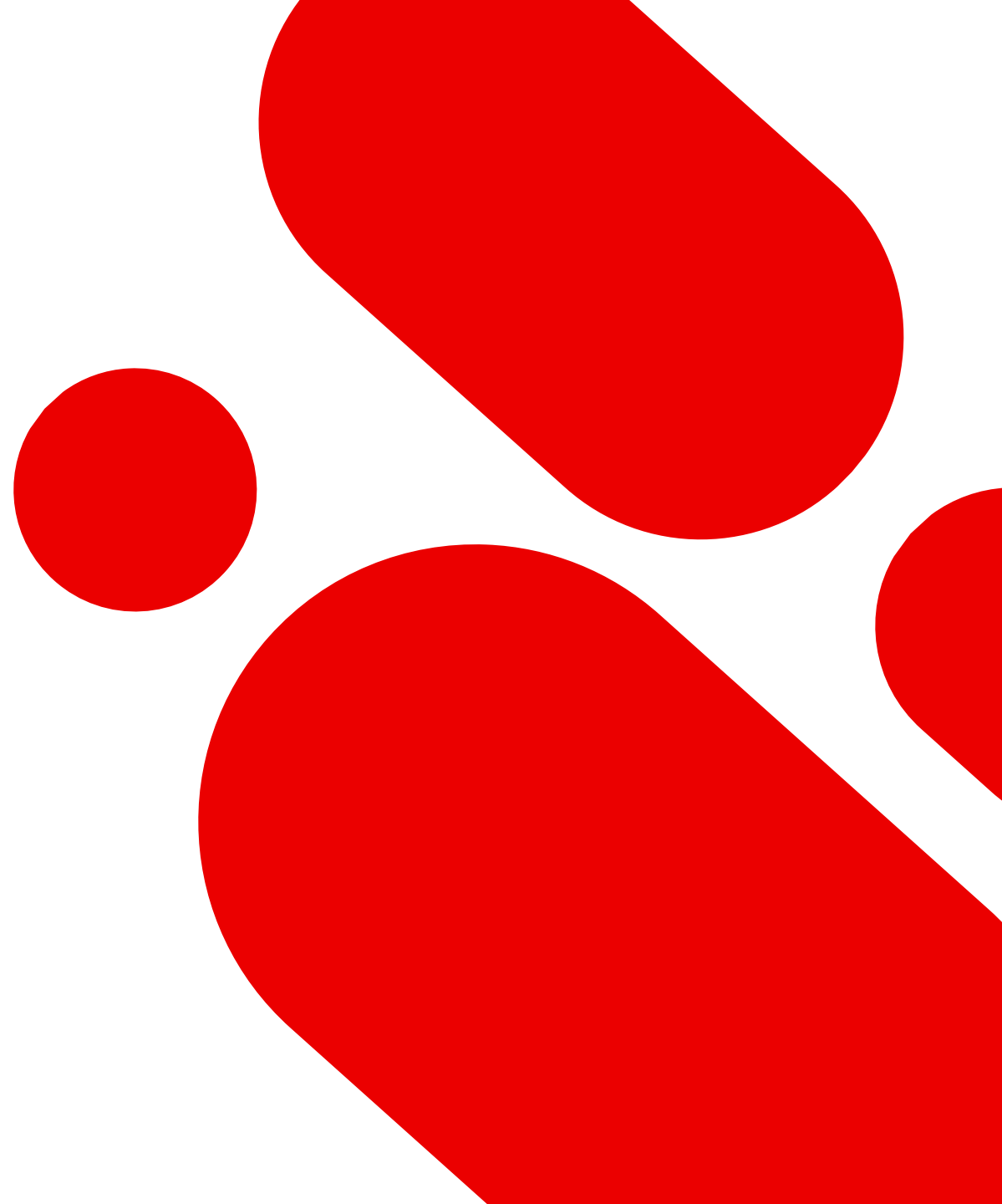




Intermediary Mortgage Market Tracker Q4 2024

Prepared for the Intermediary Mortgage Lenders
Association (IMLA)



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01

BACKGROUND & METHODOLOGY

Background & methodology

The Intermediary Mortgage Lenders Association (IMLA) launched the Mortgage Market Tracker in November 2015. The Tracker uses data provided by BVA BDRC's Project Mercury. Project Mercury is a continuous monitor of intermediary lender marketing effectiveness and broker sentiment, launched in 2007.

Existing business confidence questions on the survey are supplemented by additional questions measuring the conversion of Decision In Principle (DIP) to completion. This report contains the results for Q4 2024 (fieldwork conducted in December 2024).



Who?

Mortgage Intermediaries – advise customers on which lender to use, 24+ mortgages pa, not tied wholly to one lender, GB based. Sample sourced from Autus



How?

Quarterly telephone interviews (last month of the quarter) average interview c.30 minutes. Fieldwork by PRS (our sister company)



How many?

Total of 101. Achieved sample weighted by firm size, region & type to be representative of the Autus universe



02

EXECUTIVE SUMMARY

Q4 2024 Executive summary



The typical intermediary placed 80 cases in the previous 12 months - this reflects a -12 decrease vs. last quarter. It is not clear why this occurred, but it looks like a sample blip, as BoE data shows the overall secured lending market continuing to increase.



Intermediary confidence is overall lower in Q4 in all three areas. However there are signs of a comeback in December, especially in terms of 'own business' outlook - with 56% 'very confident'.



The average number of DIPs in the last 3 months is stable at 28. However conversion from DIP to completion sees a minor decrease of -4% to 35%.



App to completion conversion is slightly lower this quarter, now at 63%. It yields a typical pool of 10 client completions.



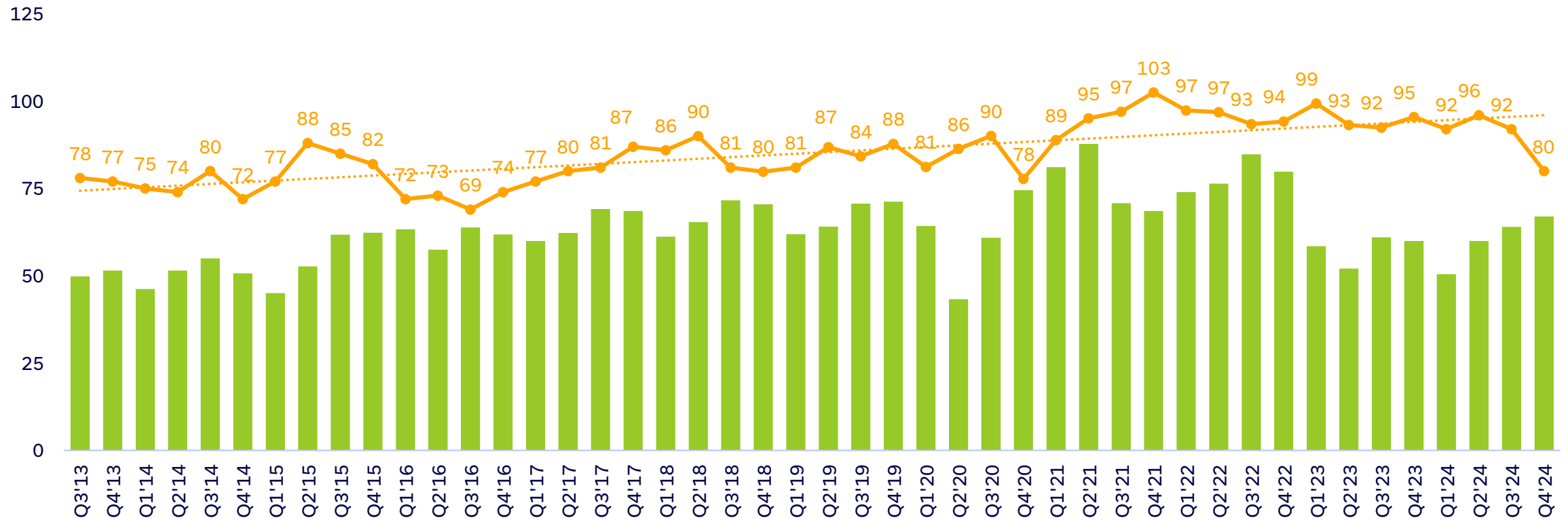
03

BUSINESS VOLUMES AND CONFIDENCE

Claimed volume of mortgage cases, per year and gross lending

In Q4 24, we see a sharp reduction in reported business levels to 80 cases placed per year, from 92 in in Q3. The median number also fell, from 75 to 60. It is not clear why this occurred, but it looks like a sample blip, as BoE data shows the overall secured lending market continuing to increase. Within our data, the relative patterns remain the same - in Q4, an average of 85 cases for mortgage brokers and 52 for IFAs.

