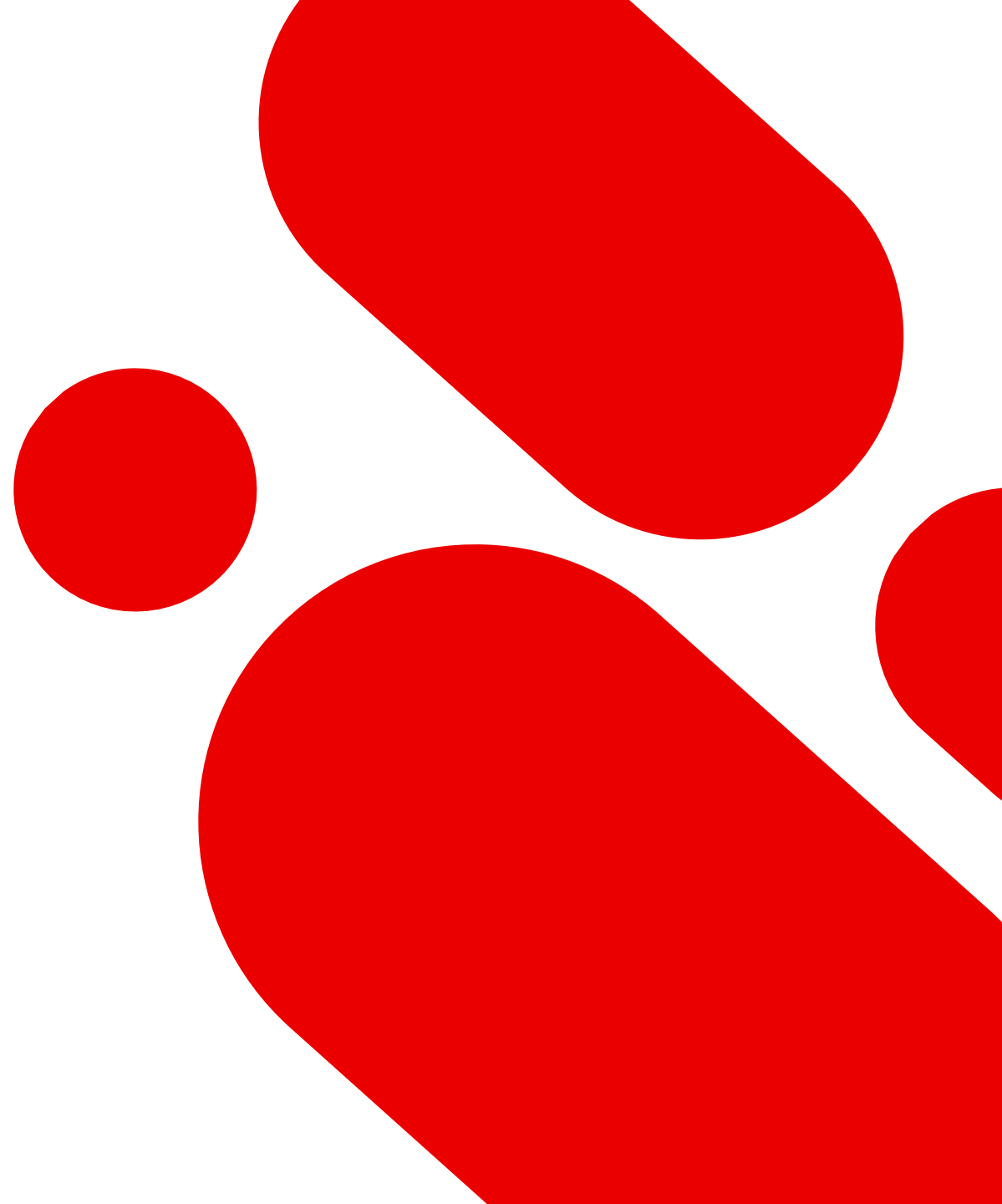




# Intermediary Mortgage Market Tracker Q1 2024

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 Q1 2024 (fieldwork conducted in March 2024).



## 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?

Quarterly telephone interviews (last month of the quarter) average interview c.30 minutes. Fieldwork by PRS (our sister company)



## How many?

Total of 100. Achieved sample weighted by firm size & type to be representative of the Autus universe



02

# EXECUTIVE SUMMARY

# Q1 2024 Executive summary



**The typical intermediary placed 92 cases in the previous 12 months - this reflects a -3 drop vs. last quarter.**  
BoE lending data marks a subdued start to the year.



**Intermediary confidence gets a significant boost for the mortgage industry (+23).**  
'Intermediary sector' and 'Own firm' also improve this quarter (+9 and +5, respectively).



**Conversion from DIP to completion rises +4%, now at 42%.** This follows a good year of growth (+8% year-on-year)



**App to completion conversion sees a recovery of +2%, now at 63%.** It yields a typical pool of 10 client completions.

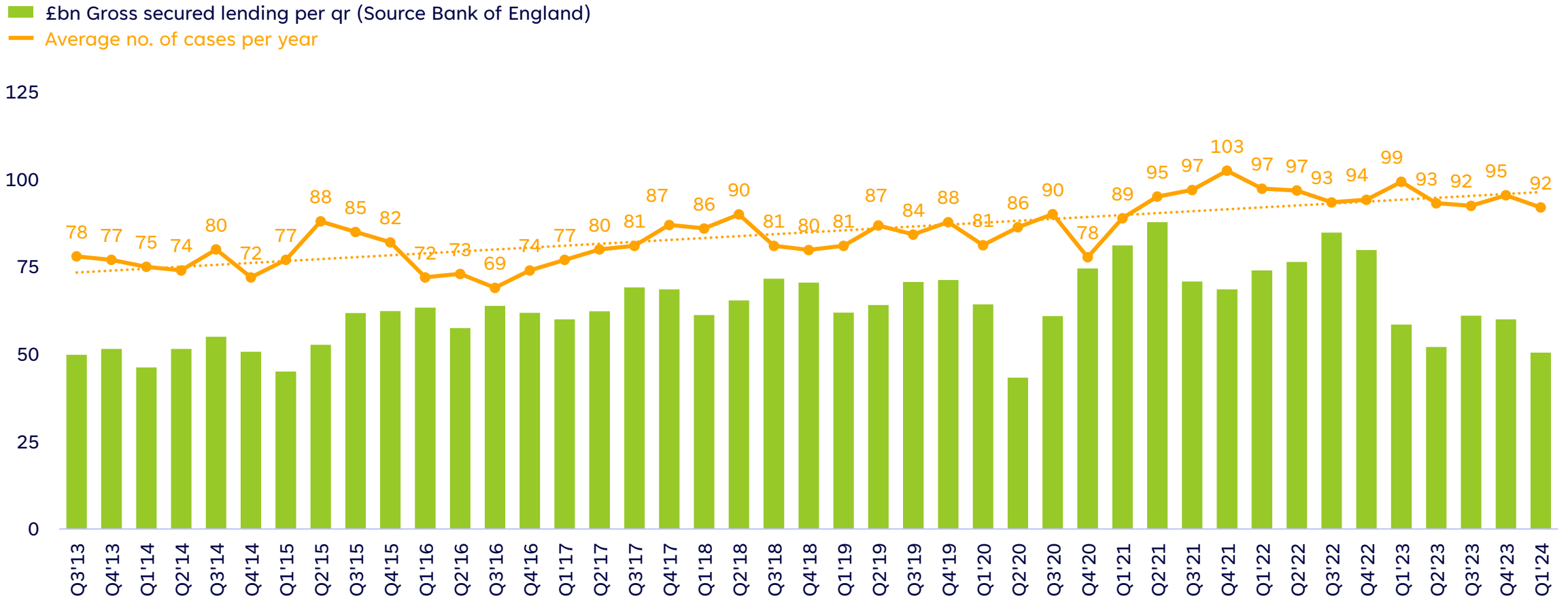


03

# BUSINESS VOLUMES AND CONFIDENCE

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

Business levels are broadly being maintained. The average claimed number of mortgages placed per year by intermediaries was off slightly to 92 in Q1 24, with a median of 70 (unchanged). The average for mortgage brokers was 96 cases, for IFAs 69 (-1). BoE data shows a subdued start of the year (same as 2023)

