



Mortgages
for Business

Buy to Let Mortgage Index

Q2 2022

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Welcome

Welcome to Buy to Let Mortgage Index, our quarterly publication.

Each edition takes a look back over the previous quarter to give a snapshot of the buy to let mortgage market.

Data & Methodology

Lenders and products

The information contained in this report is obtained from Mortgage Flow, our proprietary buy to let mortgage product sourcing system. Lenders tracked in our Buy to Let Mortgage Index include market-leading mainstream providers, challenger banks and specialist lenders, which cater to full-time portfolio landlords with complex borrowing requirements. Some lenders and products have been excluded, typically those with bespoke offerings and products only available on properties in smaller, regional areas.

Interest rates

12 “standard” product ranges have been selected to allow us to track buy to let interest rates. These are two, five, seven and ten-year fixed rates and discounted/tracker (variable) mortgage products, at 65% and 75% loan to value.

Affect of fees & charges on headline rates

Affect of fees & charges on headline rates
Calculations are based on a “standard” mortgage value of £235,000. The total cost of the mortgage (including lender arrangement fees, valuation fees, and legal fees) is calculated over the variable or fixed-rate period to generate an annualised cost over that period.

“Free” arrangement fees, valuations or legal fees are included in the calculations of costs for those products. Our calculation is designed to recognise the total cost of borrowing during the initial period.

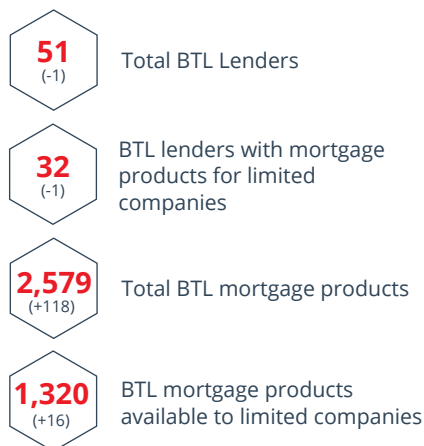
Transactions

Transaction data is based on buy to let mortgage applications and completions submitted via Mortgages for Business. This proprietary data is held within our CRM database and includes information on purchases, remortgages, property type, property value, loan amounts, loan to value, rental income and gross annual yields.

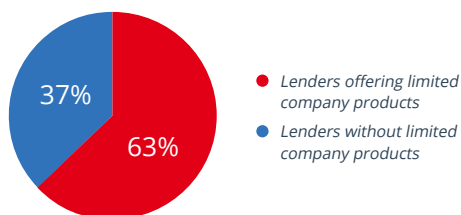


Lenders & Product Numbers

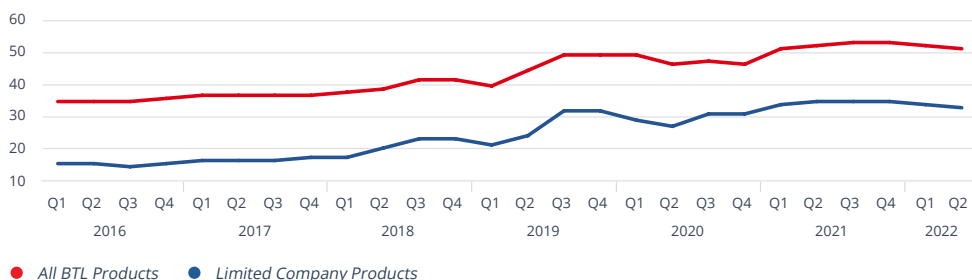
What has happened this quarter?



Buy to Let Mortgage Lenders

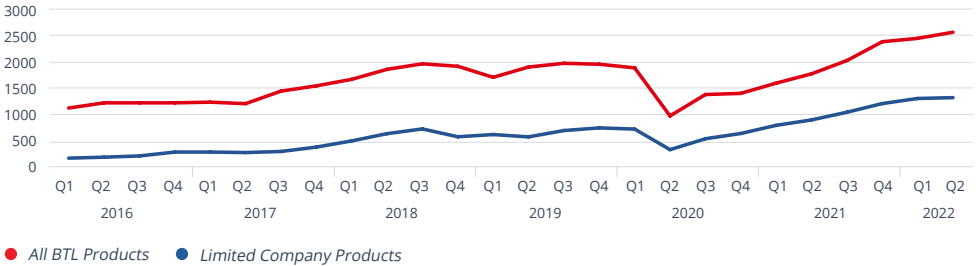


Number of Buy to Let Mortgage Lenders



The quarter started with a surprise withdrawal from the buy to let market by Molo Finance. The lender cited their withdrawal was due to changes in the capital markets, where the lender receives its funding. They remained out of buy to let lending for the rest of the quarter. Aside from Molo's departure, lenders otherwise remained stable through the quarter.

