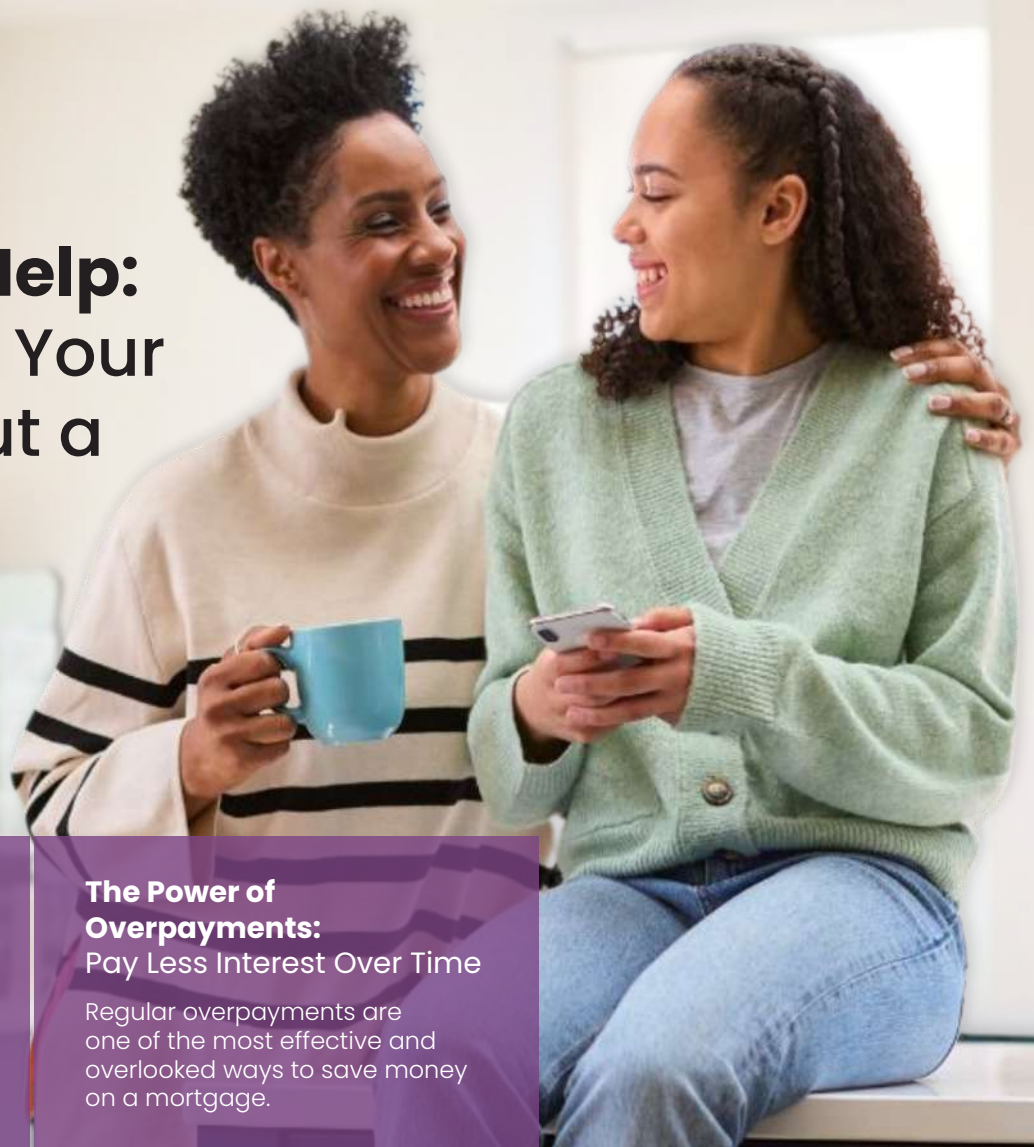




August 2025

First Home Help: How to Back Your Child Without a Big Deposit



Bathroom Trends That Feel Boutique Without the Price Tag

Turn a functional bathroom into something that feels calm, polished and just a little bit indulgent.

