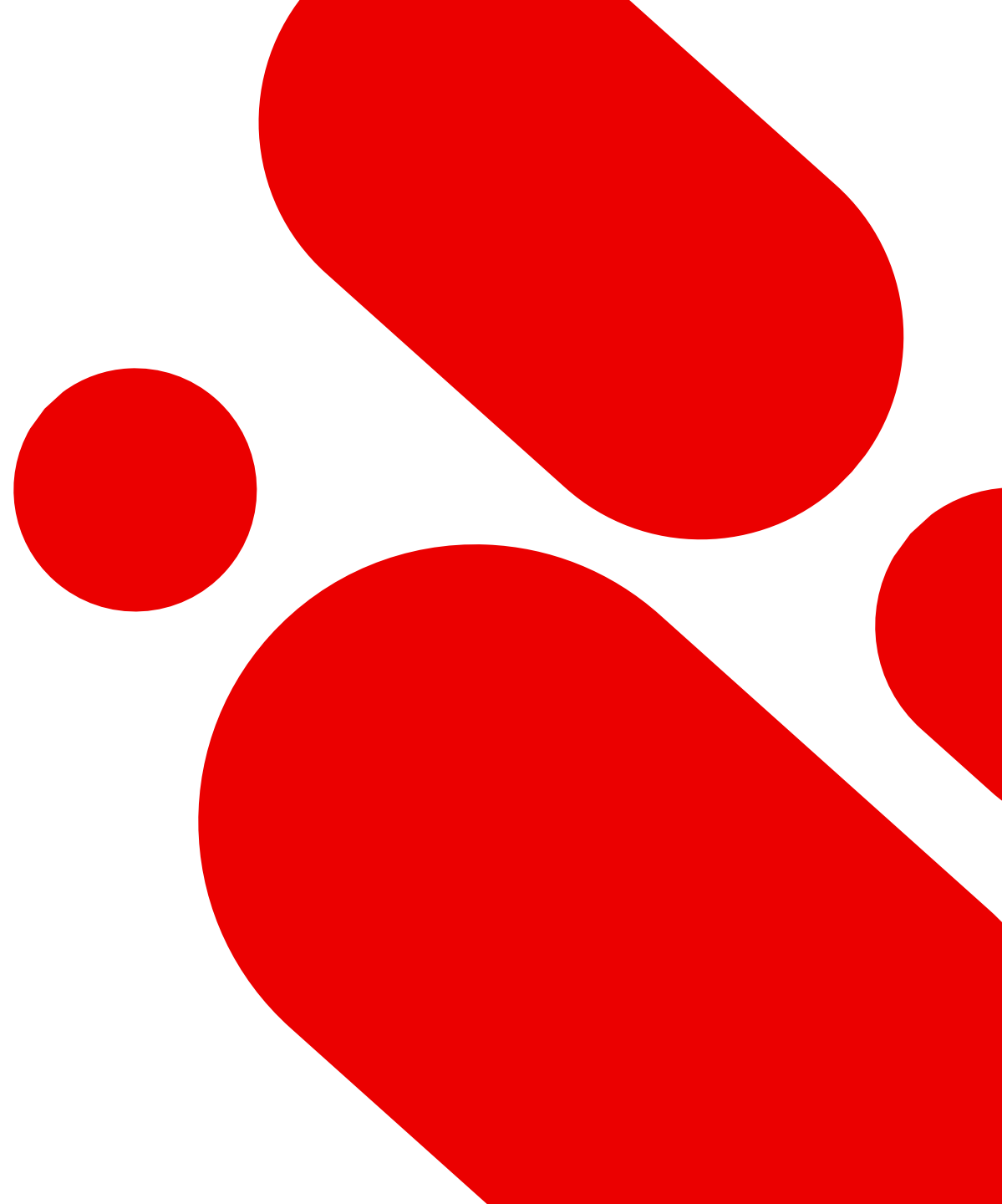




# Intermediary Mortgage Market Tracker Q4 2023

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 2023.



## 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?

Monthly telephone interviews (100 per month), average interview c.30 minutes. Fieldwork by PRS (our sister company)



## How many?

Total of 300. Achieved sample weighted by firm size & type to be representative of the Autus universe

02

# EXECUTIVE SUMMARY



**The typical intermediary placed 95 cases in the previous 12 months - this reflects a +3 increase vs. last quarter. However BoE lending data shows no change from Q3.**



**Intermediary confidence finally sees a recovery for the mortgage industry and intermediary sector (+17, +4). 'Own firm' is down a little (-2) but still holds high at 84.**



**Conversion from DIP to completion is stable at 38%. This follows a period of growth over the last year.**



**App to completion conversion now sees a dip of -3%, down to 61%. It yields a typical pool of 9 client completions. Almost all areas are down with the exception of the 9-10 sales decile (+6%).**

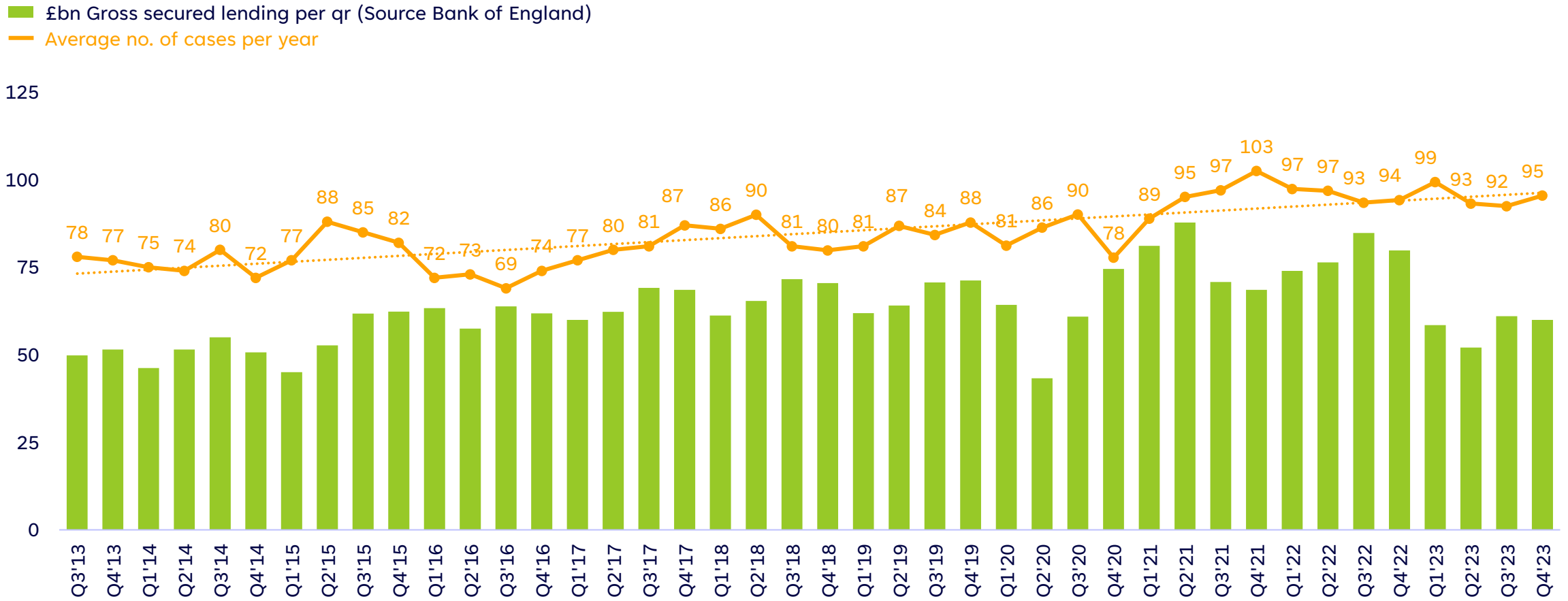


02

# BUSINESS VOLUMES AND CONFIDENCE

# Claimed volume of mortgage cases, per year and gross lending

Business levels are being maintained or improving slightly. The average claimed number of mortgages placed per year by intermediaries firmed to 95 in Q4 23, with a median of 70 (versus 80 in Q3). The average for mortgage brokers was 103 cases (+5 on Q3), for IFAs 62 (-1). BoE data shows a broadly flat, rather subdued lending market



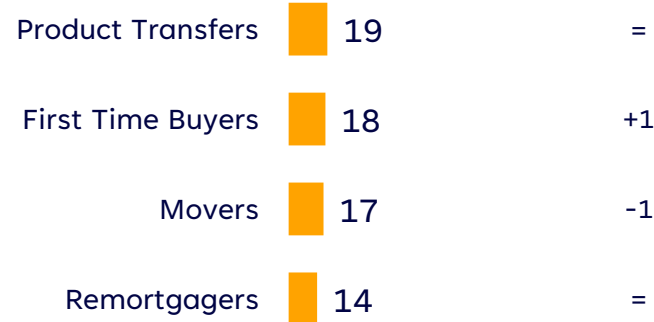
Q.S4 Including residential, Buy-to-Let and specialist mortgages, how many mortgages have you personally placed in the last 12 months?  
 Base: All respondents (300)