Number of Buy to Let Mortgage Products



The number of buy to let products continued to rise in Q2, with a further 118 products added. However, the increase in new products was less pronounced than the rapid rise between Q3 2020 and Q4 2021.

Notably, individual products were the driving force behind the increase in product numbers, with just 16 new limited company products out of the 118. The number of new limited company products has plateaued over Q1 and Q2, despite the vast quantity of product changes over Q2 2022.

Quarter two saw unprecedented levels of product changes, which traditionally has not been noteworthy. Lenders increasingly needed to change their product ranges due to two BOE base rate rises and a spike in mortgage applications during the quarter. During Q1 2022, lenders changed their products 173 times, averaging 2.7 lender product changes per working day. Q2 saw 259 lender product changes with an average of 4.9 per day, a staggering 80% increase from the previous quarter.

Masked in the quarterly data is the start of a trend likely to show more in Q3. During the last two weeks of the Q2, the product numbers started to tumble. Between 15th June and 30th June, buy to let mortgage products decreased by 345, and by 264 for limited company products. The start of this decline coincides with the latest Bank of England base rate increase to 1.25% on 16th June and, similarly to the increase in product changes, is likely due to lenders trying to manage their service levels due to a large influx of new business.

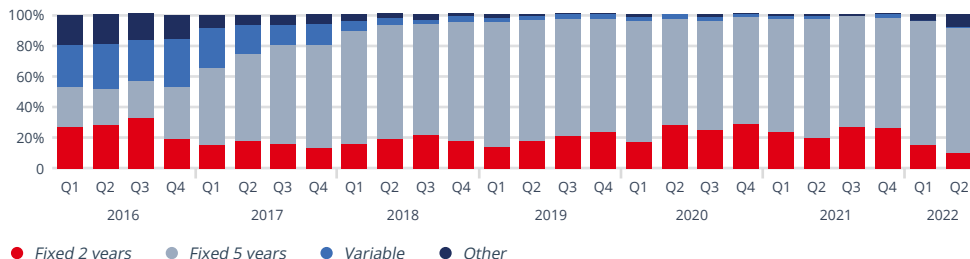
Number of Buy to Let Mortgage Products

	All BTL Products	Limited Company Products
15-Apr-22	2,621	1,373
30-Apr-22	2,636	1,359
15-May-22	2,632	1,360
31-May-22	2,650	1,358
15-Jun-22	2,639	1,367
30-Jun-22	2,294	1,103



Rates & Pricing

Landlord Mortgage Preferences



Landlords remained focused on the longer-term fixes for Q2 amidst rising fixed rates, increasing inflation and the looming prospect of a recession. The 5-year fix remained the overwhelming favourite, at 81% of the mortgages taken in the quarter. 2-year fixed rates continued to fall out of favour, reducing from 15% (Q1) to just 10% of all mortgage applications.

Just under 1% of landlords chose variable rate mortgages, and this trend is unlikely to reverse itself until there is more stability in the UK economy and a brighter outlook on mortgage pricing.

7 & 10-year fixed rates continued to grow in popularity (up to 8% from 4%), but perhaps not as quickly as one could expect, given the rates are similar to 5-year fixed rates.

While 7-year fixes at the same price as 5-year rates may seem an attractive proposition on the surface, their lack of popularity is likely because these rates are usually accompanied by a longer ERC period and are less likely to have a porting facility. This would limit the landlord's flexibility to capital raise, remortgage onto a better rate if the market were to improve or simply sell the property in the future.

Pricing

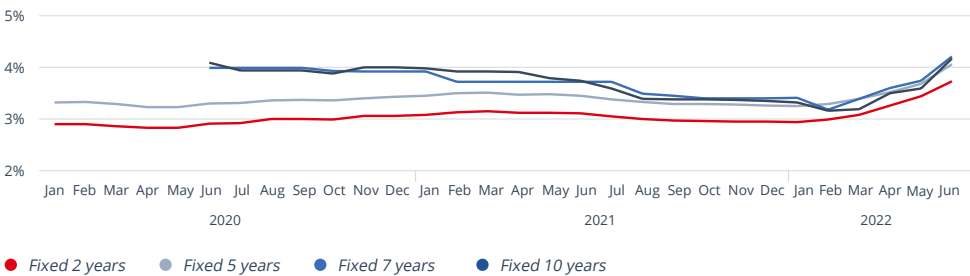
Average Fixed Rate BTL Mortgage Prices (65% & 75% LTV)