■ £bn Gross secured lending per qr (Source Bank of England)
—●— Average no. of cases per year

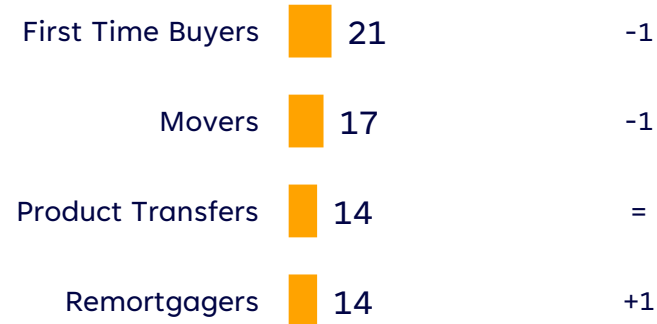


Q.S4 Including residential, Buy-to-Let and specialist mortgages, how many mortgages have you personally placed in the last 12 months?
 Base: All respondents (301)

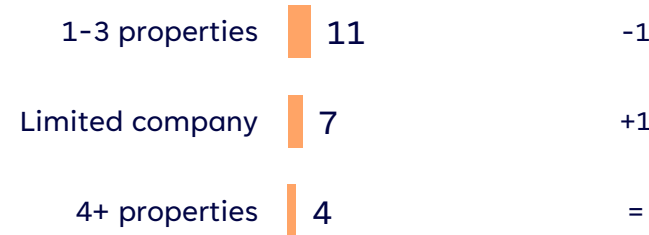
Share of mortgage business handled

In volume terms, there is little change in business mix. Residential lending makes up about two-thirds of intermediaries' business, BTL just under a quarter and specialist lending about one eighth. First time buyers remain the single largest business segment.

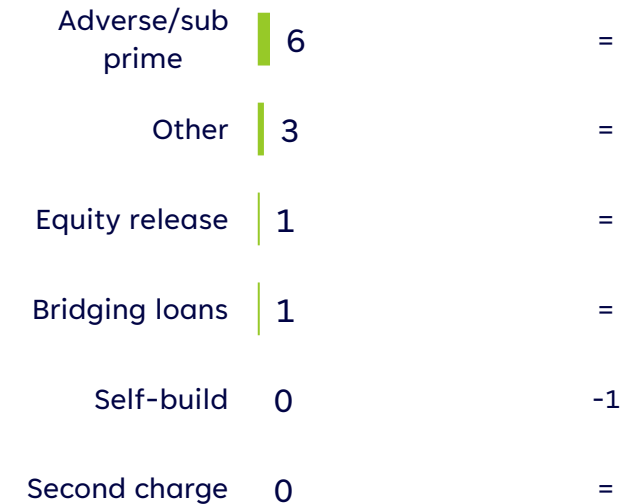
Residential (%)



BTL (%)



Specialist (%)

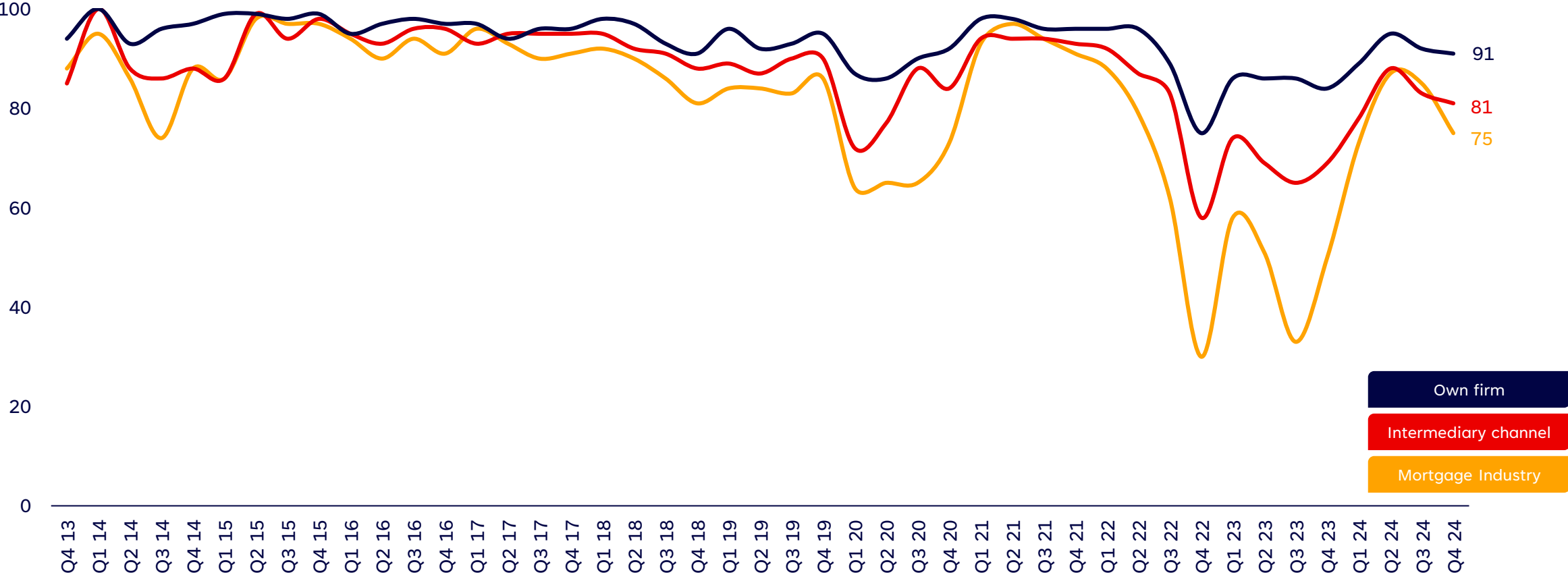


QA1. For every 10 mortgages that you arrange, how many are [RESIDENTIAL/BTL/SPECIALIST] mortgages?, QA2. For every 10 residential mortgages you arrange how many are for [RESI OPTIONS], QA5. Out of every 10 BTL mortgages you arrange for clients, how many are [BTL OPTIONS], QA7. For every 10 specialist mortgages you arrange how many would be [SPECIALIST OPTIONS]
Base: All respondents (301)