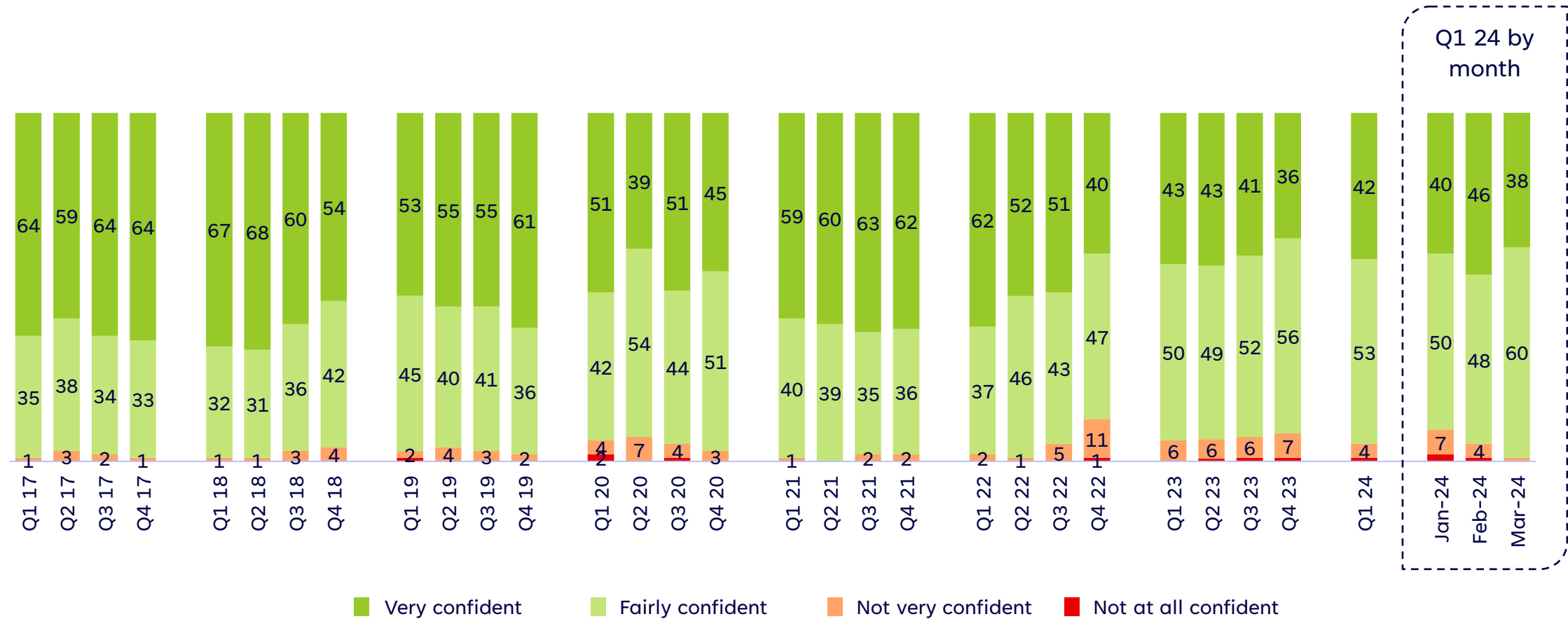


Q.S4 Including residential, Buy-to-Let and specialist mortgages, how many mortgages have you personally placed in the last 12 months?  
Base: All respondents (300)



# Confidence in outlook for their own business

Confidence in the outlook for one's own business firmed slightly in Q1 24, remaining slightly higher than confidence for the overall intermediary sector. Monthly data again shows some improvement in February, which was not sustained in March. Through Q1, however, the share not very / at all confident fell away to almost nothing by March 24

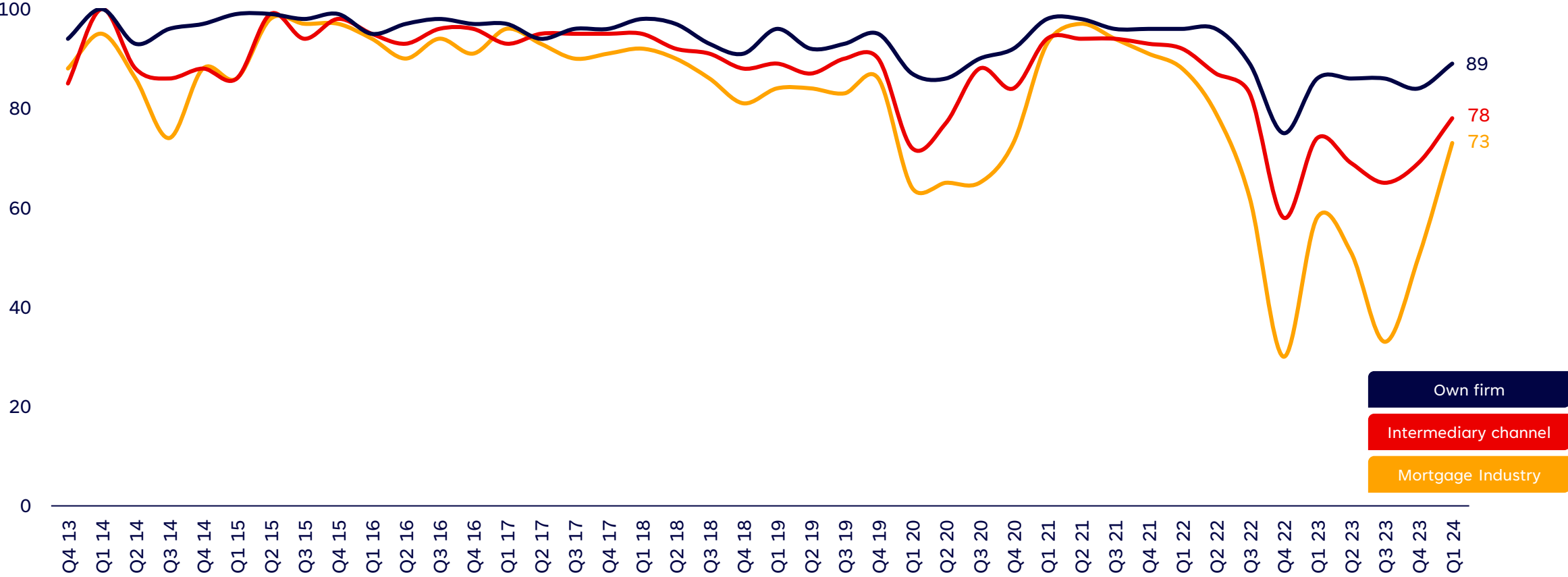


QH1c. And how confident do you feel about the business outlook for your own firm?  
Base: All respondents (300)

# Net\* intermediary confidence trends

Net score trends show confidence levels rising, especially for the overall mortgage industry, but scores on all three areas 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

“

## Customers are finally ready to buy

*From what I can see there is a backlog of customers who want to buy new properties.*  
**(Very confident)**

---

“

## Strong client base

*We've been established a long time, and we've got relationships through generations - we're now doing remortgages for children, who were babies, when we started.*  
**(Very confident)**

---

“

## Interest from new customers

*Good level of business, the phone is always ringing with new enquiries.*  
**(Fairly confident)**

---

“

## Demand for broker advice

*People need advice because there's too much information out there which is confusing.*  
**(Very confident)**

---

“

## Slow market

*Our business has been decimated. We are seeing a big drop of leads from introducers, from 10 to 12 per broker to 3 or 4 for the business each week.*  
**(Not very confident)**

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“

## Slow market

*We are really struggling and we're nearly bankrupt. Everything has slowed down.*  
**(Not very confident)**

