

OUR AMAZINGLY HELPFUL MARKET UPDATE

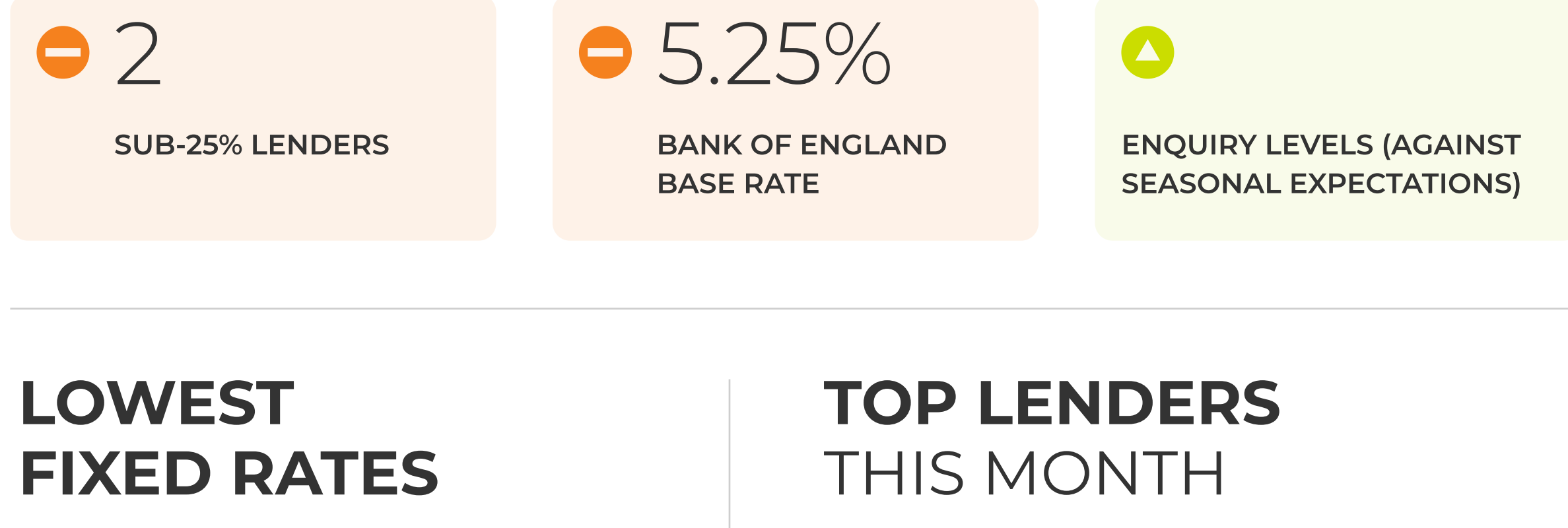


KELLY'S HOT TAKE

Many of us have been enjoying summer breaks and the market has been typically, seasonally subdued. But it's given us at TMP The Mortgage People a moment to look at the customer data from the last few years of transactions... and our suspicions have been confirmed: average share is down. To its lowest ever level. Is it time to be alarmed? Read on to find out...

