



Mortgage Trends Update



Release date: 17 September 2019

UK Finance: Mortgage Trends Update July 2019

Key data highlights:

- There were 32,640 new first-time buyer mortgages completed in July 2019, 5.8 per cent more than in the same month in 2018. There were 32,710 homemover mortgages completed in July 2019, 1.4 per cent more than in the same month a year earlier.

- There were 20,760 new remortgages with additional borrowing in July 2019, 7.1 per cent fewer than in the same month in 2018. For these remortgages, the average additional amount borrowed in July was £55,500. There were 20,380 new pound-for-pound remortgages (with no additional borrowing) in July 2019, 12.9 per cent fewer than in July 2018. This has been driven in part by a fall in the number of fixed-rate mortgages coming to an end and the growing popularity of product transfers*.

- There were 5,800 new buy-to-let home purchase mortgages completed in July 2019, 5.5 per cent more than this time last year. There were 15,100 remortgages in the buy-to-let sector, two per cent more than the same month in 2018.

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 collective voice for the banking and finance industry. Representing more than 250 firms across the industry, we act to enhance competitiveness, support customers and facilitate innovation.
- 3 *UK Finance has published a blog which provides more background on what could be driving the fall in pound-for-pound remortgaging: <https://www.ukfinance.org.uk/newsand-insight/blogs/remortgaging-making-sense-data>
- 4 Our figures for remortgaging relate only to those where a new mortgage contract is created. This therefore excludes the vast majority of transactions where the borrower refinances with their existing lender, commonly referred to as Product Transfers. Figures on product transfers can be found here: <https://www.ukfinance.org.uk/data-and-research/data/mortgages/product-transfer>
- 5 The data shown is 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, so our historical figures are subject to revision as and when the FCA makes revisions to the market totals. The average figures shown are means. Affordability measures are based on mean 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.
- 6 Income metrics are presented on a gross household basis, as the sum of all income sources for all borrowers included in the affordability assessment.

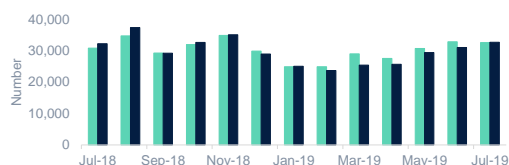
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House Purchase

Number of new loans

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

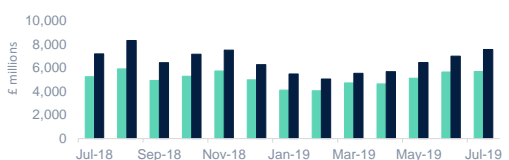


Latest (Jul-2019) Y-o-Y comparison

First-time buyers	32,640	5.8%
Homemovers	32,710	1.4%

Value of new lending

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



Latest (Jul-2019) Y-o-Y comparison

First-time buyers	£5.7bn	8.5%
Homemovers	£7.6bn	5.1%

Remortgaging

Number of remortgages

Number of residential loans remortgaged, secured by a first charge on the property, split by remortgages where equity has been withdrawn, and those which are a simple refinance.

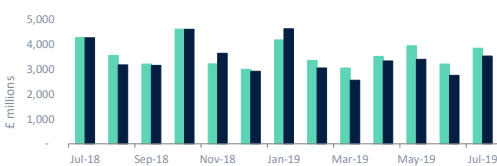


Latest (Jul-2019) Y-o-Y comparison

Homeowner remortgages with equity withdrawn	20,760	-7.1%
Homeowner remortgages without equity withdrawn (simple refinance)	20,380	-12.9%

Value of remortgages

Value of residential loans remortgaged, secured by a first charge on the property, split by remortgages where equity has been withdrawn, and those which are a simple refinance.



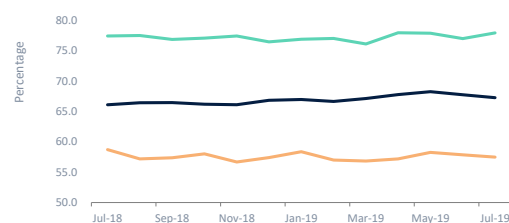
Latest (Jul-2019) Y-o-Y comparison

Homeowner remortgages with equity withdrawn	£3.8bn	-10.1%
Homeowner remortgages without equity withdrawn (simple refinance)	£3.5bn	-17.3%

Residential Affordability

Loan to value

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

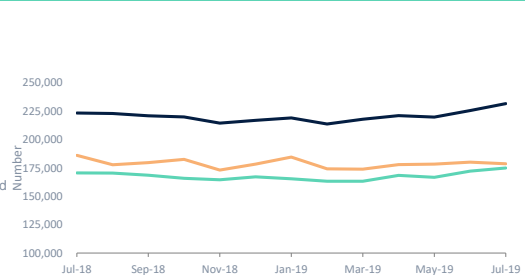


Latest (Jul-2019) Y-o-Y comparison

First-time buyers	77.9%	0.5%
Homemovers	67.3%	1.2%
Homeowner remortgage	57.5%	-1.2%