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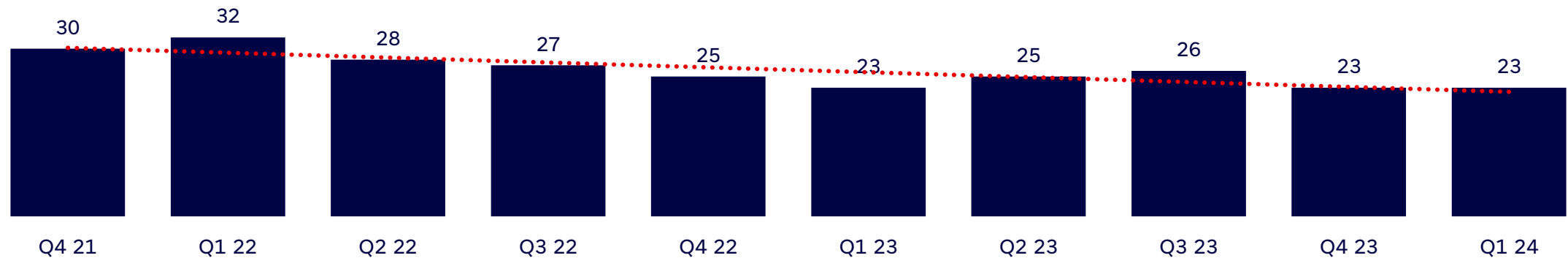


04

# BUSINESS FLOW

# Average number of DIPs in last 3 months

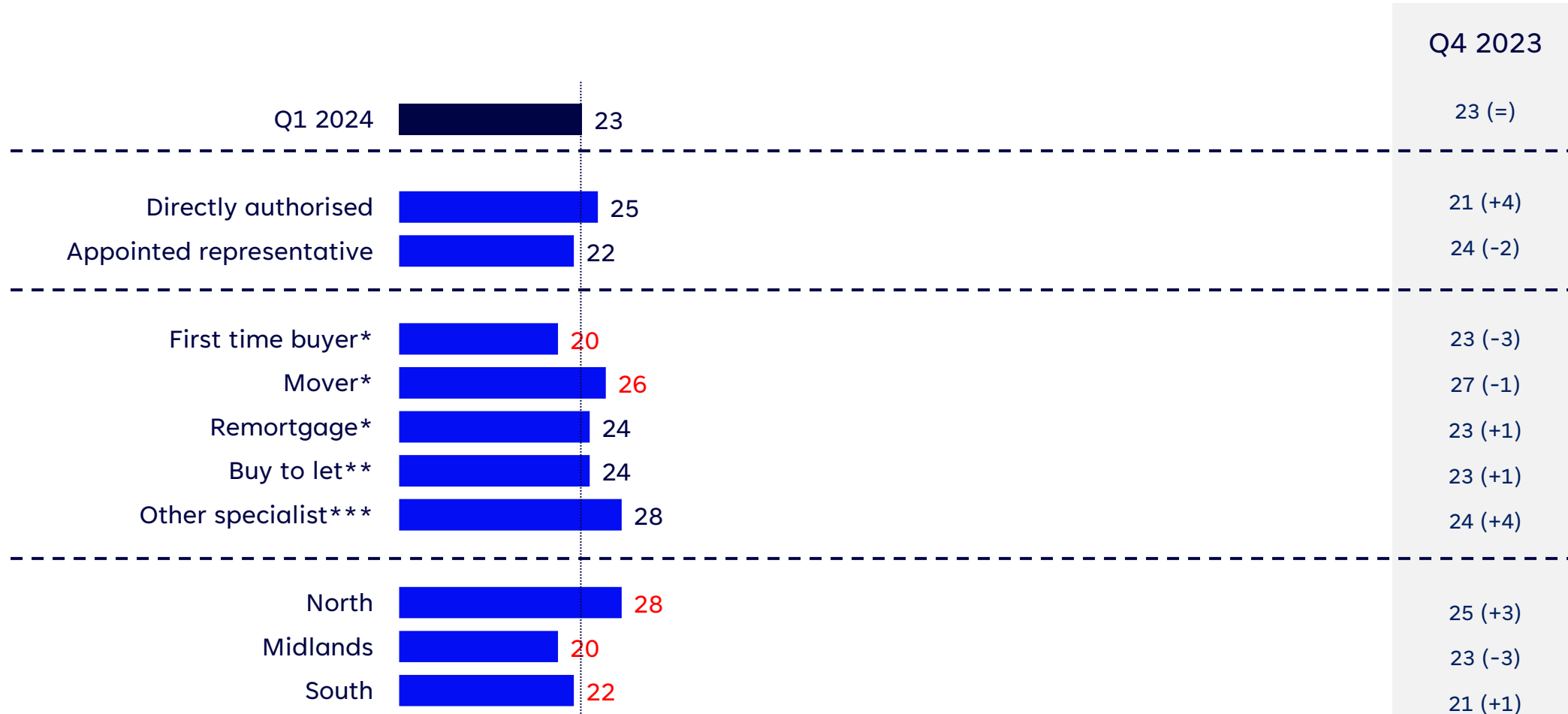
The average number of DIPs dealt with by intermediaries is stable in Q1 however the overall trend is a decreasing one.



QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?  
Base: All March respondents (100)

# Average number of DIPs – By business

DAs go up by +4 while ARs go down -2, but overall changes are subtle.

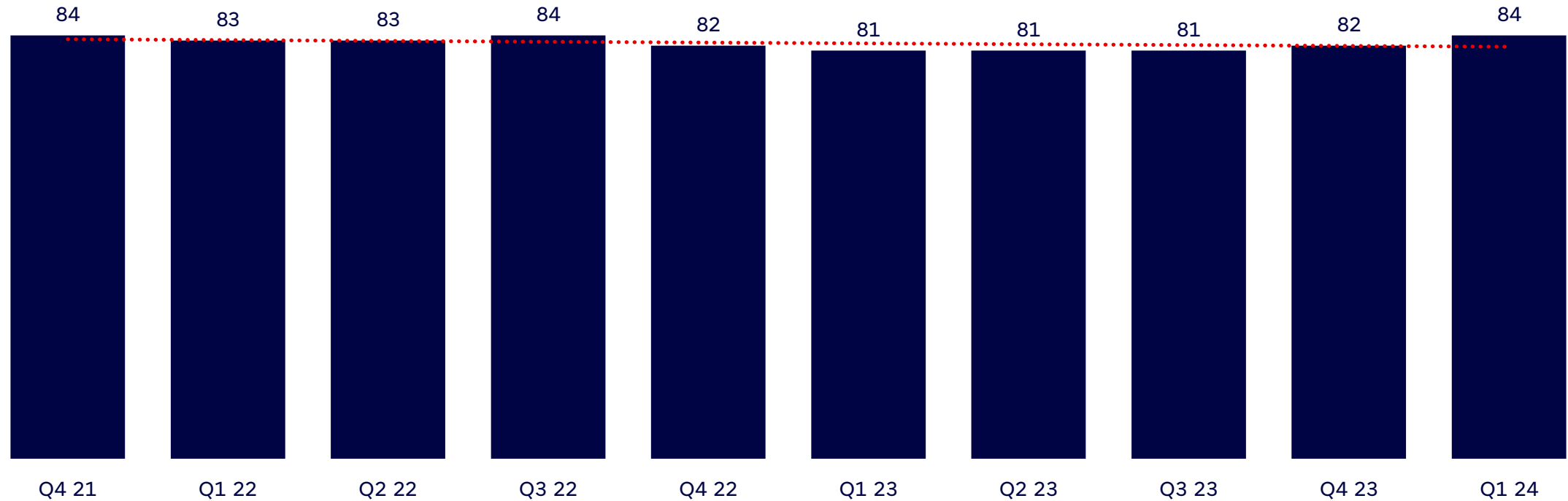


QHX1. In the last 3 months, approximately how many DIPs have you dealt with personally?  
Base: All March respondents (100)

