DEEP DIVE GUIDES · WHERE THE SEASONED MONEY GOES

THE REFINANCE

Restructuring portfolio debt when the direction of rates is unknowable.

With the base rate held at 3.75 per cent and forecasters split on its next move, the last of the cheap-money fixes are maturing into a market that prices uncertainty. This guide covers the mechanics that matter: product transfers versus remortgages, stress tests and portfolio rules, releasing equity without breaking the portfolio, and briefing the broker properly.

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THE CLOCK ON EVERY FIX

Refinancing into uncertainty

The rate question has no reliable answer this year, which changes the job: not predicting the market, but structuring debt that survives every version of it.

The backdrop, plainly stated. The Bank of England held the base rate at 3.75 per cent in June 2026, its next decisions falling through the second half of the year against services inflation that has kept a rise on the table even as some forecasters still pencil in cuts; published economist views for end-2026 span roughly 3.5 to 4.25 per cent, which is a polite way of saying nobody knows. Mortgage pricing has been correspondingly restless: Moneyfacts average buy-to-let fixes have moved between the high fours and the high fives across the spring, with lenders repricing around swap-rate swings rather than base-rate meetings. Meanwhile the maturity wall keeps arriving: five-year fixes written in the cheap-money years continue to expire month by month, rolling landlords from rates beginning with a two or three onto today's pricing, the single largest movement in most portfolios' running costs this decade.

For the portfolio investor, refinancing is therefore not an event but a programme, and this guide treats it as one. The questions recur for every maturing loan: transfer with the existing lender or remortgage to a new one; fix short, fix long or track; hold the loan flat or release equity for the next purchase; and, running underneath all of them since the tax changes of this series' third guide, whose name should be on the debt at all. The unifying discipline is stress: every answer in this guide is tested not at today's rate but at rates two points higher, because the refinance that only works if the optimists are right is not a structure, it is a position.

BY NUMBERS

- 3.75% - the base rate, held in June 2026, with the path beyond genuinely contested
- high 4s to high 5s - the range Moneyfacts average BTL fixed rates have occupied this spring
- 125% to 145% - typical interest coverage requirements at stressed rates, by borrower type
- 4+ mortgaged BTLs - the threshold at which the PRA's portfolio landlord underwriting rules apply
- 75% - the practical loan-to-value ceiling across most of the buy-to-let market

THE NEW MACHINERY

Transfer, remortgage or drift

Three doors stand at every maturity; the expensive one is the one that opens by itself.

Door one, the default to avoid, is drift: doing nothing and rolling onto the lender's standard variable or reversion rate, typically several points above new-business pricing. On a £150,000 interest-only loan, three points of drift costs £375 a month, which is why the refinance diary, every loan, every maturity, every early-repayment-charge end date, is the first artefact of a professional portfolio. Door two is the product transfer: a new fixed or tracker deal with the existing lender, usually without new underwriting, valuation or legal work, arrangeable in days and often bookable months before maturity. Its virtues are speed and certainty, and for loans where the borrower's circumstances have tightened, where a property would revalue poorly, or where the sums involved are small, it is frequently the right answer; its vice is that the existing lender is pricing against your inertia, not the market.

Door three is the full remortgage: a new lender, full underwriting, a fresh valuation and legal work, taking weeks rather than days. It earns that friction in three situations. When the market prices materially inside your lender's transfer menu, which a broker establishes in an afternoon. When you want the valuation, because rents have risen and a higher figure supports equity release or a better loan-to-value band. And when the structure itself is changing, moving a loan into a company, consolidating with a portfolio lender, or altering the term and repayment basis. The craft is running doors two and three in parallel: secure the transfer offer as the floor, shop the market against it, and switch only for a margin that survives the remortgage's own costs. Most lenders let a booked deal be swapped if pricing improves before completion; a broker who monitors this is earning their fee twice.

RULE OF THUMB

Begin every refinance six months before maturity: far enough out to book a transfer as insurance, shop the whole market against it, and still complete a remortgage before the reversion rate ever bills you a penny.

Stress tests decide everything

The lender's arithmetic, not the asking rate, sets what you can borrow; learn it and you can predict your own approvals.

Buy-to-let affordability is the interest coverage ratio: rent as a percentage of the stressed mortgage payment. The stress rate is typically the product rate plus a margin, or a floor of around 5.5 per cent, whichever is higher, with five-year fixes often stressed at or near pay rate, one reason longer fixes support larger loans. The coverage requirement then varies by borrower: around 125 per cent for limited companies and basic-rate taxpayers, around 145 per cent for higher-rate personal borrowers, higher again for some HMO products. Worked through, a £750 rent at 145 per cent cover and a 5.5 per cent stress supports roughly £113,000 of borrowing, while the same rent in a company at 125 per cent supports about £131,000: the structural point from Guide No. 3 arriving here as loan size. Rising rents have been quietly rebuilding borrowing capacity across the North even as rates rose, which is why revaluation-and-release is live again in yield markets.