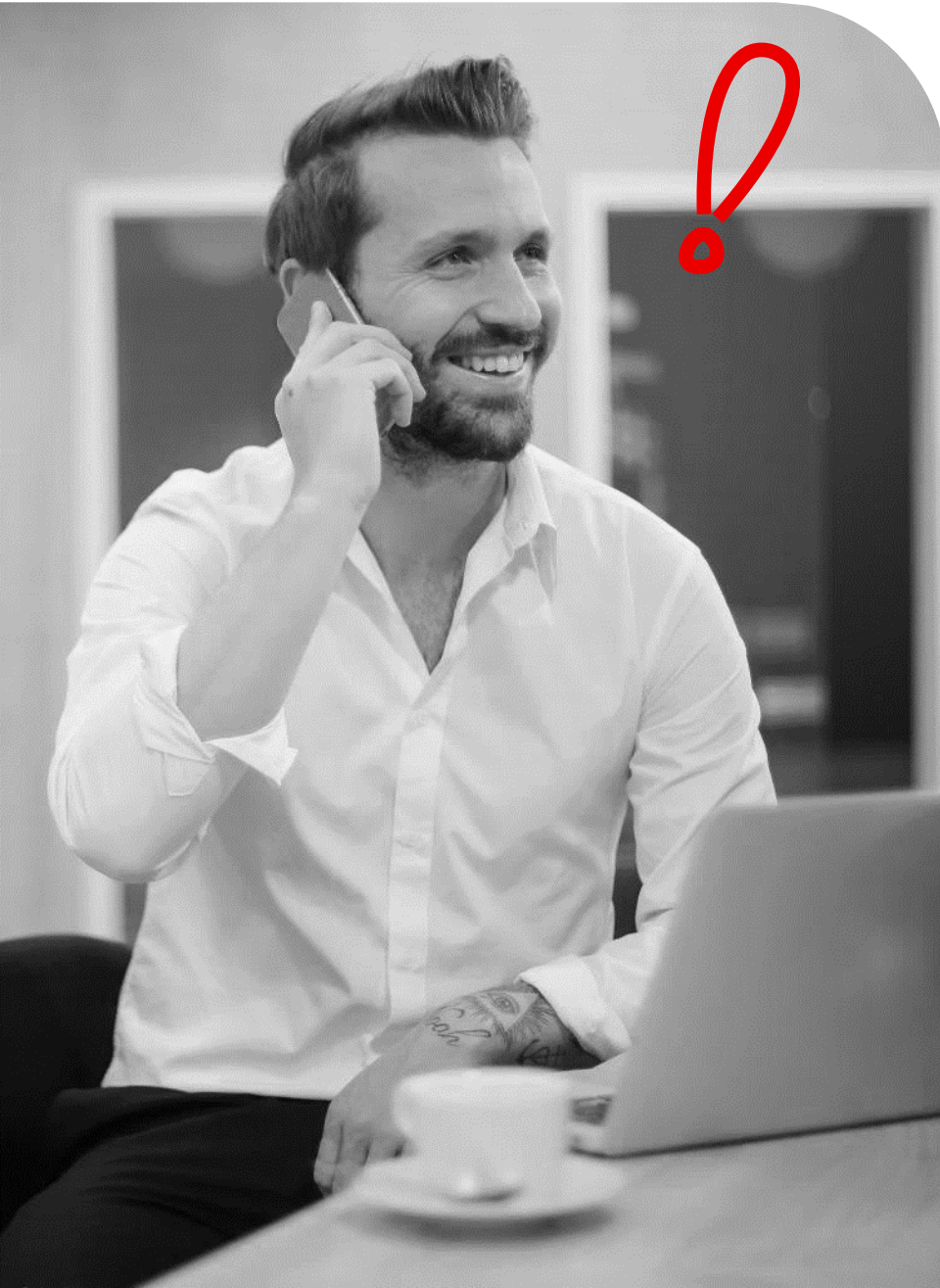
Net intermediary confidence trends

Net score trends show confidence in the outlook for the mortgage industry falling somewhat, whereas the other two confidence measures remain stable. All three measures remain below long-term norms

*Net confident = very / fairly confident minus not very / not at all confident



QH1a. Currently, how confident do you feel about the business outlook for the mortgage industry?
 QH1b. And how confident do you feel about the business outlook for the intermediary sector of the mortgage industry?
 QH1c. And how confident do you feel about the business outlook for your own firm?
 Base: All respondents (301)

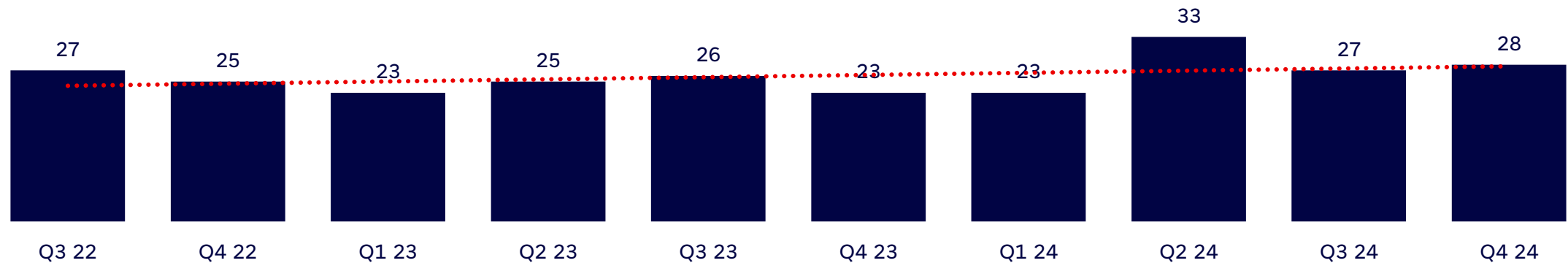


04

BUSINESS FLOW

Average number of DIPs in last 3 months

The average number of DIPs dealt with is stable at 28.

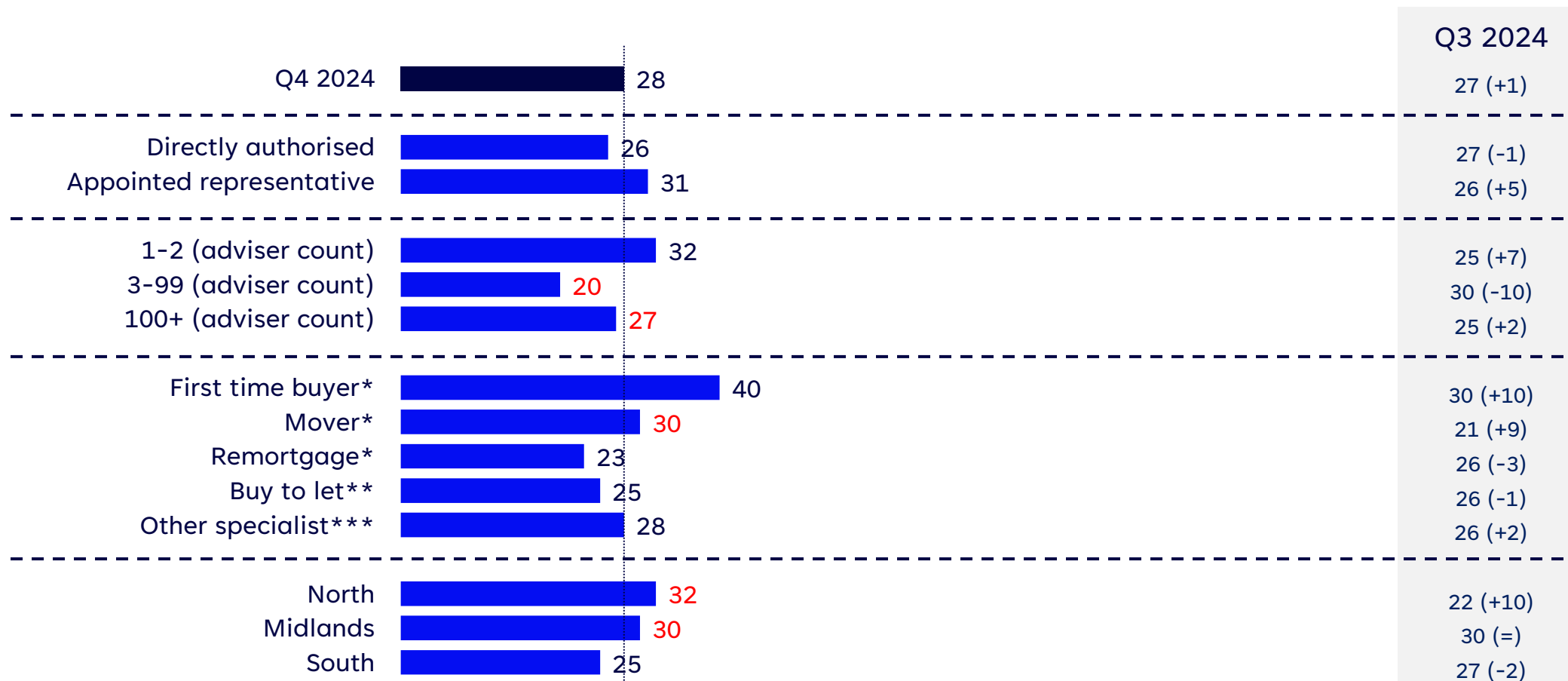


QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?

Base: All December respondents (101)

Average number of DIPs – By business

There are mixed trends across the categories, with FTB (+10) and Movers (+9) focused brokers increasing, as well as those doing business in the North (+10). The opposite is true for medium sized businesses (3-99 advisors at -10).