The Power of Overpayments: Pay Less Interest Over Time

Regular overpayments are one of the most effective and overlooked ways to save money on a mortgage.

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Featured **This Month**

As summer fades, a little preparation goes a long way. This month we cover quick wins to refresh your home, simple upgrades to boost efficiency, and heading into autumn feeling organised.

We also look at unlocking equity, the value of expert advice, and what's ahead for buy-to-let.

Working **With Us**

Welcome to our monthly newsletter! With over 30 years' experience in mortgages and protection, we offer whole-of-market guidance to help you make confident financial decisions. Our personalised advice and ongoing support are here to ease your stress and keep you informed as your needs evolve.

If you have any queries, please don't hesitate to contact us.

Help to Buy: Is Your Interest-Free Period Ending Soon?

Over **104,000 households** will start paying interest on their Help to Buy loan by 2028 – here's what you need to know.



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First Home Help: How to Back Your Child Without a Big Deposit

Bathroom Trends That Feel Boutique – Without the Price Tag

Bathroom Trends That Feel Boutique Without the Price Tag

Big changes aren't always the answer. Sometimes, a few sharp upgrades are all it takes to turn a functional bathroom into something that feels calm, polished *and just a little bit indulgent.*

This year's smartest bathroom trends bring boutique-hotel styling into everyday homes without the rip-it-out-and-start-again budget. If your space needs a refresh rather than a renovation, here's where to focus.

Floating Vanities: More Space, Less Bulk

Wall-mounted vanities are more than a design choice. They're a smart fix for tight spaces. Lifting units off the floor creates the illusion of more room while keeping the layout clean and open.

They also make cleaning easier and pair perfectly with large-format floor tiles. Choose soft-close drawers and a matte neutral finish such as taupe, off-white or stone for a calm, high-end look that works in any home.

Statement Tiling: Texture Over Colour

Bold colours are taking a back seat. This year, it's all about texture – fluted, ribbed or stone-effect tiles that add depth and interest without shouting for attention.

One trend gaining traction is 'tile drenching': using the same tone and finish across both walls and floors for a smooth, spa-like effect. Stick to muted, earthy shades like clay, chalk or putty for a finish that feels intentional and expensive, without actually being either.

Mirror Lighting That Works Twice as Hard

The easiest way to upgrade a bathroom? Light the mirror properly.

Backlit mirrors, especially round ones, look clean and contemporary. Add soft side lights or wall sconces for an extra layer – it makes the space feel warmer and more like a place to unwind.

Skip the harsh overhead spots. A dimmable warm light setup gives you more control and adds an atmosphere most bathrooms are missing.

Smart Fixtures That Save Water and Hassle

Low-flow taps. Dual-flush toilets. Motion-activated fittings. Eco doesn't have to mean clinical.

These small swaps are good for your water bill, kinder to the planet and can even help improve your EPC rating. That could be useful if you're thinking about remortgaging. More style, less waste – and future-friendly, too.

Finishing Touches That Pull It All Together

If you want maximum impact for minimum spend, change your brassware.

Matte black and brushed brass are still the front-runners in 2025. Just keep it consistent. Mismatched finishes can cheapen the effect. Stick to one tone throughout, including towel rails and hooks, for a cohesive, considered finish.

Ready to Upgrade Without Going Overboard?

You don't need to rip out the tub or retile the whole space. A few well-placed changes can completely shift how your bathroom looks and feels.

If you're planning a refresh and want to understand how it fits into your wider financial picture – whether that's remortgaging, improving your EPC rating, or releasing funds to cover the work, we're here to help you make it work.

Thinking about updating your home? Let's talk about how to fund it smartly and make it part of your longer-term plans.

Buy-to-Let Toolkit:

Key Terms Every Landlord Should Know

Whether you're about to purchase your first buy-to-let or looking to grow an existing portfolio, understanding the financial terminology is essential.