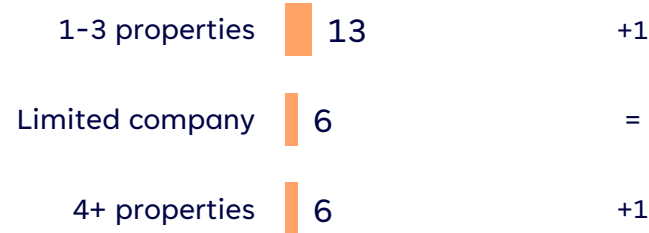
# Share of mortgage business handled

In volume terms, residential lending makes up about two-thirds of intermediaries' business, BTL a quarter and specialist lending about one deal in fourteen. There are no significant changes in Q4 in the shares of different mortgage types

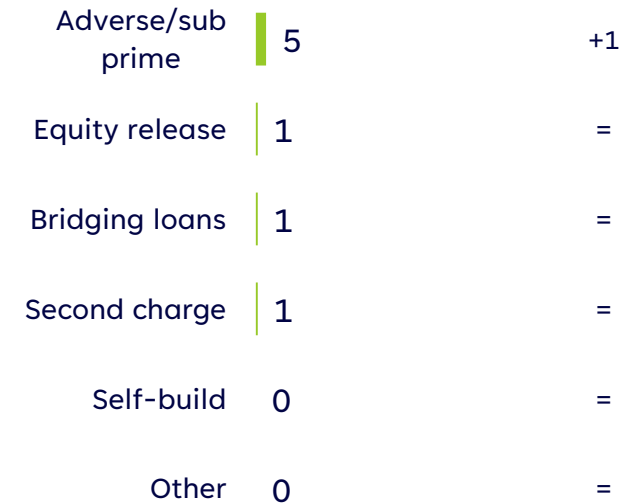
## Residential (%)



## BTL (%)



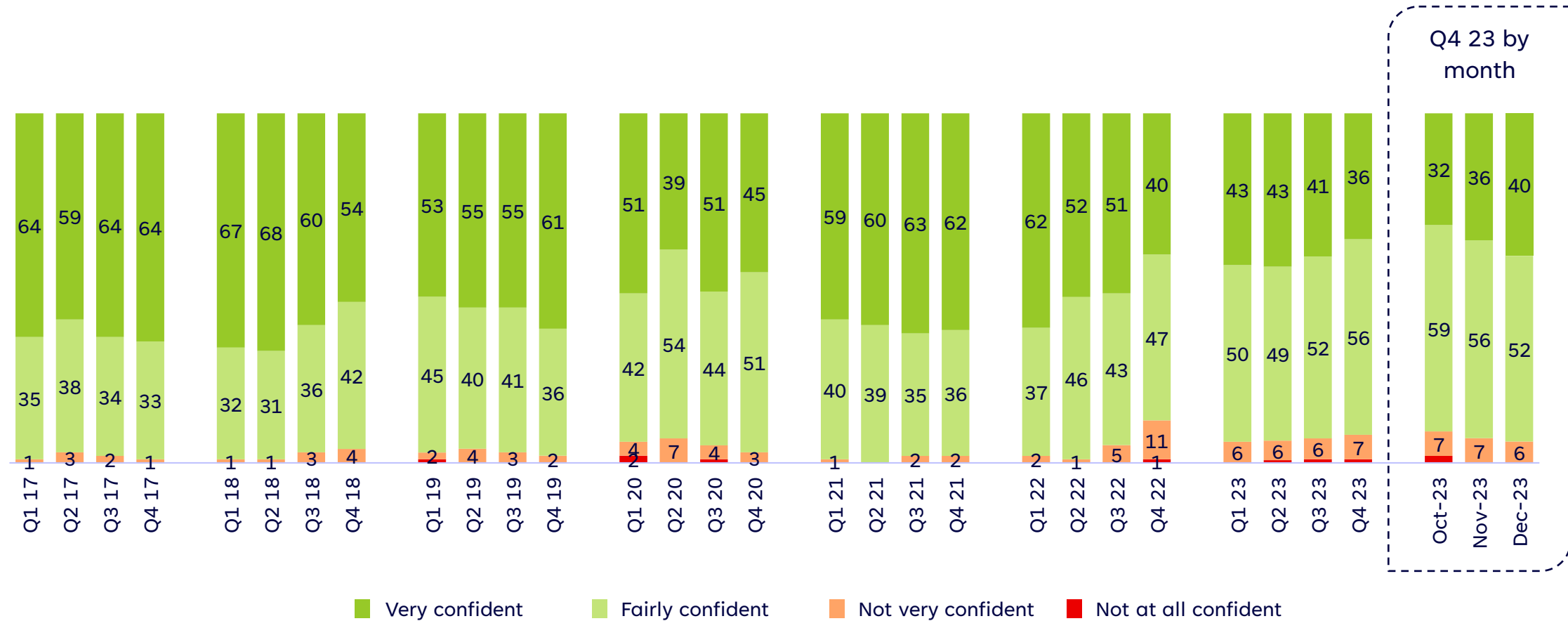
## Specialist (%)



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 (300)

# Confidence in outlook for their own business

Confidence in the outlook for one's own business was slightly off in Q4 23 but, as usual, higher than confidence in the outlook for the intermediary sector. The score in Q4 was lower than in most quarters since 2013. Monthly data again shows some improvement through Q4 23, but the lift here is less marked than with our other confidence measures



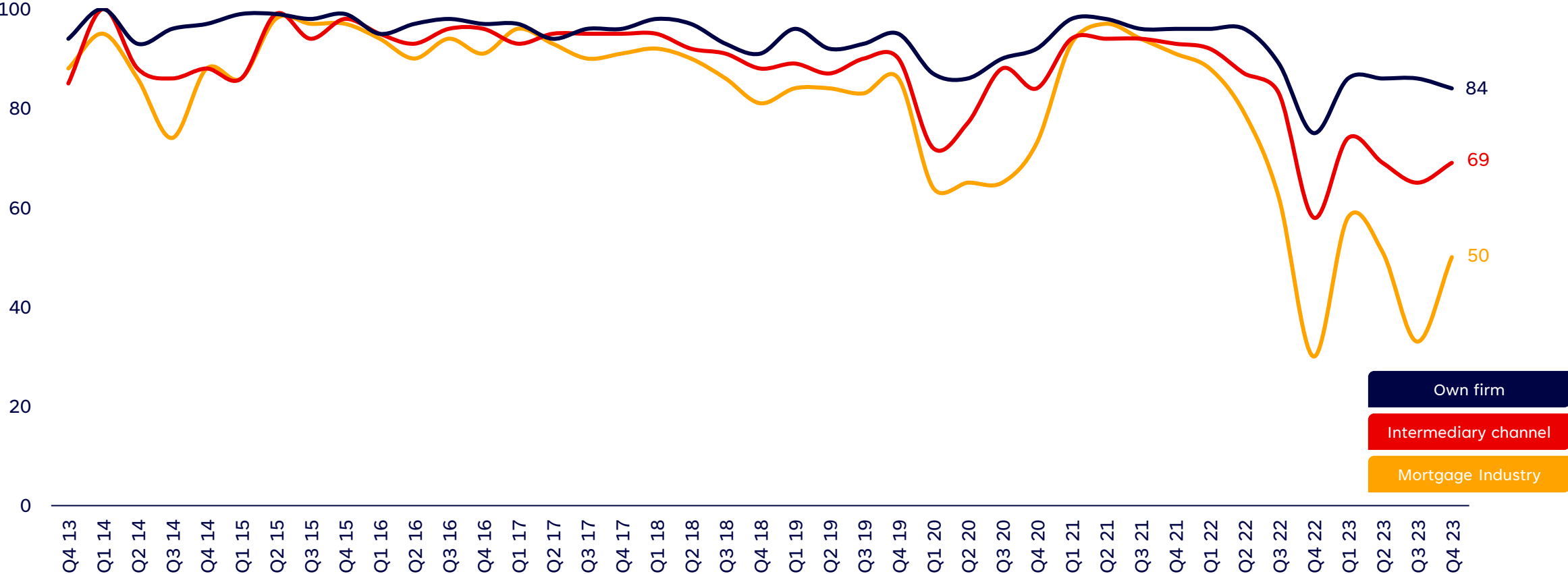
QH1c. And how confident do you feel about the business outlook for your own firm?  
Base: All respondents (300)

# Net\* intermediary confidence trends



Net score trends show stable confidence in the outlook for one's own firm but improvements for the intermediary channel and, especially, the mortgage industry. All three scores 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 (300)

# Reasons for felt level of confidence in one's own business

Examples of verbatim responses from intermediaries

“

## Standing of the business

*We have a large client bank and lots of repeat business.*  
**(Very confident)**

---

“

## High demand for bespoke advice

*Bank branches are closing down, and the mortgage market is getting more difficult to navigate. Clients need brokers even more...*  
**(Very confident)**

