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Week ending 12 June 2026 · sandhutel.com

Lenders Are Ahead of the Market. The MPC Has Not Caught Up Yet.

THIS WEEK AT A GLANCE

- Four major lenders cut mortgage rates before the MPC moved. That is not competition. That is conviction.
- Commitments £8.4bn ahead of completions. The pipeline is already built. The market just has not seen it complete yet.
- GDP down 0.1% in April. A softening economy is not bad news this week. It is the MPC's permission slip.

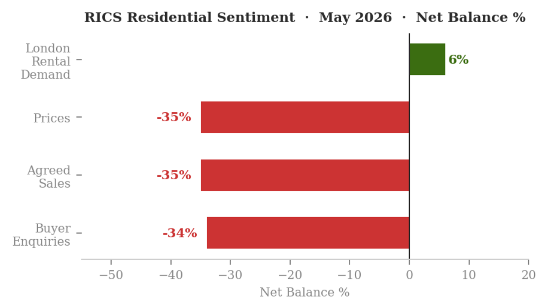
Most of the coverage of this week's data will focus on what has not happened yet. The MPC has not cut. Prices have not recovered. The market has not turned. That framing is accurate. **It is also completely the wrong place to look. The story this week is not in what the Bank of England decided. It is in what four of the UK's largest lenders did before the Bank of England decided anything.**

The Bank of England's own MLAR data for Q1 2026 makes the scale of that positioning visible. New mortgage commitments reached £78bn, up 11.5% quarter on quarter. Gross advances in the same period were £69.6bn, down 12.3%. That £8.4bn gap between what lenders have approved and what has completed is not a contradiction. **It is a pipeline. The completions are coming. The market will look materially different in Q3 than it looks today.**

The RICS survey for May puts buyer enquiries at -34% and agreed sales at -35%. Read in isolation that looks like a market under pressure. Read alongside mortgage approvals running at a six-month high and four lenders repricing in a single week, it looks like a market at an inflection point. Sentiment surveys measure where people are. Lender behaviour signals where they are going.

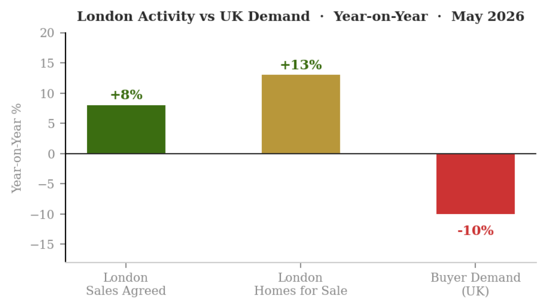
London adds a specific dimension to this picture. Sales agreed are up 8% year on year against UK buyer demand down 10%. That gap does not reflect a stronger economy in the capital. It reflects a filtered market. **The buyers who can meet affordability requirements are transacting. Those who cannot are renting instead, which is why London rental demand in the RICS data rose 6% while every other sentiment indicator was negative.**

The macro context matters here. UK GDP contracted 0.1% in April against a consensus expecting flat. That softness strengthens the hand of MPC members already minded to cut. Watch the vote split on Wednesday, not just the headline decision. A 7-2 hold is a different signal to a 5-4 hold, and swap rate markets will price accordingly within minutes of the announcement.



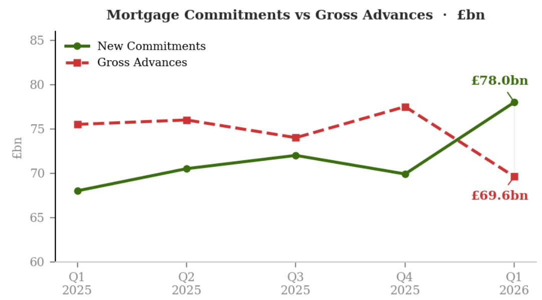
Buyer enquiries and prices remain firmly negative but London rental demand rose 6%. The same people failing the affordability test on buying are staying in the rental market. Structural rental demand remains intact.

Source: RICS Residential Market Survey · May 2026



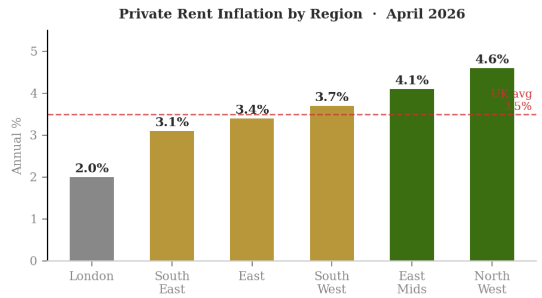
London sales agreed up 8% year on year against UK buyer demand down 10%. London is not a weak market. It is a filtered one. Buyers who can meet affordability requirements are transacting. Those who cannot are waiting.

Source: Zoopla House Price Index · May 2026



New commitments up 11.5% to £78bn while gross advances fell 12.3% to £69.6bn. Lenders are saying yes to more borrowers than they are completing for. The pipeline is building. Watch for completions to follow.

Source: Bank of England MLAR Q1 2026 · Published June 2026



London private rent inflation at 2.0% is the lowest of any English region against a UK average of 3.5%. The affordability ceiling in action. Rents can only rise as fast as tenants can pay.

Source: ONS Private Rent and House Prices · April 2026

KEY DATA POINTS

Bank Rate	London Sales Agreed	UK GDP April	Mortgage Commitments
3.75% —	**+8%** ▲	**-0.1%** ▼	**£78bn** ▲
UNCHANGED · MPC decision 18 June	Year on year · Zoopla May 2026	Monthly · ONS 12 June 2026	Q1 2026 · up 11.5% quarter on quarter

Sources: Bank of England MLAR, ONS GDP, ONS Private Rents, RICS, Zoopla, Halifax, Nationwide, Rightmove, Mortgage Solutions. Data as at week ending 12 June 2026.

MARKET COMMENTARY

> ***Four lenders cut mortgage rates this week before the MPC moved. That is not a marketing decision. It is a bet on where rates are going. They are not betting against themselves.***

What four lenders repricing in a single week tells you is not that competition is healthy. It tells you that the funding market has already moved. Swap rates have fallen far enough that lenders can offer better fixed rates and still protect their margin. The MPC decision on Wednesday formalises what the market has already priced. The rate environment is shifting. The question is speed, not direction.

The BoE MLAR data for Q1 2026 shows exactly how that shift is building. New mortgage commitments reached £78bn, up 11.5% quarter on quarter. Gross advances in the same period were £69.6bn, down 12.3%. That £8.4bn gap between approvals and completions is not a sign of a hesitant market. **It is a pipeline. Those deals are approved. They close when the buyer is ready, not when a lender decides to let them.**

Against that, the GDP contraction of 0.1% in April matters more than it is being reported. A softer economy gives the MPC cover to move. Watch the vote split on Wednesday. A 5-4 decision to hold is a different signal to a 7-2 decision to hold. Swap markets will price the difference within minutes, and lenders will follow within days.

THE WEEK AHEAD

Wednesday 18 June is the MPC decision. Bank Rate is expected to hold at 3.75% but the vote split and the language around future cuts will move swap rates and mortgage pricing immediately. Watch for any shift in the majority towards a more dovish position. That is the signal, not the headline number.

The ONS Labour Market release also lands on Wednesday at 7am. Wage growth data is the Bank of England's primary concern on second-round inflation effects. If wage growth is softening, the case for a cut strengthens. If it remains elevated, the MPC has less room to move.

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