



**PARAGON MORTGAGES PRESS RELEASE  
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**FIXED RATES REMAIN MOST POPULAR, BUT TRACKERS GAIN MOMENTUM**

- 79% of cases are for fixed rate mortgages
- Recovery in customers looking for trackers
- Longer terms increase in popularity

Research by Paragon Mortgages has revealed that intermediaries are writing more mortgage business with longer-term initial rates.

The results from the specialist lender's quarterly intermediary tracking survey (FACT) for Q1, showed 30% of cases were for terms of five years or more (trackers and fixed rates). This is an increase on the previous quarter (26%). At the same time, there was a reduction in two and three year terms, dropping from 71% to 66%.

Intermediaries have reported a decline in popularity of tracker rate products since mid-2012. Survey results showed a continuous fall from Q3 2012 to Q2 2014. However, this trend appears to be shifting, with tracker products accounting for 18% of cases in Q1 2015 (15% of cases in Q4 2014).

Despite the modest improvement in the sale of tracker products, fixed rates continue to be the most popular with intermediaries recommending a fixed rate product in four out of every five sales.

Generally, intermediaries are also feeling more positive about future levels of mortgage business, with on average those surveyed expecting a 6% increase in case volumes in the second quarter.

John Heron, Managing Director, said: “The gap between fixed rate and tracker rate sales widened significantly from the start of 2012, and it is not since 2010 that we have seen tracker and fixed rates selling in equal numbers. Whilst concerns over imminent increases in interest rates may have abated, it is clear that landlords are continuing to take a cautious approach by selecting fixed rates in much larger numbers and over longer periods.”

### **ENDS**

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#### **NOTES TO EDITORS**

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

Paragon Mortgages introduced its first product aimed at the professional property investor in 1995 and is a member of the Council of Mortgage Lenders (CML), the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA).

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.