\* At least 4 out of every 10 residential mortgages placed  
 \*\* At least 2 out of 10 mortgaged placed  
 \*\*\* Any mortgages placed  
 RED = low sample size (<30)

# DIPs resulting in a DIP accept (%)

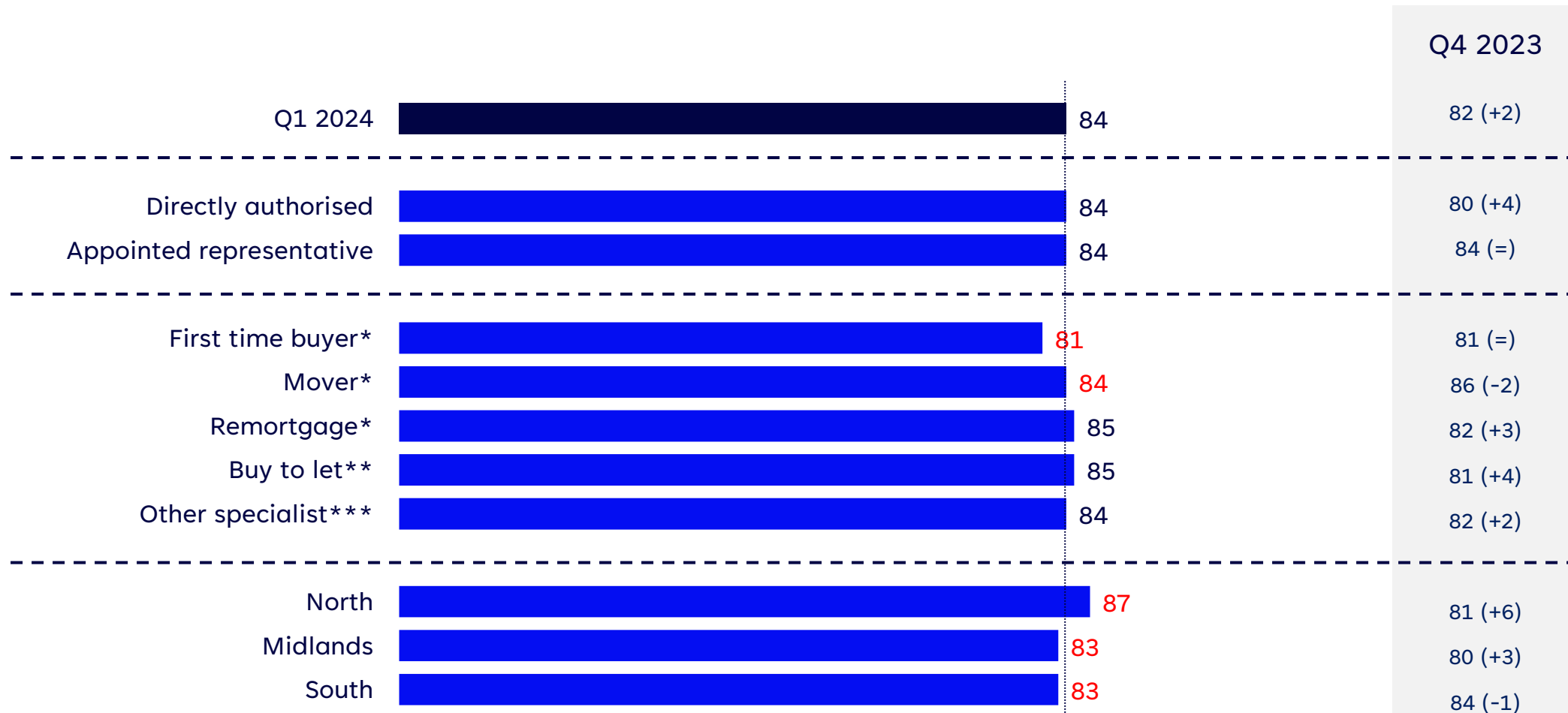
The proportion of DIPs resulting in a DIP accept sees a small recovery (+2), now back at 84.



QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?  
Base: All March respondents (100)

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

The increase is driven by the North (+6), BTL focused brokers (+4), and DAs (+4).



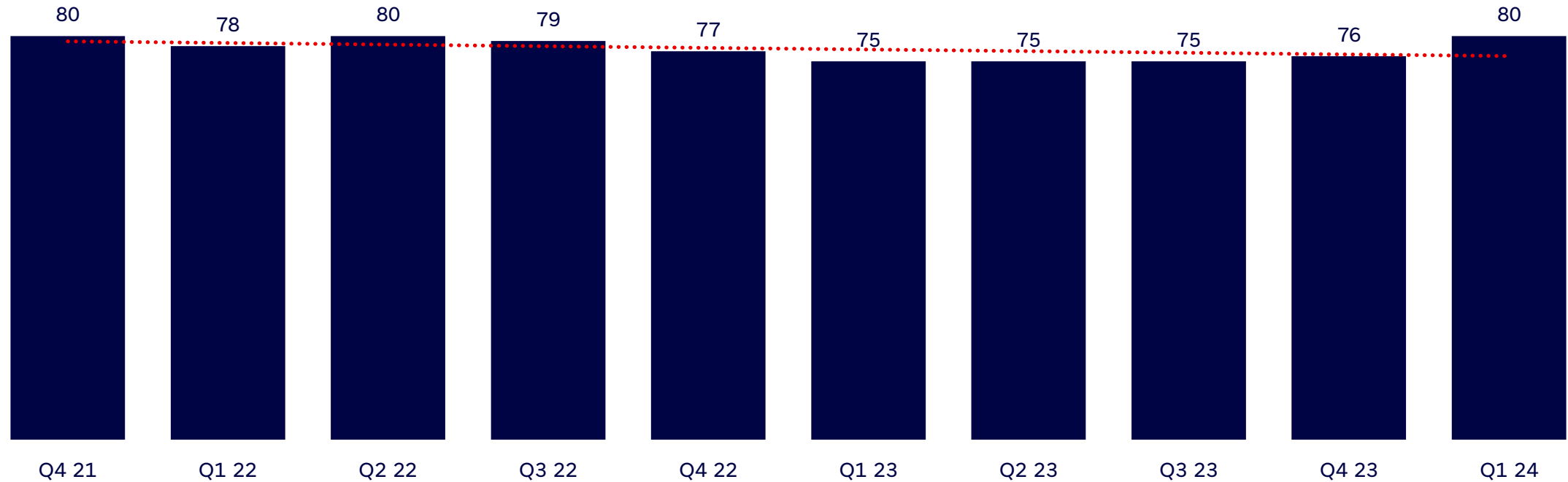
QHX2. In the last 3 months, what proportion of these DIPs have resulted in a DIP accept?  
Base: All March respondents (100)

\* At least 4 out of every 10 residential mortgages placed  
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# DIP accepts resulting in a full application (%)