Term	Q3 2021	Q4 2021	Q1 2022	Q2 2022
10 years	3.44% (-0.37%)	3.37% (-0.07%)	3.23% (-0.14%)	3.70% (+0.47%)
7 years	3.55% (-0.17%)	3.40% (-0.15%)	3.34% (-0.06%)	3.84% (+0.50%)
5 years	3.33% (-0.14%)	3.28% (-0.05%)	3.31% (+0.03%)	3.74% (+0.43%)
2 years	3.00% (-0.12%)	2.95% (-0.05%)	3.00% (+0.05%)	3.46% (+0.46%)

Average Tracker Rate BTL Mortgage Prices (65% & 75% LTV)

Term	Q3 2021	Q4 2021	Q1 2022	Q2 2022
2 years	3.13% (-0.32%)	2.93% (-0.20%)	2.97% (+0.04%)	2.80% (-0.17%)
Av Term Tracker	4.60% (+0.34%)	4.54% (-0.06%)	4.24% (-0.30%)	4.03% (-0.21%)

Average Tracker Rate BTL Mortgage Prices (65% & 75% LTV)



The golden era of low mortgage pricing has come to an end. This should be no surprise, given the broader economic environment in the UK. The impact of Russia's invasion of Ukrainian is being fully felt by Q2, with inflation continuing to rise rapidly. During Q2, two further BOE rate rises followed the 0.25% rises in February and March, from 0.75% to 1% on 4th May and 15th June to 1.25%. By the end of Q2, the base rate had risen by 1% since the start of the year.

Swap rates directly impact mortgage rates, and mortgage lenders use them to mitigate the interest rate risk in a fixed-rate mortgage. Essentially, lenders are hedging their bets against what could happen to interest rates over specific periods.

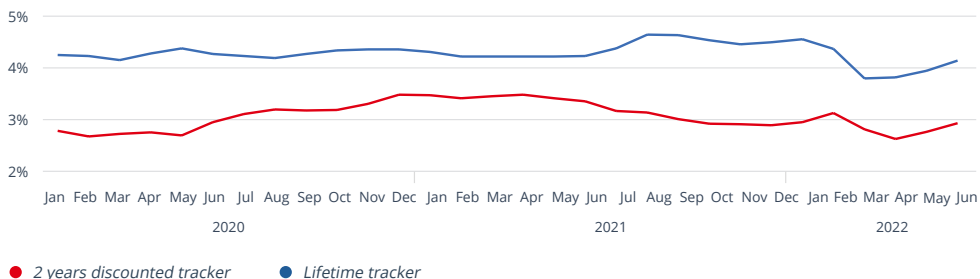
Swap rates are based on market assumptions surrounding what interest rates will be over the term of the swap rate, the calculation of which involves several factors such as inflation, the Ukrainian conflict, food, fuel, and gas prices, and the general economy. As SWAP rates have increased rapidly since Q4 2021, fixed-rate mortgage prices have increased accordingly.

On top of this, as mortgage rates leave the historic low levels they have been on in 2021, landlords and homeowners have rushed to remortgage or purchase their latest investments before rates get too high. A sudden rush of applications has also driven lenders to increase their prices as they try to manage their new business levels and maintain their service levels.

As noted earlier, the difference between 5 and 10-year fixes is negligible. The 5-year average pricing is actually 0.04% higher than the average 10-year fixed rate for the quarter.



Tracker BTL Rates 65% & 75% LTV



The BTL market saw 2-year discounted tracker rates reduce throughout 2021, as the 2-year SWAP rate was incredibly low. The market needed to keep the cost of funds low to make borrowing accessible and stimulate the economy. Interest rates had barely moved in the past decade, so there was minimal risk in the shorter-term funds.

As the UK economy quickly moved into an extraordinary period of uncertainty due to the Ukrainian crisis and spiralling cost of living, this quickly changed, and 2-year SWAP rates rose fast during the quarter. As 2-year SWAP rates become more expensive than 5-year SWAP rates in Q3, we expect these rates to continue to increase and for lenders to start withdrawing 2-year fixed rates from the market altogether.

Average Price

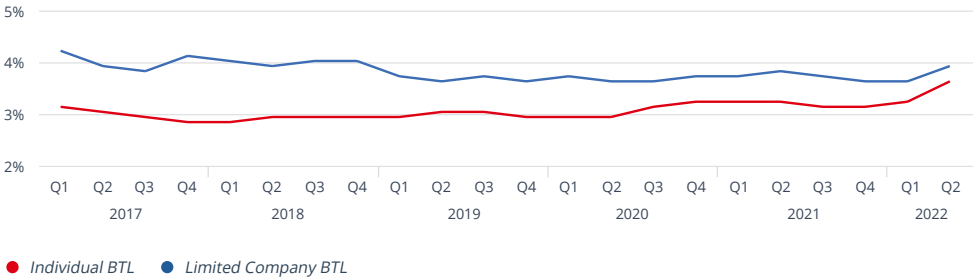


Pricing of products available to limited companies

Products available to Limited Companies (All LTV Brackets)

