

# TOOLS AND TECHNOLOGY TO TACKLE 2024



For our final market-focused webinar of the year, we explored the role of tools and technology in helping brokers to grow their businesses in 2024 and beyond.

It will come as no surprise that the market continues to be significantly impacted by the increases to mortgage rates over the past two years - the ripples of which will continue to be felt in 2024. But in a challenging market environment, technology offers opportunities for brokers to transform their processes and get even closer to the customer.

For this conversation, I was joined by Richard Donnell, Executive Director at Houseful, Andrei Lebed, CEO at Koodoo, Clare Beardmore, Director at Legal and General Mortgage Club, Chris Targett, Owner of Social for Brokers, Vikki Jefferies, Proposition Director at PRIMIS, and Nicola McKenzie, Head of Mortgage and Protection at Dunham McCarthy.



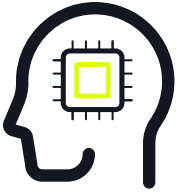
## Market outlook

To kick things off, Richard shared an outlook on the UK housing market - in which we can expect to see house prices fall by 2% and remain flat into 2025.

This year, buyer demand for property sales has been suppressed following three very strong years during the pandemic. However, while 80% of markets recorded year-on-year decreases, house prices haven't fallen as much as expected in 2023, despite the difficult conditions.

**Residential** – There has been a sharp drop in market liquidity, which is expected to run into 2024. 2023 has seen a 23% drop in housing sales year-on-year - with around one million residential transactions taking place. A key driver of this slowdown has been people with mortgages delaying purchase decisions while waiting for greater clarity on the movement of mortgage rates. In 2024, we expect to see very similar levels of home purchase demand, with first time buyers and upsizers driving the biggest demand, according to data from Zoopla, which found that 16% of people are looking to move home next year.

**Buy to Let**– In the lettings market, the supply and demand mismatch that we have seen in the last few years is set to continue. Rents are also rising faster than earnings. In 2024, we can expect to see rental growth slow to 4-6%. While high demand for rental properties should be good news for landlords, higher mortgage rates are having a negative impact on those with higher LTV portfolios. We're not seeing a mass exodus of landlords, but some smaller landlords are having to rationalise their portfolios, and as a result, most new investment in the market is coming from larger, professional landlords.



## Using AI to supercharge your business

Next, Andrei shared his insights on AI and how brokers can use it to support their businesses.

Today's generative AI is genuinely different to the technologies that many in the industry will have seen before, such as robo advice. With that in mind, it's important to approach it with a blank slate mentality, Andrei explained. AI technology can't compete with the advice that brokers offer to customers. Instead, it offers the opportunity to streamline operations for brokers and lenders alike.

Generative AI, which includes tools such as Chat GPT - can really help with automating tasks, providing your customers with slick experiences, and transforming your compliance department. Andrei shared some practical examples of how brokers can use AI tools to supercharge their business: these included using ChatGPT to create email copy to re-engage existing customers, for example by creating an initial template and including the relevant personal details for ChatGPT to then create a tailored communication. This is one to really see rather than have me explain, so I urge you to watch his video in our webinar playlist to learn how it could work for you and your business.



## Tools for transformation in 2024

We began our panel session by discussing how technology, and AI in particular, is being used to support the mortgage journey for both brokers and customers. Clare explained that technology should be used at all stages of the journey. While it's never going to replace advice, it provides huge opportunities for driving efficiencies, she said - highlighting use cases from lead generation to managing customer relationships.

Vikki echoed the view that technology won't replace human interaction. The way it should be approached is instead as an investment to improve long-term capabilities and growth. Running a business is incredibly complex in today's environment, but technology can be harnessed to improve both efficiency and the customer experience, which is especially valuable when it comes to younger customers, who often expect a seamless and tech-enabled journey.

It's clear that using technology to improve business efficiency is driving some impressive results in the industry: Nicola told us that Dunham McCarthy has been able to reduce time spent on administration by 70% through using AI and API integrations. This has freed up a significant amount of time for administrators to support advisors, which has ultimately increased the business's quality of service as well as revenues. However, Nicola highlighted that the output from using AI tools is dependent on the quality of the data put into it, and it's important to have a human carrying out final reviews.

The role of social media in the business landscape has changed dramatically in recent years and now AI is having an impact too. Chris highlighted tools such as Chat GPT, which can be used to create content for social media, but said that the most important part of any social strategy is being yourself. Often, people end up focusing on how to decode the algorithm in order to go viral, but the reality is that there isn't a cheat code. Instead, brokers should utilise digital tools that will help them to create and schedule content, while remembering that the best engagement on social media comes from being genuine. Chris shared his top tips for brokers looking to get started or improve their social media strategy: be yourself, get your content out there, and be consistent.

Looking ahead to 2024, it's clear that we continue to operate in a challenging market - but that's even more reason to be strategic about your business plans and to leverage technology. Now is an opportune time to explore making sure that your processes are slick. From a technology perspective, even implementing basic functions can make a huge difference, Nicola said.

On adapting to the 'new normal' in 2024, Vikki highlighted the need for those within the industry to look after both customers and themselves amid the prolonged period of complexity. Clare added that while rates are likely to remain high, people do still want to move house - and once there is greater stability in the market, we could see pent up demand have a positive impact later on in the year.

## My takeaway


I came away from the discussion feeling incredibly inspired for the coming year and excited about the possibilities that new technologies can bring to our industry. There was a clear consensus from our speakers: AI is not going to replace the need for human advice, but in the current environment, we should be using the tools available to us to grow and strengthen our businesses. While the outlook suggests that higher interest rates are the new normal, there is a real opportunity for brokers to think strategically and look further ahead and to thrive despite the headwinds.



### Eloise Hall – Head of National Accounts

Eloise joined Kensington Mortgages in 2019, bringing a wealth of experience from both Leeds Building Society and Principality Building Society, she has supported, nurtured and grown many of our key account relationships across the UK. Eloise has continued to grow Kensington's brand as an innovative and forward-thinking specialist lender and has won an array of awards in her tenure at Kensington Mortgages including British Specialist Lender award for Lender: Business Development in 2021. Since Eloise's promotion to Head of National Accounts she has also been awarded the 2022 Woman in Specialist Lending award at Financial Reporter Women's Recognition Awards, Head of National Accounts at the 2022 British Specialist Lender awards, Relationship Account Manager of the Year at the Fintel Partnership Event in 2023 and Head of National Account at the 2023 British Specialist Lender awards.

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