

pure mortgage

WINTER ROUNDUP

News from us at Pure Mortgage HQ

- We have seen increased enquiries and uptake in **Income Protection Insurance (IPI)**. This insurance covers income for any type of injury or illness both physical or mental, e.g. depression/anxiety. See page 2 for more on IPI and how we can help.
- Our landlord customer base are talking to us about the Renters' Rights Bill, due to be passed in summer 2025. Read more on this here: <https://www.gov.uk/government/publications/guide-to-the-renters-rights-bill/82ffc7fb-64b0-4af5-a72e-c24701a5f12a>
- We are busy completing on mortgages before the **Stamp Duty Land Tax** rise from 1st April. These changes affect everyone buying, but most significantly first time buyers. <https://www.gov.uk/stamp-duty-land-tax/residential-property-rates>
- It's anticipated that while the rise in Stamp Duty Land Tax will not be celebrated by buyers, that the market will ultimately readjust and absorb these costs moving forward.

Economy Update

The latest Bank of England base rate cut to 4.50% is aimed at supporting economic growth as inflation continues to slowly decline. This should prompt lenders to lower mortgage rates over the coming weeks and buyers could potentially borrow more due to improved affordability. As of 13th February, Santander and Barclays have already announced some sub 4% products.

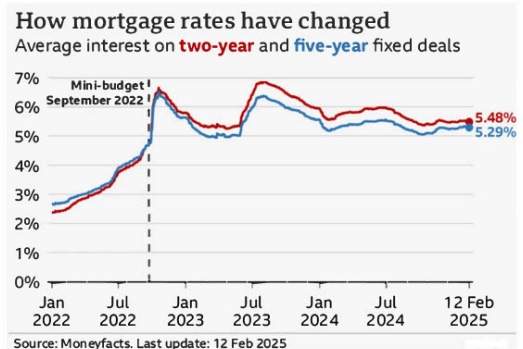
Forecasts still suggest that there could be between one and three further drops this year, but these predictions are sensitive to other trends e.g. performance of the economy and rate of inflation.

In short - it's good news but not a magic solution. Let us help you break down exactly what it means for your personal situation.

Property market predictions

2025 has seen a strong start, with new sales agreed up 12% from the previous year (Zoopla's House Price Index).

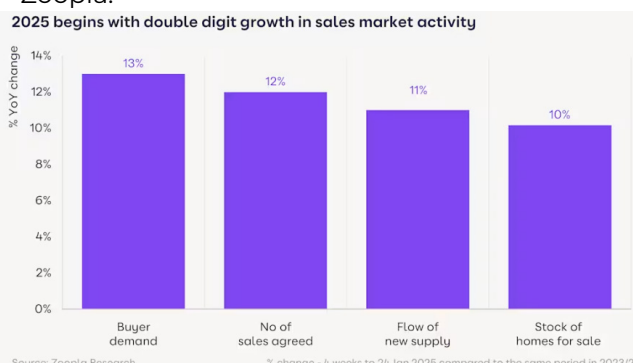
Even with stamp duty prices, three in five first-time buyers will still pay nothing from April.



MORTGAGE NEWS

Residential market

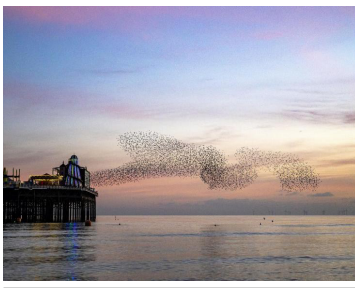
- At the start of 2025 buyer demand rose by 13%.
- There were 10% more homes for sale than a year ago.
- The healthy stock of homes for sale should keep prices in check with a forecasted average UK house price rise of 2.5% in 2025. Richard Donnell, executive director at Zoopla.



Buy-to-let market

A survey from Octane Capital revealed that one in five landlords intend to reduce the size of their portfolio over the coming year, citing the incoming Renters' Rights Bill as the number one reason for doing so.

Andrew Ferguson, head of buy-to-let at West One shares a balanced viewpoint in that the BTL market is evolving, not dying, and to date landlords have weathered significant pressures, from tax relief changes to increased regulation. There are challenges but the market is resilient.



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Later Life Mortgages

We are specialists in later life mortgages aimed at homeowners **aged 55 and above**. These mortgages allow you to borrow money based on the value of your home while continuing to live there. There are two key types of mortgage available - Lifetime Mortgage and Retirement Interest Only Mortgage (with many options within each of these).

Lifetime Mortgage - a loan secured against your home that allows you to release tax-free cash while remaining in your home (equity release). You may be able to take the money as a lump sum or series of lump sums. The loan doesn't have to be fully repaid until you die or move permanently into care.

Retirement Interest Only (RIO) Mortgage - a loan secured against your home where you pay the interest each month, meaning the amount you owe doesn't increase over time. You can use it for most purposes, including paying off an existing mortgage. You don't have to repay the loan until you, or the last remaining borrower die, or move permanently into care.

We are members of the Equity Release Council, which promotes high standards of conduct and practice in the provision of and advice on equity release.



Spotlight on Income Protection Insurance

- IPI ensures your lifestyle is secured should you be unable to do your job due to sickness/injury/mental health.
- Those who are employed may have some level of cover provided by their employer (check yours now!)
- If you are self-employed and unable to work, did you know the Government Employment Support Allowance is likely to cover you only up to a maximum of £90.50/week.
- Would this cover your lifestyle? We can make this straightforward for you, with cover from day 1 of illness. Flexible options ranging from 1-2 years, up to the full duration you are unable to perform your specific trade or occupation.
- Find out more on **IPI** here: <https://www.moneyhelper.org.uk/en/ev eryday-money/insurance/what-is-income-protection-insurance>

Did you know we can help with Bridging Loans?

Bridging has evolved from a niche market to a mainstream solution for both property buyers and developers and can be an essential tool in the right circumstances. You may need to consider a bridging loan in the following situations:

- A chain break in a residential sale where you still wish to purchase the property you have found.
- Finding your 'dream home' before your current property has sold.
- Unable to secure a mortgage on your new property due to its state of repair e.g. missing kitchen/bathroom.
- Buying an undervalued property to refurbish and increase in value.
- Buying a property at auction where you need to meet the 28-day turnaround needed for purchase.

We are very experienced in bridging finance and can advise on this type of loan, should you wish to find out more.

Want to know more? Contact us at james@pure-mortgage.co.uk
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