



Buy-to-let Mortgage Market



2023 Q4

- The value of new buy-to-let lending for the UK in Q4 2023 was £6.3 billion, down 55.4 per cent compared with the same quarter in the previous year.
- The average gross buy-to-let rental yield for the UK in Q4 2023 was 6.74 per cent, compared with 5.85 per cent in the same quarter in 2022.
- The average interest rate across all new buy-to-let loans in the UK rose to 5.7 per cent in Q4 2023, up from 3.67 per cent a year previously.
- As a result, the average buy-to-let interest cover ratio (ICR) for the UK in Q4 2023 fell to 180 per cent, compared with 238 per cent a year previously.
- The number of BTL fixed rate mortgages outstanding in Q4 2023 was 1.37 million, 1.7 per cent per cent up on a year previously. In contrast, the number of variable rate loans outstanding fell by 12.7 per cent to 0.62 million.
- At the end of Q4 2023 there were 13,570 buy-to-let mortgages in arrears greater than 2.5 per cent of the outstanding balance. This was 123.9 per cent higher than in the same quarter a year previously.
- There were 500 buy-to-let mortgage possessions taken in Q4 2023, up 56.3 per cent on the same quarter a year previously.

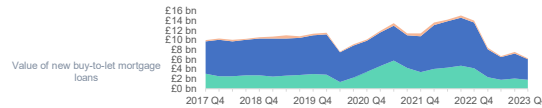
Buy-to-let Mortgage Market Update



UK Finance BTL Mortgage Market Update, 2 April 2024

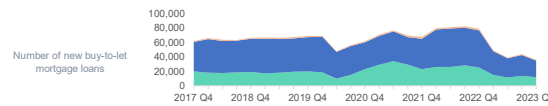
BTL new lending

Value of new BTL lending (UK)



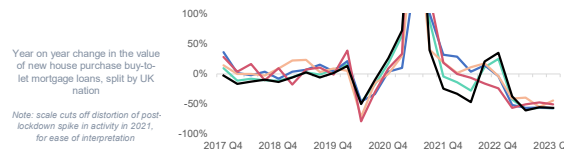
	Latest 2023 Q4	YoY % change
House purchase	£1.8bn	-56.1%
Remortgage	£4.3bn	-55.1%
Other	£0.2bn	-53.5%
Total	£6.3bn	-55.4%

Number of new BTL loans (UK)



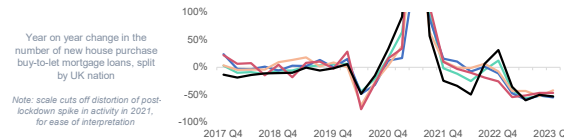
	Latest 2023 Q4	YoY % change
House purchase	11,985	-52.6%
Remortgage	23,371	-54.9%
Other	975	-55.3%
Total	36,332	-54.2%

Value of new house purchase BTL lending (UK Nations and London)



	Latest 2023 Q4	YoY % change
England	£1,685mn	-56.7%
Wales	£49mn	-56.9%
Scotland	£91mn	-44.0%
Northern Ireland	£18mn	-50.6%
London	£438mn	-56.1%

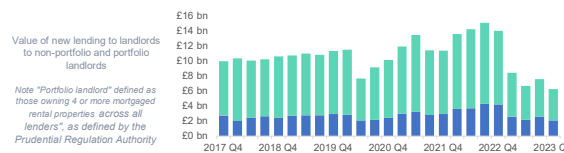
Number of new house purchase BTL loans (UK Nations and London)



	Latest 2023 Q4	YoY % change
England	10,366	-53.4%
Wales	438	-54.9%
Scotland	929	-42.3%
Northern Ireland	242	-46.9%
London	1,416	-53.5%

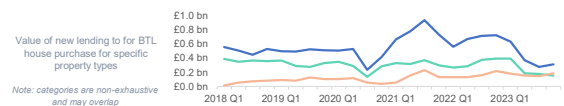
Mortgage characteristics for new lending

Value of total new BTL lending by portfolio size for all loans



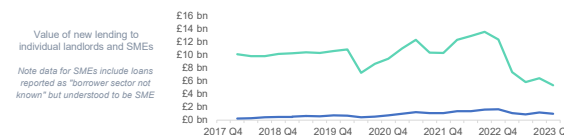
	Latest 2023 Q4	YoY % change
1-3 mortgages (non-portfolio landlord)	£4.2bn	-57.4%
>=4 mortgages (portfolio landlord)	£2.1bn	-50.6%

