

Mortgage Trends Update

Scotland



Release date: 21 November 2018

UK Finance: Mortgage Trends in Scotland Update Quarter 3

Remortgaging in Scotland surges following period of strong growth

Key data highlights:

There were 9,200 new Scottish homeowner remortgages completed in the third quarter, some 13.6 per cent more than in the same quarter a year earlier. The £1.18bn of remortgaging in the third quarter was 18 per cent more year-on-year.

There were 8,900 new first-time buyer mortgages completed in Scotland in the third quarter of 2018, some 5.3 per cent fewer than in the same quarter of 2017. The £1.04bn of new lending was 1 per cent down year-on-year. The average Scottish first-time buyer is 29 and has a gross household income of £35,000.

There were 9,500 new homemover mortgages completed in Scotland in the third quarter of 2018, some 1 per cent fewer than in the same quarter of 2017. The £1.53bn of new lending in the quarter was the same year-on-year. The average Scottish homemover is 39 and has a gross household income of £51,000.

Commenting on the data, Douglas Cochrane, chair of UK Finance's Scotland Mortgage Committee, said:

"Scotland saw strong growth in remortgaging activity this quarter, as many fixed rate loans come to an end and customers continue to shop around for attractive deals.

"The number of first-time buyers has softened slightly compared to the same quarter last year while homemover purchases remain steady."

Notes to Editor

1 For more information please call the UK Finance press office on 020 7416 6750 or mail press@ukfinance.org.uk.

2 UK Finance is the trade association formed on 1 July 2017 to represent the banking and finance industry operating in the UK. It represents more than 250 firms in the UK providing credit, banking, markets and payment-related services. The organisation brings together most of the activities previously carried out by the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.

3 The data shown is estimates grossed up from the sample of lenders reporting to reflect total market size, based on total market volumes of Mortgage Product Sales Data published by the FCA. Our historical figures are subject to revision as and when the FCA makes revisions to the market totals. The average figures shown are medians, as this tends to better represent the position of the typical borrower. Affordability calculations are based on median averages of calculations for individual transactions. Capital & interest payment calculations only include mortgages taken out on a full capital and interest repayment basis and are calculated based on the reported repayment term, interest rate, loan amount and income for each transaction.

4 The income for a first time buyer is calculated on the basis of gross household income. (The sum of occupants living in a household – joint or single).

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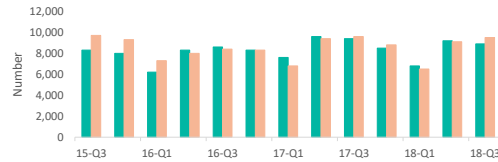


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House Purchase

Number of new loans

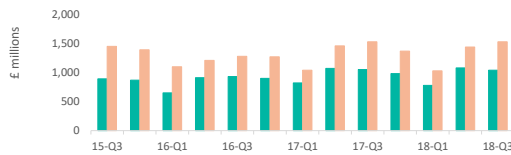
Number of new residential mortgage loans for house purchase, secured by a first charge on the property



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	8,900	-5.3%
Home movers	9,500	-1.0%

Value of new lending

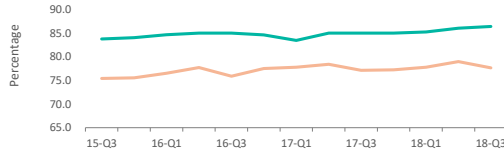
Value of new residential mortgage loans for house purchase, secured by a first charge on the property



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	£1.04bn	-1.0%
Home movers	£1.53bn	0.0%

Loan to value

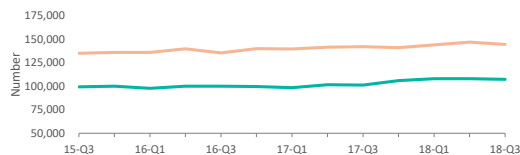
Ratio of loan amount advanced to property value. Year-on-year comparison is the absolute change in the percentage



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	86.4%	1.4%
Home movers	77.7%	0.5%

Loan size

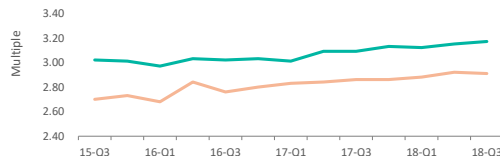
Median value of loans advanced



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	£107,350	6.0%
Home movers	£144,500	1.8%

Loan to income multiple

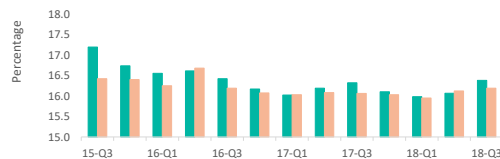
Ratio of loan amount advanced to gross income of all borrowers. Year-on-year comparison is the absolute change in the multiple



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	3.17	0.08
Home movers	2.91	0.05

