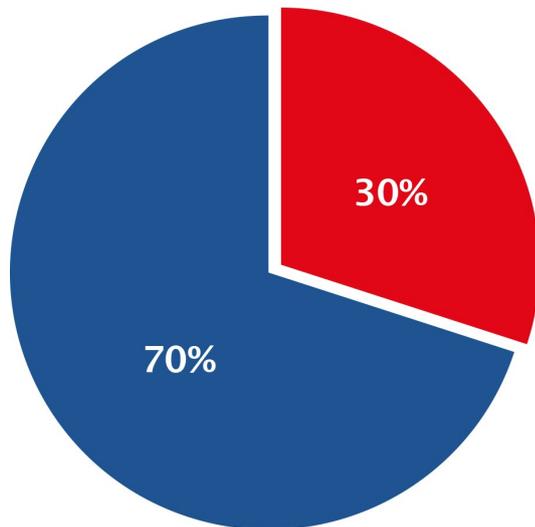


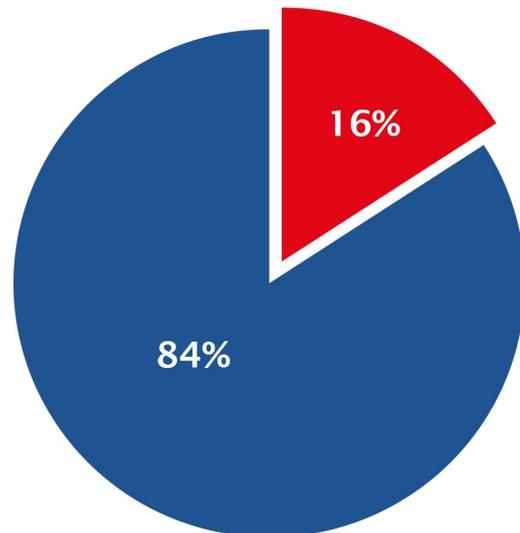
### Lenders & Products

Buy to Let Mortgage Lenders H2 2015



- Lenders offering products to Ltd Co borrowers
- Lenders with no Ltd Co products

Buy to Let Mortgage Products H2 2015



- Products available to Ltd Co borrowers
- Products available to Individuals

In H2 2015, 30% (average) of lenders offered buy to let products to limited companies; however by the end of December this figure had risen to 36% (33 buy to let lenders, of which 12 offered products to limited company borrowers in December 2015). The majority of these products were available to Special Purpose Vehicles (SPV) not trading limited companies.

The average number of products in H2 2015 was 914 of which 147 were available to limited company borrowers. This compares favourably to H1 2015 where there were an average of 99 products available to limited companies from a total average of 850. The increase was aided by Fleet Mortgages which introduced a range of products for SPV limited companies.

### Pricing

In December 2015 products for limited companies were, on average, c.0.7% points more costly than the market as a whole, a marginal reduction compared to July (c.0.8%).

The average limited company rate in December was 4.4%, down from 5.4% in July. Across the entire market rates fell from 4.6% in July to 3.7% in December.

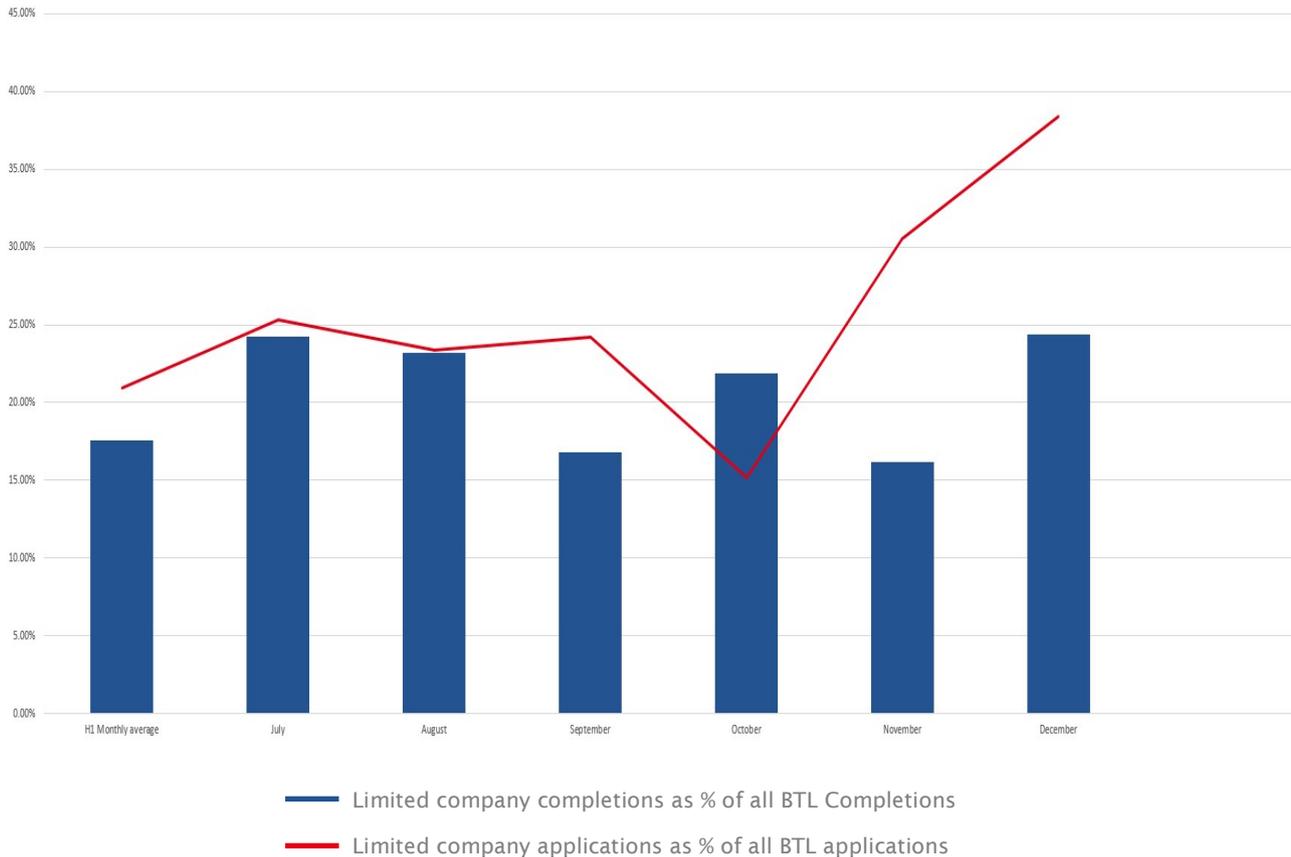
Buy to Let Mortgage Products: December 2015

