



QUARTERLY REPORT

JUNE 2025



A NOTE FROM **JON SALISBURY, CEO**

WELCOME TO ORTUS.

As we step into the second quarter of 2025, I want to thank our partners, brokers, borrowers and the Ortus team for their continued support. Despite uncertain market conditions, Ortus continues to thrive – not by chasing volume, but by delivering dependable, bespoke finance to complex borrowers. That's what we do best.

The past year has been a testament to our team's agility. From landmark development exits to structured commercial stabilisation loans, we've continued to

support clients in every corner of the UK. With growing interest in alternative financing and a flight to quality in lending relationships, Ortus is well positioned to support the market's evolving needs.

This report captures recent market shifts, provides commentary from our in-house economist, and features selected transactions that highlight our unique value proposition.

As always, we listen, then find a way.

JON SALISBURY

CEO | ORTUS SECURED FINANCE

REAL ESTATE MARKET OUTLOOK UK



Hafsteinn Hauksson
Chief Economist |
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In 2025, the UK real estate market is seeing an overall sentiment improvement after a lacklustre period characterised by high inflation and interest rates. Early signs of renewed momentum are beginning to emerge, as inflationary pressures fade, along with

rising wages and increasing mortgage affordability as rates come down. At the same time, the year-on-year decline in house prices has come to an end, with prices stabilizing, and even picking up after a prolonged period of contraction.

Affordability of residential housing, measured by the average mortgage servicing burden as a share of average income, is recovering after a period of significant pressure following the pandemic, after reaching levels not seen since the global financial crisis as interest rates skyrocketed following an extended period of house price rises.

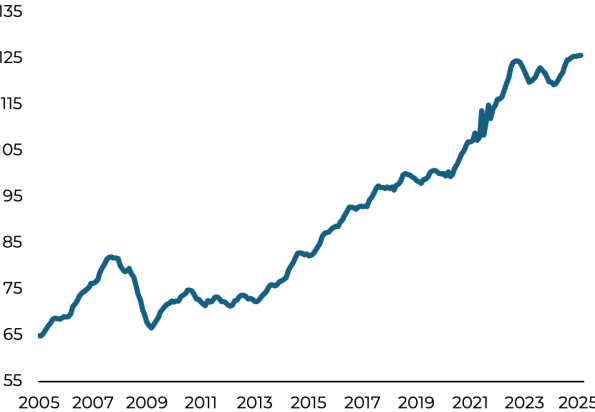
Our affordability index has now fallen below the critical 0.4 level, above which housing prices have historically tended to come under pressure. Among other factors, steady real estate prices combined with falling interest rates and recovering incomes have helped ease financial strain on households, supporting further growth in buyer confidence.

Figure 1: Mortgage Affordability Index
Average mortgage burden as a share of average income



Source: Office for National Statistics, Bank of England

Figure 2: Average UK home price
Index, 100=2020



Source: Office for National Statistics

Changes to stamp duty land tax rules served as a driving factor for increased home sales in Q4 2024 and going into 2025 as buyers attempted to finalise transactions prior to the stamp duty increase taking effect in April. However, with the initial surge in shelter demand now easing, the front-loaded demand brought forward by the stamp duty changes may

result in a temporary slowdown in home sales in the coming quarters. This trend is already starting to become apparent, with number of mortgage approvals declining by 4.9% MoM in April. We expect demand to recover once market participants have adapted to the recent changes and as market conditions become more favourable.

Figure 3: Total number of mortgage approvals
Seasonally adjusted, For house purchase, By month

