

IS NOW A GOOD TIME TO REMORTGAGE AS THE BANK OF ENGLAND BASE RATE STAYS THE SAME?

Whilst the Bank of England base rate remains the same, interest rates are still the highest they have been in 15 years. So if you are one of the thousands coming to the end of your fixed rate deal over the next few months it's very likely you'll see your payments increase as a result of higher mortgage rates but it's a common misunderstanding that the Bank of England base rate is directly linked to the mortgage rates on offer. There are many factors that determine mortgage rate pricing.

Lots of factors determine mortgage pricing – not just interest rates

Even though the base-rate hasn't changed, we have seen interest rates steadily increasing and it's likely you will have noticed that mortgage lenders have been decreasing their rates slightly. This is because mortgage lenders use a number of factors to determine mortgage rates and one of these is something called 'swap rates' which lenders use to reflect expectations for future interest rates.

Consequently, many mortgage lenders have already priced the latest base-rate increases or non-movement into their rates so the impact on new mortgage deals is likely to be minimal.

In addition, after the UK annual rate of inflation reached 11.1% in October 2022, a 41-year high, it has been falling ever since and this gives banks and building societies more confidence that interest rates could fall in the longer term.



We can help you navigate the mortgage market

If you need to remortgage, we can help you navigate the mortgage market effectively. We continuously monitor the mortgage and wider financial market and can compare a huge range of lenders and mortgages on your behalf, finding a solution that's completely tailored to your needs.

Call us **01932 579700** or drop us an email on hello@brightbluewealth.com.

Your home may be repossessed if you do not keep up repayments on your mortgage.