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# Average five-year mortgage rate hits 6% but savings lag behind; food inflation 'starting to fall' – business live | Business

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## Five-year fixed mortgage rate hits 6%

UK borrowers continue to be hit by higher mortgage rates as the cost of living squeeze continues.

The average five-year fixed residential mortgage rate has hit 6.01% today, up from 5.97% on Monday, data from the financial data provider Moneyfacts shows.

That's the highest level since [last November](#), when mortgage rates had been driven up by the mini-budget chaos last autumn.

Shorter-term mortgage rates also continue to climb. The average two-year fixed residential mortgage rate has jumped to 6.47, up from 6.42% on Monday.

The average two-year fixed was last higher on 31 October 2022 (when it was 6.48%).

[A graph showing UK fixed-rate mortgage costs](#)

These fixed-term rates have climbed in recent weeks as the UK's persistently high inflation rate has pushed up interest rate expectations.

Two-year government bond yields, which are used to price fixed-rate mortgages, yesterday hit a 15-year high of 5.3%.

Analysts have warned that more than a quarter of UK homeowners on a fixed-rate mortgage face sharp increase in monthly payments before the next election.

Economists at the Resolution Foundation thinktank predicted last month that total annual home loan payments were on course to rise by £15.8bn by 2026 – delivering a £2,900 blow for the average household remortgaging next year.

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