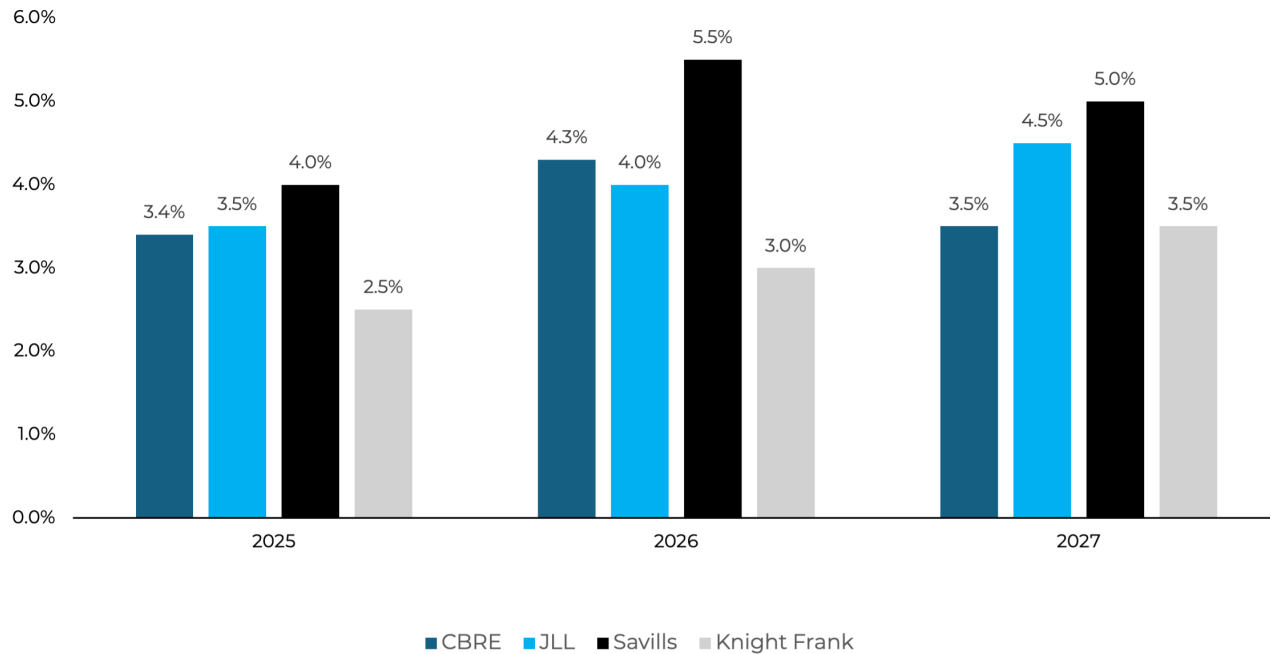


Source: Bank of England

Most real estate advisory firms have taken a constructive view of the market going into 2025, with many crediting an improving economic backdrop. Forecasts now point to a gradual increase in both nominal and real house prices over the next three years,

supported by stronger household finances, declining mortgage rates, and continued growth in buyer demand. While risks remain – particularly around rising tensions in global trade and stamp duty changes – the consensus remains broadly positive.

Figure 4: Forecasted house price growth (2025-2027)
Annual percentage change, by global real estate advisory firm



Source: CBRE, JLL, Savills, Knight Frank

MACRO OUTLOOK UK

Economic Activity

What's Happened?

Q1 2025 showed strong 0.7% QoQ growth relative to prior quarters, likely driven by foreign importers accelerating purchases ahead of expected Trump tariff impositions. Higher exports and increased government spending were key contributors to growth.

Business and consumer confidence remained low going into 2025, while high household savings persist despite rising wages. This suggests growing household caution and muted consumption growth amid rising global trade uncertainty.

Inflation

What's Happened?

Headline inflation has picked up in recent months from a low of 1.7% in September last year to 3.5% in April – the April reading came in above the consensus call for 3.3%. Much of the rise in inflation is due to increases in energy prices and regulated prices such as water bills.

Of greater concern is the ongoing persistence of both services and core inflation, which is more symptomatic of persistent domestic inflationary pressure that could signal difficulties in delivering „the last mile“ of disinflation.

Rates

What's Happened?

The Bank of England Monetary Policy Committee cut bank rates by 25 bps in May, with two members preferring to lower rates by 50 bps and two members preferring to keep rates unchanged.

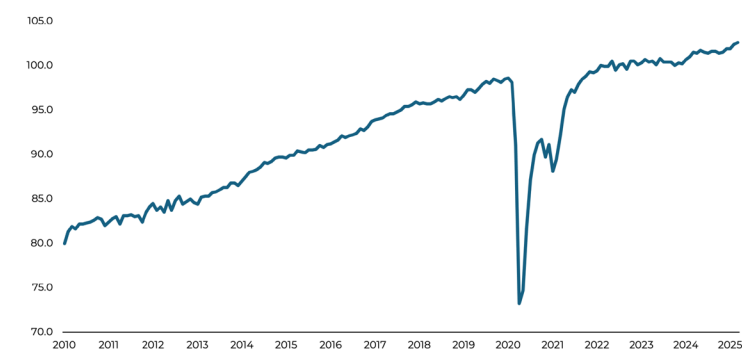
The voting pattern suggests that there were differing opinions within the committee, as some members remain concerned about the rise in inflation becoming entrenched while others focused on the weaker growth outlook due to global trade developments.

THE VIEW FROM ORTUS

Our Take

Several tailwinds such as rising real wages, falling rates and government investment should support growth, but weak consumer and business sentiment along with Trump's tariff impositions add headwinds. Overall, we expect growth to pick up slightly and reach 1.0-1.5% for the year.