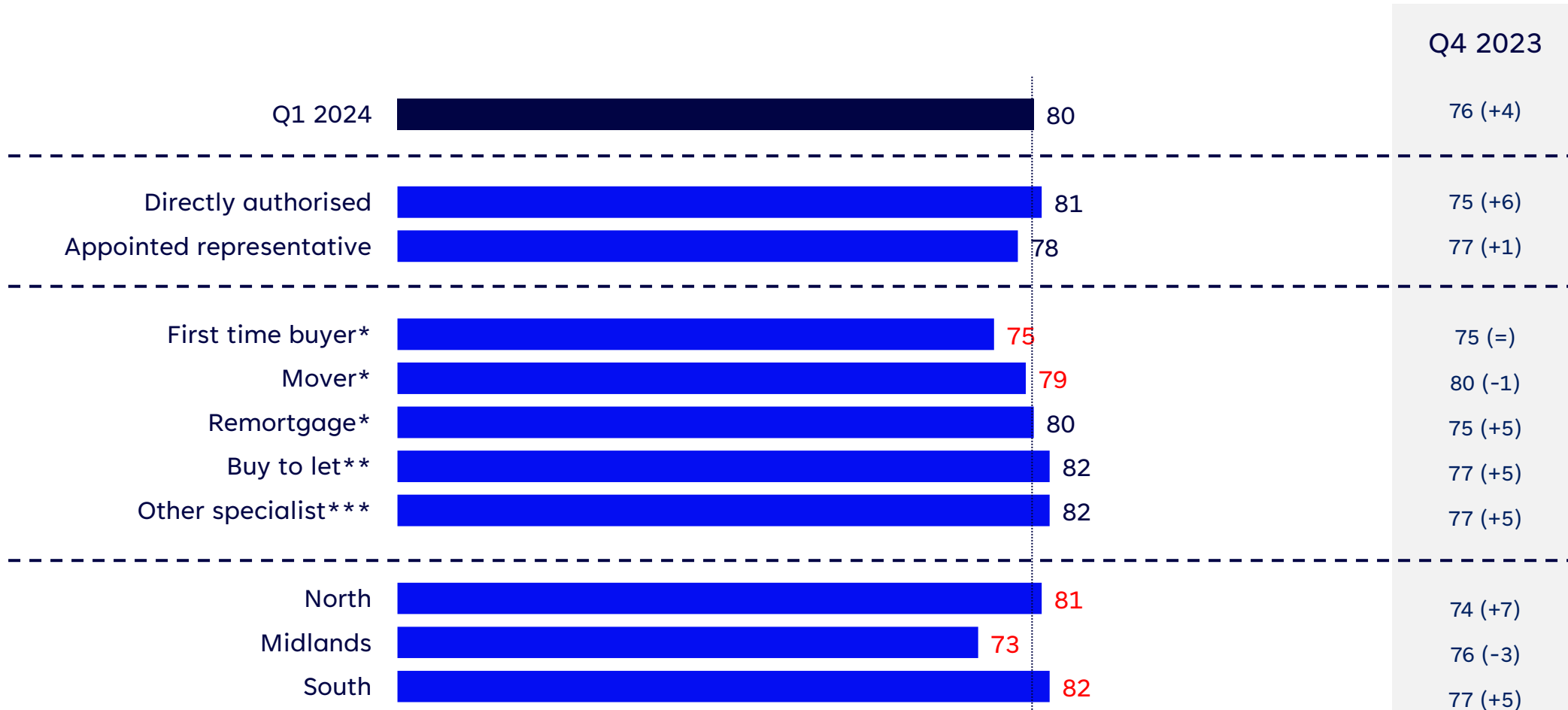
The proportion of DIP accepts resulting in a full application also rises +4 to 80.



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?  
Base: All March respondents (100)

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

There are increases across the board, with a sole dip in the Midlands (-3).

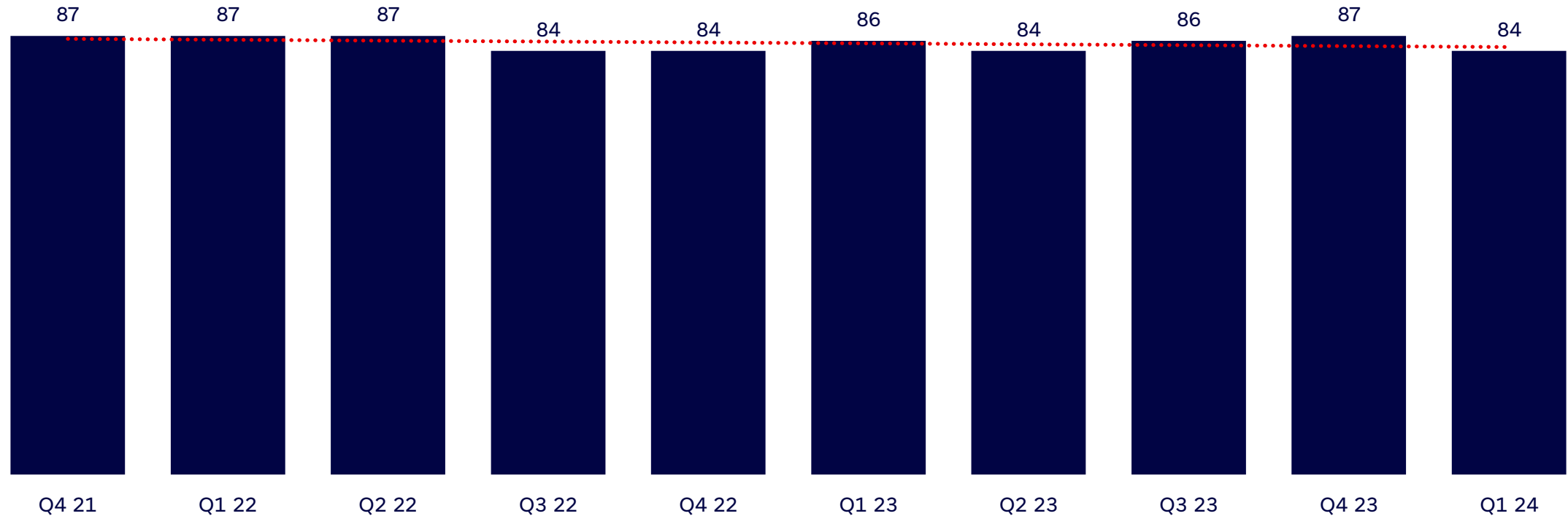


QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?  
Base: All March respondents (100)

\* At least 4 out of every 10 residential mortgages placed  
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# Full applications resulting in an offer (%)

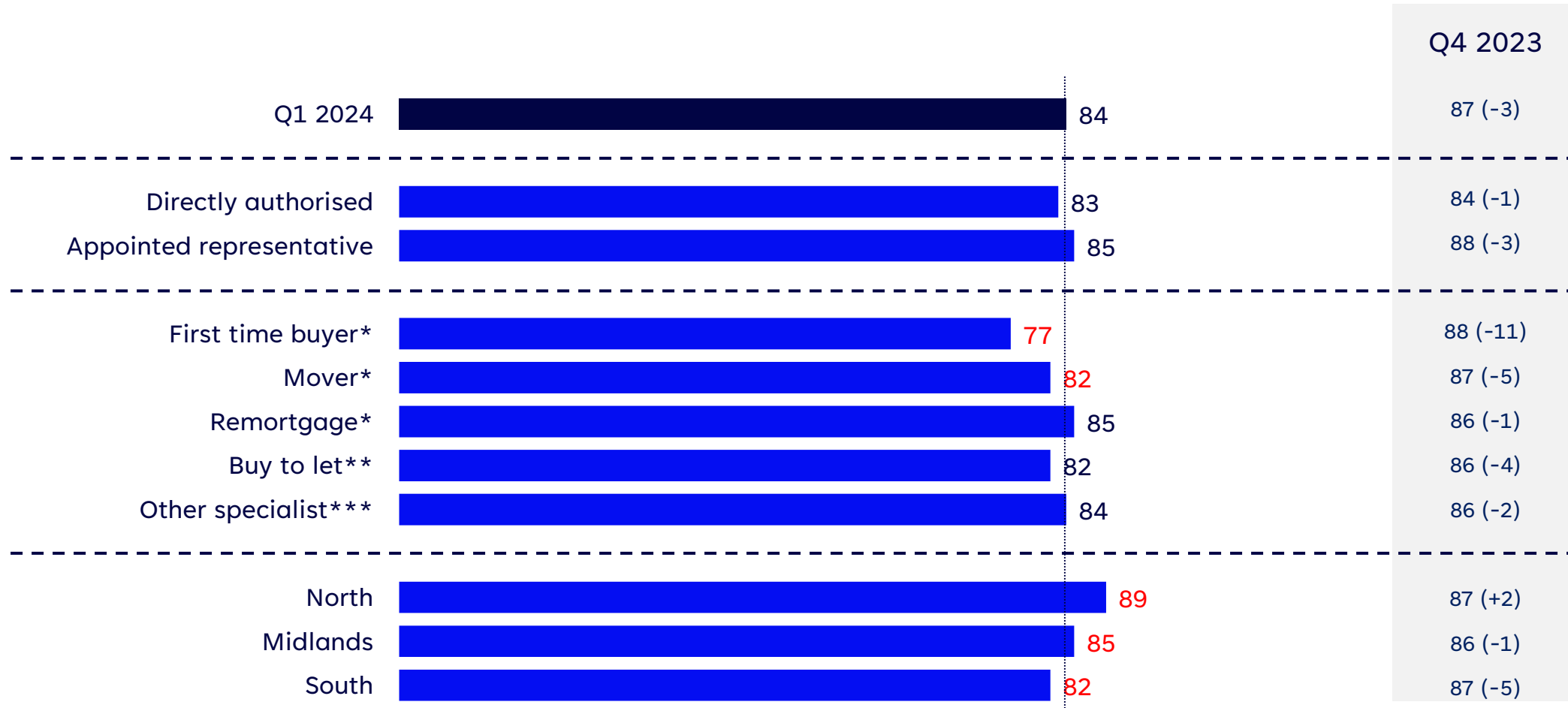
The proportion of full applications resulting in an offer however goes down -3 to 84.