---

“

## Multiple income streams

*We have a lot of marketing and other businesses that direct their clientele towards us.*  
**(Fairly confident)**

---

“

## Increased number of enquiries

*Business is now picking up from the summer, there have been more enquiries over the last three months.*  
**(Fairly confident)**

---

“

## High interest rates and cost of living

*The first thing is interest rates...Because of the cost of living and affordability I feel less appetite for people to move home.*  
**(Not very confident)**

---

“

## Uncertainty

*The economic climate. There is a lot of new build, but we do not know who is going to buy them.*  
**(Not very confident)**

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“

## Slow BTL market

*Buy to let market is very quiet and no prospect of it increasing.*  
**(Not very confident)**

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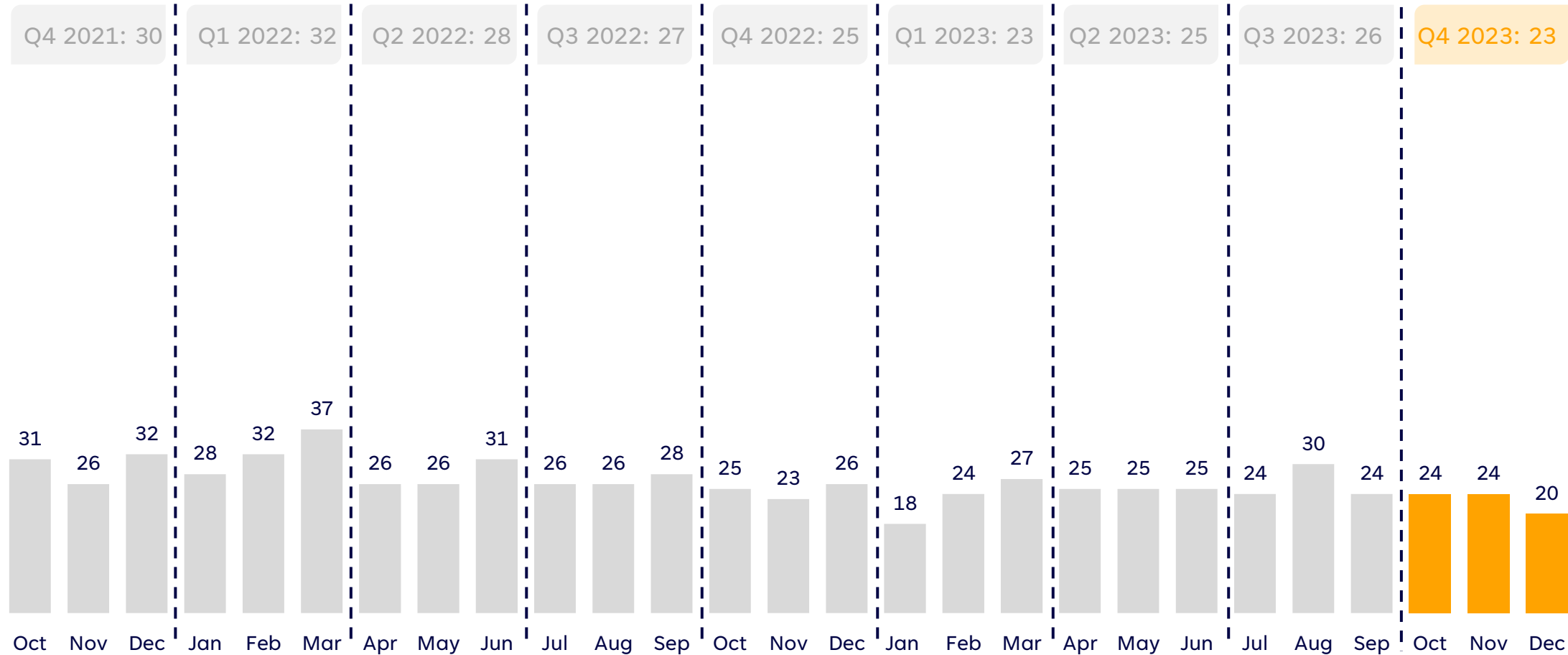


04

# BUSINESS FLOW

# Average number of DIPs in last 3 months

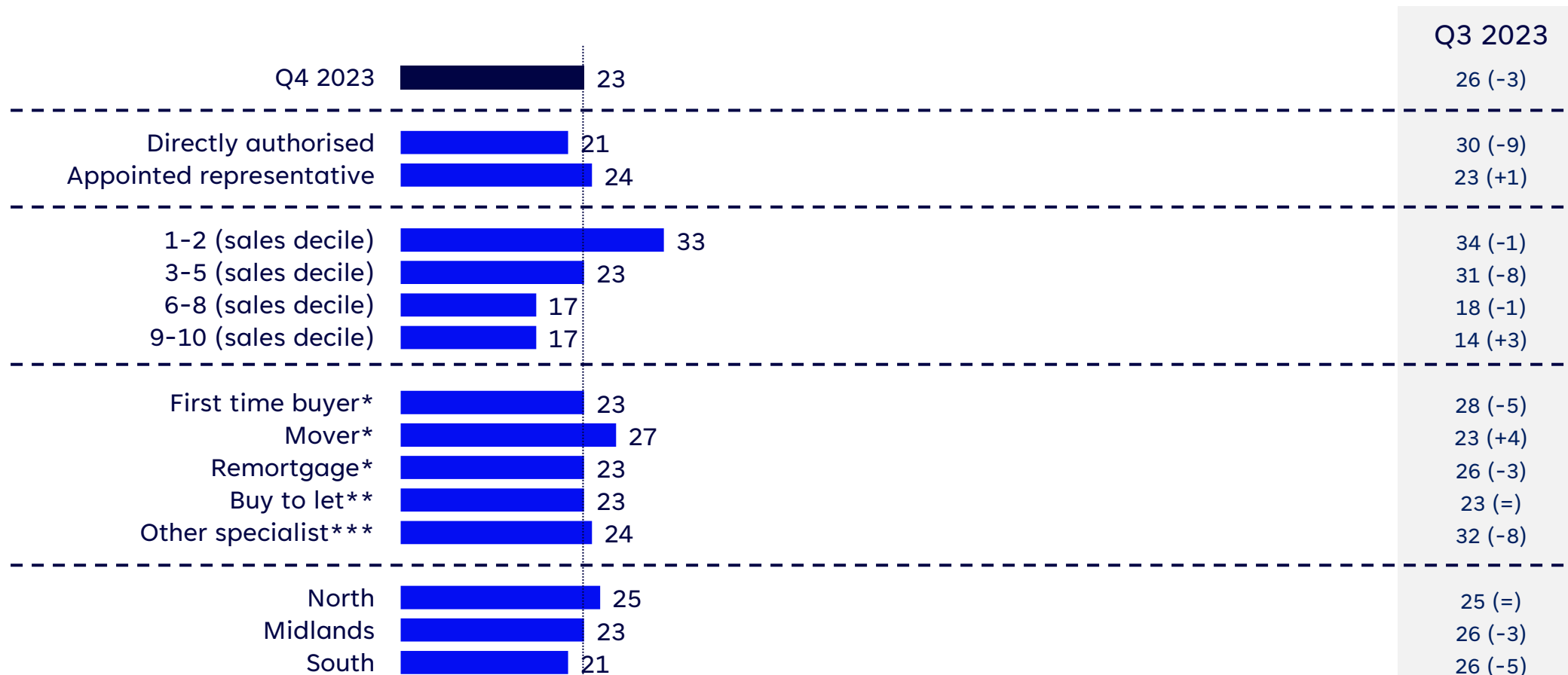
The average number of DIPs dealt with by intermediaries goes down to Q1 levels at the end of 2023, with the lowest average recorded in December (of just 20 DIPs). This is a marked decrease vs. Dec '22 (-6) and Dec '21 (-12).



QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?  
 Base: All Q4 respondents (300)

# Average number of DIPs – By business

The decrease is driven mostly by DAs (-9), and can be seen in the FTB (-5) as well as Specialist markets (-8).