Equity release is the second calculation, and it deserves respect rather than enthusiasm. Raising a loan from 60 to 75 per cent of an appreciated value funds the next deposit without selling, the classic compounding move of every portfolio in this series; it also raises the interest bill on the whole balance, tightens the ICR headroom on that property, and, done portfolio-wide, converts a resilient book into a fragile one. The discipline is portfolio-level: model aggregate debt service at a stressed rate two points above today's across every property, insist the whole book still cash flows with a margin, and release equity only down to that line. Leverage taken at the top of a rate cycle's uncertainty is exactly as dangerous as leverage taken at the bottom of a price cycle's euphoria, and for the same reason: it prices one future and forecloses the others.

Scenario at £750 rent	Stress basis	Approximate max loan
Ltd company, 5-year fix	125% at pay rate near 5%	around £144,000
Ltd company, 2-year fix	125% at 5.5% floor	around £131,000
Personal higher-rate, 5-year fix	145% near pay rate	around £124,000
Personal higher-rate, 2-year fix	145% at 5.5% floor	around £113,000

Illustrative calculations at typical mid-2026 stress conventions; every lender's model differs and criteria change. LTV caps, minimum property values and fees bind before ICR on many small loans.

THE TAXMAN'S SHARE

When the whole book is underwritten

At four mortgaged properties the rules change: lenders assess the portfolio, not the property, and your paperwork becomes your credit rating.

Since the Prudential Regulation Authority's underwriting standards took effect, any borrower with four or more mortgaged buy-to-lets is a portfolio landlord, and every new application, including remortgages, triggers whole-book underwriting: a full property schedule with values, loans, rates and rents; aggregate loan-to-value and interest cover tests, commonly capped around 65 to 75 per cent and 125 per cent-plus across the book; business bank statements and tax returns; and, with many lenders, a business plan and cash flow statement. Background portfolios are verified, not taken on trust. None of this is hostile; it is simply corporate credit assessment scaled down, and the landlords who suffer under it are those who arrive with the portfolio's story scattered across old emails and a shoebox.

The response is to run the book like the business the regulator says it is. Maintain a live portfolio schedule, one row per property, updated at every rent change and refinance, and reconcile it annually against lender statements; keep two years of tax computations, company accounts where relevant, and a one-page business plan that says who you are, what you hold, how it is let and what happens next. The same file shortens every application, widens the panel a broker can approach, and, not incidentally, is the pack the PRS database, Making Tax Digital and any future buyer of the portfolio will each demand in their own dialect. Concentration deserves a line in it too: lenders cap exposure to single landlords, postcodes and property types, so a growing book should be spread deliberately across lenders and maturity dates, for the same reason a bond investor ladders duration: so that no single repricing season can hole the ship.

COMPLIANCE CHECKLIST

Maintain always: portfolio schedule with values, loans, rates, rents and maturities; refinance diary with ERC end dates; two years' tax computations and accounts; certificates and tenancy files per property; aggregate stress test refreshed quarterly.

Before each application: reconcile the schedule to statements; update the business plan; check the target lender's portfolio caps and property criteria; disclose everything, since verification is standard.

THE COUNTERPARTY

Making the intermediary earn it

In a market of shifting criteria and repricing weeks, the broker is your trading desk; brief them like one and measure them like one.

Buy-to-let remains an intermediated market: the specialist lenders who serve portfolio landlords, companies and HMOs deal mainly or exclusively through brokers, and criteria, minimum values, concentration caps, construction quirks, licensing requirements, move too often for any landlord to track across a whole panel. A good broker's value is therefore only partly the rate; it is knowing which lender's criteria your case sails through, sequencing multi-property applications so they help rather than trip each other, and watching booked deals against repricing until completion. Choose one who works portfolio business daily, ask directly how they are paid, procuration fees, client fees or both, and expect whole-of-market reach including the lenders who deal direct; a broker who cannot explain why a recommendation beat the product-transfer floor you already hold has not finished the job.

The brief itself should arrive complete: the portfolio schedule, the maturity in question with its ERC dates and transfer quotes, your structure and tax position in outline, the objective, cheapest cost, maximum release, term certainty, or a structural move, and your stress tolerance stated as a number. Then interrogate the recommendation the way this series has interrogated everything else, by total cost over the deal period: rate, arrangement fee, which on percentage-fee products can add materially to the true cost of small loans, valuation, legals and any ERC being crystallised, compared against the transfer floor on the same basis. Fee-heavy low rates and fee-free higher rates each win in different circumstances; the spreadsheet, not the headline, decides. And keep the relationship warm between maturities: the broker who already holds your file is the one who can move when a lender reprices on a Tuesday and withdraws on the Friday.

