



osb
Group

SPECIALIST LENDING TRENDING

Q4 2024

Introduction

2024 is coming to an end, and looking back, the year has been marked by unique stability in the lending market, despite the significant challenges and macro events we've faced in recent years. From the biggest year for elections globally to UK-specific changes with a new government and a punchy budget, the lending landscape has shown resilience and adaptability.

As we look to 2025, we anticipate new opportunities and a fresh start for both brokers and borrowers: the dust is finally settling, and the wait-and-see period is over.

In this Q4 Specialist Lending Trending, Adrian Moloney, Group Intermediary Director at OSB Group, explores key themes expected to shape the lending markets in the first three months of 2025.



Adrian Moloney

Group Intermediary Director,
OSB Group



Trends



An uptick in rate roll-offs

A whopping three million households will face higher mortgage payments in the six months to December this year. Of these, around 400,000 homeowners will see an increase of more than 50% in their payments, according to the Bank of England*. This is the largest wave of rate roll-offs in recent years, and we expect this to continue into early 2025. This wave of rate expirations presents a major refinancing opportunity for brokers, especially as many homeowners in both residential and buy-to-let sectors are already experiencing rate shock.

Early client engagement will be critical in understanding customers' concerns and offering solutions that suit their circumstances. While the rate increases might initially discourage some buyers, brokers have an opportunity to guide clients through product transfers, which have become an essential aspect of the lending market. By assessing which clients are best suited for refinancing or product transfers, brokers can continue to position themselves as trusted advisors in an uncertain market.

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First-time buyer boom

While winter is traditionally slower moving in the housing market, we know that buyers are already thinking about 2025, and brokers should be too.

A significant post-budget development that will come into effect in early 2025 will be the end of the stamp duty relief for first-time buyers, potentially creating a complex environment for those starting on the property ladder. As the purchase market gains momentum, particularly among first-time buyers or those moving within chains, delays could put pressure on legal processes, which have historically struggled to keep pace with demand. Despite efforts to speed up transactions, delays are likely to persist, potentially causing clients frustration. Brokers should be putting plans in place now for ongoing timing challenges and paperwork issues, which could impact transaction speeds. Effectively navigating these pressures will be key to ensuring smooth transactions and capitalising on opportunities as they emerge.

Trends



Rising demand for expert guidance

The rising demand for expert guidance in the mortgage market highlights the invaluable role of brokers. As the financial landscape grows more complex, with shifting regulations, an increasing number of products and changing economic conditions, the demand for personalised advice will only increase. Brokers play a vital role as navigators, demystifying the mortgage process and offering tailored guidance that aligns with each client's unique financial situation and goals. In addition, their negotiation skills and knowledge of the market can result in better deals for clients. In today's volatile market, where changes in interest rates and lending criteria can impact affordability, brokers ultimately provide peace of mind. By offering both guidance and reassurance during one of the most significant financial decisions of a person's life, brokers are increasingly seen as trusted advisers, making their services more vital than ever.

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The Broker Opportunity: New year, new possibilities

The year ahead presents some great opportunities. Rate roll-offs and product transfers will remain dominant as the market stabilises. Brokers who can engage early and provide tailored refinancing solutions will be in high demand. As clients reassess their mortgage options, effective communication and a clear understanding of their concerns will be crucial in providing the best possible guidance. Meanwhile, the anticipated boom in first-time buyers, driven by factors like the stamp duty reduction and market clarity post-budget, offers substantial growth potential and brokers will play a key role in helping consumers make informed decisions.

All of these trends are strong indicators that 2025 could be a promising year for brokers who are ready to lean into their clients' needs. By understanding market changes, addressing client

challenges, and adapting to shifting product demands, brokers can enhance their advisory roles and strengthen client relationships. 2025 could see a really exciting and fast-moving market. I am looking forward to continuing to work with the brilliant broker community to deliver the best results for clients!

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Our Pick of the Charts

Connells Group Market Report

Q3 2024 Regional Overview

First-time buyers accounted for the largest share in activity across all regions, with London seeing the largest shift towards first-time buyer activity.