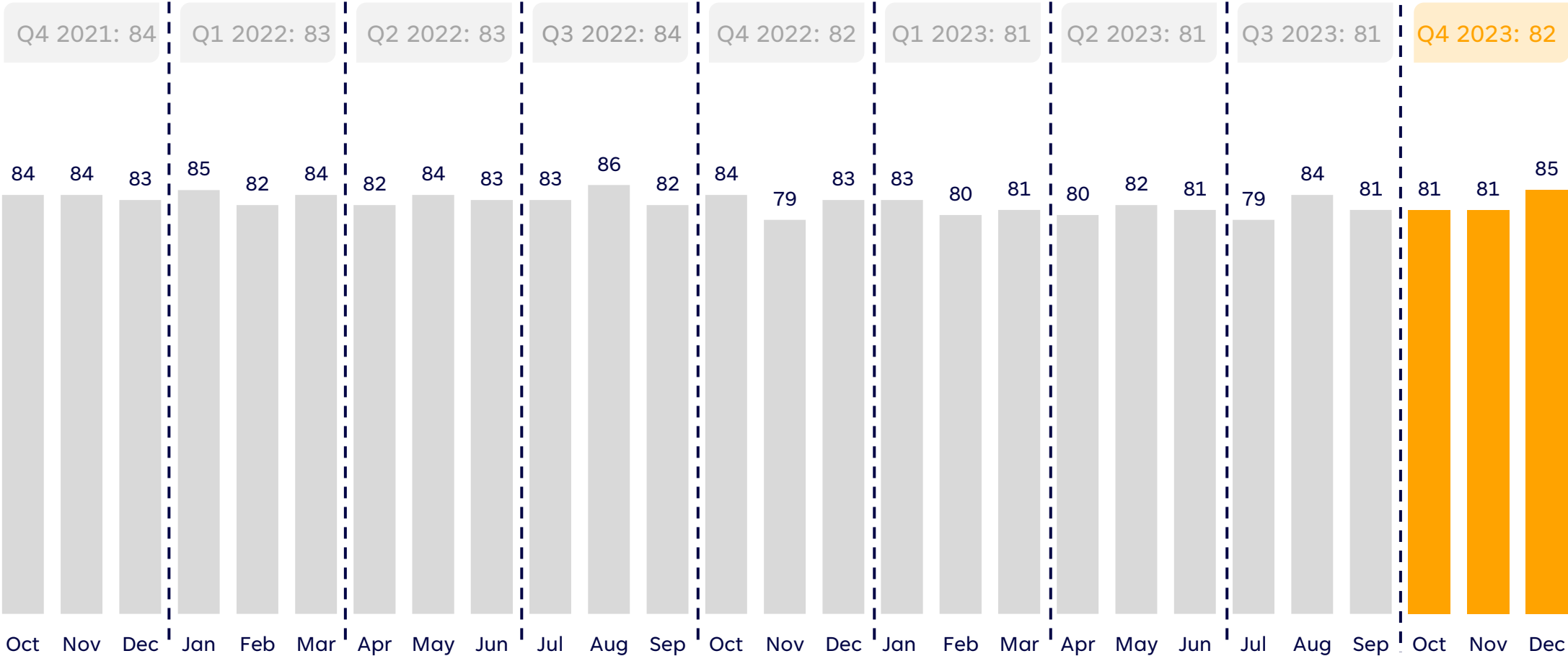


QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?  
 Base: All Q4 respondents (300)

\* At least 4 out of every 10 residential mortgages placed  
 \*\* At least 2 out of 10 mortgaged placed  
 \*\*\* Any mortgages placed

# DIPs resulting in a DIP accept (%)

The proportion of DIPs resulting in a DIP accept maintains its stable trend of the last 5 quarters.

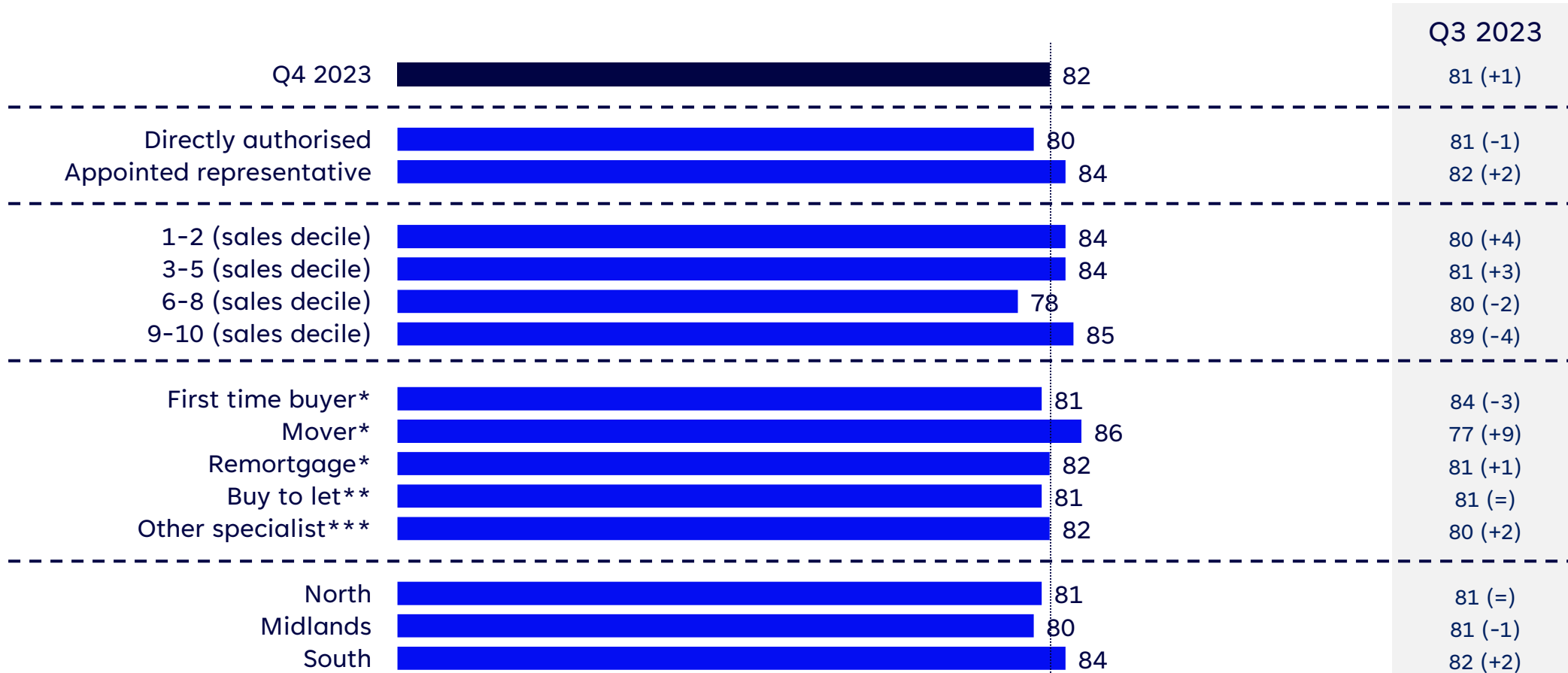


QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?  
 Base: All Q4 respondents (300)



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

Despite the overall average stability there are some small individual market changes – most notably Movers go up (+9).

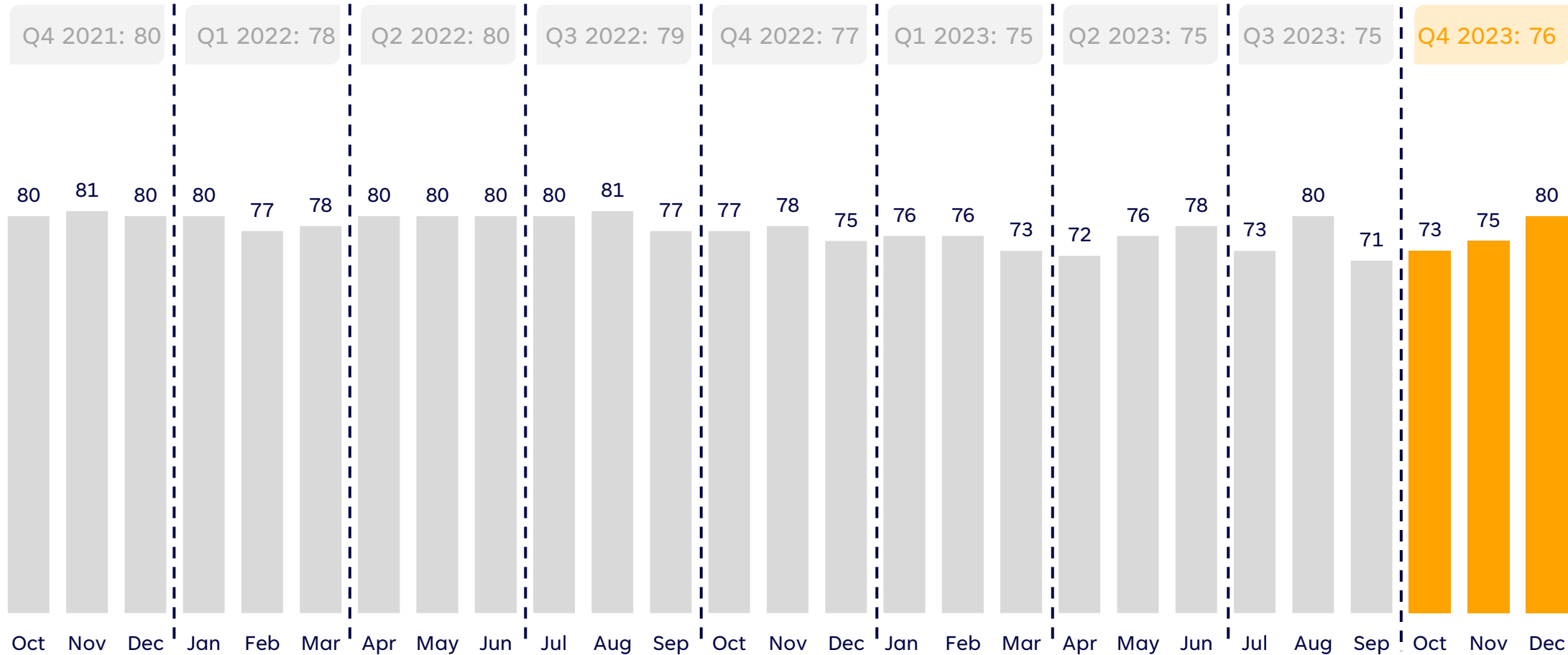


QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?  
Base: All Q4 respondents (300)

