

Base Rate Mortgage Ready Reckoner

Ahead of Thursday's MPC decision, [TotallyMoney](#), the credit app which helps everyone move their finances forward, and [Moneycomms.co.uk](#) calculate the impact of the Bank of England's base rate rises on tracker and variable rate mortgages.

1. Potential impact of 4th August base rate increase on mortgage borrowers

This table highlights the impact of this week's potential hikes on variable rate mortgage customers with properties valued at £150k, £250k and £400k.

With 850,000 properties on tracker mortgages and 1.1 million on Standard Variable Rates, 1 in 4 mortgage customers currently have no protection against interest rate increases.

Rate hike	Mortgage £150k Extra cost per month	Mortgage £250k Extra cost per month	Mortgage £400k Extra cost per month
0.25%	£18	£30	£48
0.50%	£37	£62	£99
1.00%	£75	£125	£201

2. Potential cumulative impact of current series of base rate increases since 16 Dec 2021

Even before the 4th of August MPC decision we have seen a cumulative base rate increase of 1.15%* - the table below shows the potential cumulative impact of these increases including a further hike of 0.25%, 0.50% or 1.00% today.

Rate hike 16 June	Mortgage £150k extra cost per month compared with Nov 2021	Mortgage £250k extra cost per month compared with Nov 2021	Mortgage £400k extra cost per month compared with Nov 2021
No hike on 4 Aug means 1.15% to date	£87	£146	£233
0.25% on 4 Aug means 1.40% to date	£107	£178	£284
0.50% on 4 Aug means 1.65% to date	£127	£212	£338
1.00% on 04 Aug means 2.15% to date	£168	£280	£449

Rate hikes to date **16/12/21 (0.15%), 03/02/22 (0.25%), 17/03/22 (0.25%), 05/05/22 (0.25%) and 16/06/22 (0.25%)**.

- Assuming capital and interest repayment mortgage with a term of 25 years
- Variable rate mortgages would typically see impact within 1 month, those on fixed rates will be impacted (exact amount not known) when their deal comes up for renewal.
- The rate the customer is currently being charged doesn't matter in these calculations – these are the increases on any mortgage with a 25-year term

3. Impact to date on borrower in an Average Priced UK Property (Nov 2021 i.e., before series of rate rises began)

November 2021 Average UK Property Price (HM Land Registry) £270,708. Calculations based on a 75% LTV Mortgage i.e., £203,031

Date of rate rise	Amount	Increase in monthly payment	Cumulative increase in monthly payment
16/12/2021	0.15%	£14	£14
03/02/2022	0.25%	£26	£40
17/03/2022	0.25%	£26	£66
05/05/2022	0.25%	£26	£92
16/06/2022	0.25%	£26	£118
04/08/2022 ??	0.25%	£26	£144
04/08/2022 ??	0.50%	£52	£196
04/08/2022 ??	1.00%	£104	£300

The rate the customer is currently being charged doesn't matter in these calculations – these are the increases on any mortgage with a 25-year term