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Essentially Mortgages

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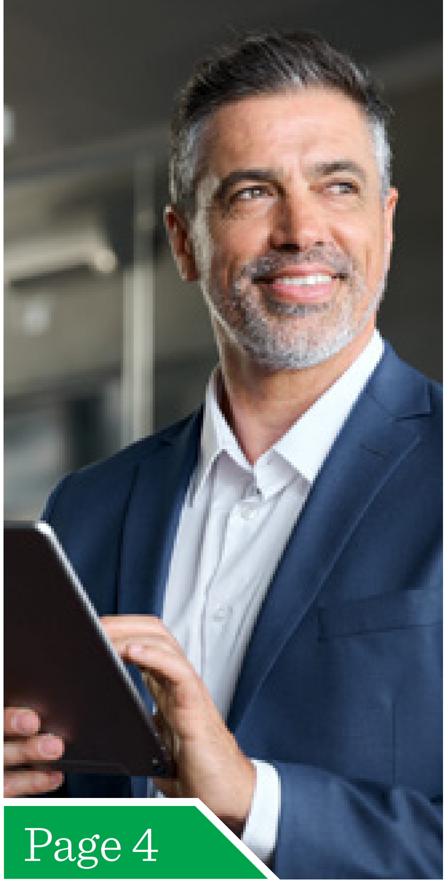
Make your move this spring – reviewing your mortgage options

BTL lending surges – where is growth strongest?

A more strategic market: is 2026 the buyer's advantage?

Buyers assume the worst without speaking to an adviser



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Make your move this spring – reviewing your mortgage options

Spring is widely associated with new beginnings and this sense of renewal extends beyond the changing weather into the housing market.

As the days grow longer, more homes become available and activity begins to build before the summer months. It's a natural point for people to consider their next step. Whether you're buying your first home, planning a move or reassessing your current mortgage, this time of year offers a timely opportunity to take stock.

You might be nearer than you realise

For those looking to get onto the property ladder, there are some positive signs. Research suggests that many prospective buyers could be closer to purchasing a home than they think. Around 47% of aspiring buyers[1] have never spoken to a mortgage adviser or lender to understand what options may be open to them. However, those who do take that initial step often find they are in a stronger position than expected. In many cases, it's simply about gaining a clearer picture of affordability and exploring the choices available.

Considering a new mortgage deal

Spring isn't just relevant for first-time buyers. Homeowners with an existing mortgage may also benefit from reviewing their arrangements. If your current deal is nearing its end, you're aiming to reduce monthly outgoings or you're thinking about borrowing more for home improvements, looking at alternative options could help you better manage your finances.

Getting ready for your next move

This time of year is traditionally busy for those planning to move home. With a wider selection of properties on the market and many families hoping to be settled before the next school year, getting organised early can make all the difference. Being prepared means you're ready to act when the right opportunity comes along.

[1]BSA, 2026

Begin with expert guidance

No matter your circumstances, having a conversation with us can be an invaluable starting point. We can help you understand how much you may be able to borrow, keep you informed about current products and support you through each stage of the process.

Spring's sense of renewal makes it an ideal moment to revisit your plans, explore your options and take a meaningful step towards your next home.

BTL lending surges – where is growth strongest?

The UK's buy-to-let (BTL) market is seeing a notable uplift, with new lending rising sharply in Q3 2025[2]. Which parts of the country are leading this growth? A clue: it's not the capital.

A market gaining momentum

With the changes introduced by the Renters' Rights Bill set to take effect from May, recent figures point to a more positive outlook for landlords than some may have expected.

The total value of BTL loans reached £10.9bn in the third quarter, an increase of 28.2% compared with the same period in 2024. This brings the number of outstanding BTL fixed-rate mortgages to 1.44 million in Q3 2025, up 2.3% year-on-year.

Rental yields are also improving, with the UK average gross BTL yield rising to 7.15% in Q3, compared with 6.93% in the corresponding quarter in 2024.

> *"The total value of BTL loans reached £10.9bn in the third quarter"*

Regional trends shaping the market

Behind these headline figures are notable regional variations, with many commentators suggesting the BTL market is shifting further north. Cities such as Manchester, Leeds, Birmingham and Sheffield are increasingly seen as key BTL hotspots, supported by strong populations of students and young professionals.

Wales currently offers the highest rental yields in the UK at 8.83%, according to separate research[3], with the North East following at 8.2%. As affordability pressures continue in London, lower property prices outside the capital are increasingly appealing to investors seeking better returns.

[2] UK Finance 2026, [3] Paragon Bank 2026

UK mortgage affordability

At the start of 2026, UK borrowers were cautiously optimistic. Mortgage rates had eased slightly, lenders were offering more competitive deals and affordability appeared to be improving after a challenging period. For first-time buyers and those planning to remortgage, there was a growing sense that conditions were beginning to stabilise.