	Limited Company		Entire Market	
	No.	Av. Cost	No.	Av. Cost
Variable	42	4.5%	229	3.5%
2 Year Fix	31	4.1%	355	3.3%
3 Year Fix	27	4.6%	158	4.0%
5 Year Fix	40	4.6%	247	4.1%
<b>Total</b>	<b>140</b>	<b>4.4%</b>	<b>945</b>	<b>3.7%</b>

Source: Mortgage Flow

## Transactions

### Limited Company BTL as a proportion of the whole BTL market



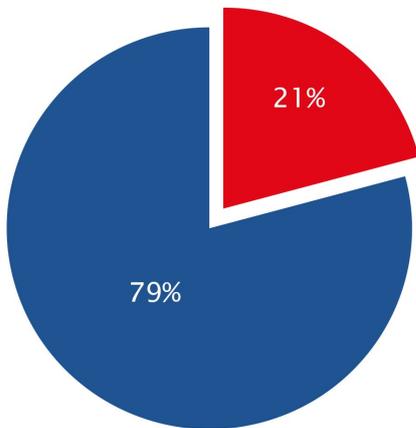
### Applications and Completions

According to our transactional data, in Q4 investors woke up with renewed vigour to the implications of mortgage interest tax relief restrictions. In October, completions for limited company buy to let mortgages accounted for nearly 22% of all BTL completions, up from nearly 17% the previous month. By December this figure had risen to a little over 24%.

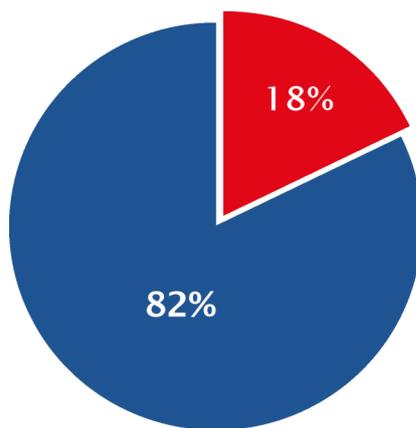
On the other hand, new applications for limited company buy to let mortgages had dipped to 15% of all BTL applications in October but then, almost immediately started to rise sharply, spurred on by the stamp duty surcharge announcement. By December, new Ltd Co BTL applications accounted for just over 38% of all BTL applications, a real step change in investor behaviour.

## Transactions

**H2 2015 by Case Count**

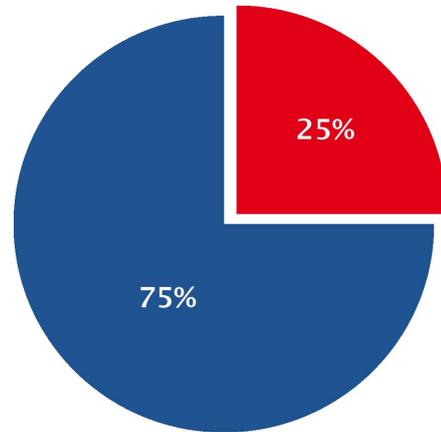


**H1 2015 by Case Count**

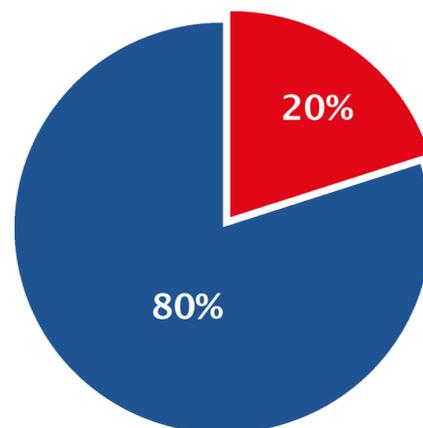


- Ltd Co BTL transactions
- Individual BTL transactions

**H2 2015 by Volume £m**



**H1 2015 by Volume £m**



- Ltd Co BTL transactions
- Individual BTL transactions

### By Case Count and Volume £m

In the second half of 2015, the number of buy to let mortgage applications made by limited companies accounted for 21% of all buy to let cases, up from 18% in H1 2015.

When looked at by volume (£m loan amount), limited company applications accounted for c.25% of all applications, up from c.20% in H1 2015.

The increase by both case count and volume is to be expected since the proposed restrictions to buy to let mortgage interest relief for higher tax rate paying individuals were announced by the government in the Summer Budget. Operating portfolios via corporate structures is expected to be more tax efficient, particularly for higher tax rate paying individuals, including individuals where the new tax regime will tip them into the higher tax bracket where previously, they had remained below it. The stamp duty surcharge has also had a direct impact on activity with investors trying to get purchases completed before 31st March 2016, particularly as the actual rules where the surcharge will apply will not be confirmed until 16th March 2016.