Kelly McCabe
TMP The Mortgage People

AT A GLANCE: DASHBOARD



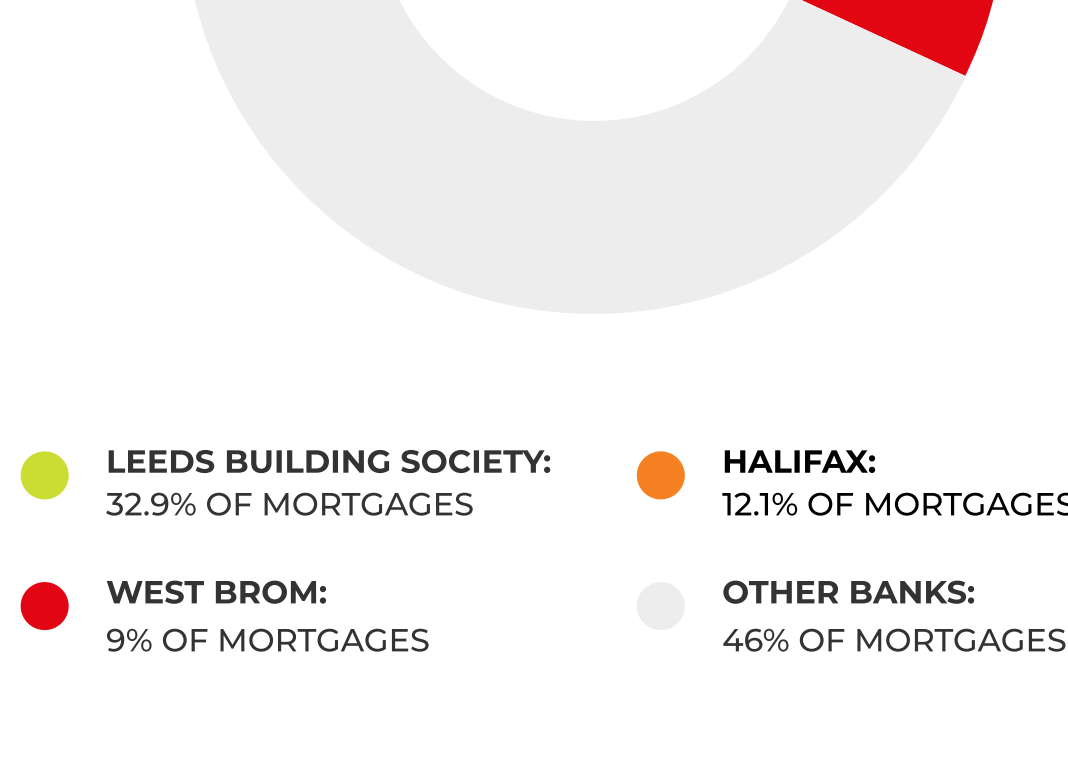
LOWEST FIXED RATES

The latest figures from our list of lenders.

95% LTV	
2 year	Leeds 6.69%
3 year	Newbury 5.99%
5 year	Newbury 5.89%
90% LTV	
2 year	West Brom 6.19%
3 year	Newbury 5.99%
5 year	Leeds 5.79%
85% LTV	
2 year	Leeds 6.44%
3 year	Newbury 5.99%
5 year	Barclays 5.63%

TOP LENDERS THIS MONTH

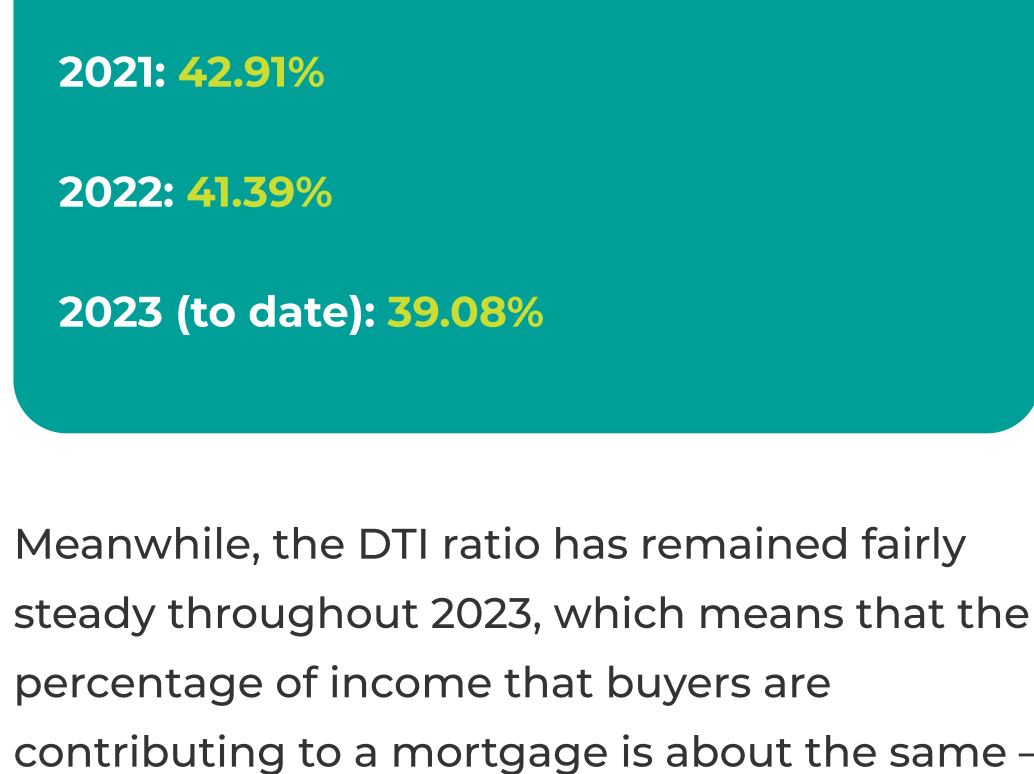
The lenders with the lowest rates – shouldn't they be the busiest ones? Not in SO, necessarily. Here, rates are just one part of the equation.