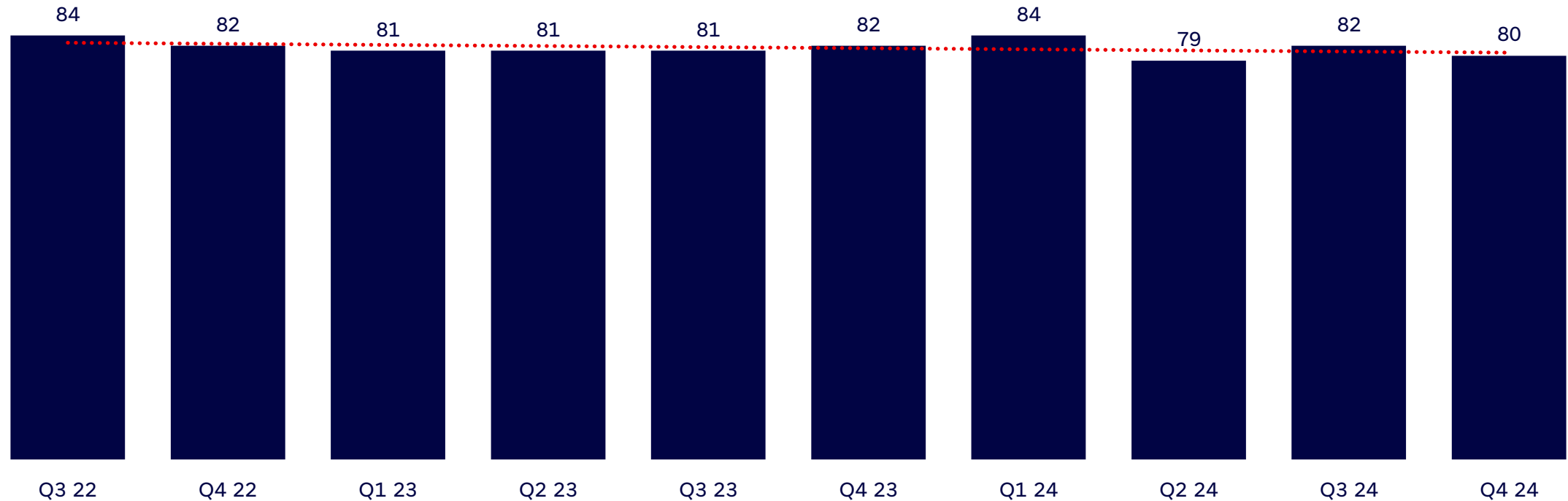


QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?
Base: All December respondents (101)

* At least 4 out of every 10 residential mortgages placed
 ** At least 2 out of 10 mortgaged placed
 *** Any mortgages placed
 RED = low sample size (<30)

DIPs resulting in a DIP accept (%)

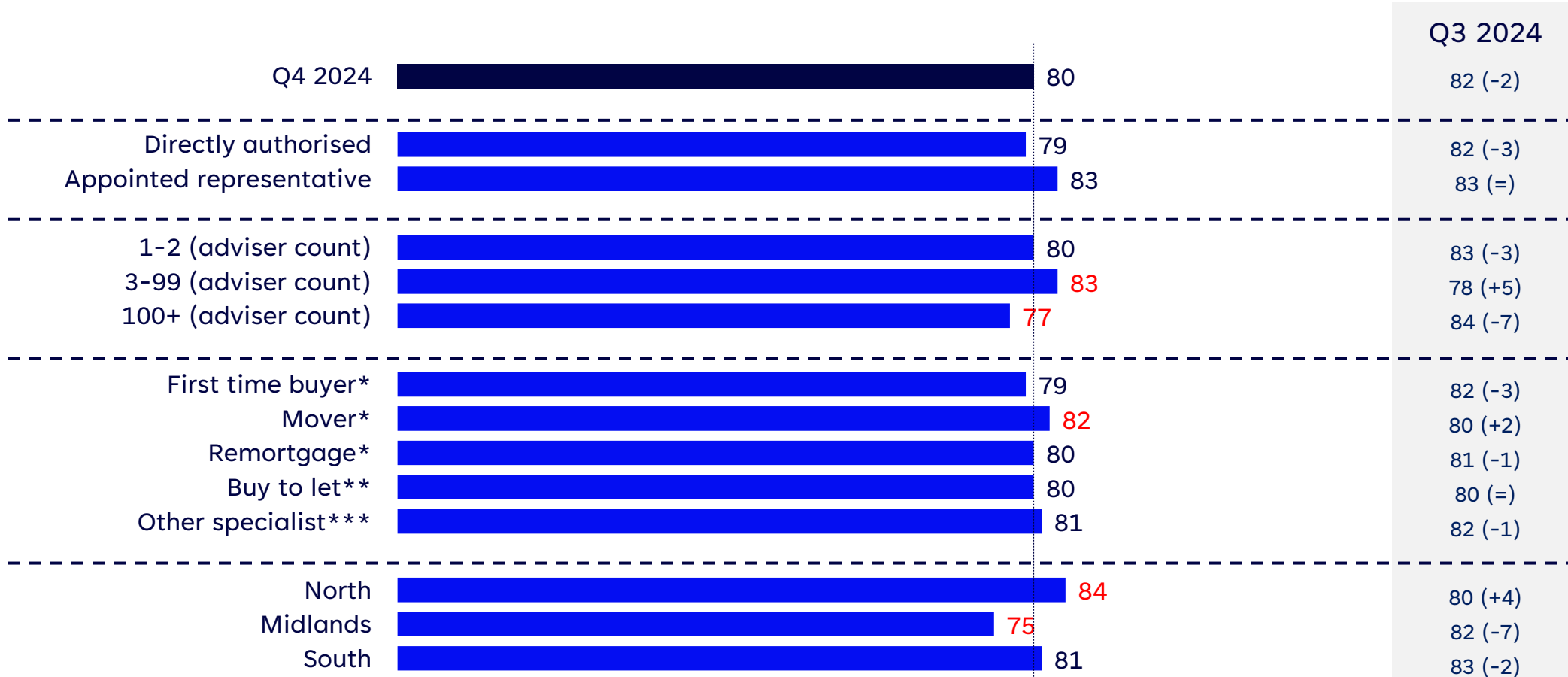
The proportion of DIPs resulting in a DIP accept decreases to 80, however it shows a relatively stable trend over the last 2 years.



QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?
Base: All December respondents (101)

DIPs resulting in a DIP accept (%) – By business

There are only small differences at a business type level – the largest decreases are among firms with 100+ advisors (-7), and those operating in the Midlands (-7).

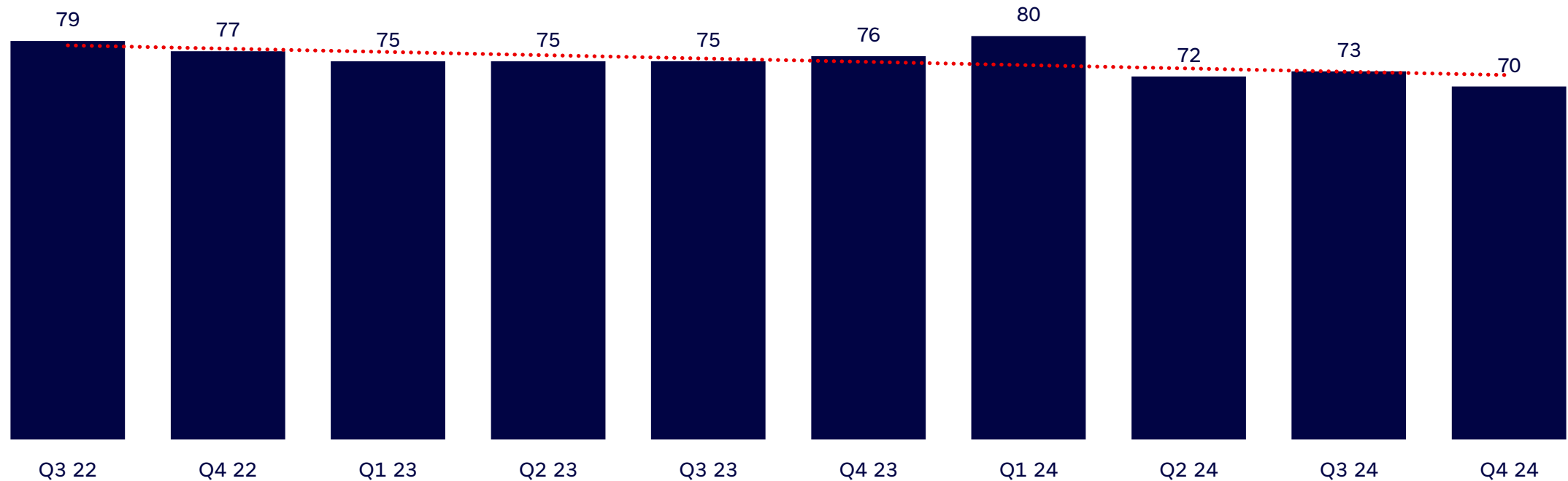


QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?
Base: All December respondents (101)

* At least 4 out of every 10 residential mortgages placed
 ** At least 2 out of 10 mortgaged placed
 *** Any mortgages placed
 RED = low sample size (<30)