More recently, the picture has become less predictable. Global events have contributed to renewed inflation concerns, prompting some lenders to adjust pricing and withdraw selected deals. Reflecting this shift, the Bank of England held Bank Rate at 3.75% in March, warning that rising energy prices could push inflation higher and delay previously expected rate cuts.

Resilience

However, there are encouraging signs of resilience. The number of mortgages in arrears continued to fall in late 2025, with UK Finance data showing a 4% quarterly decline and arrears remaining at historically low levels. This suggests many borrowers have been able to manage higher costs well, supported by financial advice, proactive lenders and earlier affordability checks.

Keeping perspective

Despite recent changes, it's important to keep perspective. Competition among lenders remains strong and there are still a wide range of products available to suit different circumstances. Slower house price growth may also continue to support affordability over time.

In this evolving environment, seeking professional mortgage advice is more important than ever. With the right guidance, borrowers can navigate uncertainty, identify suitable options, and make confident, well-informed decisions – ensuring they remain well-positioned whatever the market brings.

The Bank of England held Bank Rate at 3.75% in March

3.75%

Mortgage secured – but have you protected your future?

Getting a mortgage is often seen as a major milestone on the path to financial independence. However, new research[4] suggests that many homeowners are taking on this significant commitment without putting the right protection in place.

A missing safety net

According to the findings, more than one in three UK mortgage holders have no life insurance, income protection or critical illness cover. This leaves millions of households uncertain about how they would manage their mortgage payments if their income was suddenly disrupted.

The situation is even more concerning given that almost half of mortgage holders say they would struggle to meet their monthly repayments within six months of losing their income. Many admit they would need to rely on borrowing or selling personal belongings to stay afloat.

Protecting what you've built

Having a mortgage can create a sense of financial stability, but without protection in place, that security may be more fragile than it seems. If you were unable to work due to illness or injury, the financial position you've worked hard to achieve could quickly come under pressure. Income protection can help provide reassurance that your payments remain covered.

The research also shows that one in five mortgage holders would turn to family or friends for financial support if they fell behind on repayments. A similar proportion would consider selling valuable possessions such as a car or jewellery, while 8% would look to take out a bank loan.

Taking a more proactive approach can make a significant difference. Arranging appropriate cover, such as income protection and life insurance, can help ensure you and your loved ones are able to maintain mortgage payments and financial stability, whatever happens.

[4] LifeSearch and HomeOwners Alliance 2025

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A more strategic market: is 2026 the buyer's advantage?

Affordability remains front of mind for both buyers and sellers. As a result, the market is seeing a shift in behaviour, with fewer rushed decisions and a greater focus on careful planning and negotiation.

Buyers are taking more time to compare overall monthly costs, while sellers are showing a greater willingness to negotiate. This shift means well-prepared buyers are often in a strong position to discuss price, fixtures or timelines, while realistic and organised sellers can stand firm against less credible offers.

Positioning yourself to move quickly

Understanding your budget and being ready to act once key details are in place can make a real difference. Sellers are more likely to favour buyers who appear organised and dependable.

Having a mortgage agreement in principle, for example, demonstrates commitment and ensures you are ready to proceed when the right property comes along. That level of preparation can be a deciding factor in a competitive situation.

A balanced approach for sellers

Sellers can also benefit from these changing dynamics. While some flexibility on price may be necessary, securing a committed buyer who is likely to progress smoothly through to completion can be just as valuable as achieving the highest possible offer.

Looking beyond the asking price

While property values remain a key consideration, other factors such as speed, certainty and clear communication are playing an increasingly important role. Those who take the time to prepare and plan carefully are best placed to achieve a successful outcome in the housing market.

Housing wealth on the rise: equity release gains momentum

Recently released lending figures[5] for last year show equity release lending reached £2.57bn, marking an 11% increase on the £2.3bn recorded the previous year.

Looking more closely at the data, borrowers are turning to equity release for a range of reasons. Around 40% are using it for 'positive uses', including home improvements (21%), gifting to family (13%), holidays (6%) and larger purchases such as a car (4%). Meanwhile, more than a quarter (26%) are using equity release to repay an existing mortgage.

Supporting later-life financial planning

Jim Boyd, Chief Executive of the Equity Release Council (ERC), highlighted that this growth underlines the important role *"housing wealth is playing in supporting financial resilience and choice in later life."* He noted that the flexibility and security of modern products are making access to housing wealth an increasingly central part of retirement planning, contributing to nearly *"£1 in every £90 spent by retired households."*

In the final quarter of last year, the average amount released increased to £123,174, representing a 5.7% rise year-on-year.

Meeting a broader range of needs

No longer viewed simply as a last resort, equity release is now being used to support a wider variety of family needs and retirement goals. From enhancing lifestyle to improving financial resilience and aiding estate planning, its role continues to evolve.

That said, equity release is not suitable for everyone. The right approach will depend on your individual circumstances, objectives and overall financial position. Seeking advice can help you fully understand your options and decide what works best for you and your family.

Equity release and lifetime mortgages will reduce the value of your estate and can affect your eligibility for means tested benefits.

