	Virgin – 4.47%
3 year	Nationwide – 4.44%
5 year	Leeds – 4.09%

are just one part of the equation.

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



One thing the big cash injection says loud and

clear is that the new Government is committed

music to our ears. And we're starting to wonder

success just on when people leave the scheme?

We think, for example, that making sure there's

enough affordable housing stock to go around

is just as important, and are really hoping that

to delivering more affordable homes. That's

if it might hint at a change in outlook. Right

now, the success of Shared Ownership is

Inches to cm?

# The biggie, of course, is that the red box has been opened. Some important details from the

we saw coming.

**Mainly unaffected** 

On the other, other hand

be tightened.

other things to talk about.

THIS MONTH

We'll have to return to the interest rates

reduction in next month's Market Update as it

has only just dropped, but there are *plenty* of

contained plenty of what we expected, a few

surprises cropped up too. We'll get to those.

But first, let's have a run-through of the points

### Budget are still unclear, but things overall are generally judged by how many people staircase looking pretty good for our target market and to 100% ownership. But we see that as one of lots of possible good outcomes - why base Shared Ownership in general. And although it

**UNDER THE MICROSCOPE** 

It seems as if most Shared Ownership customers (particularly those on lower wages) won't be negatively affected by the Budget. Well, not directly, at least. Some open-market buyers might be reconsidering their positions right now, but, once again, SO seems to be more or less unaffected. In fact, demand for SO might get even stronger.

There's no getting away from it, the Budget

is going to impact businesses. Belts will

The knock-on effect could be – as recent

headlines have pointed out – that pay rises

could shrink and not happen as often. Rates

have crept back up too. Which could be just

Half a £bn The best surprise from the Budget? By far and away, the extra £500 million of funding for the Affordable Homes Programme. That's massive. But while Shared Ownership comes under the

a blip, but right now it's too early to tell.

up all of it. We still don't know exactly what share of that money is going to go where. So yes, it's great news. But we're not quite popping the bubbly just yet.

'affordable housing' umbrella, it doesn't make

view might be catching on in Westminster. **Big appetite** For us, buyer demand normally has seasonal ups and downs. But this year the usual pattern has disappeared. Compared to 2023, leads have increased by more than 50%. And the usual summer let-up passed us by completely. We've been incredibly busy, which is really positive! It suggests that the Shared Ownership market is healthy. **Bigger and better** To meet demand, we've been expanding. Again. More hands on deck will help make sure we can handle the new pressures with the

same amazingly helpful level of service we're

## We're also really keen to grow so that we can be ready for the even higher levels of demand we reckon might still be to come. Because all

to some of them are.