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# DIP accepts resulting in a full application (%)

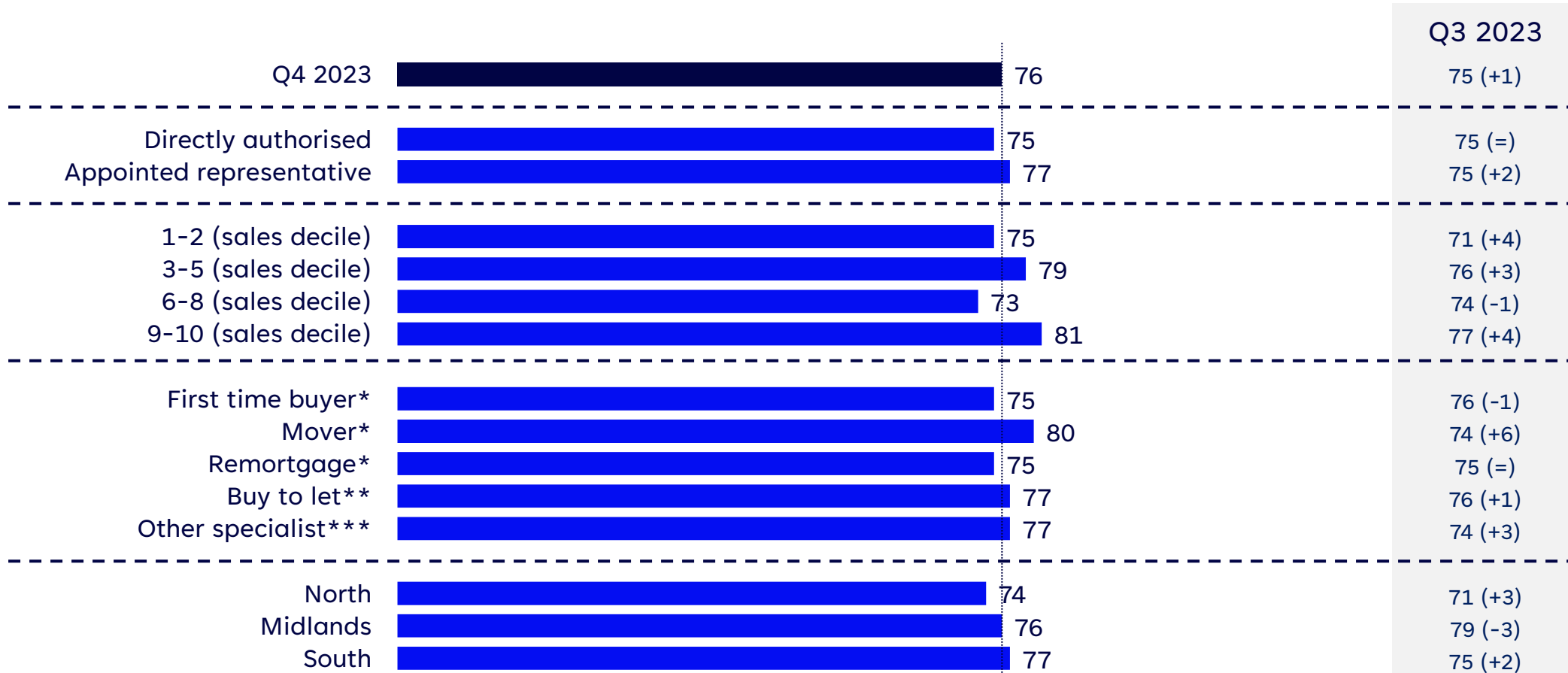
The proportion of DIP accepts resulting in a full application is stable at 76%, marking a year of no changes.



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?  
Base: All Q4 respondents (300)

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

Movers are up on this metric as well (+6), while changes in other markets are more subtle.

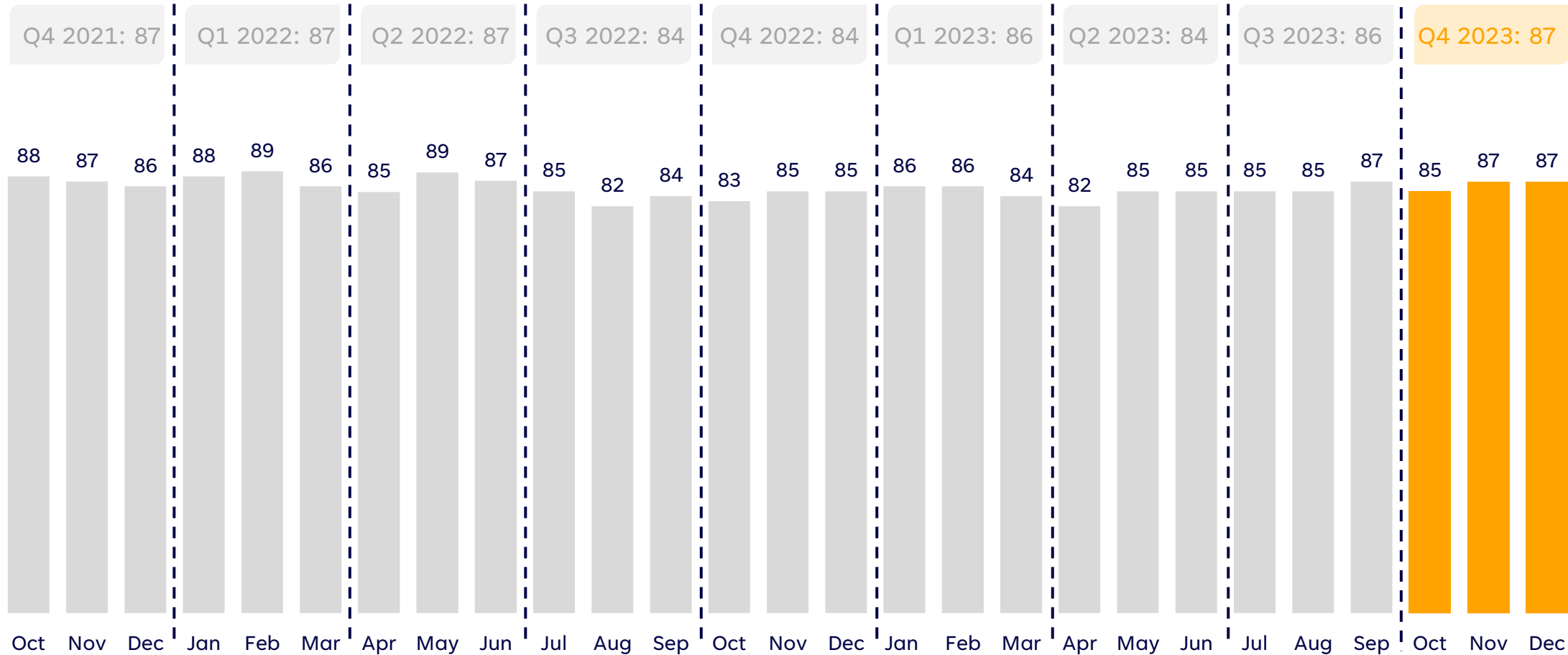


QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?  
 Base: All Q4 respondents (300)

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# Full applications resulting in an offer (%)

