Looking at No Deposit Mortgages

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There's often a degree of negative sentiment around **100% mortgages**, largely due to memories of the 2008 property crash and the Great Recession. Let's be clear — these products aren't suitable for everyone. However, for the right buyer, they can be a **useful stepping stone towards property ownership**.

Why Are No Deposit Mortgages Making a Comeback?
In today's market, **high rent costs** make it increasingly difficult for many to save for a deposit. Lenders are beginning to recognise this challenge, and some are now offering mortgage options designed for buyers who can **afford the monthly payments** but haven't yet managed to build up enough savings.
For some, the ability to buy now with a **100% mortgage** — and perhaps use their savings for home improvements instead — can make homeownership more achievable than ever.

Is a 100% Mortgage Right for Me?
A no deposit mortgage could be a good fit if:

- You can comfortably afford the monthly payments

- You’ve been renting for some time but haven’t managed to save a deposit
- You want to get onto the property ladder sooner rather than later
- You have a healthy credit profile
- You meet the lender’s borrowing criteria

However, as with any financial product, it’s important to understand both the benefits and the risks.

What Are the Risks?

- **Negative equity:** If house prices fall, you could end up owing more than your home is worth.
- **Higher interest rates:** 100% mortgages usually carry slightly higher interest rates compared with traditional products.
- **Long-term affordability:** You’ll need to be confident that you can maintain repayments over the full term of the loan.

Example Options

Let’s look at two example scenarios for a property priced at **£150,000**.

Option 1: Standard 100% Mortgage

- Borrow: £150,000
- Term: 40 years
- Interest rate: 6.29% fixed for 10 years
- Monthly repayment: **£855.84**

Option 2: Rent-Based 100% Mortgage This product is available if you can demonstrate **12 months of consecutive rent and household bill payments**.

- Borrow: £150,000
- Term: 40 years
- Interest rate: 5.54% fixed for 5 years
- Monthly repayment: **£777.74**

**These figures are representative examples and were correct as of 23 October 2025. Your credit score and affordability will be assessed at the time of application. Your home may be repossessed if you do not keep up repayments on your mortgage.*

Final Thoughts

These examples show that **100% mortgages** can be a realistic route to homeownership, especially for renters or buyers who want to keep their savings intact. However, they're not right for everyone. As part of your initial consultation, I'll review your **affordability, credit profile, and personal circumstances** to help identify the most suitable product for you. To find out more, send me an e-mail or give me a call.

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