DIP accepts resulting in a full application (%)

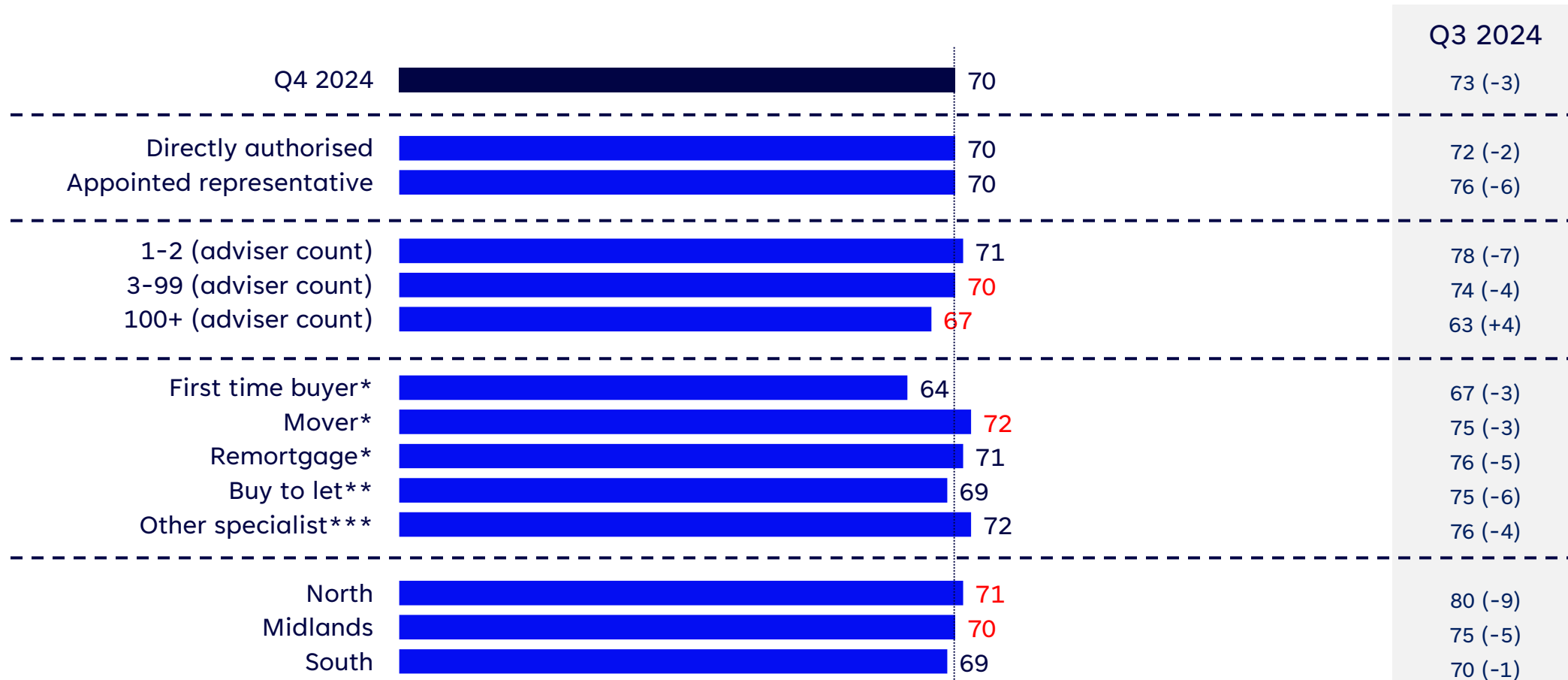
The proportion of DIP accepts resulting in a full application suffers a further decrease to 70 (-3) – the overall trend is down.



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?
Base: All December respondents (101)

DIP accepts resulting in a full application (%) – By business

The largest decreases are in the North (-9) and in smaller firms (-7).

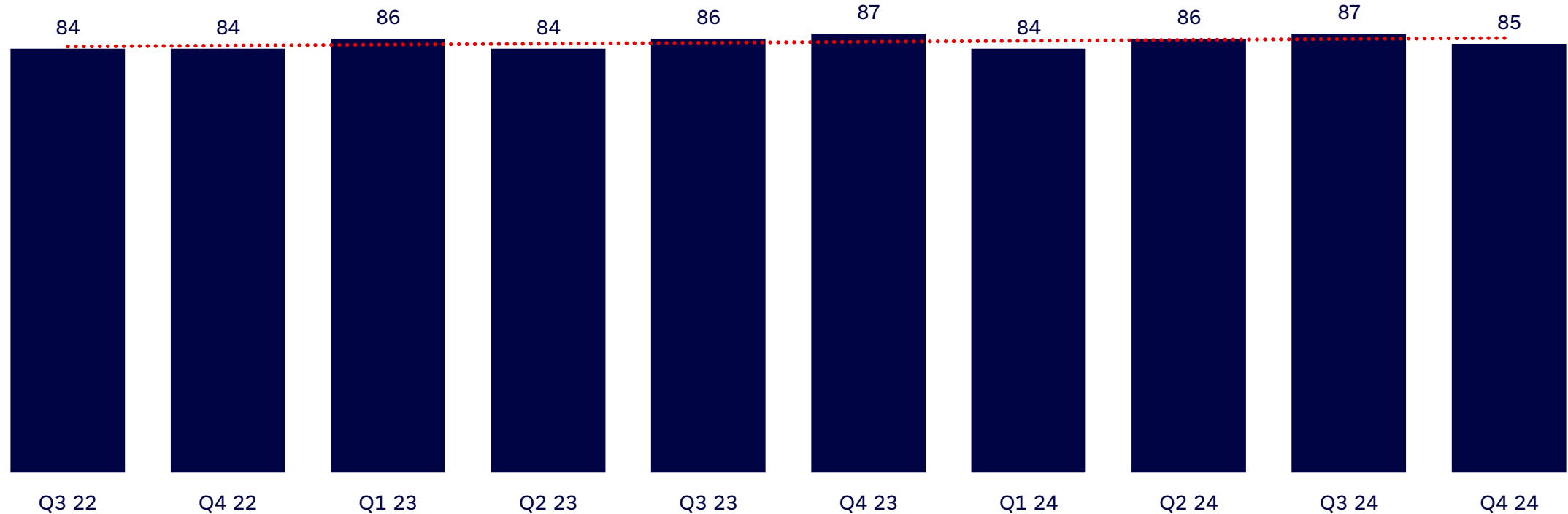


QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?
Base: All December respondents (101)

* At least 4 out of every 10 residential mortgages placed
 ** At least 2 out of 10 mortgaged placed
 *** Any mortgages placed
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Full applications resulting in an offer (%)