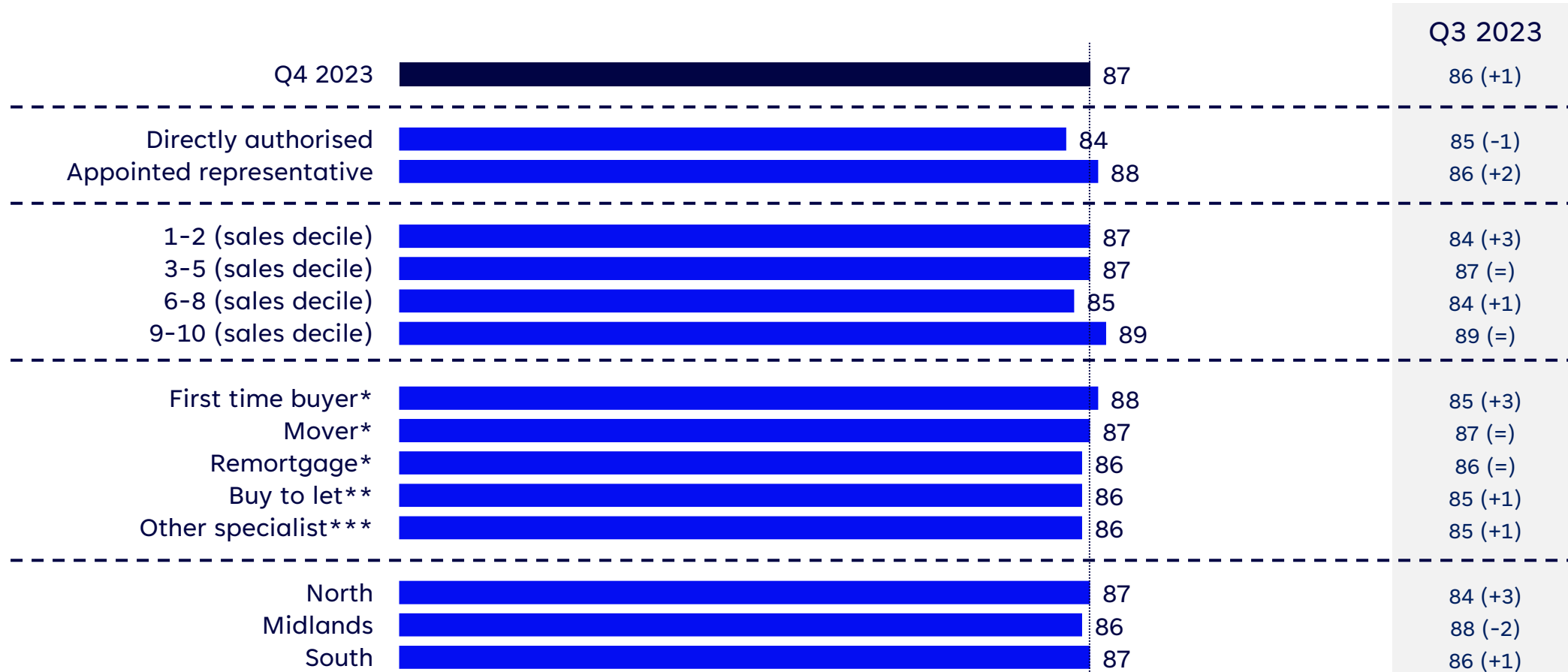
The proportion of full applications resulting in an offer is also stable at 87% - same level as 2 years ago.



QH4. In the last 3 months, what proportion of your full applications have led to an offer?  
Base: All Q4 respondents (300)

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

The changes at a market level are not notable.

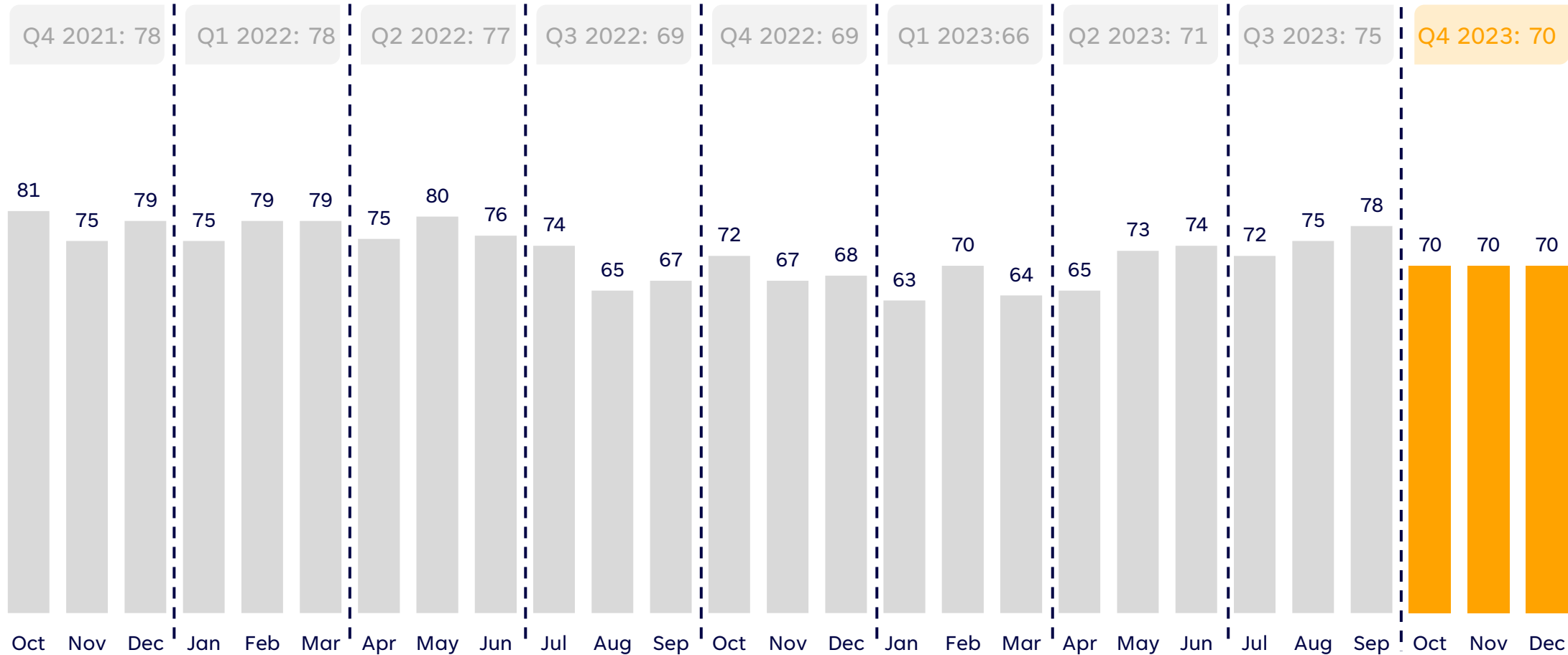


QH4. In the last 3 months, what proportion of your full applications have led to an offer?  
 Base: All Q4 respondents (300)

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# Offers resulting in a completion (%)

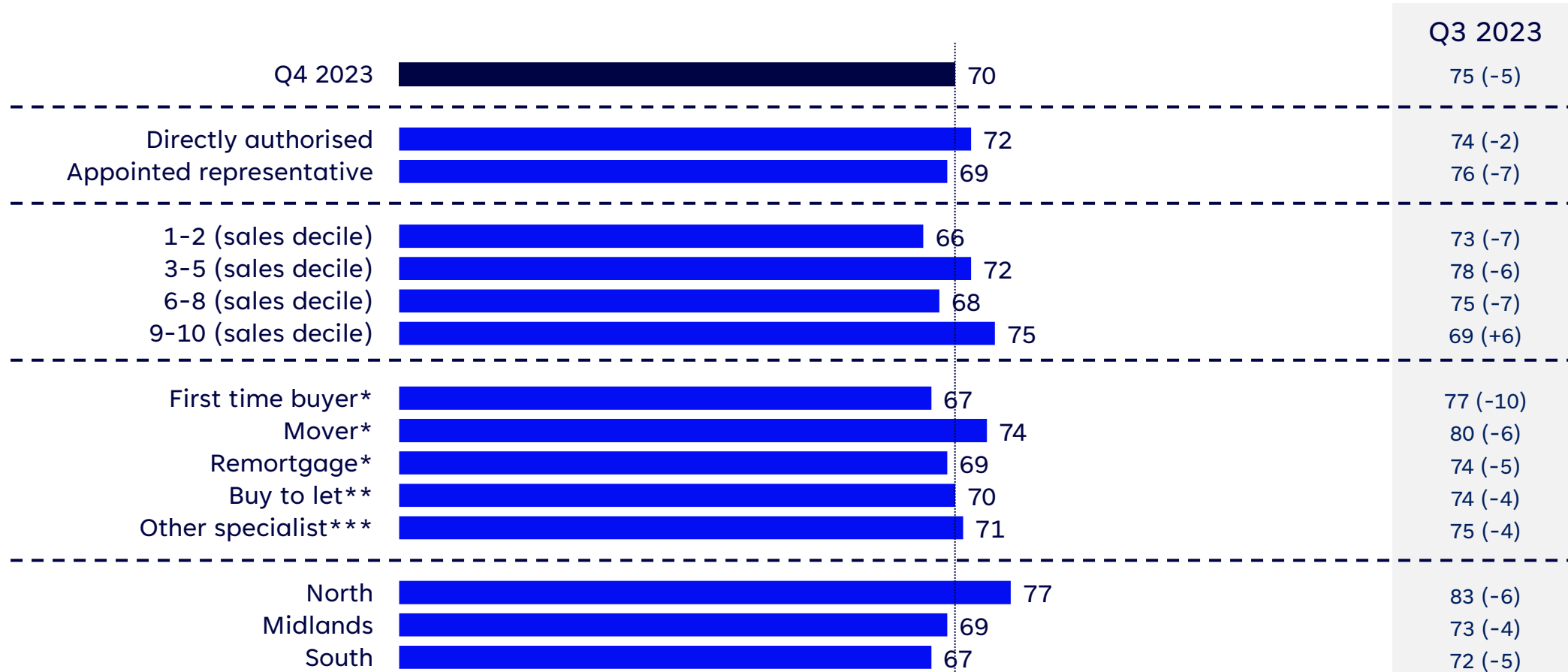
The conversion from offer to completion falls back to 70 after a peak in Q3.



QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?  
Base: All Q4 respondents (300)

# Offers resulting in a completion (%) – By business

Most categories of business fall in Q4, most notably FTBs (-10) and ARs (-7).

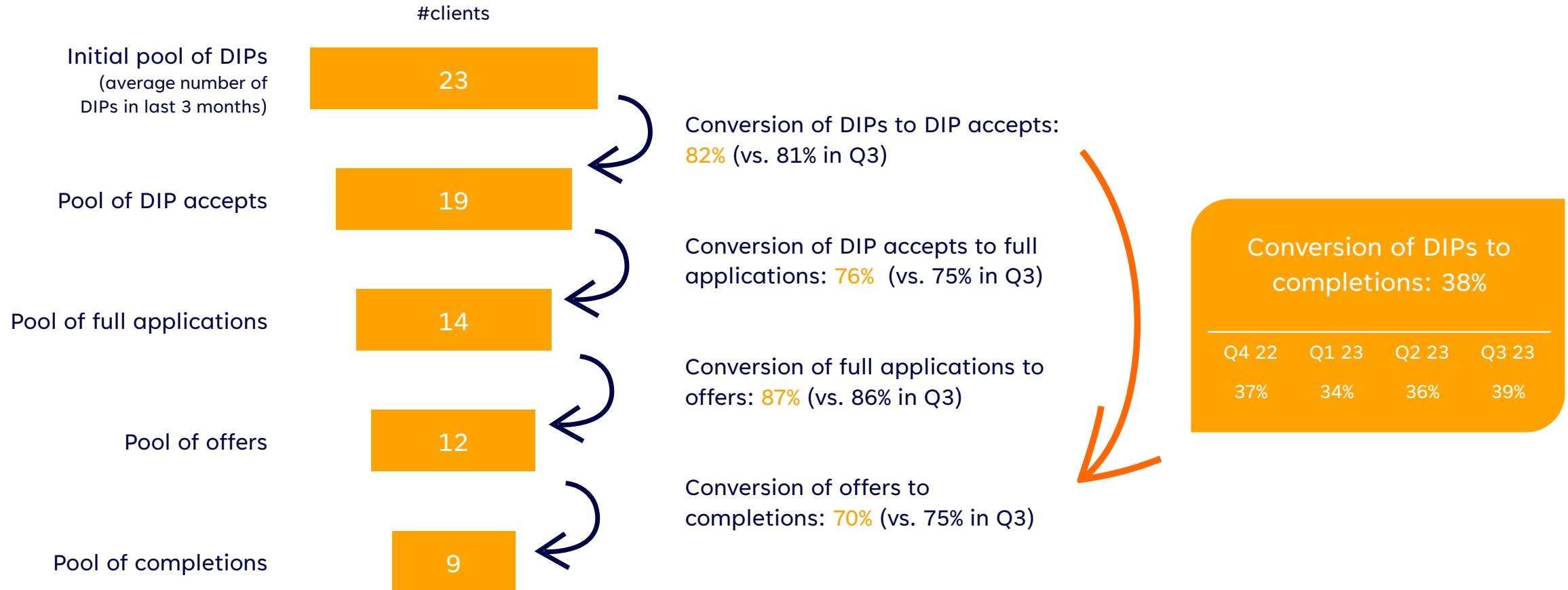


QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?  
Base: All Q4 respondents (300)

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# Conversion from DIP to completion

As with most of the other measures, we see stability this quarter at 38% (both vs. last quarter and year-on-year).

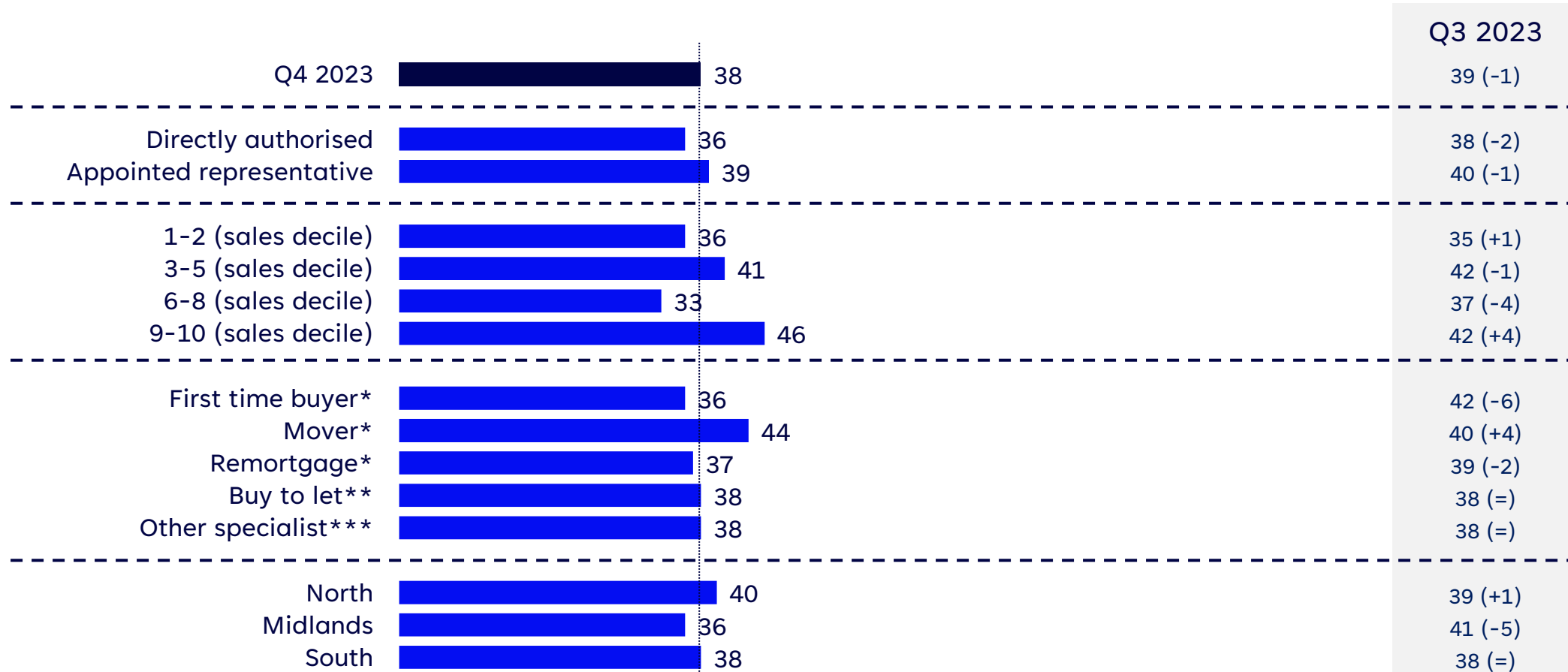


QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?  
 QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?  
 QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?  
 QH4. In the 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 Q4 respondents (300)



# Conversion from DIP to completion (%) – By business

FTBs are down (-6) in terms of conversion from DIP to completion, and the same is true for brokers based in the Midlands (-5).

