



Demand from first-time buyers ensured no market drop as Stamp Duty holiday ended – Legal & General Mortgage Club

- First-time buyer mortgage searches on Legal & General Mortgage Club's SmartrCriteria platform climbed by 8% between October and November
- Overall search volumes went up by 3% in November, exhibiting clear signs that demand remained strong
 - The data also indicated that borrowers were rebuilding their finances, with fewer searches for credit-impaired mortgages

First-time buyers drive activity, with the Bank of Mum and Dad supporting demand

Demand from first-time buyers for mortgages remained high in October and November, according to data from Legal & General Mortgage Club's SmartrCriteria tool, ensuring overall market searches grew, even in spite of the end of the Stamp Duty holiday. In October, products catering to first-time buyers were the third most searched criteria point by advisers. The findings support [Yorkshire Building Society's recent estimate](#) that the number of UK first-time homebuyers hit its highest ever level in 2021.

This trend extended to November, as searches on behalf of first-time buyers climbed by 8%. In addition, searches for products where relatives and friends could gift equity grew by 38% between October and November, suggesting that the Bank of Mum and Dad continued to play a central role behind many transactions.

Overall searches grew despite end of Stamp Duty holiday, showing demand remains strong

Legal & General Mortgage Club data showed that the end of the Stamp Duty holiday didn't take the heat out of the market, with overall product searches increasing by 3% in November.

In a sign that some borrowers may be beginning to rebuild their personal finances following the pandemic, the SmartrCriteria data showed that demand for lenders considering credit-impaired customers continued to fall month-on-month. Between October and November, the number of searches for borrowers with missed mortgage repayments fell by just over 10%, while those for customers with debt management plans were 9% lower.

Other key findings:

- October saw searches on behalf of landlords with a property portfolio increase by 14%
- After a fall in October, mortgage searches for expat borrowers based outside the UK grew by 29% in November
- Searches for products suitable for contract workers rose by 13% in October, and marginally dropped by just over 5% in November

“It's promising to see first-time buyers continue to support demand in a vibrant housing market, that contrary to popular belief, has remained buoyant in spite of the expiry of the Stamp Duty holiday. Advisers are still keeping busy, helping buyers achieve their homeownership goals, even in the face of rising inflation and the financial fallout of the pandemic. Our data also shares some positive signs that borrowers are starting to rebuild their finances following the pandemic, with demand for products for the credit-impaired continuing to fall. We look forward to the insights shared from our December data, which will certainly paint a more complete picture of the trends that dominated 2021.

“Going forward, advisers have an important role to play in helping them find products that meet their unique needs, and the role of technology in this task cannot be understated. Automating processes, such as affordability calculations, and other administrative tasks, will create that seamless, customer-led journey, which we are all keen to secure. It’s vital that we sustain the momentum of the past year and ensure that advisers have the right tools in place to respond to the evolving expectations of customers.

Clare Beardmore, Head of Broker and Propositions, Legal & General Mortgage Club

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Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK’s leading financial services groups and a major global investor. With almost £1.3 trillion in total assets under management at 31 December 2020, we are the market leader in the UK for workplace pensions, pension risk transfer and individual life insurance products. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

About Legal & General Mortgage Club

Legal & General Mortgage Club is one of the UK’s largest and longest-running mortgage clubs, completing £667bn of mortgages since 1995. We are involved in nearly one in five of all mortgages in the UK, in addition to nearly one in three of all intermediated mortgages. The Mortgage Club prides itself on adding value to the adviser community by working closely with new and existing lenders to deliver great products, pricing and criteria. Our popular SmartrFit tool, which is free to advisers, combines an affordability calculator with lender criteria to provide accurate, quick results, to help make advisers jobs easier so they can spend time where it matters.

<https://www.legalandgeneral.com/adviser/mortgage-club/>

Further information [journalists only]

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