QH4. In the last 3 months, what proportion of your full applications have led to an offer?  
Base: All March respondents (100)

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

There is a marked decrease for FTB focused brokers (-11), as fewer full apps result in an offer.

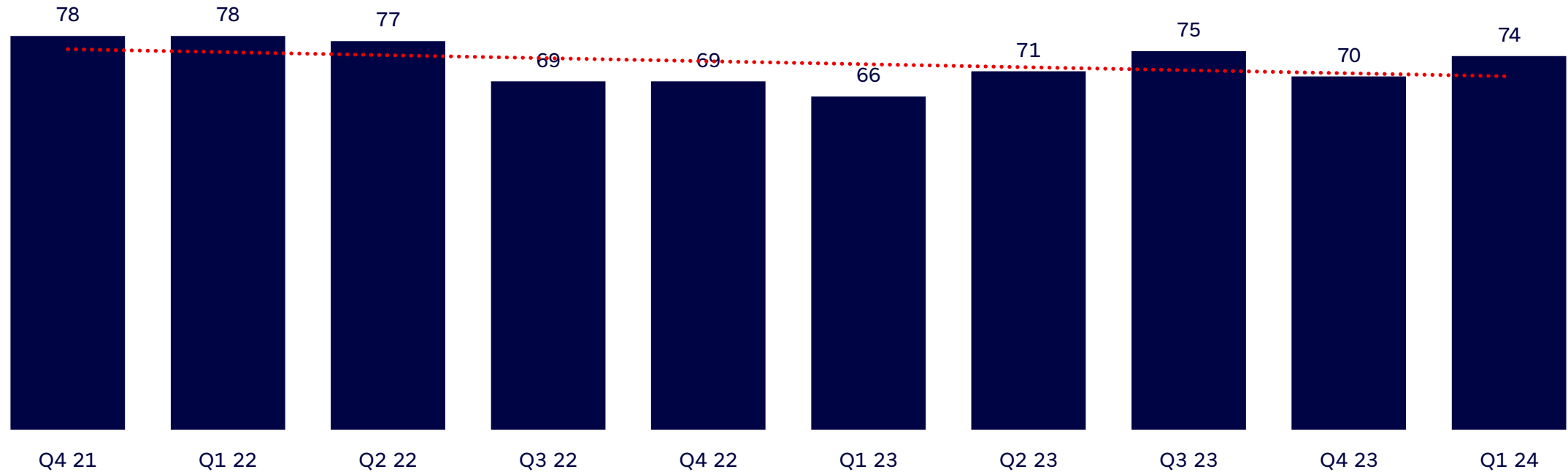


QH4. In the last 3 months, what proportion of your full applications have led to an offer?  
Base: All March respondents (100)

\* At least 4 out of every 10 residential mortgages placed  
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# Offers resulting in a completion (%)

The conversion from offer to completion strengthens +4 to 74.

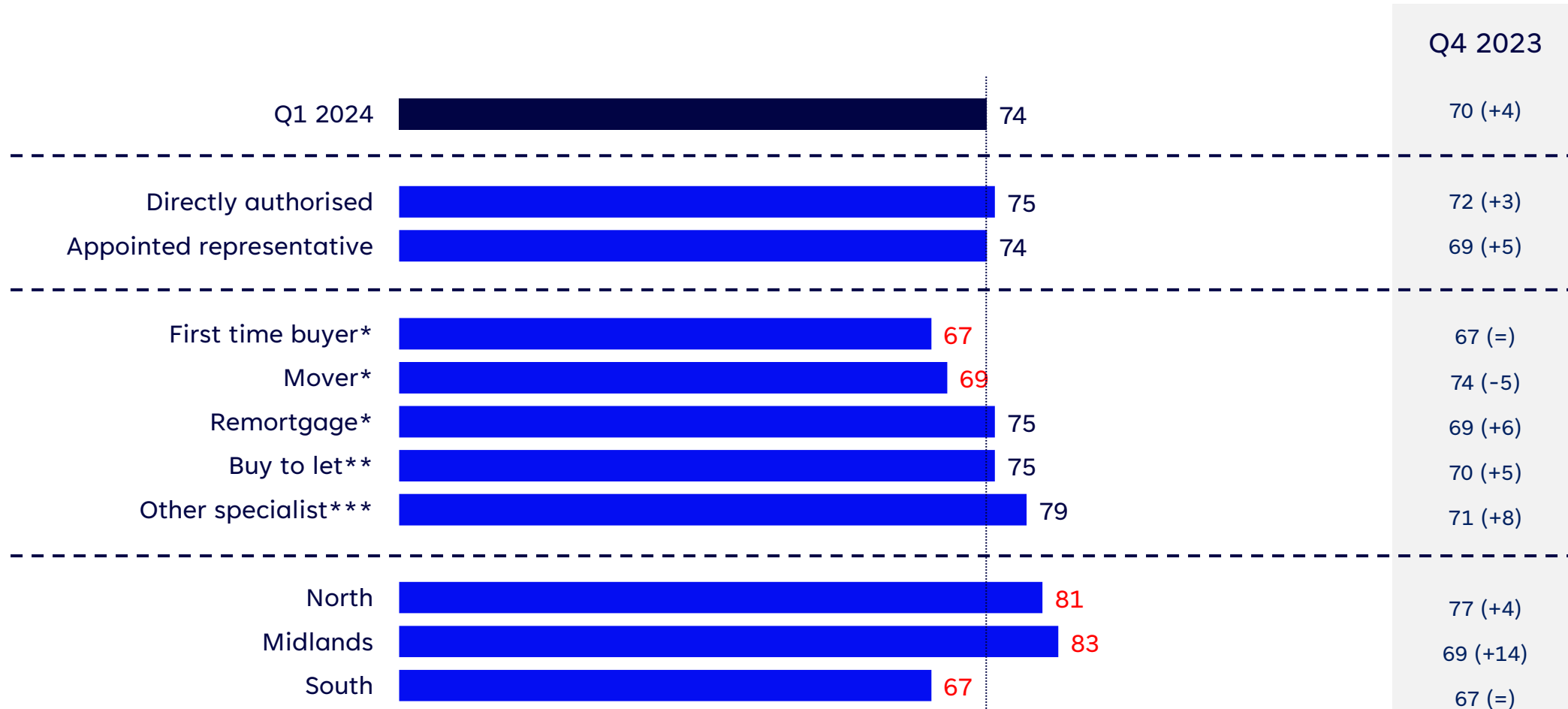


QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?

