

## YOUR WINDOW ON HOME FINANCE

## SPRING 2026

### Spring into action: why now is the time to review your mortgage plans

Spring is often seen as a season of fresh starts; that applies just as much to the housing market as it does to the weather. With brighter days, more properties coming onto the market and a sense of momentum building before the summer months, spring is a natural time for people to think seriously about their next move - whether that means buying for the first time, moving home or reviewing an existing mortgage.

#### You may be closer than you think

For first-time buyers especially, there's encouraging news. Research shows that many people may be far closer to owning a home than they realise. In fact, 47% of aspiring buyers<sup>1</sup> have never spoken to a mortgage adviser or lender to explore what might be possible. Yet among those who have taken that first step, many discovered they could buy sooner than they had expected.

Sometimes, it simply comes down to understanding the options available and getting clarity on what you can afford.

#### Time to review your current deal?

It's not just first-time buyers who can benefit from a spring review. Existing homeowners may find this a good time to consider remortgaging. Whether your current deal is coming to an end, you're looking to manage monthly payments, or you want to raise funds for home improvements, exploring new mortgage options could help you make the most of your finances.

**As a mortgage is secured against your home or property, it could be repossessed if you do not keep up mortgage repayments.**



#### Preparing for your next chapter

Spring is also a popular time for home movers. With more choice on the market and families aiming to settle before the new school year, planning early can put you in a strong position when the right property appears.

#### Start with a conversation

Whatever your situation, speaking to a mortgage adviser is one of the most valuable first steps you can take. We can help you understand your borrowing potential, explain the latest products and guide you through the process with confidence.

This season of renewal could be the perfect moment to review your plans, ask questions and take a step closer to your next home.

<sup>1</sup>BSA, 2026

### BTL lending leaps – where are the hotspots?

The number of new buy-to-let (BTL) loans advanced in the UK during Q3 2025 leapt by 22.7% year-on-year, new figures<sup>2</sup> show. Which locations are driving this resurgence? Hint: it's not London.

#### On the up

With the changes brought about by the Renters' Rights Bill due to come into force from May, the data suggest a surprisingly bright picture for landlords.

The total value of BTL loans in the third quarter was £10.9bn, up by 28.2% compared with Q3 in 2024. This means that there were 1.44 million BTL fixed-rate mortgages outstanding in Q3 2025, a rise of 2.3% on the previous year.

Also on the up, the average gross BTL rental yield for the UK in Q3 was 7.15%, ahead of 6.93% in the same quarter in the previous year.

#### BTL hotspots

These averages mask strong regional differences, with analysts suggesting that the UK's buy-to-let market is moving northwards. Manchester, Leeds, Birmingham and Sheffield are all gaining a reputation as BTL hotspots, thanks to large populations of students and young professionals.

In fact, Wales has the best rental yields in the country at 8.83%, separate research<sup>3</sup> found, with the North East close behind at 8.2%. With affordability tightening in London, it seems that lower-cost properties outside the capital now represent better value for many investors. **Rental yields can fluctuate and are not guaranteed. Property values may fall as well as rise.**

<sup>2</sup>UK Finance 2026, <sup>3</sup>Paragon Bank 2026

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## IN THE NEWS

### Growing divide in first-time buyer deposits

Almost one in five first-time buyers are searching for mortgages below 60% loan-to-value (LTV), suggesting some can put down large deposits of around 40%<sup>4</sup>. However, most still rely on higher loan-to-value deals, with 31% opting for 90% and 10% for 95% mortgages. Those with smaller deposits could pay about £134 more monthly, highlighting widening affordability pressures and a growing financial divide between buyers.

### New ISA to target first-time buyers

The government has confirmed that the Lifetime ISA will be replaced with a new savings product focused solely on helping first-time buyers. The retirement-saving element will be removed and the 25% bonus will be paid when a home is purchased rather than added to contributions. The change aims to simplify ISAs, though critics warn it could reduce support for retirement saving and leave some savers with fewer long-term options.

**ISA rules and government incentives may change and depend on individual circumstances.**

### Mortgage affordability set to ease in 2026

Mortgage affordability is expected to improve in 2026, with average payments projected to fall to around 40-41% of gross salaries, levels last seen in 2021<sup>5</sup>. This follows a peak of 49% in 2024 as high interest rates stretched household finances. Modest wage growth and stabilising rates could help ease pressure, though ongoing uncertainty in global markets following events in the Middle East means borrowing costs are unlikely to return to the ultra-low-rate era of recent years.

<sup>4</sup>Moneyfacts 2025/26



## You've got a mortgage! Now protect it

**Securing a mortgage can feel like the pivotal step in achieving financial independence. Yet, too many mortgage holders are taking on this major commitment without protecting their financial freedom, new research warns.**

### Safety net?

More than one in three UK mortgage holders have no life, income or critical illness cover, the research<sup>6</sup> found, meaning that millions of households lack the certainty that they would be able to keep up with their mortgage payments if they were to suddenly experience a loss of income.

Worse, the research found that almost half of mortgage holders would struggle to make their monthly repayments within six months of losing their income. To stay afloat, many suggested they would have to borrow or sell valuables.

### Mortgage then protection

As a mortgage holder, you may feel that your financial security is now assured. However, in the event that you were no longer able to work, the financial situation you have worked so hard to reach could quickly unravel. Income protection may help support you if you cannot work, depending on the policy terms.

One in five mortgage holders said they would borrow money from family or friends if they could not keep up with payments. The same proportion would sell valuables such as their car or jewellery, while 8% would try to take out a bank loan.

Instead of these reactive measures, being proactive can leave you in a much better position. To protect your future finances, income protection and life insurance cover ensure you and your loved ones will be able to keep up payments - whatever life throws at you.