THIS MONTH UNDER THE MICROSCOPE

The big news is that our customers' average size of share has dipped below 40% for the first time ever. And it's not an isolated incident – we've seen a steady downward trend since April this year.

It's likely that the dip in share is something you'll have noticed from your own sales figures in recent months, but our figures demonstrate that it's not just your sites. It's industry-wide.



Meanwhile, the DTI ratio has remained fairly steady throughout 2023, which means that the percentage of income that buyers are contributing to a mortgage is about the same – but the share that they can afford is going down.

So, is this drop in average share a result of the new lease? In a word: no. The take-up on smaller shares has been incredibly small (as we've shown in previous Market Updates).

Is the drop, however, down to our old friend affordability? Certainly. It's clear that this is a reflection of how much money people have got in their pockets today against a backdrop of sustained inflation, Base Rate rises, and a not inconsiderable amount of wider economic turmoil.

Outlook
In reality, the drop in shares shouldn't be a big surprise to anyone. We shouldn't be unnecessarily anxious about the future, either. If house prices were rising as much as they were in 2022, then we'd be looking at a more worrying situation unfolding. And if buyers' wages hadn't generally grown over the past year, then the average share would be even lower.

The fact is that the market is still strong. People are still buying homes and there's no sign of a slowdown. If anything, this demonstrates just how flexible and enduring Shared Ownership is – it provides a valuable, viable option when people are facing reduced affordability in their day-to-day lives.

So as a sector, is it time to be alarmed? No. But is it time to start managing our expectations? Probably.

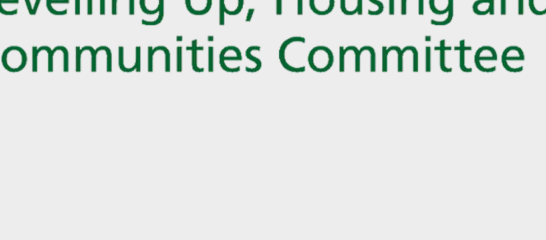


ROMANS GROUP LAUNCHES SHARED OWNERSHIP DIVISION

"Our team has had an unprecedented year as demand for Shared Ownership has never been stronger...The creation of SOWN enables us to move forward into new geographic areas, replicating that success throughout the country.

"It also helps us elevate the profile of Shared Ownership and gives us a platform to promote its benefits with the huge proportion of the UK that doesn't understand it and doesn't know that it is an option for them."

Adrian Plant, director of SOWN, commenting on [what the new brand aims to achieve](#).



SHARED OWNERSHIP IS THE ONLY OPTION

"Since the Government's Help to Buy scheme ended in March, it [Shared Ownership] is the only mainstream option for buyers who can't afford to buy outright. It gives them the chance to own a stake in a London flat for less than £100,000."

Ruth Bloomfield, journalist, commenting on [Shared Ownership](#).



SNAPSHOT: WIDER MARKET

"The sales market remains buoyant despite rising mortgage rates with the number of sales broadly in line with what was reported during the busy market period in July 2022. As the number of viewings and valuations drop, this indicates a shift to only the more serious homebuyers and sellers remaining proactive in the market. Those properties that are currently for sale with motivated vendors in line are selling quickly."