Route	How it works	Watch for
Product transfer	New deal, same lender, minimal underwriting	Priced against your inertia; no revaluation
Broker remortgage	Whole-of-market search, full application	Total cost over term, not headline rate
Portfolio lender consolidation	Several loans with one specialist	Concentration with one counterparty
Further advance	Extra borrowing from existing lender	Quick, but repriced and ICR-tested

EARNED THE HARD WAY

The investor's playbook

Debt is the only part of the portfolio that reprices itself against you on a schedule; manage it with the same rigour as the properties it secures.

The refinance programme, run properly, is dull, and its dullness is the achievement. Maturities are diaried years out; transfers are booked as floors and markets shopped against them; stress tests are run at rates that embarrass the forecasts; equity is released down to a portfolio-level line and no further; maturities are laddered so no single season can reprice the whole book; and the file that lenders demand exists before they ask. None of it requires predicting the Bank of England correctly, which is fortunate, because in 2026 nobody reliably can. It requires only accepting that in a leveraged portfolio the liability side is half the business, and running that half like the professionals who are, increasingly, your only competition.

TEN HABITS OF THE SEASONED REFINANCER

- Keeps a maturity ladder and starts every refinance six months out.
- Books the product transfer as a floor, then makes the market beat it after all costs.
- Judges every deal on total cost over the fixed period, never on the headline rate.
- Stresses the whole portfolio at two points above today's rates, quarterly.
- Releases equity only down to the line at which the stressed book still cash flows.
- Ladders maturities across years and lenders so no repricing season is existential.
- Mixes terms deliberately, using five-year money for stability and shorter money for flexibility.
- Maintains the portfolio schedule and business plan the PRA rules will demand anyway.
- Revalues in rising rent markets; the valuation is the cheapest capital raise available.
- Aligns every refinance with the structure decision of Guide No. 3 before, not after, completion.

KNOW YOUR EXIT

The bigger picture

Rates may rise or fall from here; the structural repricing of landlord debt, and of the landlords who hold it, is happening either way.

Resist the temptation to make the refinance programme a rates bet. The honest reading of mid-2026 is genuine two-way risk: services inflation and hawkish dissents on one side, a slowing economy and forecast cuts on the other, with swap markets, and therefore fixed-rate pricing, lurching between the two on each data release. What is not uncertain is the direction of the sector around the debt. The maturity wall from the cheap-money years continues to roll through, resetting the cost base of every leveraged landlord; the April 2027 property income rates raise the after-tax cost of personally held interest just as it reprices; and lenders are steadily refining criteria around energy performance and compliance, foreshadowing a market in which an E-rated, poorly documented portfolio borrows worse as well as sells worse. The refinance desk is where all of this lands first.

It is also where the opportunity compounds. Every guide in this series ends at this one: the £25,000 terrace, the Sunderland street, the converted HMO, the auction bargain refurbished to Band C, all of them return to the lender in eighteen months seeking the revaluation and the release that funds the next acquisition, and the investor whose liability side is laddered, stressed and documented is the one who can act when the motivated seller of Guide No. 7 appears. Fewer, better-financed landlords holding more stock against a tenant base that is not shrinking: that is the sector the policy machine is building, and the refinance programme in these pages is how a portfolio earns its place on the right side of it. The Bank will do what it does; be structured for both answers.

QUICK REFERENCE

Item	Position at the time of writing	Source and date
Base rate	3.75%, held June 2026; next decisions H2 2026	Bank of England
Rate outlook	End-2026 forecasts span roughly 3.5% to 4.25%	Published forecasts, July 2026
Average BTL fixes	Have ranged high 4s to high 5s this spring	Moneyfacts averages
Typical max LTV	75% mainstream; higher via specialists at a price	Lender criteria
ICR conventions	125% company / basic rate; 145% higher rate; ~5.5% stress floor	Market practice, mid-2026
Portfolio landlord rules	4+ mortgaged BTLs triggers whole-book underwriting	PRA SS13/16
Product transfers	Bookable months ahead; usually no revaluation	Lender practice
ERCs	Typically step down through fixed period; diarise end dates	Product terms
Company lending	Mainstream; guarantees standard; ICR advantage	Lender criteria, mid-2026
Tax interaction	Property income rates 22/42/47 from April 2027	Finance Act 2026

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