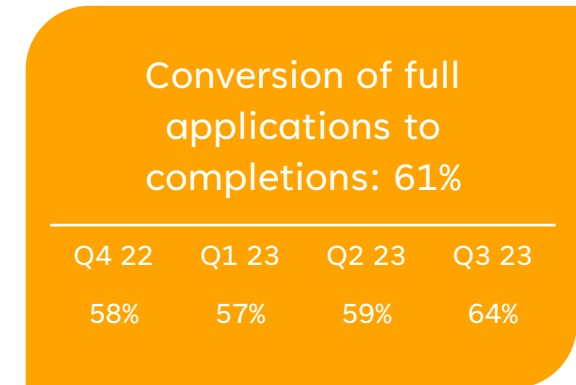
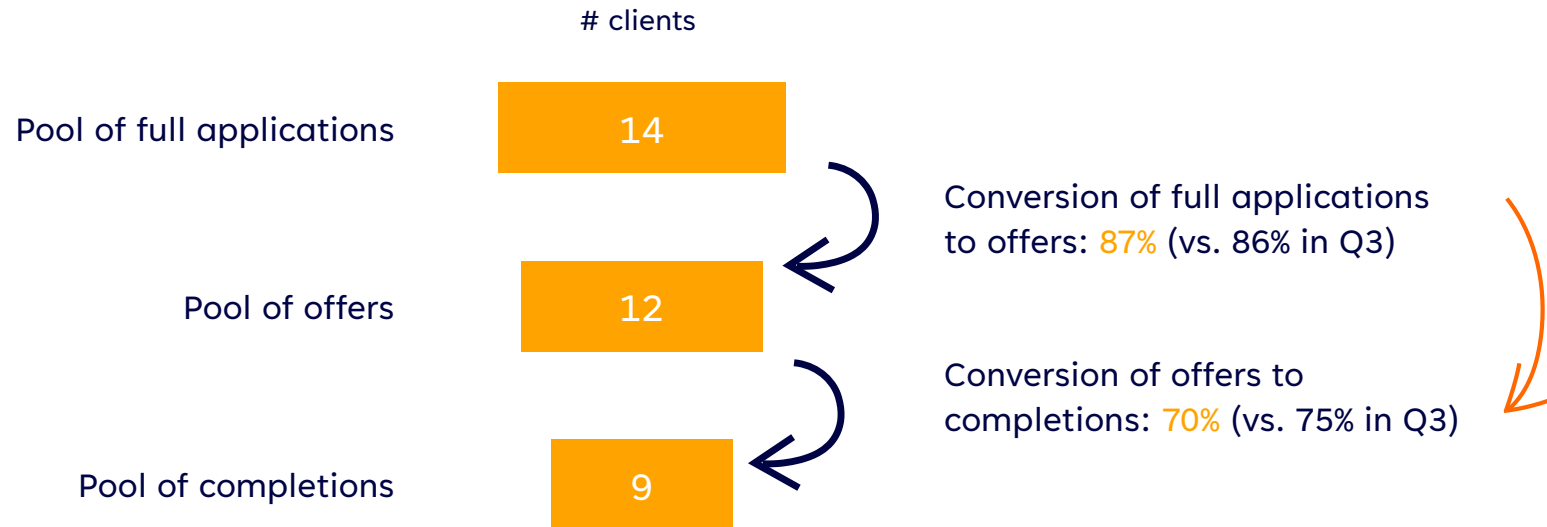


QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?  
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 Base: All Q4 respondents (300)

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# Conversion from full application to completion

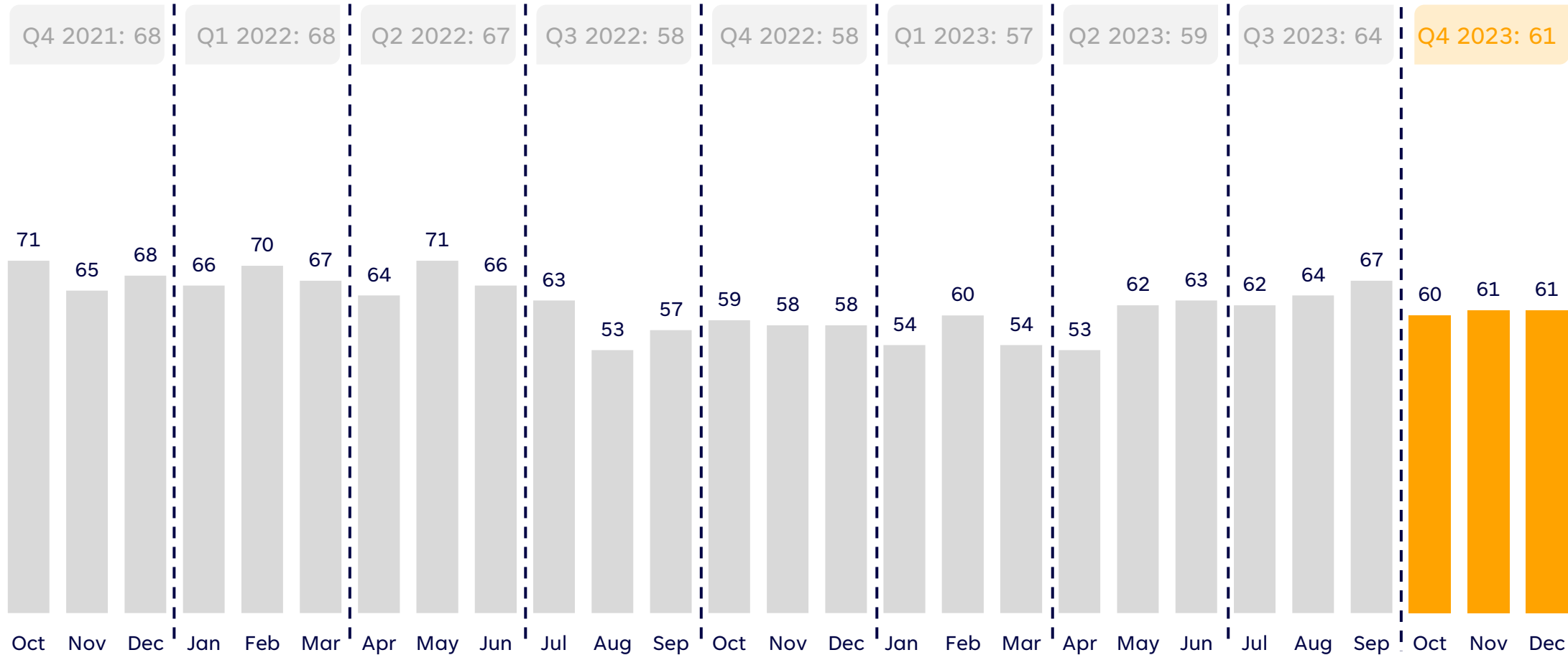
Completion conversion has fallen to 61 from 64 last quarter, but is still up year-on-year (+3).



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 Q4 respondents (300)

# Conversion from full application to completion (%)

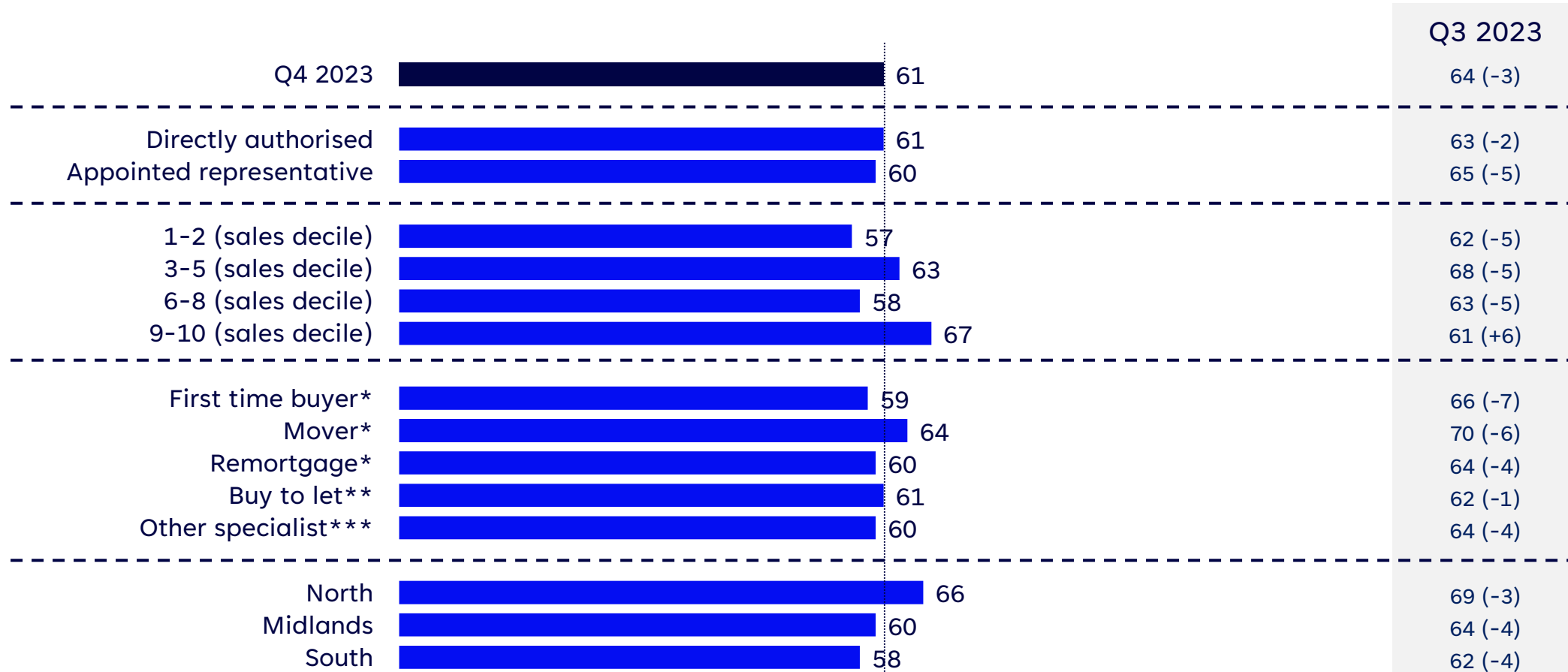
In Q4, all three months were relatively equal in terms of completion conversions.



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 Q4 respondents (300)

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

Almost all areas are down with the exception of the 9-10 sales decile (+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 Q4 respondents (300)

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 \*\* At least 2 out of 10 mortgaged placed  
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# Any questions



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