The language around property investment can be full of acronyms and unfamiliar phrases, but once you've got the basics down, you'll be in a much stronger position to make informed decisions.

Here are the core terms every UK landlord should have in their toolkit:

Rental Yield

This is one of the most important metrics in buy-to-let. Rental yield shows the return you're making from rental income, expressed as a percentage of the property's purchase price.

Formula: $(\text{Annual Rent} \div \text{Property Price}) \times 100$

For example, if a property costs £200,000 and brings in £10,000 a year in rent, the yield is 5%.

Why it matters: Rental yield helps you compare properties in different areas or decide between investment types. A higher yield generally means better income performance, though other factors like capital growth and maintenance costs also come into play.

Loan-to-Value (LTV)

This tells you how much you're borrowing compared to the property's value. If you're buying a £100,000 property and borrowing £75,000, your LTV is 75%.

Why it matters: Lenders use LTV to assess risk. A lower LTV means you're putting in a bigger deposit, which usually gives you access to better interest rates. It also provides more security if property values fluctuate.

Deposit

Buy-to-let mortgages typically require a larger deposit than residential deals. Most lenders look for at least 20% to 25%, though the exact figure depends on the lender and your circumstances.

Why it matters: The size of your deposit affects both your LTV and the range of mortgage products available to you. A larger deposit can unlock more competitive rates and strengthen your mortgage application.

Rental Cover Ratio (Interest Coverage Ratio or ICR)

This is how lenders measure whether your rental income is high enough to comfortably cover your mortgage payments. They usually require your rent to cover between 125% and 145% of your monthly mortgage interest payments.

Why it matters: Lenders use this to assess affordability, particularly for interest-only mortgages. If the ratio isn't high enough, you might need to increase your deposit, choose a lower loan amount, or consider a higher-yielding property.

Interest-Only Mortgage

With this type of mortgage, you only pay the interest on the loan each month—not the capital. The full amount borrowed remains outstanding until the end of the mortgage term.

Why it matters: Monthly payments are lower, which helps with cash flow. Many landlords use this structure and plan to repay the loan through a future property sale, remortgage, or savings strategy. It's important to have a clear exit plan.

SPV (Special Purpose Vehicle)

An SPV is a limited company created specifically to buy and hold investment property. You'll often see landlords setting up an SPV (usually with a SIC code relating to property letting) for tax and liability purposes.

Why it matters: Buying through an SPV can offer tax efficiencies—particularly for higher-rate taxpayers—as mortgage interest can often be offset as a business expense. Many lenders have products specifically tailored for SPV structures, but setup and running costs need to be factored in.

Thinking of Expanding Your Portfolio?

Whether you're a first-time investor or managing multiple properties, having a solid understanding of how buy-to-let financing works can save you time, money, and stress.

We can help you structure your purchase, navigate lender criteria, and find the most suitable mortgage for your strategy, whether that's personal ownership or via an SPV.

Get in touch to find out how we can support your plans.

Note to Self:

- Check typical rental yields in target area
- Confirm how much deposit I'll need (min 25%)
- Speak to broker about LTV + right strategy
- Look into SPV



The Power of Overpayments: Pay Less Interest Over Time

What if £50 a month could cut years off your mortgage?

It might sound too good to be true, but for many homeowners, regular overpayments are one of the most effective and overlooked ways to save money on a mortgage.

We're not talking about big lump sums or lottery wins. This is about consistency. A small, manageable monthly extra – like £50 or £100 – can make a real difference to the interest you pay and how long you'll be in debt.

Whether you're a few years into your mortgage or just starting out, it's worth exploring what overpayments could do for you.

Why Overpaying Works So Well

Every time you make an overpayment, that money goes straight towards reducing your mortgage balance, not the interest. The smaller your balance, the less interest you're charged in the future.

The earlier you start, the more impact it has. That's because in the early years of a mortgage, most of your monthly payments go towards interest rather than reducing the loan itself. By paying a little extra now, you accelerate how quickly you're building equity.