Products	Q1 2022		Q2 2022	
	Number	Rate	Number	Rate
Variable	65	3.94%	76	3.90%
2 year fixed	479	3.55%	462	3.90%
5 year fixed	689	3.76%	666	4.11%
7 years fixed	27	3.32%	56	4.01%
10 years fixed	21	3.51%	26	4.13%
Total (weighted average)	1,281	3.68%	1286	4.02%

Individual vs Limited Company Overall Rate



While all fixed-rate pricing increased in Q2, personal pricing experienced a much larger jump than limited company rates, narrowing the pricing gap with limited company products from 0.4% to 0.3%.

The proportion of lenders offering limited company mortgages remained static at 63%. It's unlikely that new lenders will be coming to market during this period due to the previously mentioned economic situation. However, we may see more lenders temporarily withdraw from the market, or not replace products, until they can either price or service their existing loans appropriately.

The total number of limited company products remained fairly stable between Q1 and Q2. Q2 saw a slight drop in the number of 2 and 5-year fixed rates available (-3.6% and -3.3%), but the number of 7-year fixed rates available doubled from 27 to 56, 10-year fixed rates available increased by 5 to 26, and somewhat surprisingly, the number of variable rate mortgages available increased by 17% to 76.

BTL Fixed Rate Margins Over SWAPs Q1 2022 (SONIA)

Term	High LTV	Mid LTV	Low LTV
2 years	2.50% (-0.49%)	1.52% (-0.49%)	1.12% (-0.39%)
5 years	2.83% (-0.26%)	1.87% (-0.33%)	1.46% (-0.21%)
7 years	N/A	1.76% (-0.50%)	1.73% (-0.40%)
10 years	N/A	1.78% (-0.47%)	1.51% (-0.35%)

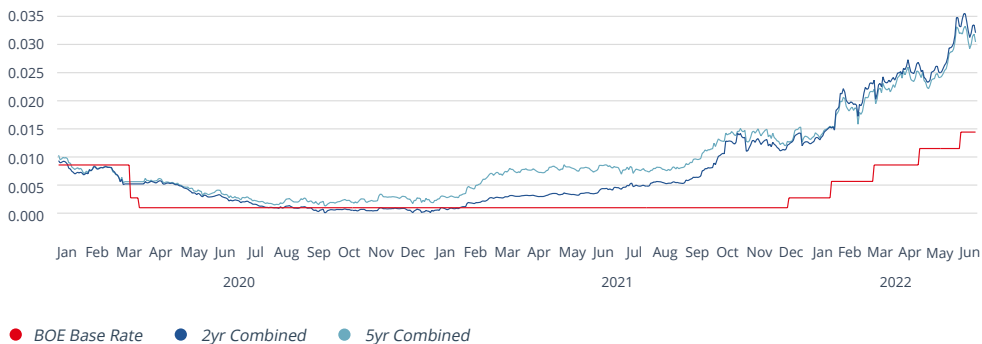
BTL Fixed Rate Margins Over SWAPs Q2 2022 (SONIA)

Term	High LTV	Mid LTV	Low LTV
2 years	1.93% (-0.57%)	1.17% (-0.35%)	0.85% (-0.27%)
5 years	2.27% (-0.56%)	1.55% (-0.32%)	1.14% (-0.32%)
7 years	2.51% (N/A)	1.69% (-0.07%)	1.68% (-0.05%)
10 years	2.66% (N/A)	1.66% (-0.12%)	1.52% (+0.01%)



Swap Rates

Base Rate / Combined LIBOR & SWAP Rates



Bank Rate

The Bank of England continued its plan of raising interest rates in an attempt to curb the runaway rise in inflation. Quarter 2 saw further two rises in base rate (4th May and 16th June), both at 0.25%, taking the base rate to 1% by the end of the quarter. Further rises are expected throughout Q3 and later on in the year, with more rises predicted by economists the further into the year we go.

Base rate is currently at its highest since January 2009, when the base rate was reduced from 2% to 1.5%. While this makes today's rate seem high, looking back further into history, following the 2007 financial crash, the base rate reached as high as 5.75%.

SWAP Rates

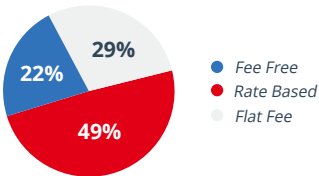
SWAP rates spent the majority of the quarter on a sharp increase. The 2-year SWAP rate breached the 3% threshold in June before retreating to a high 2% by the end of the quarter. The 5-year SWAP rate increased similarly until June but topped at 2.86%. Largely, SWAP rates have kept in line with the base rate, with the decline in May followed by a sharp jump in line with the base rate rise in June.