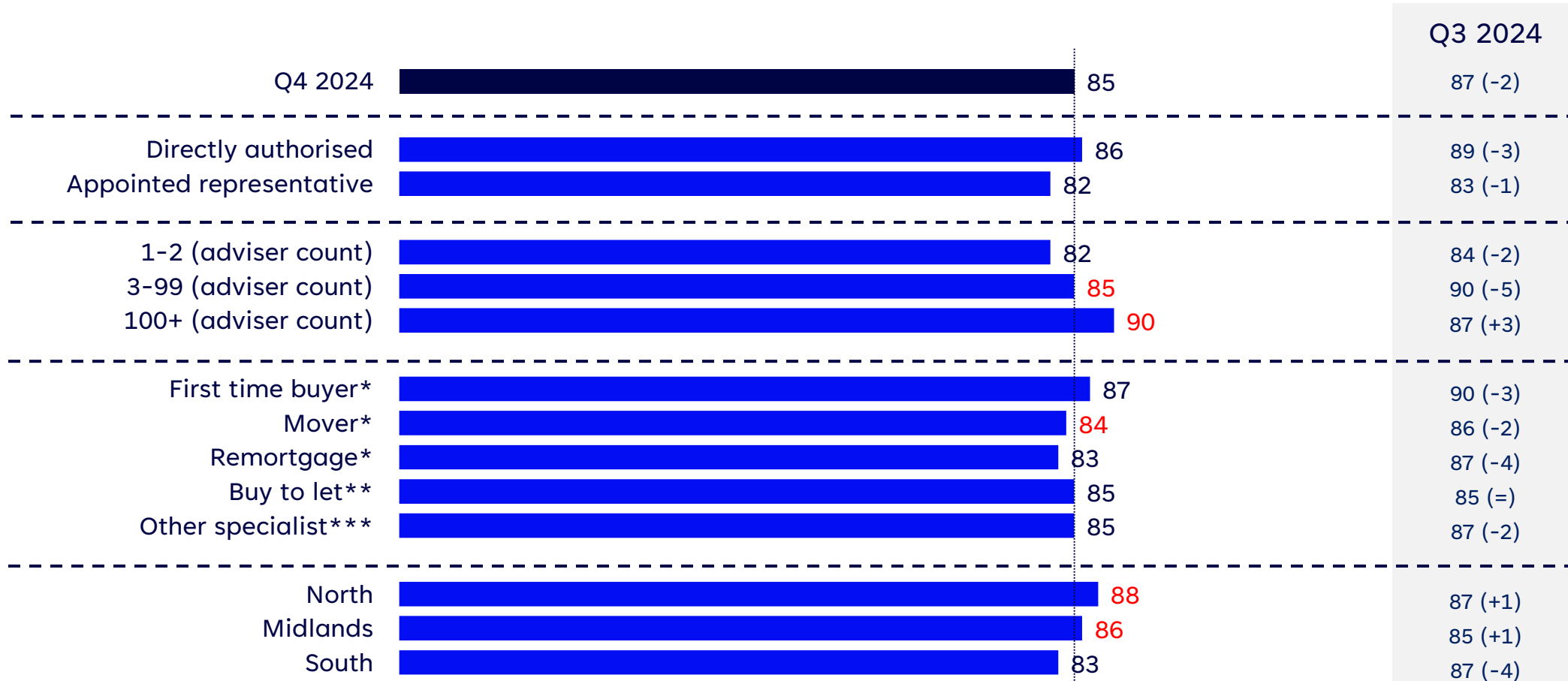
The proportion of full applications resulting in an offer also sees a small decrease, although the overall trend is stable.



QH4. In the last 3 months, what proportion of your full applications have led to an offer?
Base: All December respondents (101)

Full applications resulting in an offer (%) – By business

There are only small differences by business type.

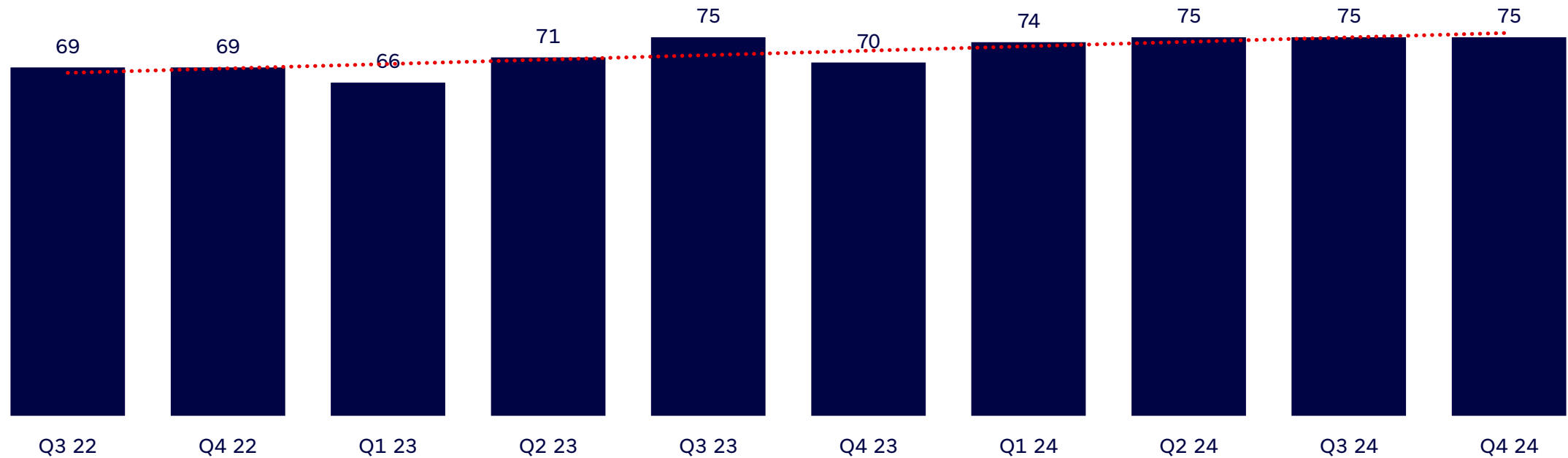


QH4. In the last 3 months, what proportion of your full applications have led to an offer?
Base: All December respondents (101)

* At least 4 out of every 10 residential mortgages placed
 ** At least 2 out of 10 mortgaged placed
 *** Any mortgages placed
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Offers resulting in a completion (%)

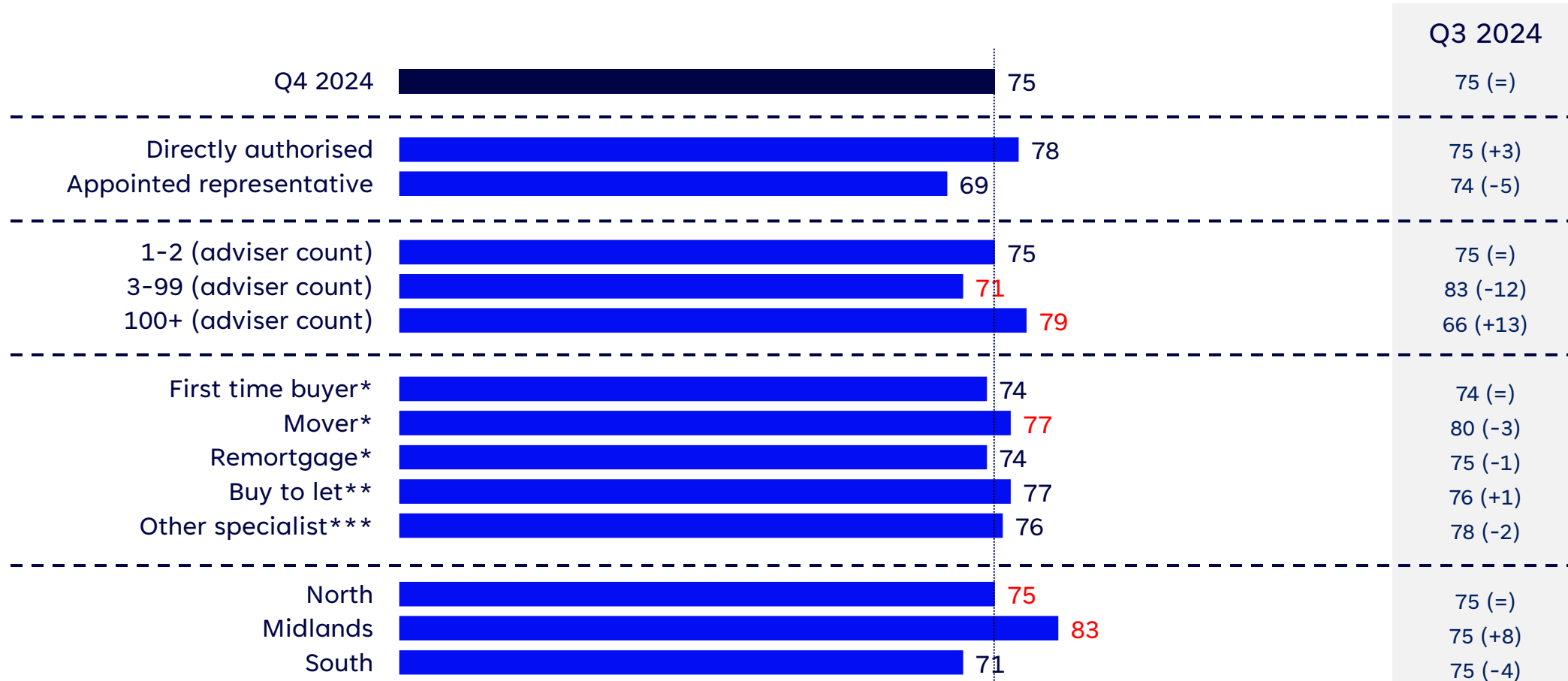
The conversion from offer to completion is stable for a second quarter in a row.



QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?
Base: All December respondents (101)

Offers resulting in a completion (%) – By business

There is a large increase among 100+ advisor businesses (+13), and a decrease in those with 3-99 advisors (-12).