[5] ERC 2026

Spring 2026: key housing updates to be aware of

As spring arrives, it's a useful moment to look back at the housing reforms introduced in 2025 and consider how they may impact renters and homebuyers across the UK.

Stamp Duty thresholds returned to previous higher levels in April 2025 in England and Northern Ireland

First-time buyers are now liable for Stamp Duty on properties above £300,000, while other buyers begin paying on homes over £125,000

> *"Whether you're renting or buying, these developments could influence your plans in the months ahead"*

Changes aimed at supporting renters

In England, the Renters' Rights Act received Royal Assent in October 2025 and is being introduced in stages throughout 2026. Early changes include the removal of Section 21 'no fault' evictions and the transition from fixed-term tenancies to periodic agreements, designed to offer tenants greater stability and flexibility.

Scotland has also implemented reforms, with local authorities now able to introduce Rent Control Areas to limit rent increases. Councils are also expected to take earlier action to help prevent homelessness.

Tax thresholds and safety measures

Stamp Duty thresholds returned to previous higher levels in April 2025 in England and Northern Ireland. First-time buyers are now liable for Stamp Duty on properties above £300,000, while other buyers begin paying on homes over £125,000.

In Wales, proposed legislation is focusing on improving building safety, particularly for taller buildings and houses in multiple occupation, alongside wider efforts to strengthen homelessness support and social housing allocation.

Whether you're renting or buying, these developments could influence your plans in the months ahead. Taking time to review your position now can help you stay informed and make confident decisions.

Buyers assume the worst without speaking to an adviser

Some 47% of people who want to buy their own home have never spoken to a mortgage broker, research shows[6]. Without talking through their options, these people could have an overly pessimistic outlook, with one in three respondents saying they don't think they will ever own a home.

Brighter than you think

Six in 10 prospective first-time buyers (FTBs) today have less than £10,000 in savings, leading some to despair about their prospects for homeownership. On average, respondents think it will take six and a half years for them to save enough to afford their first home.

Many aspiring first-time buyers assume homeownership is out of reach without realising that they might already have options available.

Get talking

Even among those who have spoken to an adviser, the research found that 46% have not done so in the last year. Rather than fearing the worst, it is time to start preparing for the best.

[6]BSA 2026

Growing divide in FTB deposits

A two-tier system for FTB mortgages may be opening up, experts warn, as loan to value (LTV) ratios increasingly diverge between those with big and small deposits.

One in three first-time buyers actively seeking mortgages are looking for deals below 75% loan to value (LTV), research[7] suggests. This means that they have deposits of at least 25%, or around £67,800 based on the average UK house price.

At the opposite end, three in 10 FTBs are looking for 90% LTV mortgages and one in eight are targeting 95% LTV – or a deposit between £13,560 and £21,120.

Stark difference

Having a larger deposit offers buyers a better chance of getting on the housing ladder. It also lowers the interest rate they will pay, which reduces monthly repayments.

Waiting it out?

For many FTBs, getting on the housing ladder at all is enough of a challenge. However, data suggest that more prospective buyers are now prepared to wait until they have a bigger deposit in order to access better rates: one in five first-timers had a deposit of 40% or more.

[7]Moneyfacts, 2026

Kate Davies, Executive Director of IMLA, said,

Homeowners have more value in their homes

The average loan-to-value (LTV) ratio on mortgaged homes across the UK has fallen below 60%, research[8] has revealed, while a growing number of homes carry no mortgage at all.

In just over a decade, the average LTV ratio has fallen from 70% down to 59%. Since 2008, an estimated £677bn of housing equity has built up across the UK housing stock, through mortgage repayments and high property values, and only 42% of private homes now carry any mortgage.

[8]IMLA 2026

“The market has demonstrated resilience, but we cannot ignore the access gap. There is a generation of aspiring homeowners who will need higher loan-to-value options, creative solutions and flexible products to take their first step.

Those products already exist and innovation is continuing, but standards must remain robust. Higher-LTV lending must sit within disciplined affordability testing to ensure borrowing is sustainable over the long term”

End-of-year property bump highlights *'renewed momentum'*

Property transactions rose in the final quarter of 2025, research[9] shows, recording strong year-on-year growth of more than 3%.

HM Land Registry recorded 332,830 property transactions in Q4 2025, up 3.1% from the same quarter a year earlier. This was a robust performance to end the year, with transaction volumes defying the typical seasonal slowdown. However, total transactions remained below the peak levels recorded in Q4 2022.

In contrast to the rise in transactions, the number of active conveyancing firms fell in 2025, the research showed. Analysts point now to a market that is increasingly concentrated; in the past decade, the overall number of active law firms has decreased by 13.7%.

Towards the end of December 2025, property transaction activity saw *'renewed momentum,'* according to Landmark[10], following some hesitation earlier in the quarter due to external economic and fiscal factors.

[9]Search Acumen 2026, [10]Landmark Information Group 2026