Lender Arrangement Fees

Lender Arrangement Fee Options for BTL Mortgages

Fee Type	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Fee free	21%	19%	20%	22%
Rate based	47%	47%	49%	49%
Fixed fee	32%	34%	31%	29%
Average fixed fee	£1,595	£1,587	£1,587	£1,585

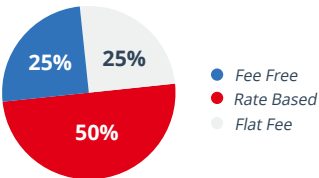
BTL Mortgage Products
Arrangement Fee Options



Arrangement Fee Options Selected by Landlords

Fee Type	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Fee free	15%	22%	18%	25%
Rate based	60%	45%	45%	50%
Fixed fee	24%	34%	38%	25%
Average fixed fee	£1,632	£1,548	£1,667	£1,763

What Landlords Picked



Almost half of buy to let products on the market charge landlords a % based fee. This fee type continues to be the lender's preferred option as this has largely remained static since 2019 (apart from the initial shock of the pandemic in 2020). Fee-free options have increased marginally by 2%, and conversely, flat fee products have reduced by 2%.

This product split is largely replicated by landlords' choice of product, with 50% of landlords choosing % fee products in Q2. The remaining landlords were equally split between fee-free and flat fee products, despite the less fee-free product choice.

However, landlord product choice is not solely based on product fees; these figures don't take into account the average product cost for these categories and other incentives offered to landlords.

Interestingly, the average flat fee cost chosen by landlords has increased consecutively over the last three quarters, despite the average flat product fee offered by lenders remaining consistent during this period. Through working with our advisers, more landlords chose products with lower rates and a higher fee, as the total cost of borrowing during the initial period would work out cheaper.

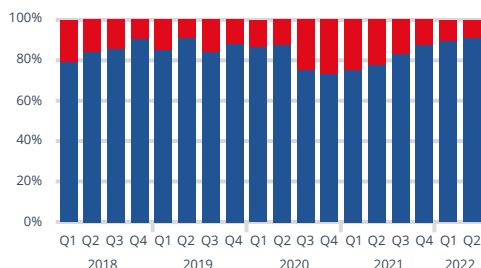


Limited Company vs Personal Borrowing

Average BTL Completed Loan Amounts

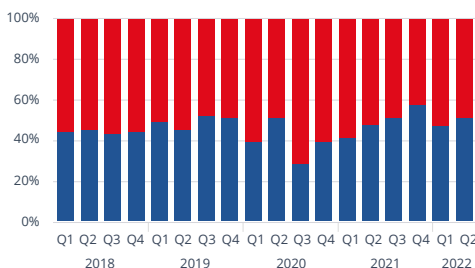
	Q1 2022	Q2 2022
Individuals	£204,895	£216,772
Limited Companies	£223,113	£218,201

Ratio of Individual Purchase & Remortgage Applications



● Purchase % ● Remortgage %

Ratio of Limited Company Purchase & Remortgage Applications



● Purchase % ● Remortgage %

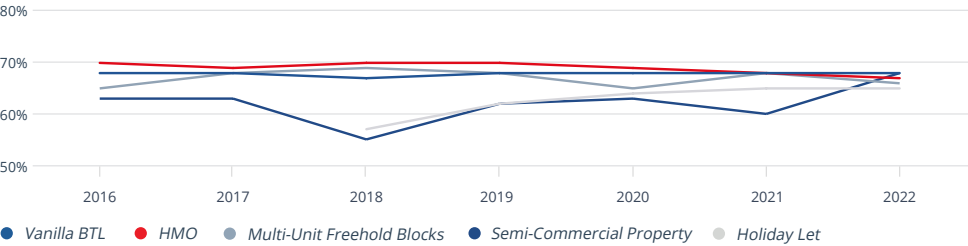
* Remortgage transactions include other lending types, including further advances, product transfers and equity release.

Since Q4 2020, individual purchases have seen a near linear increase in the proportion of remortgages compared to purchases, standing at 91% in Q2. This ratio has held consistently for two quarters, in line with levels last seen in Q2 2019. Industry experts originally predicted 2022 as the year for remortgaging due to the 5th anniversary of the PRA reducing the stress test on 5-year products in October.