To give you a sense of the potential savings: overpaying just £50 a month on a £150,000 mortgage at 3% interest could save you around £7,200 in interest and knock two years off your mortgage term. All from an amount that might otherwise disappear on takeaways or subscriptions.

Overpayments can also help when it comes time to remortgage. A lower loan balance may mean

better deals, lower monthly repayments, or more flexibility in choosing your next product.

What to Keep an Eye On

While overpaying can be a great move, it's not something to do without checking the fine print.

Most fixed-rate mortgage deals allow overpayments of up to 10% of the outstanding balance each year without penalty. But if you're on a tracker or discount deal, or your fixed period is ending soon, the rules may be different.

Early repayment charges (ERCs) can apply if you go over that 10% threshold. Paying too much, too soon, might trigger a fee that cancels out the savings you've made.

That's why it's always best to check with your adviser before making regular or one-off overpayments. A quick review could prevent an expensive mistake.

Why It Pays to Review Your Strategy

Once you start overpaying, you might be surprised how quickly small extras add up, especially if your income changes or you throw in the occasional bonus.

It's also worth thinking about how your overpayments fit into your wider mortgage plan. If you're planning to remortgage in the next year or two, it might be worth timing your overpayments differently. In some cases, reducing your mortgage term could offer more benefit than simply overpaying. In others, holding off and using that money in the next deal could make more sense.

These aren't questions you need to answer alone. Your adviser can help you explore all the options and make sure you're getting the best value from any extra payments.

Easy Ways to Get Started

You don't need to make big sacrifices. The easiest way to begin is by setting up a monthly standing order for an amount that feels comfortable – even £25 or £50 will make a difference over time.

Then, check in once a year. Can you increase the amount slightly? Have your finances changed? Has your lender made it easier to overpay online?

There are plenty of free calculators from lenders like Santander and Nationwide, or sites like MoneySavingExpert, that show how even small overpayments can shorten your mortgage and reduce the interest you pay.

Let's Talk About What's Right for You

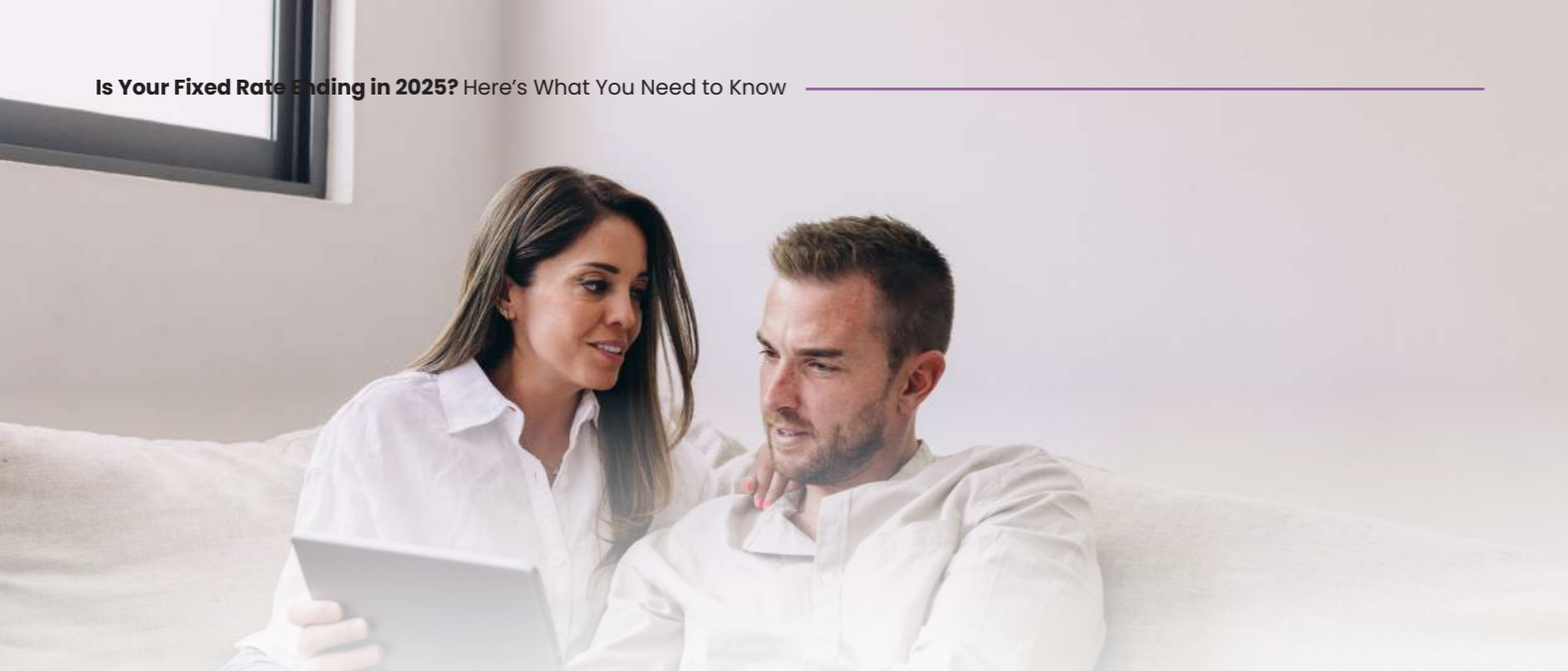
Overpaying can be a powerful part of your mortgage strategy, but only if it fits your circumstances.