Value of new house purchase BTL lending for specific property types



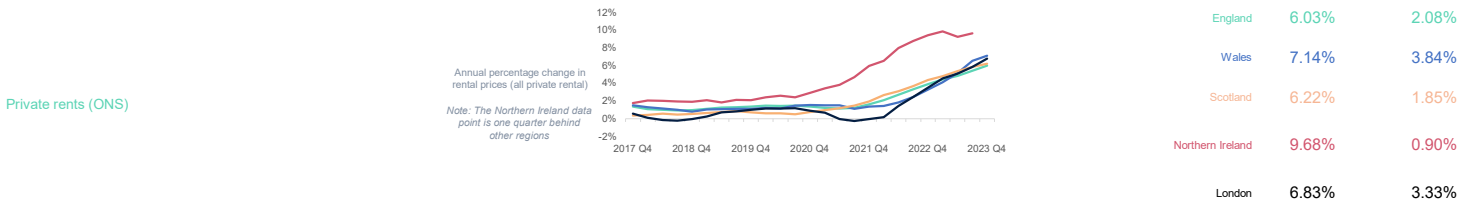
	Latest 2023 Q4	YoY % change
New Build	£181mn	-54.5%
Purpose-built flat	£281mn	-55.9%
Houses for Multiple Occupation (HMOs)	£139mn	-24.5%

Value of new BTL lending for individual landlords and SMEs

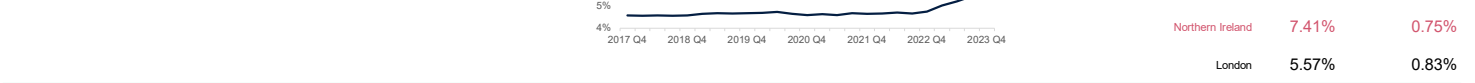


	Latest 2023 Q4	YoY % change
Individual landlords	£5337mn	-56.9%
SMEs (Ltd Co BTL)	£949mn	-43.5%

BTL profitability



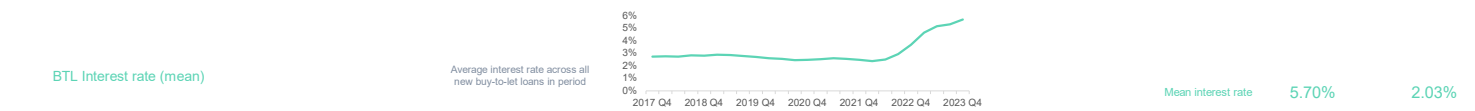
BTL rental yield



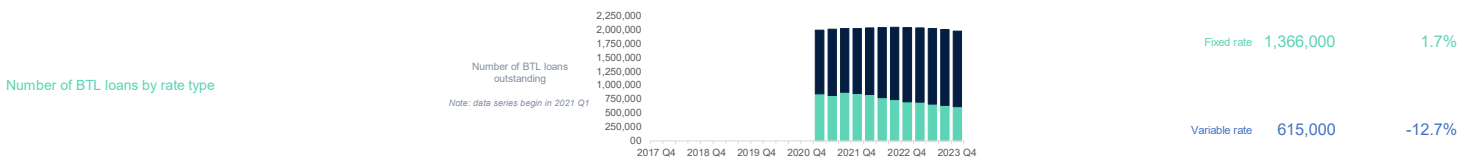
BTL interest cover ratio (ICR)



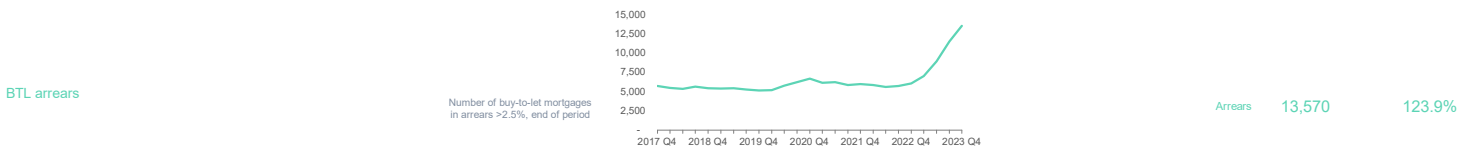
BTL Interest Rate



BTL mortgage stock



BTL arrears and possessions



BTL possessions



UK Finance

- UK Finance Notes:
1. Data series are shown for the last two years where available, or as far back as data exist otherwise.
 2. Complete time series for each of these data series are available to UK Finance members that provide the underlying data in each case.
 3. Table codes of the relevant industry data table for each data series, where one exists are provided in the right hand column of this dashboard. All data tables are accessible via the industry data tables page of the UK Finance website at <https://www.ukfinance.org.uk/industry-data-tables>.
 4. Dashboard is updated on a quarterly basis.
 5. Monthly total values of lending may differ between category due to unclassified loans not being included.