

# Research

The residential mortgage market has changed over the past year, with the rapid rise in interest rates adding to the complexities of an already challenging lending environment.

To examine the impact on borrowers, we commissioned an independent survey among 2,000 UK adults.

The research reveals how the rising interest rates have resulted in borrowers taking a proactive approach to mitigate rising costs and influenced property investment strategies.

The findings also help to shine a light on borrowers' evolving sentiment towards the mortgage and property market as the dust begins to settle on a period of unprecedented volatility.

## Key Findings:



27% of mortgage customers have made early lump-sum repayments in the past 12 months

- The figure rises to 49% among those on tracker or standard variable-rate mortgages



25% have re-mortgaged to secure a fixed rate



22% have fasttracked their plans to purchase a property before rates rise any further



20% have delayed plans to buy a new home in the past year due to current high rates



13% have downsized to reduce their mortgage payments



42% are concerned about the affordability of their mortgage



44% are confident that borrowing costs will ease in the next 12 months



66% say greater flexibility is needed from lenders in the current economic climate



27% have consulted a mortgage broker for guidance on what their options are amid the ongoing challenges



37% are more likely to look beyond big banks and traditional high street lenders for their mortgage needs over the next twelve months

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# Navigating a changed landscape

“There’s no denying that borrowers have had to navigate a particularly complex mortgage landscape over the past 12 months in the face of a great deal of economic turmoil. With borrowers being impacted by base rate hikes, our research shines a light on how they are responding – and although often overlooked, the data highlights that many people are taking a proactive approach, making early repayments and securing a fixed rate.”

“The high interest rate environment has also caused some people to adjust their investment strategies. While some people have delayed their home-buying plans, a larger proportion have accelerated them to secure the best possible deal, with less than half of those surveyed confident that borrowing costs will ease in the next 12 months.”

“Against the backdrop of a challenging economic climate, being proactive, staying informed and seeking advice is more important than ever, allowing mortgage customers to make sound financial decisions. For lenders and brokers, therefore, clear communication with borrowers about how their rates or products might be impacted by further hikes in the coming months will be vital to helping them navigate the high interest rate environment with confidence.”

“It is clearly important that mortgage customers feel supported by their lenders and that we, as an industry, are doing everything we can to provide the right levels of guidance, communication and flexibility amid the ongoing economic challenges.”



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BML is a London-based prime property mortgage provider with a particular focus on UK and international high net worth individuals. For more information about our prime property mortgages, get in touch with a member of the team today.

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## About the research

The market research was carried out between 9th and 14th June 2023 among 2,000 UK adults via an online survey by independent market research agency Opinium.

Opinium is a member of the Market Research Society (MRS) Company Partner Service, whose code of conduct and quality commitment it strictly adheres to. Its MRS membership means that it adheres to strict guidelines regarding all phases of research, including research design and data collection; communicating with respondents; conducting fieldwork; analysis and reporting; data storage.

The data sample of 2,000 UK adults is fully nationally representative. This means the sample is weighted to ONS criteria so that the gender, age, social grade, region and city of the respondents corresponds to the UK population as a whole. These questions focus on a collection of 667 UK adults who have a mortgage.