Scotland / North

First-time buyers **37.4%**
 Home-movers **22.7%**
 Buy-to-let remortgages **5.2%**
 Buy-to-let purchases **5.7%**
 Remortgages **25.3%**
 Others **3.7%**

Midlands

First-time buyers **33.3%**
 Home-movers **21.6%**
 Buy-to-let remortgages **6.5%**
 Buy-to-let purchases **7.6%**
 Remortgages **27.5%**
 Others **3.5%**

Wales / South West

First-time buyers **36.8%**
 Home-movers **24.5%**
 Buy-to-let remortgages **6.4%**
 Buy-to-let purchases **4.4%**
 Remortgages **24.6%**
 Others **3.3%**

East

First-time buyers **32.5%**
 Home-movers **20.9%**
 Buy-to-let remortgages **7.4%**
 Buy-to-let purchases **5.5%**
 Remortgages **31.1%**
 Others **2.6%**

London

First-time buyers **34.1%**
 Home-movers **13.9%**
 Buy-to-let remortgages **11.9%**
 Buy-to-let purchases **6.3%**
 Remortgages **28.6%**
 Others **5.2%**

South East

First-time buyers **32.3%**
 Home-movers **24.0%**
 Buy-to-let remortgages **6.1%**
 Buy-to-let purchases **4.2%**
 Remortgages **30%**
 Others **3.4%**

Source: Connells Group Market Report Q3 2024 Regional Overview

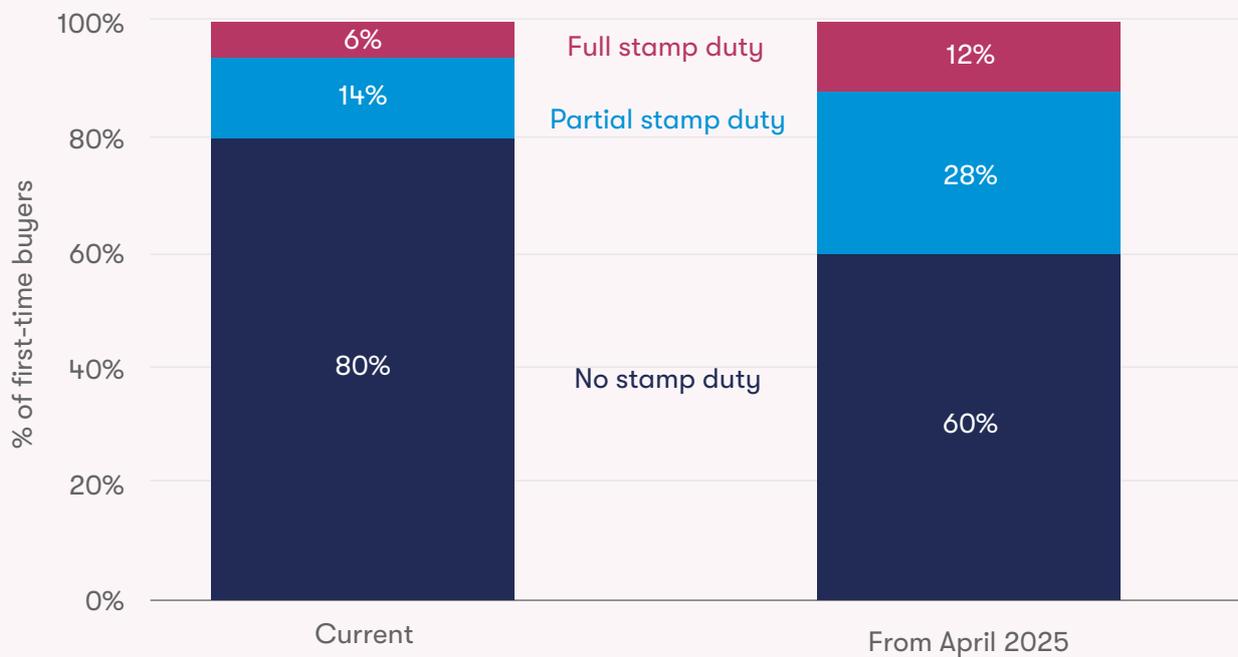
Our Pick of the Charts

Zoopla Research

% of first-time buyers looking to buy in Q3 2024

Lower stamp duty relief for FTBs would see 20% pay rise

A return to previous stamp duty thresholds from April 2025 will result in an additional 20% of first-time buyers being liable to pay stamp duty.



Source: <https://www.zoopla.co.uk/discover/property-news/house-price-index/>

% of first-time buyers looking to buy in Q3 2024

OSB Group lenders

PRECISE.

**Buy to let
Residential
Bridging Finance**

KentReliance

for Intermediaries

**Buy to let
Residential**

InterBay

**Commercial
Semi commercial
Bridging Finance**

