

Landlord Profiles Tracking Index – Q2 2010

Andy Young, chief executive at TBMC takes a look at the results of its Landlord Profile Tracking Index for Q2 2010. The index tracks the product choices and demographics of landlords arranging buy-to-let mortgages via TBMC's specialist processing unit.

- Remortgage market improves
- Tracker rates more likely to reach offer stage
- Proportion of female buy-to-let investors continues to rise

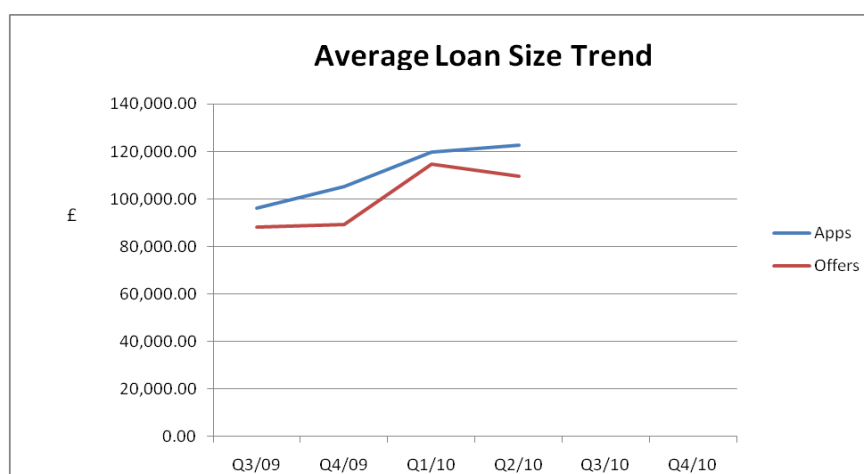
Buy-to-let mortgages offered in Q2 2010

Average loan size: £109,712

Average loan to value: 64.5%

Average chosen fixed rate: 4.80%

Average chosen tracker rate: 4.31%

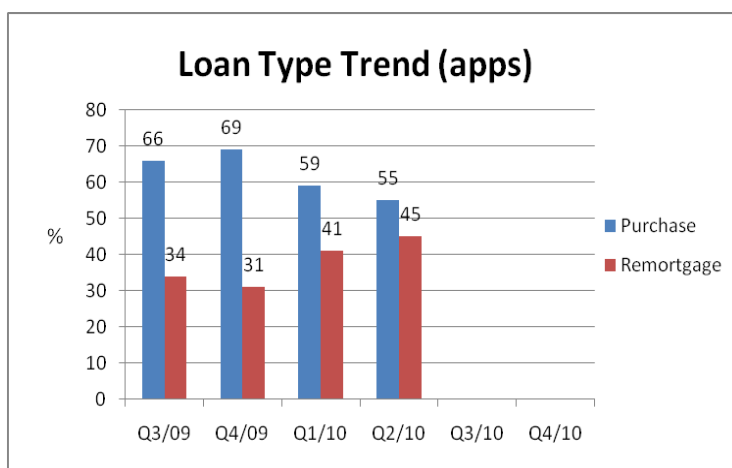


Buy-to-let mortgage market picks up

“There have been signs in the last quarter that the buy-to-let mortgage market is starting to recover with a few new lenders entering; 80% loan to values have made a come back and it is possible again to obtain finance for light refurbishments, HMOs and via limited companies. Some commercial lenders are becoming more innovative with their buy-to-let offering and specialist buy-to-let lenders, reliant on the money markets for funding lines, are also talking about realistically returning to lending sometime this year. This is good news for property investors and should inject some much needed competition into the buy-to-let mortgage market”

Remortgaging gains popularity

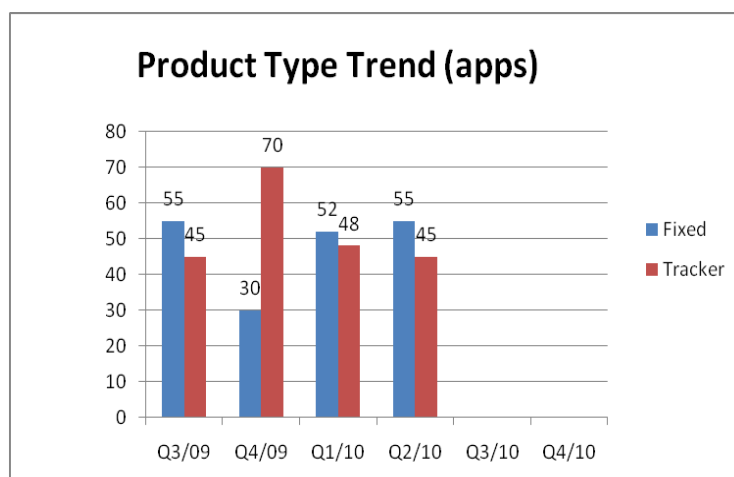
“For the third quarter in succession, TBMC has seen an increase in the proportion of applications for buy-to-let remortgages – 45% in Q2 2010 which is up from 41% and 31% in the previous two quarters. Although purchases still account for over half of applications received, the availability of some competitively priced products in the market place, including specific remortgaging products offering free valuation and free legal fees, has enabled landlords to remortgage more readily.