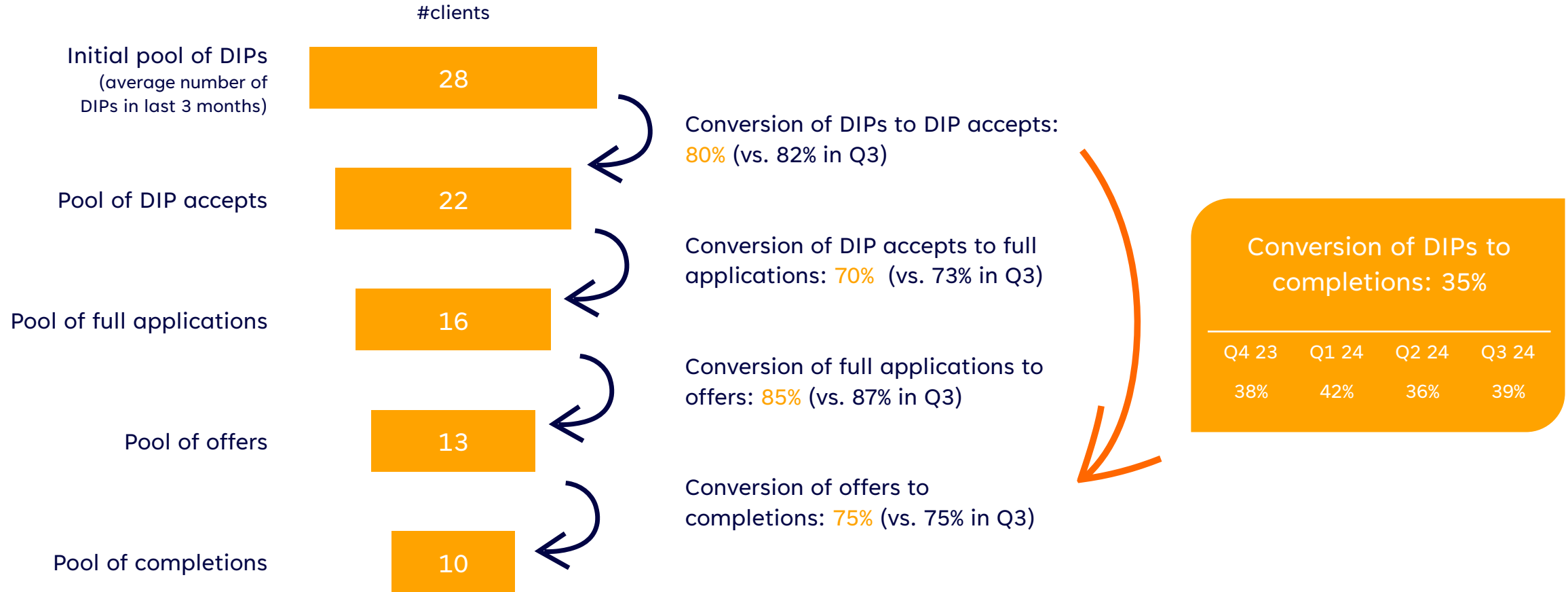


QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?
Base: All December respondents (101)

* At least 4 out of every 10 residential mortgages placed
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Conversion from DIP to completion

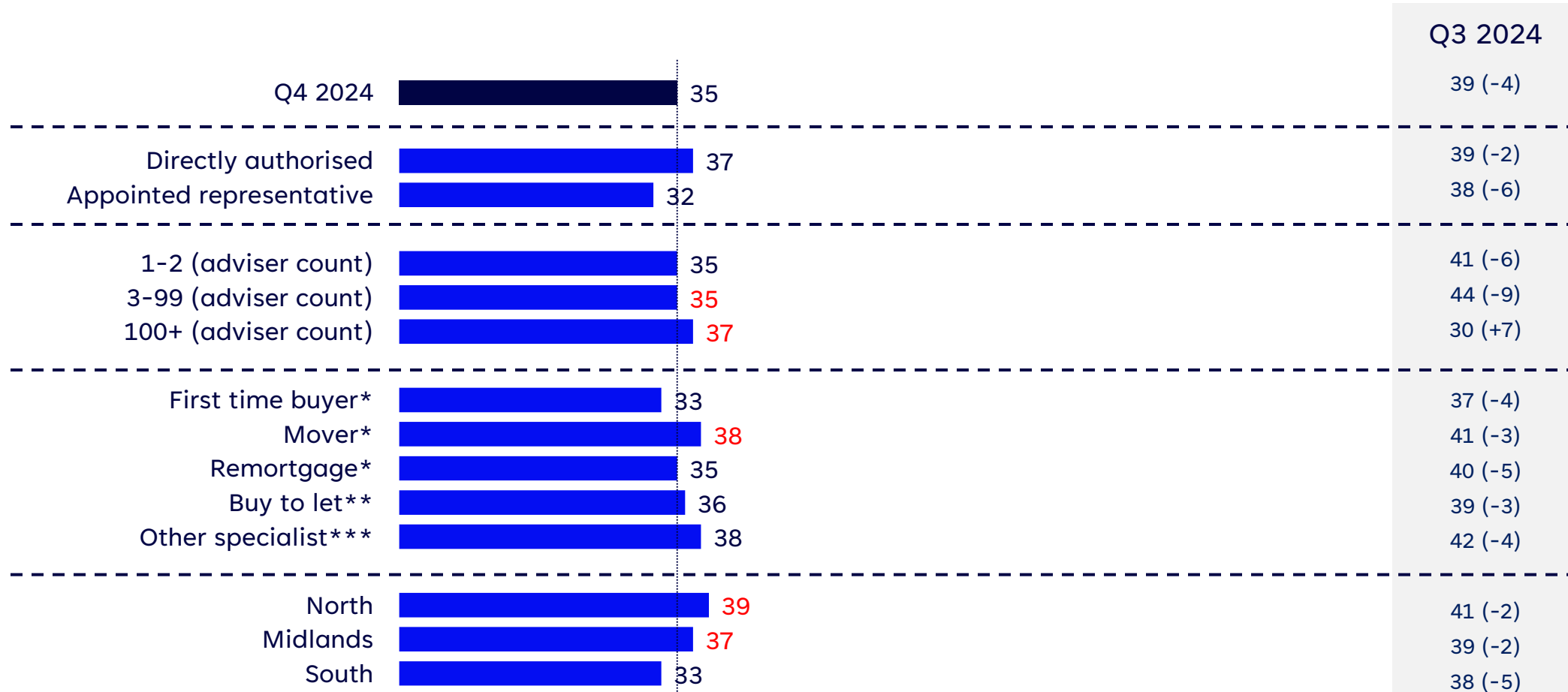
The funnel conversion has decreased again to 35% (-4%), now at a similar level to Q2.



QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?
 QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?
 QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?
 QH4. In the last 3 months, what proportion of your full applications have led to an offer?
 QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?
 Base: All December respondents (101)

Conversion from DIP to completion (%) – By business

The largest decrease was among medium sized businesses (-9), offset by an increase in the larger sized ones (+7).

