



# Leeds Building Society

2<sup>nd</sup> January 2025

## Leeds Building Society kicks off the new year with mortgage rate improvements

From Tuesday 2<sup>nd</sup> January 2025, Leeds Building Society will make reductions of up to 0.21% on products across its mortgage range with the aim of helping its members make savings on their monthly mortgage payments.

Supporting brokers, homeowners who are looking to renew their mortgage, and first-time buyers alike, the changes will come as good news to many at the start of the new year.

The Society has made these price improvements ahead of the removal of stamp duty land tax relief coming into effect from April 1<sup>st</sup> which will mean the stamp duty threshold for first-time buyers will drop to £300,000 from £425,000, affecting approximately one in five purchases, based on data from Jan – Sept 2024.<sup>1</sup>

This is the latest action from Leeds to put homeownership within closer reach of more people.

For existing mortgage holders, the Society is making rate reductions of up to 0.21%. Data shows that in the first quarter of 2025, there will be nearly 328,000<sup>2</sup> residential mortgages maturing across the market, so these rate reductions will come as welcome news for those impacted.

Based on 90% loan on an average house price of £282,000<sup>2</sup>, a first-time buyer taking Leeds' 2-year fee-free rate of 5.25% would save over £450 per year compared to taking the equivalent product in January 2024<sup>3</sup>.

### Featured Products:

#### 5 Year Fixed Rate – Available up to 90% LTV

- Part of Leeds Building Society's Income Plus range available to first time buyers only
- Fixed rate of 4.89% (was 4.95%)
- £0 fees
- Free standard valuation up to £999

#### 2 Year Fixed Rate – Available up to 85% LTV

- Available to first time buyers only
- Fixed rate of 4.79% (was 4.99%)
- £0 fees
- Free standard valuation up to £999

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<sup>1</sup> Source: CACI's MMDB, New Business, Jan – Sept 2024. Based on data provided by 21 UK residential mortgage providers.

<sup>2</sup> [UK House Price Index for January 2024 - GOV.UK](#)

<sup>3</sup> Rate of 5.25% in January 2025 compared to 5.50% for the same period last year

## **2 Year Fixed Rate – Available up to 65% LTV**

- Available for purchase and remortgage
- Fixed rate of 4.15% (was 4.36%)
- £1499 fee
- Free standard valuation up to £999

### **Jonathan Thompson, Senior Product Manager at Leeds Building Society, said:**

*“As part of our mission of putting homeownership within reach of more people, we have decided to start the year by making purposeful action to help those stepping onto the property ladder or coming to the end of their existing fixed term.*

*“The reductions we have made on rates across our mortgage product range will support more people to make their homeownership dreams a reality, and will take financial pressure off households.*

*“In 2024 the mortgage market was constrained due to the ongoing pressure of the increasing cost of living, but as a lender we want to play our part to try to overcome the hurdles people face and help more people into homeownership.”*

### **Rachel Springall, Finance Expert at Moneyfacts, said:**

*“First-time buyers may well be struggling to amass a large enough deposit to get their foot onto the property ladder, so it’s great to see competitive deals launched onto the market to try and support these buyers.*

*“The market could always do with more product innovation to help those struggling to get a mortgage as those stuck paying rent may feel their homeownership dreams are scuppered because of the lack of affordable housing, which will take time to improve.*

*“As we move into 2025, it will be interesting to see how lenders will balance supporting their existing customers and enticing new business as the future of interest rates remains unpredictable.”*

### **David Hollingworth, Associate Director at L&C Mortgages, added:**

*“With the rate outlook still carrying an element of uncertainty borrowers will need to keep on top of their mortgage costs. Lenders competed hard throughout 2024 and there’s nothing to suggest that will change in 2025. It’s therefore encouraging to see these rate reductions being made so early in the year, improving the choice for first time buyers, homemovers and those remortgaging alike.*

*“The market is likely to be just as fast moving this year, so advice will continue to play a crucial role for customers looking to target the best deals for them.”*

**Ends**

For more information, please contact the press office at [pressoffice@leedsbuildingsociety.co.uk](mailto:pressoffice@leedsbuildingsociety.co.uk) or call 07552 959546.

### **About Leeds Building Society**

- Leeds Building Society is the UK's fifth-largest Building Society with assets of £30bn and a total membership of 945,300 as at the end of June 2024.
- We continue to do today what we were set up to do in 1875 – help people save money and buy their own home. We operate as a mutual, developing and innovating our product range and service offer to help our members achieve their financial goals.
- We employ over 1,800 colleagues, with a head office in the centre of Leeds, a customer contact centre in Newcastle and a network of 50 branches across the UK.
- Our purpose is putting home ownership within reach of more people, generation after generation. Since 2020 we have helped over 70,000 first-time buyers join the housing ladder.
- We are committed to the orderly transition to a greener, net zero economy by 2050 and have set a second ambitious target to reduce our scope 1 and 2 location-based emissions by 60% by 2030, which aligns with the UK's net zero commitments.
- The Society has been a Living Wage employer since 2019. The Society won the title of Best Shared Ownership Mortgage Lender in the 2024 What Mortgage Awards, its ninth consecutive year of success in this category, won "First-time Mortgage Buyers' Choice" at the 2023 Moneyfacts Consumer Awards, and was named as the winner of the "Leading With Purpose Award" at the 2023 Business Culture Awards.
- For more on what we do and how we help our members, visit [Leeds Building Society](#)