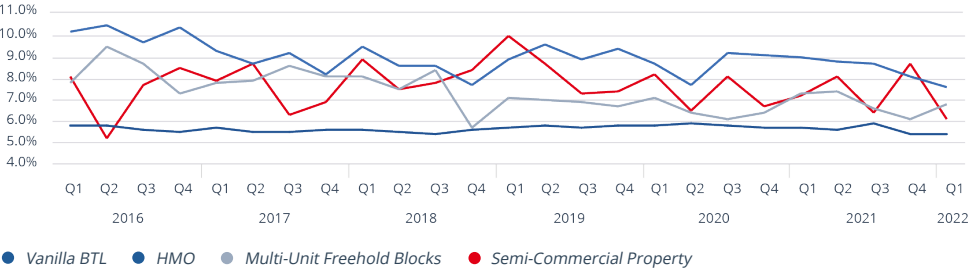
Conversely, limited company ratios have largely stabilised over the last 12 months. In a far more balanced picture, 51% of applications were for refinancing. However, the purchase volume is likely an overinflated number as landlords continue to move portfolios into SPVs, 'selling' their BTL properties to their companies.

Property Types

Average Loan to Value



Average Rental Yields



Vanilla BTL yields (5.25% Q2) have held in the mid-low 5% for the last three quarters. The average property price increased by 2% since Q1, whereas the average loan size decreased, lowering the average LTV from 69% (Q1) to 66%. As mortgage pricing and rent-to-interest calculations increase, the average loan size will likely continue to decrease slightly over the next quarter or two.

HMO yields remained below the 8% mark for this quarter, currently sitting at 7.8%. Although the average property value has dropped from the spike in Q2, rental increases haven't kept up with the increase in property value. The ratio of HMO purchases to remortgages continued to swing towards remortgaging, at 84% remortgaging. Both these factors are likely the fallout from the pandemic, with the grand exodus from cities and people less likely to choose to live with others, discouraging landlords from investing in the property type. As businesses start returning to the office, universities attract a record number of students and the hospitality sector returns; we're likely to see this trend reverse in Q3 as students, young professionals and others return to the cities.



The category of holiday lets has joined tracked property types from this edition of Index onwards. As a popular investment category for landlords, Mortgages for Business started tracking data for holiday let businesses since 2018. Holiday lets are a smaller data set size and will show a level of variation, similar to MUFBs.

Bucking the wider trend, holiday lets saw purchases reach 63% of all transactions in Q2, increasing by 5% from Q1. More and more landlords are diversifying into holiday lets as they have been increasingly popular due to the

Section 24 changes in vanilla buy-to-let and the overwhelming surge in the popularity of UK holidays during the pandemic.

Semi-commercial properties saw a jump in yield from 6.09% to 7.23%; however, this remains in the expected levels from 6-8% due to the lower volume of transactions.

Multi-Unit Freehold Blocks (MUFBs) saw a high level of remortgages (82%) in Q2, which is also likely to explain a significant drop in property value (£696,845 in Q2 vs £823,481 in Q1). As MUFBs are large and more complicated investments, landlords are less likely to purchase new MUFBs during economic uncertainty.

Vanilla Buy to Let

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	35%	29%	39%	36%
Remortgages	65%	71%	61%	64%
Average rent	£1,468	£1,528	£1,362	£1,364
Average loan size	£203,317	£215,364	£211,409	£207,229
Average property value	£299,684	£338,317	£305,451	£311,840
Average loan to value	68%	64%	69%	66%
Average yield	5.88%	5.42%	5.35%	5.25%

Holiday Lets

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	54%	47%	58%	63%
Remortgages	46%	53%	42%	38%
Average rent	£2,887	£3,763	£3,287	£5,215
Average loan size	£258,315	£352,439	£339,860	£471,094
Average property value	£399,293	£561,805	£502,256	£747,768
Average loan to value	65%	63%	68%	63%
Average yield	8.67%	8.04%	7.85%	8.37%

Houses in Multiple Occupation (HMO)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	37%	22%	20%	16%
Remortgages	63%	78%	80%	84%
Average rent	£2,968	£2,853	£3,510	£3,162
Average loan size	£279,153	£282,487	£374,978	£328,709
Average property value	£407,440	£422,611	£556,350	£489,685
Average loan to value	69%	67%	67%	67%
Average yield	8.74%	8.10%	7.57%	7.75%

Multi-Unit Freehold Blocks (MUFB)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	35%	25%	72%	18%
Remortgages	65%	75%	28%	82%
Average rent	£4,274	£4,382	£4,660	£4,106
Average loan size	£535,963	£511,714	£575,228	£430,566
Average property value	£782,989	£857,768	£823,481	£696,845
Average loan to value	68%	60%	70%	62%
Average yield	6.55%	6.13%	6.79%	7.07%