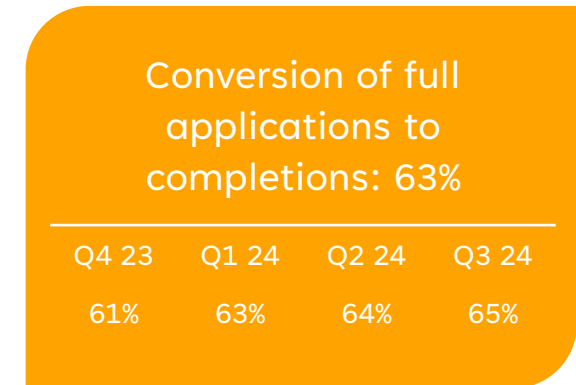
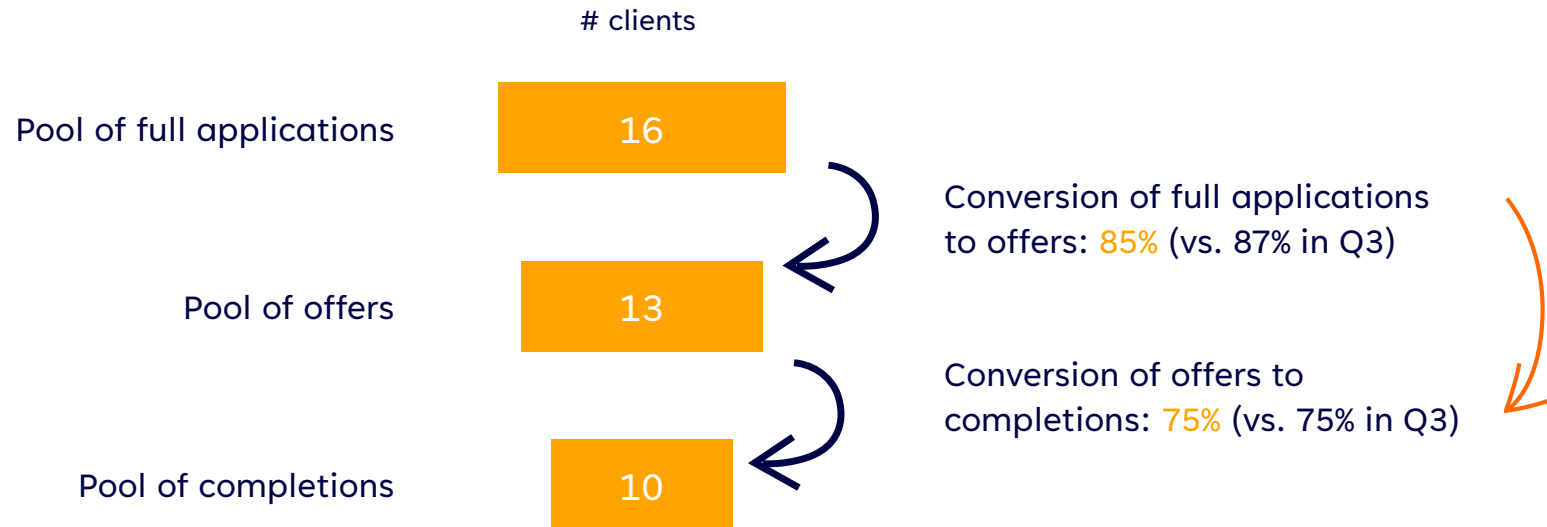


QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?
 QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?
 QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?
 QH4. In the last 3 months, what proportion of your full applications have led to an offer?
 QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?
 Base: All December respondents (101)

* At least 4 out of every 10 residential mortgages placed
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Conversion from full application to completion

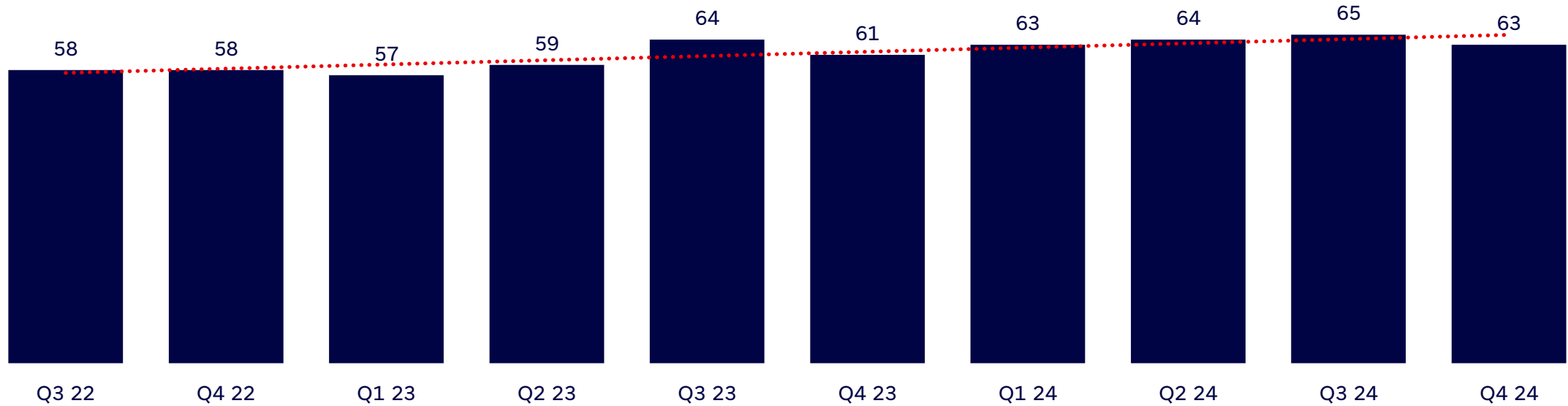
The conversion funnel percentage is slightly lower this quarter, -2% to 63%.



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?
QH4. In the last 3 months, what proportion of your full applications have led to an offer?
QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?
Base: All December respondents (101)

Conversion from full application to completion (%)

This quarter the full app to completion rate goes down 2%.



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?

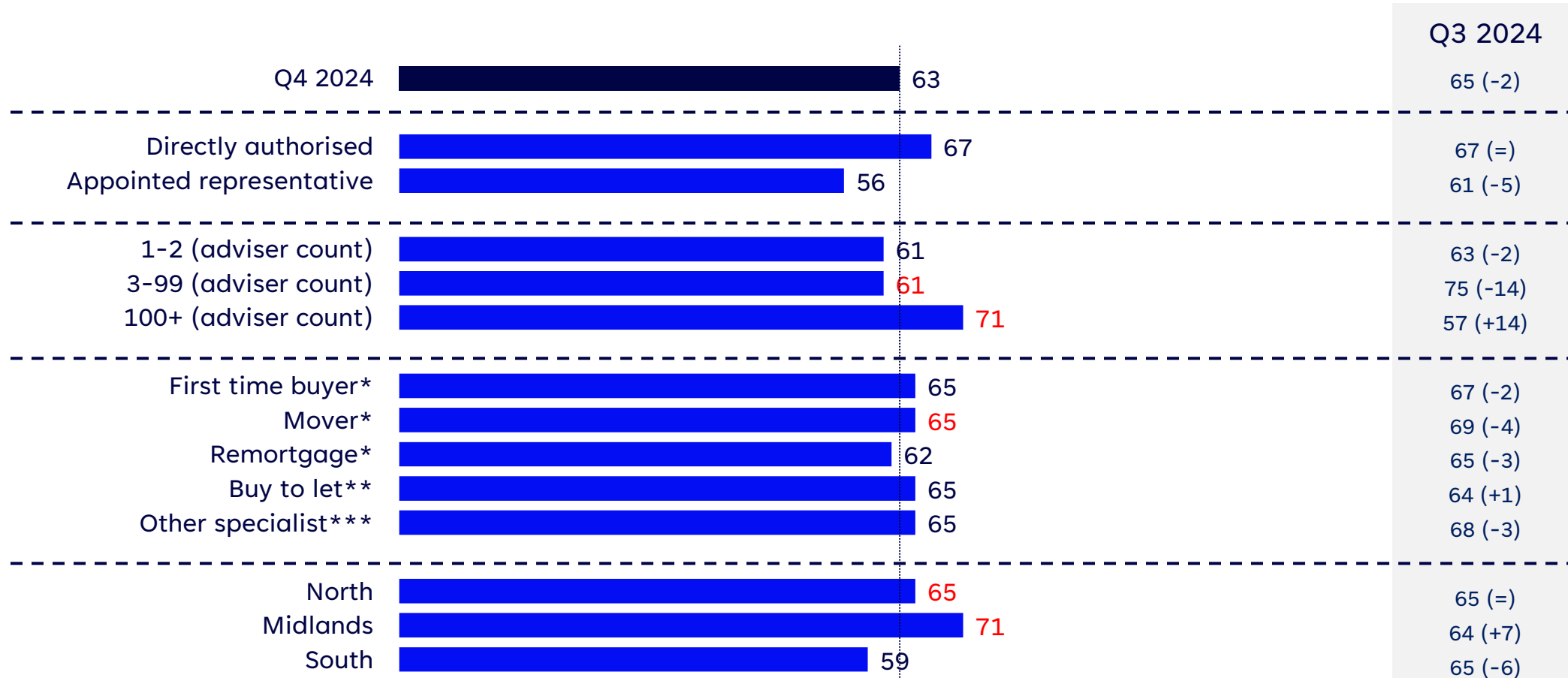
QH4. In the last 3 months, what proportion of your full applications have led to an offer?

QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?

Base: All December respondents (101)

Conversion from full application to completion (%) – By business

The biggest shifts are in terms of medium sized business (-14), and large ones (+14). Also the conversion rate is higher in the Midlands (+7), and somewhat lower in the South (-6).



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?
 QH4. In the last 3 months, what proportion of your full applications have led to an offer?
 QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?
 Base: All December respondents (101)

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Any questions



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