

## 6 reasons to consider a Green Mortgage for your landlord 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 and landlords

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

Since April 2018, landlords have been required to achieve a minimum rating of E on the Energy Performance Certificate (EPC) on rental properties for new tenancies or tenancy renewals. This was extended in April 2020 to cover existing tenancies, meaning all rented properties will need to have an EPC rating of E, even where there has been no change in tenancy.

### 4. Landlords can now access generous cashback via the Foundation 'Green Reward' Mortgage

We are rewarding landlords who have proactively improved the energy efficiency of their properties, by giving them access to a product that delivers a very competitive rate, with a reduced fee and a cashback amount.

- £750 cashback on completion
- Reduced fee of 0.75%
- Competitive rate (see our latest product guide here)
- Up to 75% LTV

The Green Reward mortgage is available on those private rental sector properties which have an Energy Performance Certificate (EPC) rating of 'C' or above - dated within the last 12 months.

### 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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