Not sure how much you can overpay, or whether now's the right time? Let's have a chat. We'll look at your current deal, check what's allowed, and work out a plan that gives you the best return for the money you put in.

It only takes a few minutes, but it could save you years.

An effective overpayment strategy could mean lower interest, better remortgage deals, and a shorter term.





Help to Buy: Is Your Interest-Free Period Ending Soon?

Over 104,000 households will start paying interest on their Help to Buy loan by 2028 – here's what you need to know.

If you bought your home with a Help to Buy equity loan in the last few years, there's a key milestone approaching that could impact your monthly payments. After five years of being interest-free, the government loan that helped you onto the ladder starts charging interest – and for many, that change is coming soon.

More than 104,000 Help to Buy customers are due to cross that threshold between now and 2028. Once that happens, you'll begin paying 1.75% interest on the equity loan, which increases every year in line with inflation. For the average homeowner, that adds around £107 to the monthly budget.

With mortgage rates already higher than they were when many of these loans were taken out, the timing couldn't be more challenging. But the good news is that with the right advice, you've still got options and time.

What Happens After Five Years?

When you first used Help to Buy, you borrowed a chunk of the property value from the government – up to 20% (or 40% in London). For the first five years, that loan didn't cost anything in interest. But from year six onwards, you'll start paying, even though the loan amount itself doesn't reduce.

The rate starts at 1.75%, but it doesn't stay there. It rises every April based on inflation (specifically CPI, plus 2%). That means the longer the equity loan remains unpaid, the more it costs you over time.

Why It's a Bigger Deal Now

When Help to Buy launched, mortgage rates were historically low. But since 2021, things have shifted. According to market data, the average homeowner is now paying over £300 more each month on their mortgage compared to a few years ago. Add in the new Help to Buy interest payments, and that can put serious pressure on your monthly budget, especially if you didn't see it coming.

This shift is catching some homeowners off guard. Many don't realise the interest-free period is about to end, and even fewer know what options are available.

So, What Can You Do?

There isn't one right answer, it depends on your circumstances. Some homeowners are in a position to clear the Help to Buy loan completely, using savings or by remortgaging to raise the funds. That can remove the growing interest charges and simplify things, leaving you with just one standard mortgage.

Others prefer to adjust their mortgage setup instead. That might involve switching to a new rate, extending the term to ease payments, or changing how the deal is structured to better suit their income.

