

Fairinvestment.co.uk research reveals Britons want fixed rate mortgages

Fair Investment Company



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Press Release Summary: New research from Fairinvestment.co.uk has revealed that when looking for a new mortgage, 57 per cent of Britons stated that they would prefer to choose one that had a fixed rate, rather than any other mortgage product type

Press Release Body: New research from **Fairinvestment.co.uk** has revealed that when looking for a new mortgage, most Britons stated that they would prefer to choose one that had a fixed rate, rather than other mortgage products.

The survey revealed that 57 per cent of the Britons sampled would choose a [fixed rate mortgage](#). These results consisted of 30 per cent of the total respondents reporting that they would favour a short-term fixed rate mortgage while 27 per cent would opt for a long-term fixed interest rate.

"A fixed rate deal allows homeowners the security of knowing what their monthly repayments will be and therefore to budget accordingly, safe in the knowledge that they are protected from any rises in the Bank of England base rate", said James Caldwell, director at Fairinvestment.co.uk.

The survey also found that 23 per cent of homeowners would favour a [tracker mortgage](#), nine per cent would opt for a discounted mortgage, eight per cent would chose a [variable rate mortgage](#) and three per cent would go for a stepped deal.

Fairinvestment.co.uk believes that the nation's choice to play it safe with a fixed rate is illustrative of the currently uncertain economic outlook as the Bank of England attempts to stem inflation at a time when the **Council of Mortgage Lenders** has announced recently that in 2007 there were 27,000 homes repossessed.

"The public are obviously wary of exposing themselves to the economy at large and are acting accordingly, with a high proportion of people opting for fixed rate mortgage deals", stated Mr Caldwell, "Despite two base rate cuts in the last two months, people are looking for certainty in their personal finances. With a large number of people coming out of existing fixed rate arrangements back onto lender variable rates, many people are keen to re-fix their mortgages."

He continued, *"While it is understandable that homeowners want to protect themselves from economic uncertainty, opting for a fixed rate mortgage means that they do not benefit from any further drops in interest rates."*

In the minutes from the January meeting, the **Monetary Policy Committee (MPC)** considered "the international economy; money, credit, demand and output; and supply, costs and prices." in making their decision for the February base rate, demonstrating that there are a lot of factors contributing to the outcome.

"Consumers have had to contend with a rising cost of living, as food and energy prices soar, and the Bank of England is reluctant to make drastic rate cuts, in order to try and stall inflation, so a changeable mortgage repayment might not allow homeowners the stability required to ensure that they can meet their monthly expenditures", Mr Caldwell concluded.

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