Nathan Emerson, CEO, [Property mark](#)



NEWS IN BRIEF

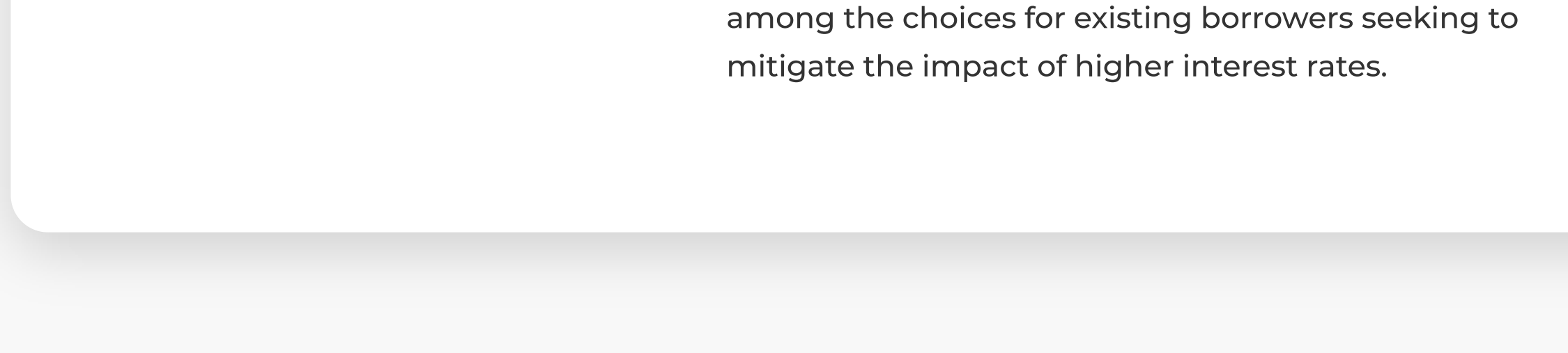
Inflation falls
The Intermediary reported on the [recent drop in inflation](#): Following this morning's inflation data from the Office for National Statistics (ONS), Chancellor Jeremy Hunt has warned the UK still has a distance to go before it can consider the job done.

Official figures show that inflation fell to 6.8% in July, down from 7.9% in June, but above the consensus of 6.7%. However, core inflation remained sticky at 6.9%, also slightly above the consensus of 6.8% and close to a 31-year high. The figure remains well above the Bank of England's target of 2% and the Prime Minister's promise to get inflation below 5% by year-end.

Help for struggling homeowners
Kim Kinnaird, director, Halifax Mortgages, said about the [Government's new mortgage charter](#): "The recently announced Mortgage Charter provides important reassurance that mortgage holders have a range of options if they're concerned about making repayments, and that lenders will be flexible when supporting anyone in difficulty. Extended terms, affordable repayment plans and alternative fixed-rate deals are among the choices for existing borrowers seeking to mitigate the impact of higher interest rates.

As of June 2023, the average house price in the UK is £287,546, and the index stands at 150.8.

Property prices have risen by 0.7% compared to the previous month, and risen by 1.7% compared to the previous year.

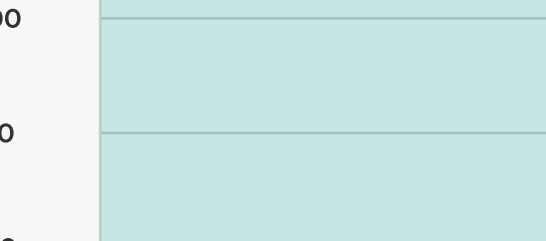


HAVE YOU MET GRACE?

Lots of you will already be familiar with our wonderful Head of Business Partnerships, Grace McDougall. She's in charge of liaising with our external partners, which means she's your dedicated point of contact here at TMP The Mortgage People.

If you have any questions or suggestions about how processes such as assessing and signing-off applicants can be improved, she's your go-to contact. She'll work with you to come up with a plan and then have it implemented in our internal processes.

Want to talk to Grace?
Call 01604 780957 or email gracem@tmpmortgages.co.uk



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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