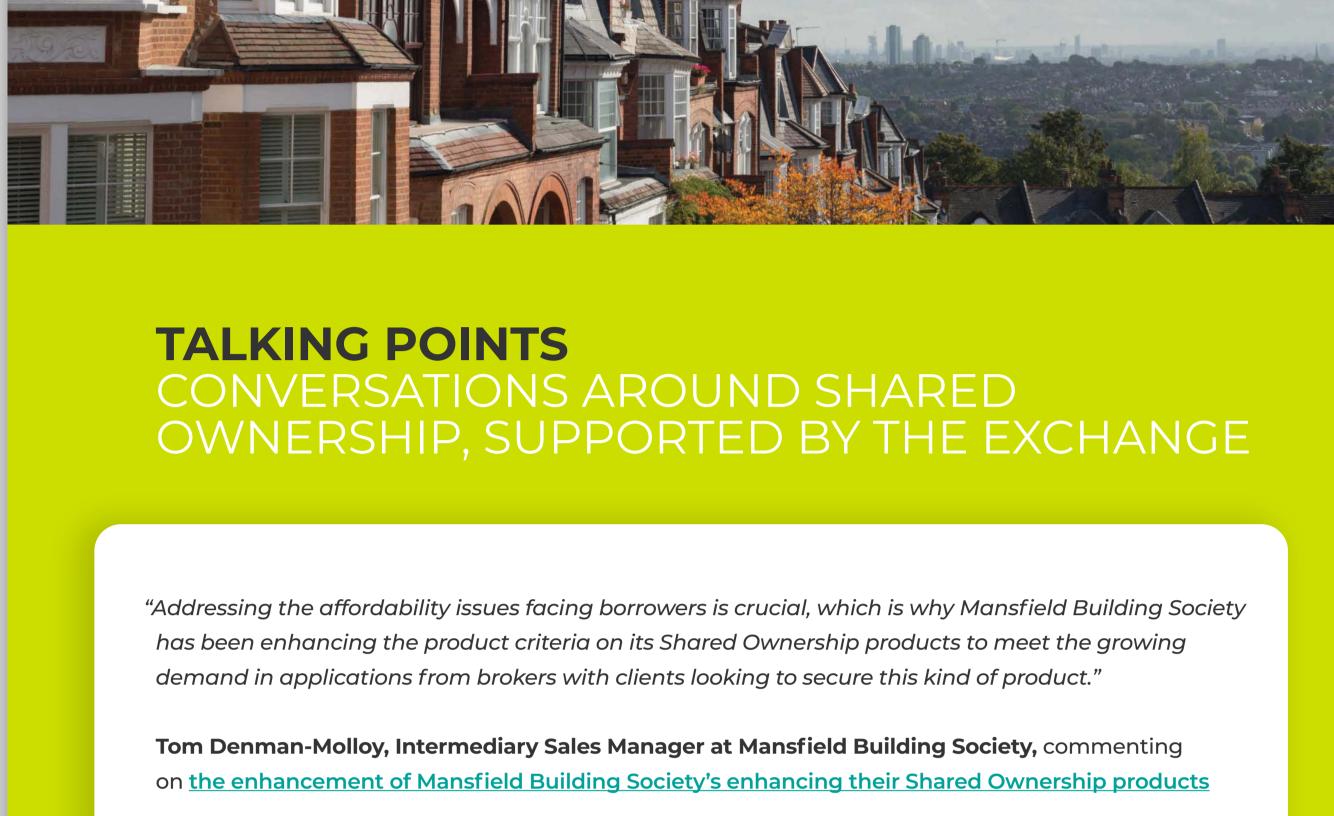
known for. And proud of.

bigger expenses for employers and smaller wage increases for staff are likely to add up to even more people wanting Shared Ownership. **New series** So we now know what the Budget looks like. Some details – especially the amount of money allocated to affordable housing – are great

news. But it's also thrown up new questions.

And only time will tell what the answers

the investment going into affordable housing,



Jonathan Pearson, Director at Residentially, commenting on the scale and importance of **Shared Ownership** 

"We're thrilled to announce that Rightmove is joining The SO Exchange to deliver a Shared

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

The Exchange, commenting on the new biannual update The Exchange has announced

scoop on the ripples that the recent Budget are likely to send through the sector."

Ownership market-focused biannual update! This is an amazing chance to gain insights into our

SO market as well as the broader housing market. Rightmove will be there to give us the inside

two-thirds Affordable Rent."

in partnership with Rightmove

the exchange

# progression on potentially cutting interest rates as this will continue to improve the overall health of the Nathan Emerson, CEO, Propertymark, commenting on the recent Zoopla House Price Index

Savills Investment Management's Simply Affordable Homes fund has acquired its first 100 homes from Park Properties Housing Association (PPHA) as part of a plan to secure over 200 affordable rented and Shared Ownership homes across the South and East of England and the Midlands. The portfolio includes tenanted homes and homes slated for completion in 2024-2025.

The fund, with £123 million from investors like Samsung

Life and Big Society Capital, aims to address UK housing

challenges by providing sustainable, affordable housing.

properties to positively impact communities and address

Residential property prices <u>have risen by 1% over the past</u>

year after falling by 0.9% during 2023, according to Zoopla.

The total value of properties in the sales pipeline has

reached a four-year high of £113 billion, up 30% year-on-

year, with first-time buyers projected to make up 36% of

2024 sales. Reduced mortgage rates have spurred a return

of sellers to the market, while buy-to-let investments have

finances. Industry experts note the newly resilient growth

declined due to higher regulation and less favourable

in house prices and have optimism for more affordable

housing initiatives. But despite the rise, high property

slow property price inflation.

availability and affordability constraints are continuing to

Established through partnerships, Simply Affordable

Homes focuses on high-quality, income-generating

housing needs.

and is expected to attract strong interest.