And then there are those who take a middle ground, making a partial repayment on the equity loan to reduce the future interest cost, without having to clear it all at once.

Whatever your situation, it's not about rushing into anything. It's about understanding what's coming and putting a plan in place that works for you.

Why It Pays to Speak to a Broker

Navigating Help to Buy repayment isn't always straightforward. Your options depend on how much equity you've built up, how your property is valued now, and what the mortgage market is doing at the time.

As mortgage advisers, we're here to guide you through it. That means checking when your five-

year interest-free window ends, calculating how much interest you're likely to pay, and exploring what kind of mortgage solutions could make the transition smoother.

We also help you compare the numbers, looking at what staying put might cost you over the next few years versus what you could save by acting now.

Not Sure Where You Stand?

If you used Help to Buy and aren't certain when your interest-free period ends, or if you just want to check what your next steps should be, now's the time to talk. Even if your interest doesn't kick in until 2026 or 2027, early advice can give you more choices and better outcomes.

Source Data:

Mortgage Solutions: Over 104,000 Help to Buy accounts set to come to end of interest-free period by 2030



First Home Help:

How to Back Your Child Without a Big Deposit

Saving for a first home isn't easy. With rent and everyday costs rising, many first-time buyers find it difficult to put money aside for a deposit, even when they can comfortably afford monthly mortgage payments.

If you're looking to support a child or family member with their first property, the good news is that it doesn't always mean handing over a lump sum. There are other ways to help that can make a real difference to what they can borrow - and how smoothly their purchase goes. Here are three practical options worth knowing about.

1. Joint Borrower, Sole Proprietor Mortgages (JBSP)

This setup allows a parent or family member to join the mortgage application, using their income to support affordability, while keeping the property in the buyer's name only.

Because you're not added to the deeds, there's no second-home stamp duty to worry about, and your child still qualifies for first-time buyer relief if eligible. It's a helpful route where income is the main barrier, not monthly affordability.

Where mortgage advice adds value:

Each lender has its own rules on JBSPs - including age limits, how income is assessed, and what happens if the supporting borrower wants to step away later. A broker can make sure

everything is structured clearly, both financially and legally.

2. Equitable Charge Deposit (Second Charge Loan)

If most of your wealth is tied up in your home, you might not want to release equity or hand over savings. In this case, some lenders allow a legal charge to be placed on your property instead, which acts as a form of deposit security for your child's mortgage.

You're not borrowing money or giving it away, you're simply offering your property as backing, subject to legal advice and proper agreements on both sides.

Why advice matters here:

This is a niche option and not available through all lenders. Your broker can identify which providers support this route and ensure all legal protections are in place so everyone involved is clear on the risks and responsibilities.

3. 100% Mortgages With Proven Rental History

Some lenders, including Skipton, now offer mortgages with no deposit required, aimed at first-time buyers who've been renting for at least 12 months and have a

track record of paying on time. This could be a route for buyers who don't have family support available, but have shown they can manage regular payments reliably. Lenders will still assess credit history, income, and overall affordability carefully.

How a broker can help:

These mortgages are limited in availability and come with specific eligibility criteria. A broker can check if your child qualifies and guide them through the application, making sure they understand the full picture before committing.

Supporting Without Gifting

Helping a family member buy their first home doesn't always mean handing over savings. Whether it's sharing income to boost affordability, using property to support a deposit, or simply exploring the options together, there are more ways to get them moving than many people realise.

If you're considering helping someone close to you take that first step, it's worth speaking to a broker. They can walk you through the options, explain the pros and cons of each route, and help you find a solution that works for everyone involved. Let's have a conversation about what's possible, and how to make it work for your goals and theirs.





Need a Hand with Your Mortgage Plans?

Whether you're thinking about remortgaging, moving home, or just want to explore your options, we're only a call or email away.

Happy with our service?

The best compliment you can give is a recommendation. If you have friends, family or colleagues who could use expert mortgage advice, we'd love to help them too.

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