<sup>6</sup>LifeSearch and HomeOwners Alliance 2025



## Equity Release continues to grow in popularity

Recent lending figures<sup>7</sup> for last year show equity release lending totalled £2.57bn, a significant 11% increase on £2.3bn recorded the previous year.

Drilling down into the data, it seems borrowers are choosing equity release for a variety of factors, with 40% saying they are putting it towards 'positive uses' including home improvements (21%), gifting to family (13%), holidays (6%), or other large purchases such as a car (4%). Over a quarter (26%) are using equity release to clear their mortgage balance.

### Accessing housing wealth to support retirement planning

Chief Executive of the Equity Release Council (ERC), Jim Boyd, said the annual growth revealed the pivotal role "housing wealth is playing in supporting financial resilience and choice in later life." Adding that the flexibility and security provided by modern products is making "accessing housing wealth a core part of retirement planning" and has supported nearly "£1 in every £90 spent by retired households."

In the final quarter of last year, the average amount released rose to £123,174, an uptick of 5.7% year-on-year.

### A wide range of needs

No longer regarded as a fallback, equity release is increasingly supporting a wider range of family needs and retirement ambitions to enhance lifestyles, provide greater financial resilience and assist with estate planning.

Equity release isn't right for everyone. Whether it's appropriate depends on your personal circumstances, goals and wider financial picture. We can help you understand your options and decide what's right for you and your family.

**Equity release reduces the value of your estate and may affect your entitlement to means-tested benefits.**

<sup>7</sup>ERC 2026



## The year of the market savvy buyer?

**The difficulty in getting a foot on the housing ladder is no secret. In 2026, however, affordability in the housing market seems to be an even more central focus for buyers and sellers alike, meaning that rushed offers are out and careful negotiation is in.**

Buyers are hunting around and comparing monthly costs, while sellers are newly open to negotiation, market trends suggest. The result is that organised buyers are finding themselves in a strong position to negotiate on price, fixtures or timescales, while prepared sellers are able to hold firm in the face of unrealistic buyers.

### Prepare for success

Knowing your budget and being able to move quickly once the initial details are worked out helps reassure sellers that they are dealing with a reliable buyer. For example, having a mortgage agreement in principle indicates seriousness and means you will be ready to secure an offer as soon as your dream property presents.

Sellers can benefit too from this more considered approach. While some leeway on price may be called for, finding a serious buyer who will not cause any problems in completing on the purchase has tremendous value.

### Counting the costs

House prices remain crucial for buyers and sellers, of course. However, other factors, like timeliness and clarity, matter too. In 2026, careful preparation paves the route to success in the housing market.



## Spring 2026: housing changes to keep in mind

**As we move into spring, it's a good time to reflect on the housing reforms introduced in 2025 and what they mean for renters and homebuyers across the UK.**

### Stronger rights for renters

In England, the Renters' Rights Act received Royal Assent in October 2025 and will be phased in during 2026. The first stage includes the end of Section 21 'no fault' evictions and the move from fixed-term tenancies to periodic agreements. The aim is to provide greater security and flexibility for tenants.

Scotland has also introduced changes. Local authorities can now designate Rent Control Areas, limiting how much rents can rise. Councils are also expected to intervene earlier to help prevent homelessness.

### Property taxes and safety reforms

Stamp Duty thresholds reverted to previous higher levels in April 2025 for England and Northern Ireland. First-time buyers now pay Stamp Duty on properties above £300,000, while other buyers pay on homes over £125,000.

In Wales, proposed legislation focuses on improving building safety, particularly for taller properties and houses in multiple occupation, alongside reforms to strengthen homelessness support and social housing allocation.

Whether you rent or own, these changes may affect your plans this year. Reviewing your position early can help you stay informed and prepared.

## Sea view or swimming pool? The top property searches

What features do you think of first when you imagine your new property? If your mind went straight to a garage or annexe, you are not alone: new research<sup>8</sup> has revealed that these bastions of storage and extra space topped the list for most searched-for property features in 2025. What else are buyers clamouring for?

### What buyers really want

Everyone has their idea of a dream home and it seems that most of them include a garage. This versatile space might be home to your beloved car or bike. Alternatively, it could be a custom-built home gym - or an ideal dumping ground for odds and ends. Whatever buyers want to use it for, a garage is a highly sought-after feature.

Likewise, annexes are in demand, potentially offering a flexible building that provides comfort and privacy for an ageing parent or maybe even a little side income for the homeowner.

### Rural, spacious and... swimming pool

In 2025, practical solutions and extra space proved popular. Rural homes received a boost, as buyers fell back in love with country living. Rolling fields attracted more search interest than the convenience of the big city.

On a similar note, large gardens were as popular as ever. Whether it's for a vegetable patch, family games or simply an escape from greyness, home buyers searched relentlessly for gardens.

Finally, rounding out the top five, swimming pools performed well, beating a sea view down into sixth place, showing that luxuries still retain their appeal.

<sup>8</sup>Zoopla 2025

**As a mortgage is secured against your home or property, it could be repossessed if you do not keep up mortgage repayments. Think carefully before securing other debts against your home. Equity released from your home will be secured against it.**

**It is important to take professional advice before making any decision relating to your personal finances. Information within this newsletter is based on our current understanding of taxation and can be subject to change in future. It does not provide individual tailored investment advice and is for guidance only. Some rules may vary in different parts of the UK; please ask for details. We cannot assume legal liability for any errors or omissions it might contain. Levels and bases of, and reliefs from taxation are those currently applying or proposed and are subject to change; their value depends on the individual circumstances of the investor.**

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**All details are correct at time of writing - March 2026.**



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