

# Fairinvestment reveal fixed rate mortgages still popular despite rates

Fair Investment Company



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**Press Release Summary: Fairinvestment research has revealed that fixed rate mortgages are remaining popular, despite average costs of borrowing reaching a 10 year high**

Press Release Body: Brits continue to choose fixed rate mortgages while average rates are increasing to ten year highs in attempts to counteract high inter-bank lending.

New research from [Fairinvestment.co.uk](#) has found that when it comes to taking out a mortgage, a medium term fixed-rate is the top choice, despite the fact that interest rates have hit new highs. The study found that one third of users questioned would still opt for a medium term fixed-rate mortgage (between five and 10 years).

In June news came of two year [fixed rate mortgages](#) hitting a ten year high of 7 per cent. However, according to research from [Fairinvestment.co.uk](#), 25 per cent of those questioned said they would carry on choosing a [short term fixed-rate mortgage](#) regardless.

**James Caldwell, Director of Fairinvestment.co.uk** commented: "Our research was surprising considering how high mortgage rates are in the current market. For 25 per cent of our respondents to say they would choose a short term year fixed-rate (up to five years), despite the fact they are unlikely to find a rate under 7 per cent, suggests that people do not have much confidence in the chances of the mortgage market recovering within the next five years."

As banks attempt to build up capital, they are failing to ease the pressure on the [mortgage](#) market, despite the **Government's Special Liquidity Scheme**. Consequently, the research showed that 14 per cent of Brits are not prepared to sign up for a fixed rate mortgage deal until rates drop.

Mr Caldwell continued: "Mortgage rates have continued to rise over the last few months, despite the Bank of England base rate either remaining the same or being cut.

*"However, what goes up must come down, as we are seeing with house prices so there may be some hope for those facing a remortgage in an increasingly unforgiving market."*

As rates increase, so too are mortgage set-up fees which are pushing potential first-time buyers out of the market. This was reflected by the research which showed that 8 per cent of those questioned cannot afford to buy a house at all.

Mr Caldwell commented: *"Mortgage set-up fees have got to come down, as the Chancellor recently stated, lenders are taking advantage of borrowers by charging as much as £2,500 just for arranging a mortgage. With such costs, it is no surprise that the number of people who cannot afford to buy is relatively high."*

The popularity of a fixed-rate mortgage deal was shown in the fact that of those questioned, only three per cent ruled out the idea of ever getting a fixed-rate deal, while one user commented on the fact that, "now is not the time to take out any mortgage."

Interestingly, 15 per cent said they would still choose a long term fixed-rate (10-25+ years) mortgage, despite rates reaching highs not seen for a decade.

Mr Caldwell concluded: *"The fact that a long term fixed-rate mortgage was still so popular is surprising in the current financial climate. The fact that people would still consider fixing at high rates for more than ten years suggests that consumer confidence is low and borrowers are after long term security during unstable times."*

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<b>www.fairinvestment.co.uk</b> , is an independent online finance portal, providing comparison tools, news, reviews and information on a wide range of financial products and services, including insurance, credit cards, mortgages, loans, savings and investments.		

**Fair Investment Company** is a leading internet player that sees 400,000 unique users per month, sells over £5 billion worth of mortgage enquiries and is a Hitwise 100 Banks and Financial Institutions site.

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