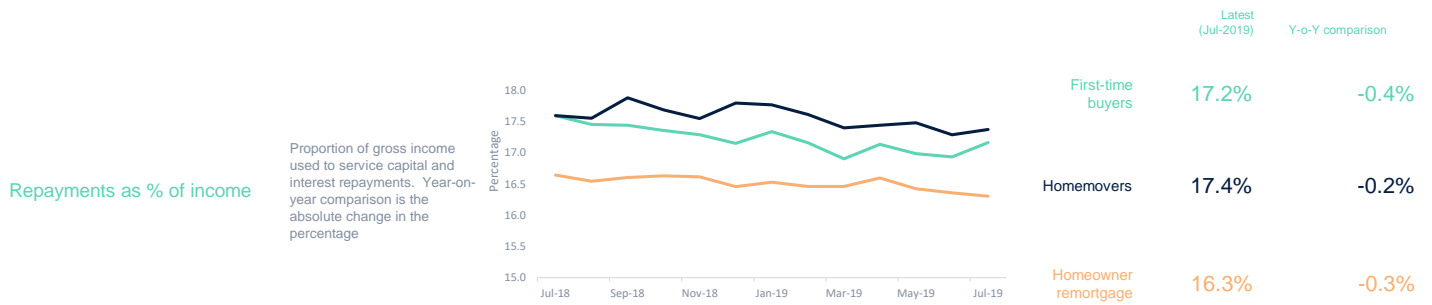
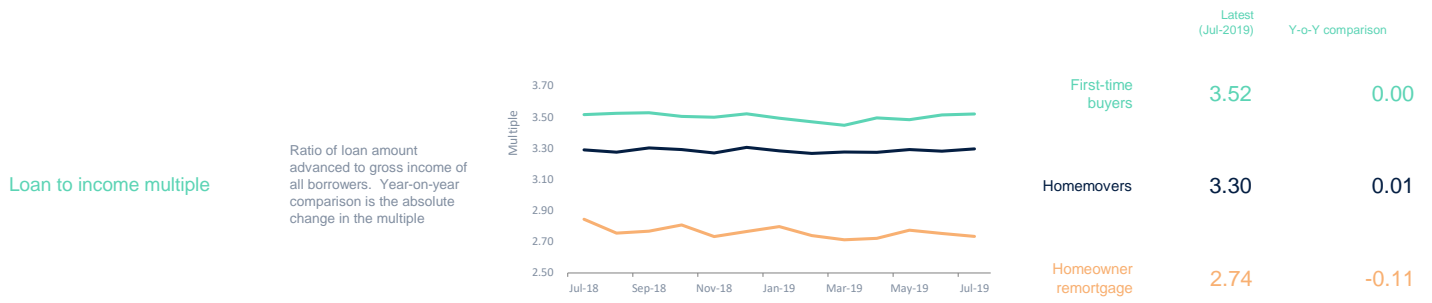
Loan size

Mean value of loans advanced

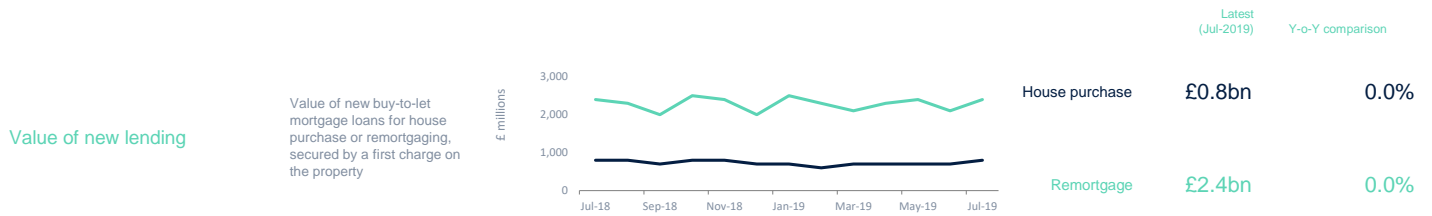
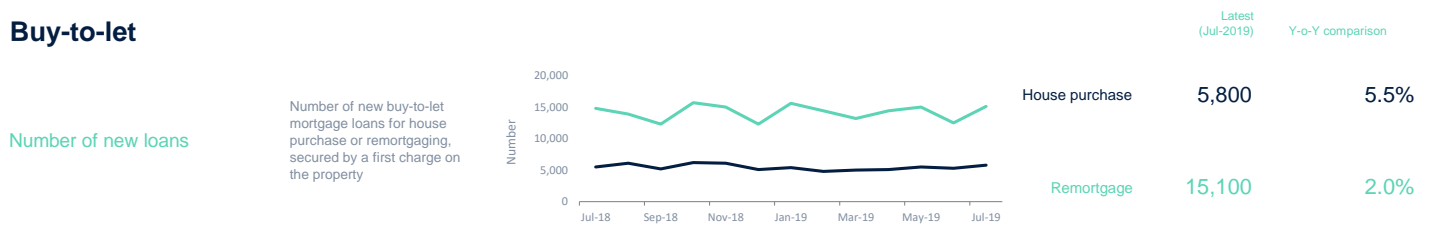