Figure 1: Gross domestic product
CVM monthly index, 100 = Feb 24'

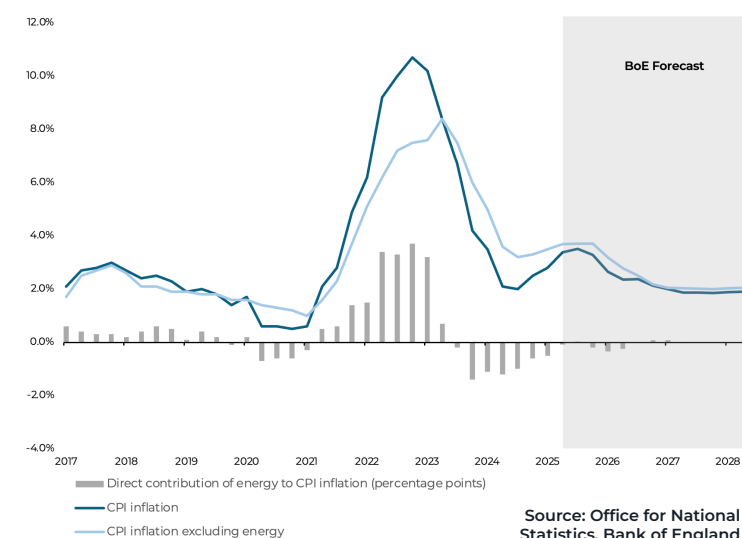


Source: Office for National Statistics

Our Take

Inflation will likely top out in September, reaching 3.6-4.0% mostly due to energy price rises. We remain fairly relaxed about the inflation outlook, as we expect this spike to be temporary and start making its way to the BoE's target going into 2026.

Figure 2: Consumer Price Index
Annual percentage change by month

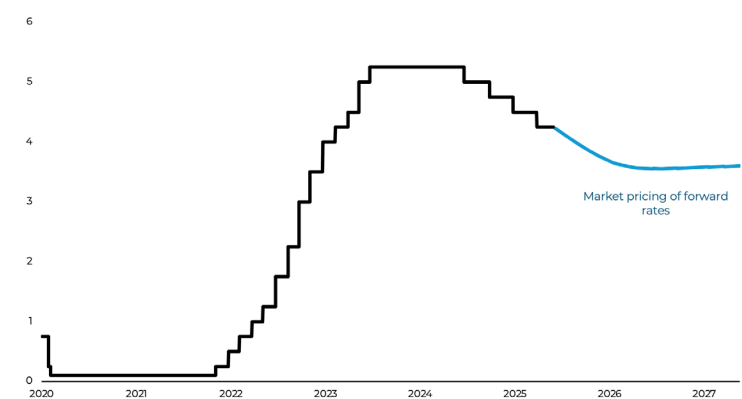


Source: Office for National Statistics, Bank of England

Our Take

We think it's likely that the BoE will continue with a cadence of quarterly cuts, and will therefore choose to hold rates unchanged at its June meeting in favour of another 25 bps cut in August. Swap markets are pricing in two additional 25 basis point rate cuts before year end, and given ongoing labour market weakness and elevated global uncertainty, we find it likewise to be the base case for 2025.

Figure 3: BoE base rates
Forward rates derived from Overnight Index Swap Rates (OIS)



Source: Bank of England

REAL DEALS

RECENT CASE STUDIES



CASE STUDY 1

CROSS-BORDER HOTEL PORTFOLIO REFINANCE

Refinanced four hotels (two in England, two in Scotland) under a £3.1m facility. Ortus allowed the borrower to phase refurbishments and restructure operations over a 24-month term.

Product: Commercial Mortgage



CASE STUDY 3

STABILISATION OF NEW CARE HOMES

£21.6m development exit loan for three recently completed care homes. Used a projection-led model to enable gradual interest servicing as operations stabilised.

Product: Commercial Stabilisation Loan



CASE STUDY 2

FLEXIBLE MANUFACTURING RESTRUCTURE

Provided a £1.5m facility including a demand-based overdraft to support growth. Enabled refinancing and working capital release as the business exited post-Covid recovery.

Product: Commercial Bridging



CASE STUDY 1

MIXED-USE REFINANCE IN SCOTLAND

£635k projection-led refinance of a restaurant and residential units. Ortus backed the experienced management team despite no historical income.

Product: Commercial Mortgage

ABOUT ORTUS

Established in 2013, Ortus Secured Finance is a bank-owned principal lender offering bespoke residential and commercial property loans across the UK and Northern Ireland. With offices in London, Manchester, Birmingham and Belfast, our team combines regional expertise with structured funding up to £25m. We

specialise in complex borrowers, offshore structures and commercial stabilisation. Our typical time to fund is 2–4 weeks. We charge standard valuation and legal fees, with no exit or early redemption fees. Ortus is known for reliability, speed and creative loan structuring. We listen, then find a way.

Find out how Ortus can help your clients

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