“Anecdotal evidence from TBMC’s New Business team suggests that brokers and landlords are considering the possibility of interest rates going up next year and are looking to take advantage of the low rates available now. There is also some feeling of uncertainty about staying on lenders’ standard variable rates which can be subject to sudden fluctuations as many do not track a base rate but are simply set by the lender.”

Landlords applying to fix

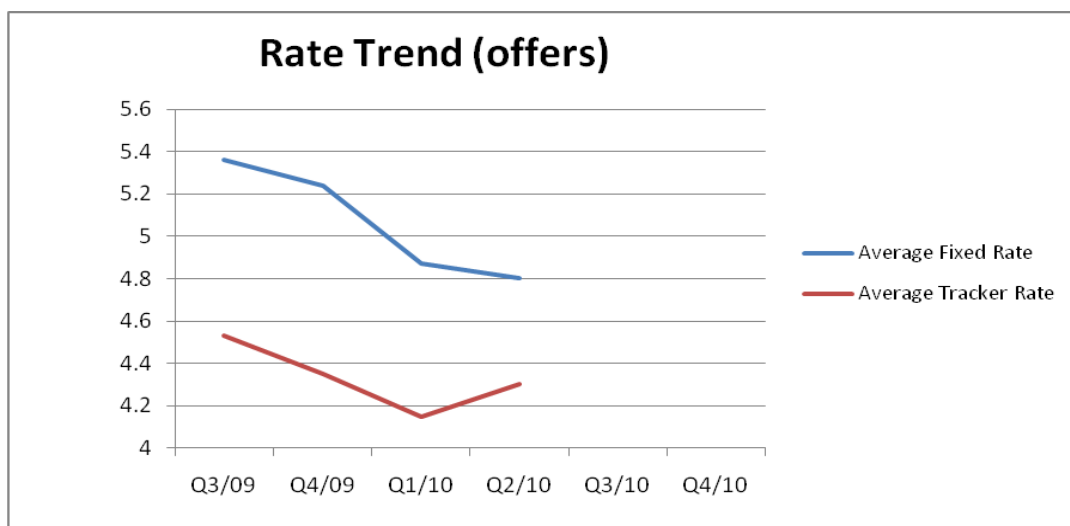
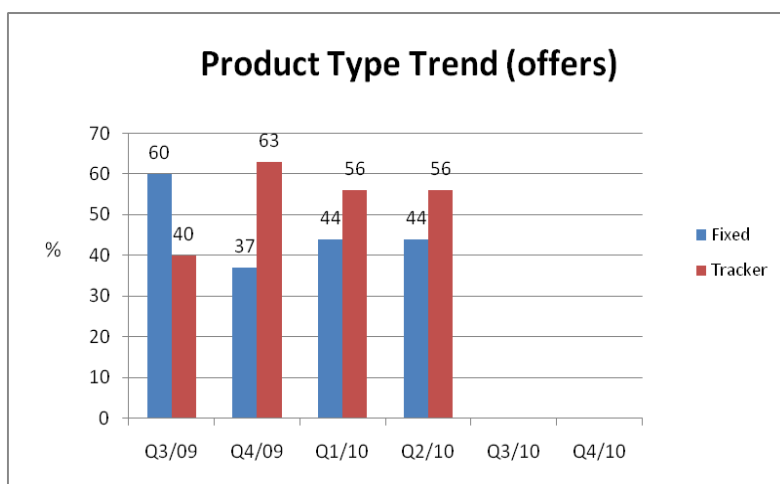
“The total number of applications for fixed rates and trackers was fairly evenly split in Q2 2010 with 55% opting for a fixed rate and 45% choosing a tracker. The proportion of fixed rates has increased for the second quarter in a row from 52% last quarter and just 30% in Q4 2009. The growing popularity of fixed rates reflects the professional landlord’s desire for certainty and control over their expenses and the availability of 80% loan to value fixed rate products.”



More offers received for trackers

“For the second quarter in a row we have noticed an interesting application to offer trend which indicates that a greater proportion of tracker rate applications are reaching offer stage compared with fixed rates. In the last quarter only 45% of applications were for trackers but 56% of offers were for

trackers. We have seen that trackers have been more affordable in the last quarter with rental calculations that have been easier to achieve, which may explain the greater propensity for tracker applications to reach offer stage. The average tracker rate offered in the 70-75% loan to value bracket was 4.56% compared with an average fixed rate of 5.26%.”



Female property investors

“For the third quarter in a row we have seen an increase in the proportion of women looking to obtain buy-to-let mortgages with 43% of applicants being female, up from 42% and 38% in the previous two quarters. The NLA held its

Property Women Awards 2010 in June, an event that supports and celebrates the achievements of female property entrepreneurs.”

#ENDS#

NOTES TO EDITORS

Landlord Profile Tracking Index

The results are based on a sample size of 470 applicants for buy-to-let mortgages via TBMC during April, May and June 2010. Further results charts are available on request. For more information or to arrange an interview with TBMC’s chief executive Andy Young please contact Chloe Taverner on 029 2069 5427 or email chloe@tbmc.co.uk.

About TBMC

TBMC is an award-winning buy-to-let mortgage specialist and Commercial finance brokerage based in Cardiff. The company was established in 1989 and is a founder member of the only recognised regulatory body for commercial mortgage brokers - The National Association of Commercial Finance Brokers (NACFB).