

6 reasons to consider a Green Mortgage for your buy to let and residential clients in 2021

1. Green mortgages are becoming more important

74% of lenders expect green finance to become a larger part of the wider mortgage market (1)

More than a third (35%) of brokers plan to advise on these products more often in the future, compared to a current figure of 2% (1).

2. Demand - Lenders and brokers are optimistic about the future growth of the green mortgage

58% of intermediaries expect consumer demand for green mortgages to grow in the future (1)

The majority of lenders (74%) expect demand for green mortgages to grow over the next few years, with 83% expecting the ability to save money on energy bills being the biggest driver behind market growth (1).

3. Energy efficiency

13% of intermediaries have seen an increase in green mortgage enquiries since Covid-19 (1)

With the populations growing concern for the environment owning a property that is energy efficient has become more important to owner occupiers to have an energy efficient property, as well as also being a requirement for landlords to have an EPC of E or above

4. Clients can now access generous cashback via the Foundation Green Reward ABC+ Mortgage

We are rewarding landlords and residential property purchasers that are making a conscious energy efficient property choice by giving them access to a product that delivers a very competitive rate, with a reduced fee and a cashback amount.

- Up to £750 cashback on completion depending on EPC rating of the property
- Reduced fee of 0.5% for BTL
- Fixed product fee of £595 on residential
- Competitive rates (see our latest product guide here)
- Up to 75% LTV for BTL and up to 85% LTV for residential

The Green ABC+ mortgage is available on those private rental sector properties which have an Energy Performance Certificate (EPC) rating of 'C' or above

5. The Government's 'Green Homes Initiative' for Landlords has been extended to March 2022

71% of intermediaries would welcome financial incentives from government, such as green vouchers (1)

Through the government scheme, Landlords can access up to £5,000, covering two-thirds of the cost of measures such as insulation or upgrades to glazing or heating.

6. It's your opportunity to offer more to clients

14% of brokers have clients who have enquired about or taken out a green mortgage (1)

As with all niche mortgages, professional mortgage advice is critical, and this growing genre is an opportunity for mortgage intermediaries to share the values of their clients and offer additional value to their landlord and owner-occupier clients alike.

Ready to discuss a specialist mortgage?
Speak to your Regional BDM here

For intermediaries only

(1) IMLA – Green Mortgages – Autumn 2020

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