Semi-Commercial Property (SCP)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	27%	73%	70%	31%
Remortgages	73%	27%	30%	69%
Average rent	£3,007	£2,505	£2,898	£2,090
Average loan size	£349,695	£233,624	£405,083	£220,623
Average property value	£561,181	£344,727	£571,111	£346,807
Average loan to value	62%	68%	71%	64%
Average yield	6.43%	8.72%	6.09%	7.23%



Detached Houses

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	21%	30%	20%	23%
Remortgages	79%	70%	80%	77%
Average rent	£2,769	£2,227	£2,325	£1,966
Average loan size	£425,690	£319,064	£400,538	£270,329
Average property value	£654,213	£519,379	£628,446	£435,465
Average loan to value	65%	61%	64%	62%
Average yield	5.08%	5.14%	4.44%	5.42%

Semi-Detached Houses

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	36%	37%	35%	33%
Remortgages	64%	63%	65%	67%
Average rent	£1,380	£1,621	£1,278	£1,410
Average loan size	£205,049	£235,424	£208,649	£224,512
Average property value	£304,004	£357,388	£297,146	£339,213
Average loan to value	67%	66%	70%	66%
Average yield	5.45%	5.44%	5.16%	4.99%

Terraced Properties

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	36%	29%	42%	28%
Remortgages	64%	71%	58%	72%
Average rent	£1,370	£1,246	£1,294	£1,386
Average loan size	£180,180	£171,594	£186,819	£198,899
Average property value	£254,089	£254,389	£271,014	£303,503
Average loan to value	71%	67%	69%	66%
Average yield	6.47%	5.88%	5.73%	5.48%

Flats

	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Purchases	36%	25%	42%	44%
Remortgages	64%	75%	58%	56%
Average rent	£1,239	£1,426	£1,254	£1,333
Average loan size	£176,647	£217,897	£200,255	£205,344
Average property value	£259,484	£331,243	£290,398	£304,159
Average loan to value	68%	66%	69%	68%
Average yield	5.73%	5.17%	5.18%	5.26%

In a new feature to Index, we take a look at the different property types and how they fared over the last quarter.

Terrace houses took the top spot for the highest yield in Q2 at 5.48%, although this has dropped off consistently since Q3 2021 (6.47%). Rents have failed to make any real gains during this period, while average property prices have increased by 19%.

Flats have increased in popularity, with an increase in landlords purchasing flats during Q2. 44% of all transactions were purchases in Q2, up from just 25% in Q4 2021. Flats also had the highest percentage of purchases out of all the property types. Flat yields increased by 0.08% on Q1. Both average rent and average property value recovered slightly from Q1, likely due to a small increase in purchase activity on the previous quarter.

Semi-detached properties have seen a steady decline in yield over the last four quarters, where rents have failed to keep up with the increase in purchase price. The average LTV on transactions returned to the consistent 66% level after a spike to 70% in Q1.

Detached houses increased in yield by just shy of 1%, despite a significant lowering in property value (-31%) and loan size (-32%) from Q1. Rents dipped just 15% in comparison. The lower property value was purely down to landlords choosing lower-value properties rather than any specific regional variances.



Regional Rental Yields

Regional Yields Q1 2022

Region	Average Price	Average Rent	Average Rent (p.a)	Rental Yield	
				Individual	Limited Company
London	£592,637	£2,182	£1,046	4.73%	4.55%
South East	£323,031	£1,234	£549	4.84%	4.19%
South West	£390,500	£1,876	£705	4.97%	6.89%
West Midlands	£256,419	£1,110	£412	5.42%	6.42%
East Midlands	£233,492	£1,077	£357	5.02%	6.41%
North East	£251,848	£1,490	£478	5.32%	7.35%
North West	£199,004	£1,021	£402	6.19%	5.99%
Yorkshire & Humber	£196,525	£1,253	£361	7.20%	8.02%
East of England	£307,380	£1,319	£516	4.33%	5.81%
Wales	£190,000	£1,073	£370	5.33%	7.89%
Scotland	£135,750	£726	£286	6.41%	7.34%

Regional Yields Q2 2022

Region	Average Price	Average Rent	Average Rent (p.a)	Rental Yield	
				Individual	Limited Company
London	£561,405	£2,074	£996	4.56% (-0.17%)	4.69% (+0.14%)
South East	£346,837	£1,389	£597	4.78% (-0.07%)	4.69% (+0.50%)
South West	£367,723	£1,638	£624	5.07% (+0.10%)	6.01% (-0.88%)
West Midlands	£213,886	£1,158	£456	5.40% (-0.01%)	6.66% (+0.24%)
East Midlands	£267,581	£1,246	£503	5.97% (+0.95%)	5.61% (-0.80%)
North East	£282,667	£1,732	£630	5.89% (+0.57%)	7.53% (+0.18%)
North West	£199,983	£1,130	£418	5.94% (-0.25%)	7.02% (+1.03%)
Yorkshire & Humber	£147,901	£951	£315	6.77% (-0.43%)	8.63% (+0.61%)
East of England	£351,826	£1,443	£678	4.60% (+0.27%)	5.25% (-0.56%)
Wales	£233,388	£1,157	£440	6.82% (+1.49%)	5.57% (-2.32%)
Scotland	£190,488	£934	£378	6.46% (+0.05%)	6.58% (-0.76%)