Repayments as % of income

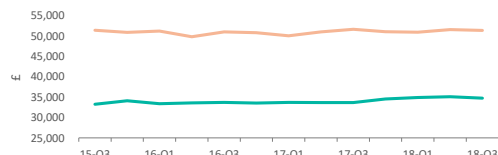
Proportion of gross income used to service capital and interest repayments. Year-on-year comparison is the absolute change in the percentage



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	16.4%	0.1%
Home movers	16.2%	0.1%

Borrower income

Median gross income of all borrowers used in mortgage assessment



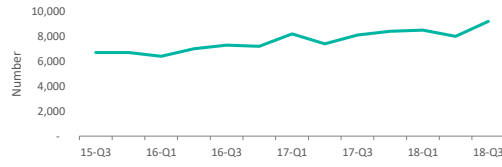
	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	£34,751	3.3%
Home movers	£51,329	-0.6%

Remortgaging

Latest (18-Q3) Y-o-Y comparison

Number of remortgages

Number of residential loans remortgaged, secured by a first charge on the property



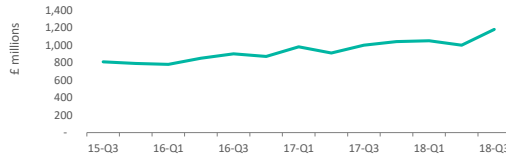
Home owners

9,200

13.6%

Value of remortgages

Value of residential loans remortgaged, secured by a first charge on the property



Home owners

£1.18bn

18.0%

Latest (18-Q3) Y-o-Y comparison

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Homeowner

House Purchase

		15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	Source table
Number of new loans	First-time buyers	8,300	8,000	6,200	8,300	8,600	8,300	7,600	9,600	9,400	8,500	6,800	9,200	8,900	MLSC
	Home movers	9,700	9,300	7,300	8,000	8,400	8,300	6,800	9,400	9,600	8,800	6,500	9,100	9,500	MLSC
Value of new lending (£mn)	First-time buyers	890	870	650	910	930	900	820	1,070	1,050	980	780	1,080	1,040	MLSC
	Home movers	1,450	1,390	1,100	1,210	1,280	1,270	1,040	1,460	1,530	1,370	1,030	1,440	1,530	MLSC
Loan to value	First-time buyers	83.7	84.0	84.6	85.0	85.0	84.6	83.5	85.0	85.0	85.0	85.2	86.0	86.4	MLSC
	Home movers	75.4	75.6	76.5	77.7	75.9	77.5	77.8	78.4	77.1	77.2	77.8	79.0	77.7	MLSC
Loan size	First-time buyers	99,295	100,000	97,753	100,000	100,000	99,750	98,500	101,599	101,250	106,000	108,000	108,000	107,350	MLSC
	Home movers	135,000	135,995	136,000	139,745	135,448	140,000	139,500	141,575	142,000	140,999	143,930	146,882	144,500	MLSC
Loan to income multiple	First-time buyers	3.02	3.01	2.97	3.03	3.02	3.03	3.01	3.09	3.09	3.13	3.12	3.15	3.17	MLSC
	Home movers	2.70	2.73	2.68	2.84	2.76	2.80	2.83	2.84	2.86	2.86	2.88	2.92	2.91	MLSC
Repayments as % of income	First-time buyers	17.2	16.7	16.6	16.6	16.4	16.2	16.0	16.2	16.3	16.1	16.0	16.1	16.4	MLSC
	Home movers	16.4	16.4	16.3	16.7	16.2	16.1	16.0	16.1	16.1	16.0	16.0	16.1	16.2	MLSC
Borrower income	First-time buyers	33,242	34,087	33,382	33,577	33,708	33,555	33,682	33,676	33,639	34,531	34,899	35,089	34,751	MLSC
	Home movers	51,406	50,858	51,169	49,795	51,000	50,787	50,033	51,000	51,624	51,017	50,896	51,537	51,329	MLSC

Homeowner

Remortgaging

		15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	Source table
Number of remortgages	Home owners	6,700	6,700	6,400	7,000	7,300	7,200	8,200	7,400	8,100	8,400	8,500	8,000	9,200	MLSC
Value of remortgages (£mn)	Home owners	810	790	780	850	900	870	980	910	1,000	1,040	1,050	1,000	1,180	MLSC

UK Finance publishes aggregate information on mortgages based on data supplied by our members, and grossed up to estimate total market size.

Remortgage figures shown in this release include refinancing with the same lender, in those cases where a new mortgage contract is created. For this reason these figures will generally exceed those published by the Bank of England, whose remortgage data exclude such internal refinancing transactions.

Source data tables are available to UK Finance members or data associates from www.cml.org.uk/industry-data/industry-data-tables/. For information or enquiries, please contact ukfstatistics@ukfinance.org.uk

For media enquiries, journalists should contact press@ukfinance.org.uk