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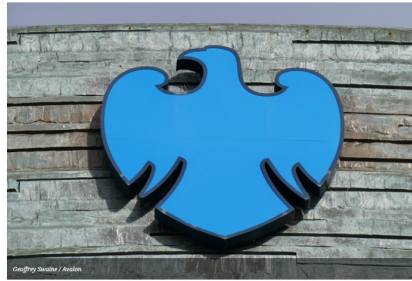
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Barclays to 'fire up rest of High Street' with first sub-5% 2-year fixed remortgage product for some time

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Barclays has just announced the first sub-5% 2-year fixed remortgage product for months, which will go live on Friday. Brokers said it would fire up the rest of the High Street and take the rate war up a notch.

Highlights include a 2-year fixed rate purchase mortgage up to 75% LTV at 4.95% with an £899 fee and a 2-year fixed rate remortgage product up to 60% LTV at 4.98% with a £999 fee.

According to Justin Moy, managing director at Chelmsford-based **ELH Mortgages**: "This is a significant move by Barclays, with sub-5% 2-year deals now available for both remortgages and purchases. This will definitely fire up the rest of the high street, and see other lenders battle to keep up with Barclays. Lower inflation and cheaper SWAP rates are driving some major improvements, which is great for those coming to their renewal. For those who have already secured their new deal, don't rely upon your lender to keep you informed of these improving rates. Engage with a proactive mortgage broker and make sure you are getting support, and importantly saving a fortune."

Stephen Perkins, managing director at Norwich-based **Yellow Brick Mortgages**, was also delighted: "Barclays have thrown a match into the haystack with these rate reductions available on remortgages. The lender rate war is going to heat up fast. More reductions will almost certainly follow very soon to the delight of homeowners around the UK."

Samuel Ewen, managing director at **Rosehill Financial Services**, called it a bold move: "Barclays' introduction of sub-5% 2-year fixed rates is a bold move. When opening the email from them, I expected these rates to be limited to the 60% loan-to-value range. However, the availability of a purchase product at the 75% range makes it more achievable for some."

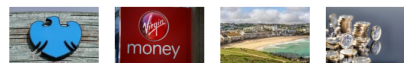
Gary Bush, director at Potters Bar-based **MortgageShop.com**, said other lenders will see this as an attack on their market share: "For a mainstream lender like Barclays to be re-entering the UK mortgage rate war with sub-5% remortgage deals is exciting stuff. In what has so far been a nightmare year for mortgage holders. This will be the first of many new lower fixed rate releases as other High Street lenders see this as a direct attack on their market share. The end of 2023 and beginning of 2024 looks promising for the property market."

Craig Fish, director at **Lodestone Mortgages & Protection**, added: "That's it, the rate war is well and truly underway now, and more lenders are likely to follow. There is a real chance that we could see a sub 4% 5-year fix this side of Christmas, and a 2-year below 4.5% also. Swap rates have tumbled this week, and lenders are now going to be slogging it out until the year-end."

Riz Malik, director at **R3 Mortgages**, said it could light a rocket under the housing market: "Barclays are not certainly not playing games with these rate cuts. All eyes are on the Autumn Statement next week where rumours are we may have stamp duty incentives. If this is the case, rate cuts plus lower moving costs may light a rocket under this housing market."

But Laura Bairstow, founder at **The Mortgage Masters**, wished the rates applied at higher loan-to-values: "It's great to see rates under 5% for 2-year fixes. However, they're only accessible on purchases for buyers who have a minimum 25% deposit. Very few first-time buyers will benefit here and that's what we really need to inject life into the housing market. However, this is certainly another step in the right direction so let's hope more lenders follow suit."

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