



pure mortgage

SUMMER ROUNDUP, OCTOBER 2026

News from us at Pure Mortgage HQ

We have seen more people remortgaging on to **base rate tracker mortgages** during the past quarter, in response to the Bank of England base rate being held six times consecutively. However recent mortgage market pricing suggests at least one 0.25% percentage-point increase before the end of 2026. Talk to us if you are considering your remortgage options and we can advise.

We have continued to advise a steady stream of **first time buyers** this quarter, which may be a reflection of subdued property prices locally. According to the Zoopla August 2026 House Price Index, property prices in Brighton and Hove fell 1.6% over the past year, cutting £6500 from the price of the typical home. This fall was not reflected across the UK, where the average property price rose by 0.8% since August 2025.

Economic Update

The economy has continued to grow at a moderate pace. The latest monthly figure, for July, showed growth of 0.4% suggesting the UK economy weathered the energy shock from the US-Israel war with Iran better than had been expected. Following this stronger than predicted resilience, economic growth is projected to reach 1.1%-1.3% during the remainder of 2026.

The Bank of England held the base rate for the sixth consecutive time at 3.75% on 16th September 2026. However the Bank has warned that inflation will rise further from its current level of 3.1%, in order to ensure that inflation falls back to the 2% target. Ultimately, the longer the volatility in the Middle East persists, the bigger impact it will have on inflation. **The Bank of England will next meet on 5th November.**



Eyes peeled for the Autumn Budget - Wednesday 28th October

Property Market Predictions

UK Property Market Outlook

Forecasts point to modest house-price growth in 2026, with a gradual recovery expected in 2027, but the market remains subdued.



Source / forecast	2026	2027	What it suggests
REUTERS Reuters poll of 16 property experts (Sept. 2026)	+1.3%	+2.0%	Prices broadly flat in real terms
Knight Frank	+1.5%	+3.0%	Gradual recovery
OBR Office for Budget Responsibility	+2.0%	+2.8%	Moderate longer-term growth
rightmove Rightmove, Sept. 2026	0% to -2% by year-end	—	Weaker near-term market
The key takeaway	The UK housing market is expected to remain subdued through 2026, with forecasts generally pointing to around 1-2% house-price growth, while higher mortgage rates and weak affordability continue to constrain demand. A gradual recovery is expected in 2027, although regional performance is likely to remain uneven.		

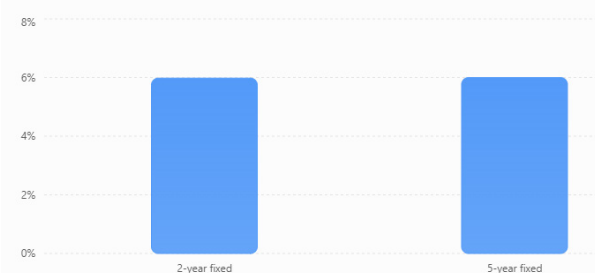
MORTGAGE NEWS

Residential Market

- Average mortgage rates have increased over the last few weeks as geopolitical tensions have escalated. At the time of writing (5th October) the average two-year fixed rate is 5.98%. This is up from 4.25% before the war US-Israel war with Iran started (Moneyfacts).

Average UK fixed mortgage rates — 5 October 2026

Average residential mortgage rates reported by Moneyfacts on 5 October 2026.



Source: Moneyfacts data reported on 5 October 2026.

- 2-year fixed: 5.98%
- 5-year fixed: 6.00%

Buy-to-let Market

The buy-to-let market is currently dominated by landlords refinancing and managing existing portfolios rather than landlords buying additional properties (Pegasus Insight).

This is in part due to the fact that substantial volumes of fixed rate mortgages are maturing this year, including the last of those outlying deals from the pandemic era when interest rates were historically low.

Figures as of 3rd October 2026 show the average BTL mortgage rate as 5.96% and average 5 year rate at 5.91% (Rightmove figures based on 75% LTV with £1000 product fee).



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what happens if the property is valued below the purchase price?

You've found your next home, had your offer accepted and started planning the move. Or perhaps you're approaching the end of your current mortgage and are looking to remortgage.

The lender's valuation comes back and the property is valued lower than expected. What does that mean for you?

A downvaluation doesn't automatically mean 'mortgage decline' or 'sale cancelled'.

For a purchase:

You may need to find a way to bridge the gap between the purchase price & the amount the lender is willing to lend.



What are your options?

- Negotiate the purchase price
- Increase your deposit
- Explore alternative mortgage options or lenders
- Request whether the valuation can be reviewed

For a remortgage:

It may mean your LTV is higher than expected, potentially changing the mortgage products or rates available to you.



And what if I'm hoping to release equity?

This could affect the products available, and depending on the circumstances, whether the additional borrowing is possible at all.

Can you challenge a downvaluation?

Sometimes. The process varies between lenders, there is no guarantee the valuation will change, but it can be possible.

EXAMPLE

Although the results of appealing a valuation are not guaranteed, we helped a client recently who was **remortgaging** with **additional borrowing**. The client had extensively refurbished the property within the last 2 years but when it came to remortgage, the lender carried out a remote, desktop valuation and the property was downvalued as a result. In this case we appealed to the lender for an onsite valuation to be conducted. The lender agreed and the revaluation increased the property value to the anticipated level for our client to benefit from additional borrowing.