Base: All March respondents (100)

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

The largest increases are in the Midlands (+14) and for Specialist-placing brokers (+8)

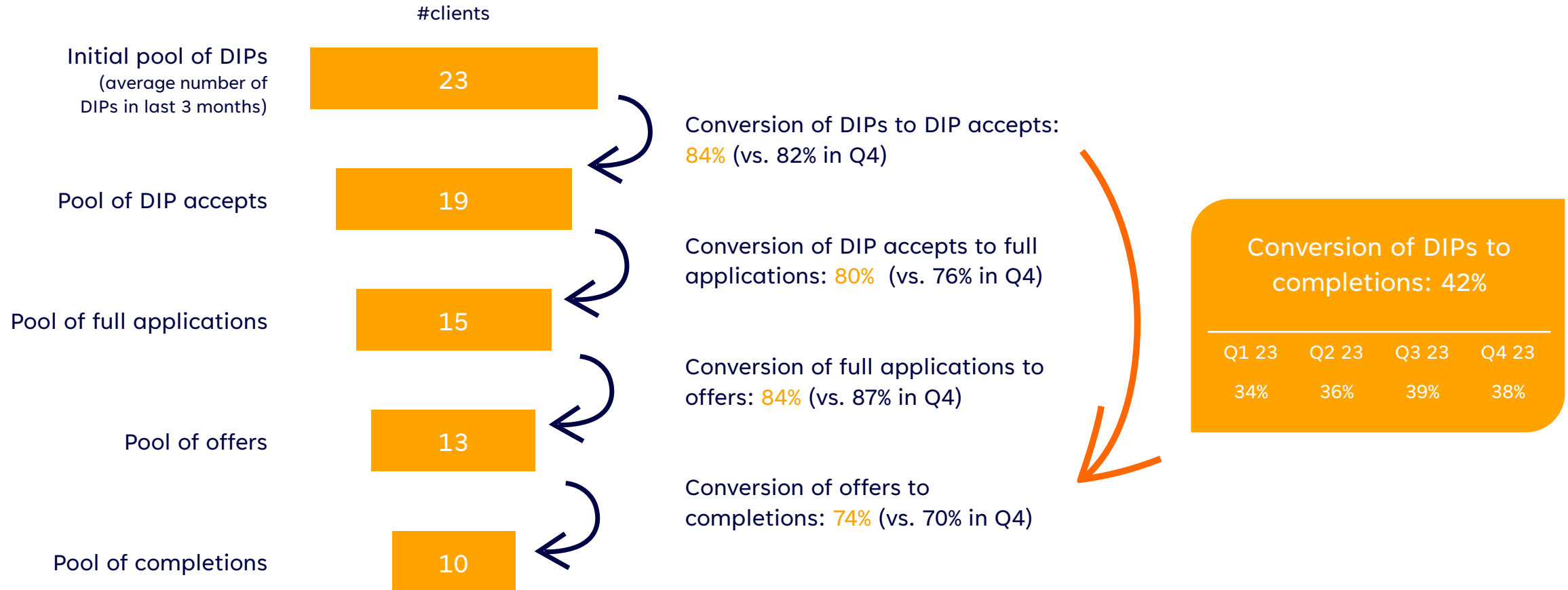


QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?  
Base: All March respondents (100)

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# Conversion from DIP to completion

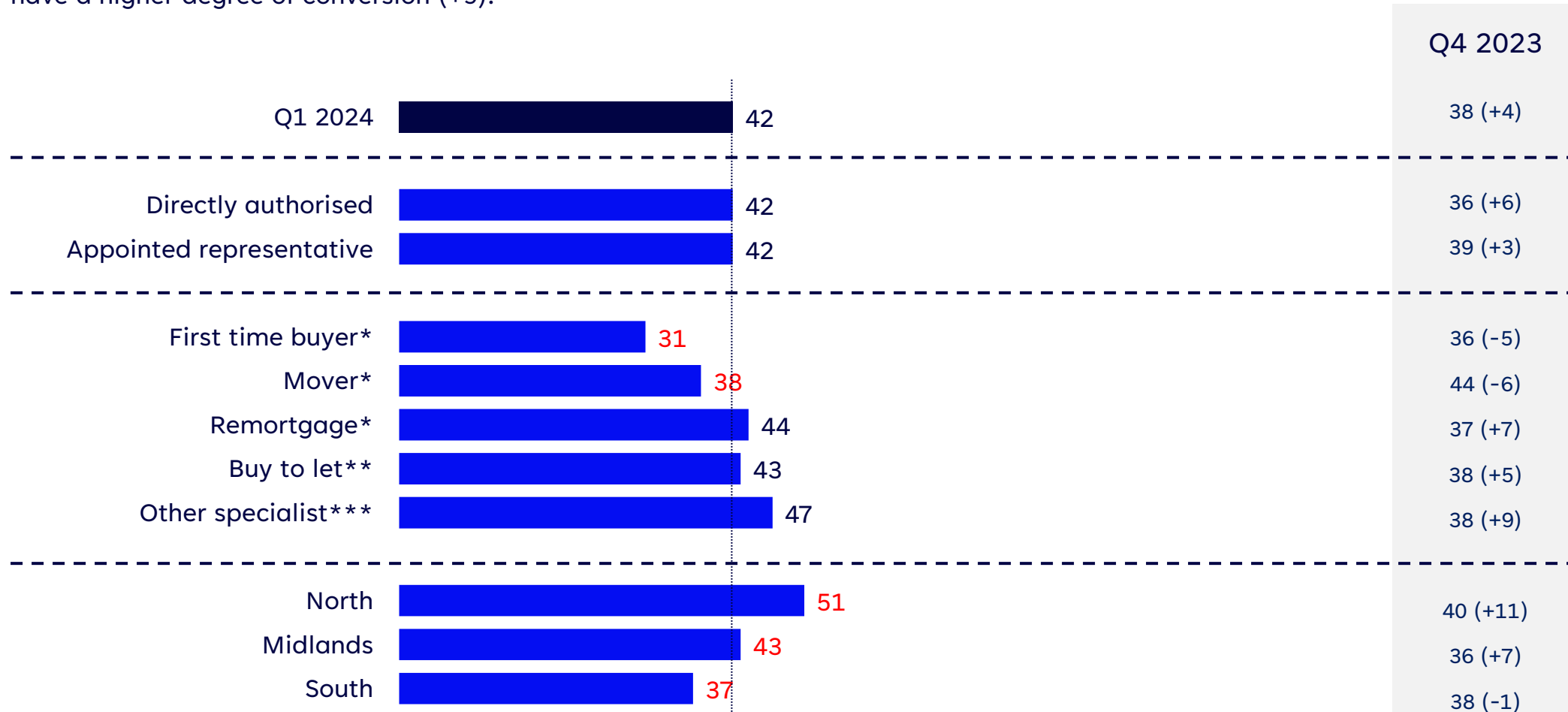
After a steady climb, we are now at 42% conversion from DIP to completion which represents a +8% increase year-on-year.



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 March respondents (100)

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

The largest increases are in the North (+11) and the Midlands (+7). Brokers who place Specialist mortgages also have a higher degree of conversion (+9).