Latest (Jul-2019) Y-o-Y comparison

First-time buyers	£174,914	2.6%
Homemovers	£231,603	3.7%
Homeowner remortgage	£178,553	-4.0%



Buy-to-let



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Homeowner House Purchase

		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Source table
Number of new loans	First-time buyers	30,840	34,760	29,310	32,020	34,900	29,930	24,910	24,920	29,020	27,600	30,760	32,890	32,640	RL1
	Homemovers	32,260	37,420	29,230	32,670	35,110	29,010	25,090	23,710	25,470	25,730	29,440	31,080	32,710	RL2
Value of new lending (£mn)	First-time buyers	5,261	5,924	4,944	5,309	5,746	5,003	4,120	4,069	4,737	4,649	5,130	5,664	5,709	RL1
	Homemovers	7,205	8,339	6,456	7,184	7,527	6,292	5,499	5,068	5,548	5,688	6,474	7,008	7,574	RL2
Mean loan to value	First-time buyers	77.4	77.5	76.8	77.1	77.4	76.4	76.9	77.0	76.1	77.9	77.9	77.0	77.9	RL1
	Homemovers	66.1	66.4	66.4	66.2	66.1	66.8	66.9	66.6	67.1	67.8	68.2	67.7	67.3	RL2
Mean loan size	First-time buyers	170,547	170,424	168,615	165,843	164,594	167,130	165,423	163,272	163,241	168,480	166,703	172,214	174,914	RL1
	Homemovers	223,301	222,910	220,924	219,879	214,478	216,927	219,057	213,651	217,805	221,045	219,792	225,527	231,603	RL2
Mean loan to income multiple	First-time buyers	3.52	3.52	3.53	3.50	3.50	3.52	3.49	3.47	3.45	3.50	3.48	3.51	3.52	RL1
	Homemovers	3.29	3.27	3.30	3.29	3.27	3.31	3.28	3.27	3.28	3.27	3.29	3.28	3.30	RL2
Repayments as % of income	First-time buyers	17.6	17.5	17.4	17.4	17.3	17.2	17.3	17.2	16.9	17.1	17.0	16.9	17.2	RL1
	Homemovers	17.6	17.6	17.9	17.7	17.5	17.8	17.8	17.6	17.4	17.4	17.5	17.3	17.4	RL2

Homeowner Remortgaging

		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Source table
Number of remortgages	Equity Withdrawn	22,350	19,200	17,140	24,170	17,970	16,170	21,660	18,300	16,970	19,090	21,400	17,350	20,760	RL5
	Simple refinace (no money withdrawn)	23,390	18,530	18,140	26,160	21,510	16,880	25,880	18,340	15,150	19,260	19,620	15,650	20,380	RL5
Value of remortgages (£mn)	Equity Withdrawn	4,258	3,544	3,197	4,598	3,205	2,987	4,165	3,342	3,040	3,503	3,928	3,198	3,829	RL5
	Simple refinace (no money withdrawn)	4,251	3,165	3,142	4,589	3,628	2,910	4,608	3,040	2,546	3,320	3,385	2,742	3,517	RL5
Mean loan to value	Homeowner remortgage	58.7	57.2	57.4	58.0	56.7	57.4	58.4	57.0	56.8	57.2	58.3	57.9	57.5	RL4
Mean loan size	Homeowner remortgage	186,047	177,772	179,654	182,518	173,081	178,399	184,500	174,217	173,925	177,915	178,263	179,998	178,553	RL4
Mean loan to income multiple	Homeowner remortgage	2.84	2.76	2.77	2.81	2.73	2.77	2.80	2.74	2.71	2.72	2.77	2.75	2.74	RL4
Mean repayments as % of income	Homeowner remortgage	16.6	16.5	16.6	16.6	16.6	16.5	16.5	16.5	16.5	16.6	16.4	16.4	16.3	RL4

Buy-to-let

		Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Source table
Number of new loans	House purchase	5,500	6,100	5,200	6,200	6,100	5,100	5,400	4,800	5,000	5,100	5,500	5,300	5,800	MM17
	Remortgage	14,800	13,900	12,300	15,700	15,000	12,300	15,600	14,400	13,200	14,400	15,000	12,500	15,100	MM17
Value of new lending (£mn)	House purchase	800	800	700	800	800	700	700	600	700	700	700	700	800	MM17
	Remortgage	2,400	2,300	2,000	2,500	2,400	2,000	2,500	2,300	2,100	2,300	2,400	2,100	2,400	MM17

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

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