

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 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.

UK Finance



Buy-to-let Mortgage Market Update



UK Finance BTL Mortgage Market Update, 2 April 2024

BTL new lending			Latest 2023 Q4	YoY % change
•		£10 bn House purchase £12 bn	£1.8bn	-56.1%
(also of new DTL landing (LIV)	Value of new buy-to-let mortgage	£6 bn £6 bn	£4.3bn	-55.1%
Number of new BTL loans (UK) Value of new house purchase BTL lending (UK Nations and London)	Ioans	2017 Q4 2018 Q4 2019 Q4 2020 Q4 2021 Q4 2022 Q4 2023 Q4	£0.2bn	-53.5%
		Tota	£6.3bn	-55.4%
		100,000 House purchase	11,985	-52.6%
	Number of new buy-to-let mortgage loans	80,000 60,000 Remortgage	23,371	-54.9%
		20,000 0 10 2017 Q4 2018 Q4 2019 Q4 2020 Q4 2021 Q4 2022 Q4 2023 Q4 Total	975	-55.3%
			36,332	-54.2%
			Latest 2023 Q4	YoY % change
		100% Engla	£1,685mn	-56.7%
	Year on year change in the value of new house purchase buy-to- let mortgage loans, split by UK	0% Wales	£49mn	-56.9%
	nation Note: scale cuts off distortion of post- lockdown spike in activity in 2021, for ease of interpretation	-50% Scotland -100% 2017 Q4 2018 Q4 2019 Q4 2020 Q4 2021 Q4 2022 Q4 2023 Q4 London	£91mn	-44.0%
			£18mn	-50.6%
			£438mn	-56.1%
Number of new house purchase BTL loans (UK Nations and London)		100% Engli	10,366	-53.4%
	Year on year change in the number of new house purchase buy-to-let mortgage loans, split	50% Wales	438	-54.9%
	by UK nation Note: scale cuts off distortion of post-	Scotland	929	-42.3%
	lockdown spike in activity in 2021, for ease of interpretation	-100% Northern Ireland 2017 Q4 2018 Q4 2019 Q4 2020 Q4 2021 Q4 2022 Q4 2023 Q4	242	-46.9%
		Londor		-53.5%
Mortgage characteristics for new lending		£16 bn	Latest 2023 Q4	YoY % change
Value of total new BTL lending by portfolio size for all loans	Value of new lending to landlords to non-portfolio and portfolio landlords	£14 bn £12 bn £10 bn £8 bn	£4.2bn	-57.4%
	Note "Portfolio landlord" defined as those owning 4 or more mortgaged rental properties across all lenders", as defined by the Prudential Regulation Authority	£6 bn £4 bn £2 bn >=4 mortgages (portfolio landlord 2017 Q4 2018 Q4 2019 Q4 2020 Q4 2021 Q4 2022 Q4 2023 Q4	£2.1bn	-50.6%
			Latest 2023 Q4	YoY % change
Value of new house purchase BTL lending for specific property types	Value of new lending to for BTL house purchase for specific property types Note: categories are non-exhaustive and may overlap	£10 bn £0.8 bn £0.6 bn	£181mn	-54.5%
		£0.4 bn £0.2 bn	£281mn	-55.9%
		2018 Q1 2019 Q1 2020 Q1 2021 Q1 2022 Q1 2023 Q1 Houses for Multiple Occupation (HMOs	£139mn	-24.5%
			Latest 2023 Q4	YoY % change
Value of new BTL lending for individual landlords and SMEs	Value of new lending to	£16 bn £14 bn £12 bn Individual landlords	£5337mn	-56.9%
	individual landlords and SMEs Note data for SMEs include loans reported as "borrower sector not known" but understood to be SME	E 10 bh E 20 bh SMEs (Ltd Co BTL E 4 bh E 20 bh	£949mn	-43.5%



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 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.

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 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.