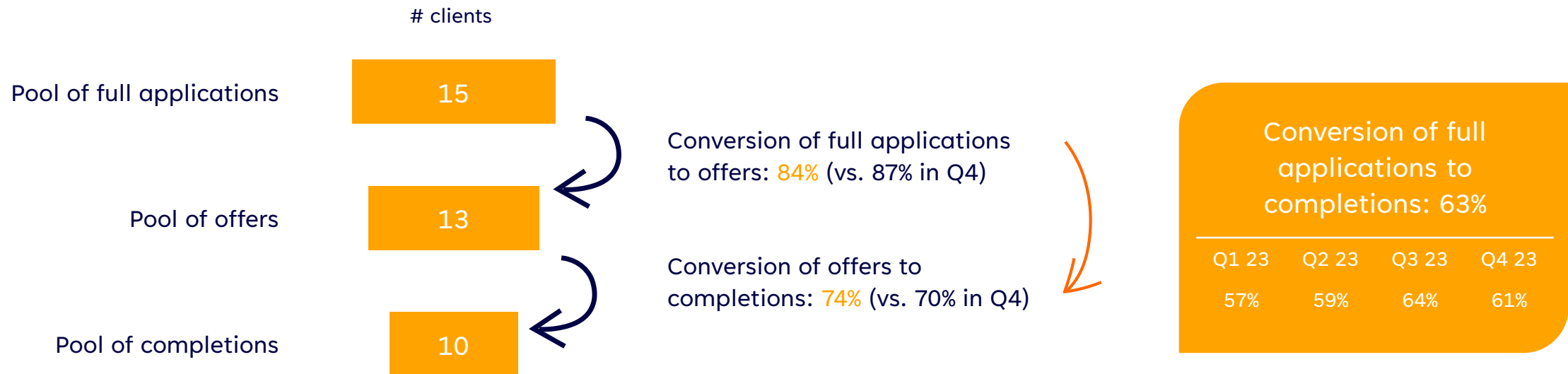
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 QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?  
 Base: All March respondents (100)

\* At least 4 out of every 10 residential mortgages placed  
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# Conversion from full application to completion

There is a small (+2%) recovery this quarter, and conversion is now at 63%.



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?

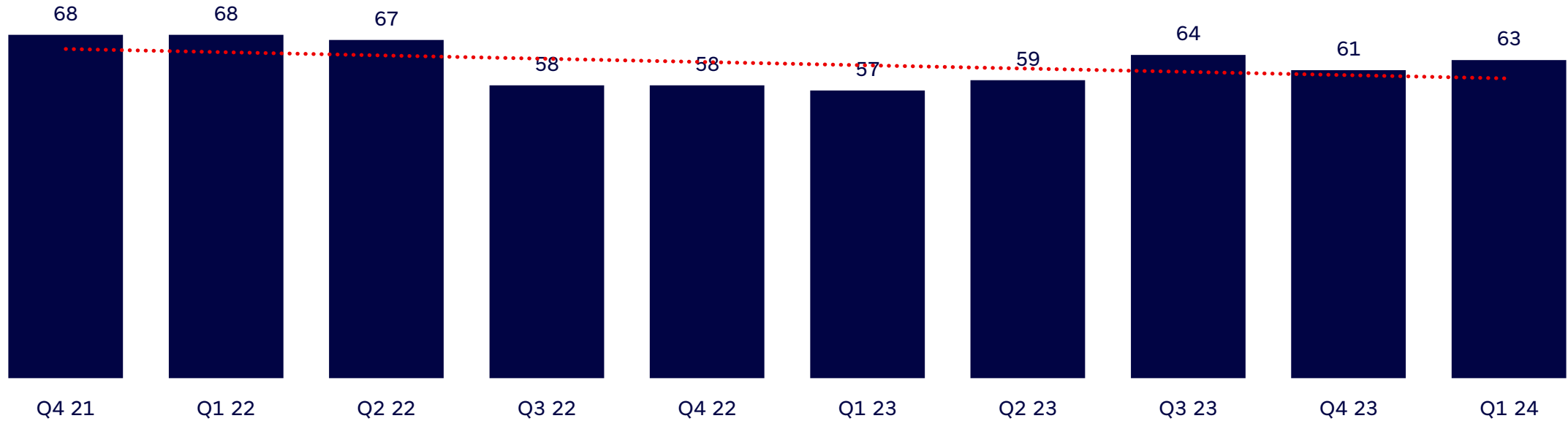
QH4. In the last 3 months, what proportion of your full applications have led to an offer?

QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?

Base: All March respondents (100)

# Conversion from full application to completion (%)

The conversion for the bottom half of the funnel increases slightly +2 to 63 this quarter, although overall there is a downwards trend. Pre-Covid the scores were hovering between 70 and 80, followed by a recovery in 2021, after which they continued to drop until now.



QH3. In the last 3 months, what proportion of these DIP accepts have led to a full mortgage application?

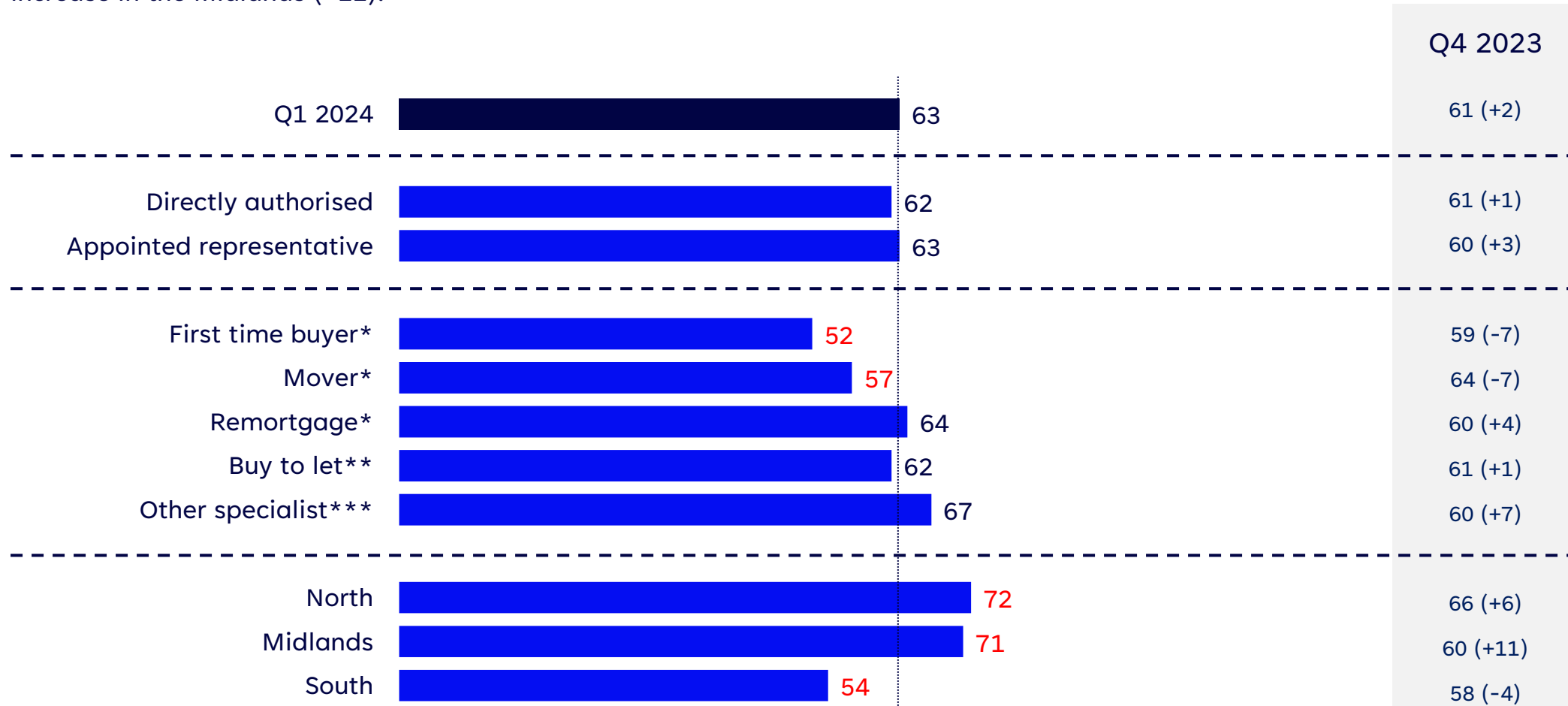
QH4. In the last 3 months, what proportion of your full applications have led to an offer?

QH5. And in the last 3 months, what proportion of your client's mortgage offers have led to a completion?

Base: All March respondents (100)

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

There is a lower amount of conversions from FTB and Movers focused brokers (-7 both), however there is an increase in the Midlands (+11).



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 March respondents (100)

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# Any questions



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