Zoopla

**DATA DIVE:** 

INDEX

£350,000

£300,000

£250,000

£200,000

£150,000

£100,000

£50,000

£0

HOUSE PRICE

More the merrier Get prepared to see even more amazingly

Jan 2024

helpful faces! We're looking forward to

for Shared Ownership.

welcoming aboard another load of new team

members to help us handle healthy demand

"With around 250,000 Shared Ownership households in the UK today, [Shared Ownership] provides important benefits that must be preserved. It represents the most valuable element of affordable housing for Housing Associations and Local Authorities and is a key part of Section 106 agreements in larger private developments, where the typical policy includes one-third Shared Ownership and

**SNAPSHOT:** WIDER MARKET

downsize.

economy."

"We have seen an encouraging transformation across the

year in terms of a resilient trend of house price growth.

Affordability and overall confidence in the sector have

"Considering the UK government has an ambitious aim

to deliver growth following what has been a turbulent

be used as a springboard to improve housing supply.

is one way to do that, especially for those wishing to

few years, we hope that this week's Autumn Budget will

Propertymark has long argued that Stamp Duty reform

"When the Bank of England's Monetary Policy Committee

Hanley Economic Building Society has introduced

a fee-free, two-year fixed-rate Shared Ownership

mortgage with a 5.35% rate, available up to 95% loan-to-

value (LTV). Requiring only a 5% deposit, this mortgage

is accessible for purchases and remortgages, with loans

ranging from £30,000 to £500,000 on properties across

England and Wales, including new builds up to 10 floors.

There are no application or arrangement fees, and one

individually assessed without credit scoring. Targeting

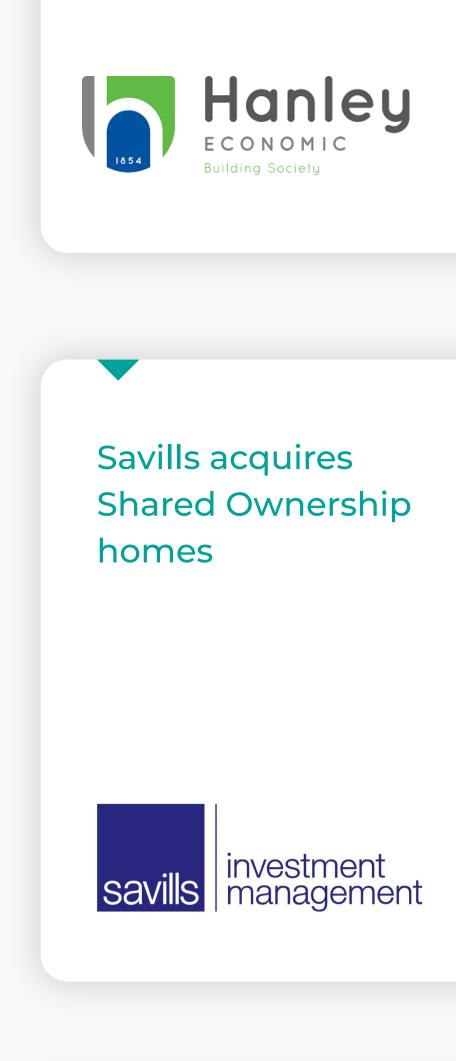
first-time buyers, the product is offered through Hanley

Economic's branch network and intermediary channels

free standard valuation is included. Applications are

meet on Thursday next week, we hope to see further

also seen a boost throughout the year so far.



House price

growth returns

**NEWS IN BRIEF** 

New lender enters

Shared Ownership arena

As of July 2024 (most recent figures), the average house price in the UK is £289,723, and the index stands at 152.0. Property prices have risen by 0.6% compared to the previous month, and risen by 2.2% compared to the previous year.

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**TEAM TALK** 

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initial assessment to point of exchange is all part and parcel of what we do best.

to TMP's success. Accurately evaluating your customers, matching them with their perfect mortgage and guiding them along the home-buying process from

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