**Average mortgage payment is based on interest only repayment with the assumption fees paid off at completion and not added to the loan.*

Property Values

In Q2, there were several regions that saw an increase in property value. The South East (+7.4%), East Midlands (+14.6%), North East (12.2%), East of England (14.5%), Scotland (+40%) and Wales (+22.8%) all saw an increase in property value submitted during Q2 vs Q1.

Just three regions saw a drop in property value, with Yorkshire & Humber seeing the largest drop of 25%. The West Midlands dropped by 16.6%, South West decreased by -6% and London continued to drop in property value (-5%) for the second quarter in a row.

Rental Income

Rents largely increased over the quarter, with Scotland seeing the highest increase at 29%. Yorkshire & Humber saw rental value fall similarly to property value at -24%. The South West (-13%) and London (-5%) decreased.

Yields

Rental yields were a mixed bag of performance in Q2 compared to Q1. London made a 0.14% gain on yield for limited companies, despite the drop in rent and property value. The North East was the only region to make positive gains on yield for both SPV (0.18%) and individual (0.57%) investments. Many of the changes in yield were influenced by an increase or decrease in HMO or MUFB applications in the region.



Jargon

Applications

Full buy to let mortgage applications that have been submitted to the lender but not yet completed, i.e. in progress.

Case Count

The number of buy to let mortgages transacted via Mortgages for Business, i.e. application and/or completion.

Completions

Buy to let mortgage applications that have been formally offered and drawn down. This includes remortgages.

Vanilla Buy to Let

These are standard buy to let transactions. Properties in this category tend to be normal 2-3 bed houses and 1-2 flats. Both borrowers and properties fit the general lending criteria for off-the-shelf products offered by the mainstream buy to let lenders.

Houses in Multiple Occupation (HMO)

A house in multiple occupation (HMO) is a property that is rented out by at least 3 people who are not from 1 'household' (for example, a family), but share facilities such as the bathroom and kitchen.

Multi-Unit Freehold Blocks (MUFBs)

This is a single building with multiple, separate, independent residential units owned under a single freehold title. Examples include purpose-built blocks of flats or Victorian/Edwardian houses converted into flats.

Semi-Commercial Property

Also known as mixed-use investments, as both names suggest these properties are made up of part commercial and part residential elements. Typically shops or offices with a flat/flats above.

SWAP Rates*

A swap rate is the rate of the fixed leg of a swap as determined by its particular market and the parties involved. In an interest rate swap, it is the fixed interest rate exchanged for a benchmark rate such as SONIA plus or minus a spread. It is also the exchange rate associated with the fixed portion of a currency swap.

Swap rates are applied to different types of swaps. An interest rate swap refers to the exchange of a floating interest rate for a fixed interest rate. A currency swap refers to the exchange of interest payments in one currency for those in another currency. In both types of transactions, the fixed element is referred to as the swap rate.

** Source: Investopedia.*

About Mortgages for Business

Finding the right mortgage for you

Established in 1990 by three men and a dog, Mortgages for Business is an award-winning, independent mortgage brokerage with an expert team of 50+. Specialising in complex buy to let, commercial, semi-commercial and homebuyer mortgages, and development and short-term finance, we help make property investors' plans a reality in every sector. With a head office just outside West Malling, Kent, and another in Wilmslow, Cheshire, our team covers England, Scotland and Wales.

Our specialist brokers have a combined experience of around 400 years! This depth of knowledge allows us to deal with the most complex property finance cases and guide our clients seamlessly through the process. Not only is this experience recognised by our clients but also our peers; we work with lenders to develop new products to suit the changing needs of property investors better.

Our clients benefit from a dedicated broker and client relationship manager providing a truly personal service; including independent advice, updates and expert guidance right through to completion and beyond. Over the years, we've designed our bespoke systems to ensure a smooth and efficient process for our clients, helping to take the stress out of purchasing and remortgaging property. We benefit from unique relationships with some of the most prominent specialist buy to let lenders, ensuring our clients receive the best service and mortgage solutions tailored to their individual property finance needs.

Have a question? We're happy to help!

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ANY PROPERTY USED AS SECURITY, WHICH MAY INCLUDE YOUR HOME, MAY BE
REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

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