

Buy-to-let Mortgage Market Update



Q2 2024

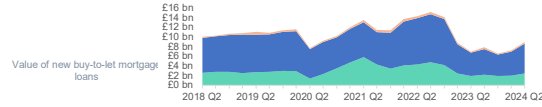
- In Q2 2024 there were 51,459 new buy-to-let loans advanced in the UK, worth £8.9 billion. This was up 26 per cent by number (27.7 per cent by value) compared with the same quarter in the previous year.
- The average gross buy-to-let rental yield for the UK in Q2 2024 was 6.9 per cent, compared with 6.51 per cent in the same quarter in the previous year.
- The average interest rate across all new buy-to-let loans in the UK was 5.19 per cent in Q2 2024. This was 21 basis points lower than in the previous quarter, but 0.04 basis points higher than in the same quarter of 2023.
- Reflecting the movements in interest rates, the average buy-to-let interest cover ratio (ICR) for the UK in Q2 2024 was 196 per cent, up from 190 per cent in Q1 2024, and equal to 196 per cent a year previously.
- The number of BTL fixed rate mortgages outstanding in Q2 2024 was 1.4 million, 2.0 per cent up on a year previously. In contrast, the number of variable rate loans outstanding fell by 14.8 per cent to 565,815.
- At the end of Q2 2024 there were 13,570 buy-to-let mortgages in arrears greater than 2.5 per cent of the outstanding balance. This was up 51 per cent on the same quarter a year previously.
- There were 710 buy-to-let mortgage possessions taken in Q2 2024, up 33.8 per cent on the same quarter a year previously.



UK Finance BTL Mortgage Market Update, 22nd October 2024

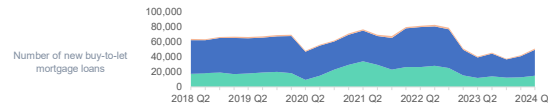
BTL new lending

Value of new BTL lending (UK)



	Latest 2024 Q2	YoY % change
House purchase	£2.4bn	25.8%
Remortgage	£6.2bn	27.7%
Other	£0.3bn	47.0%
Total	£8.9bn	27.7%

Number of new BTL loans (UK)



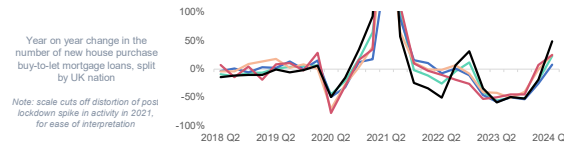
	Latest 2024 Q2	YoY % change
House purchase	14,955	22.5%
Remortgage	34,878	27.0%
Other	1,625	57.5%
Total	51,459	26.4%

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



	Latest 2024 Q2	YoY % change
England	£2,243mn	27.1%
Wales	£55mn	1.4%
Scotland	£119mn	15.9%
Northern Ireland	£30mn	23.9%
London	£606mn	48.2%

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



	Latest 2024 Q2	YoY % change
England	12,879	22.8%
Wales	477	7.6%
Scotland	1,241	25.0%
Northern Ireland	361	24.5%
London	1,880	48.5%

BTL Product Transfers

Number of BTL Product Transfers



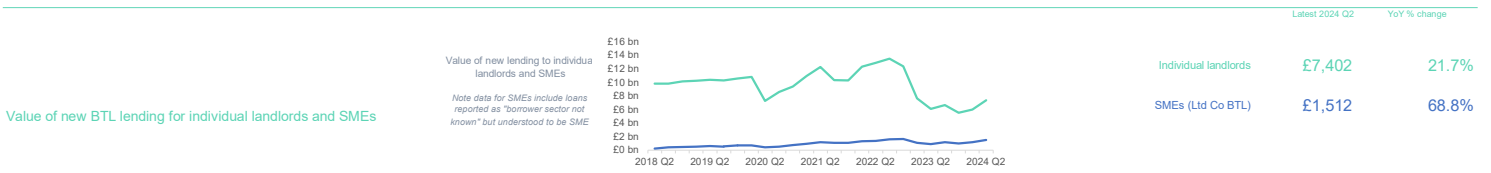
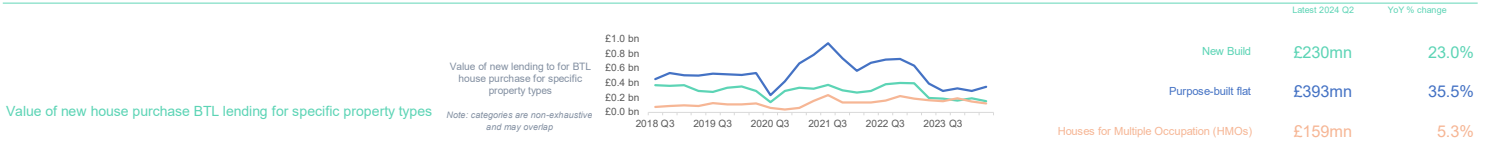
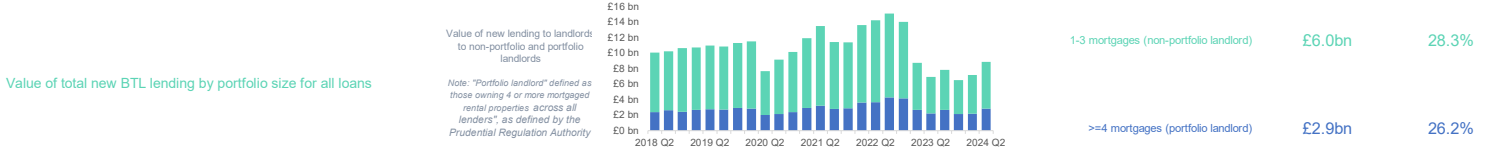
	Latest 2024 Q2	YoY % change
	73,048	-17.6%

Value of BTL Product Transfers

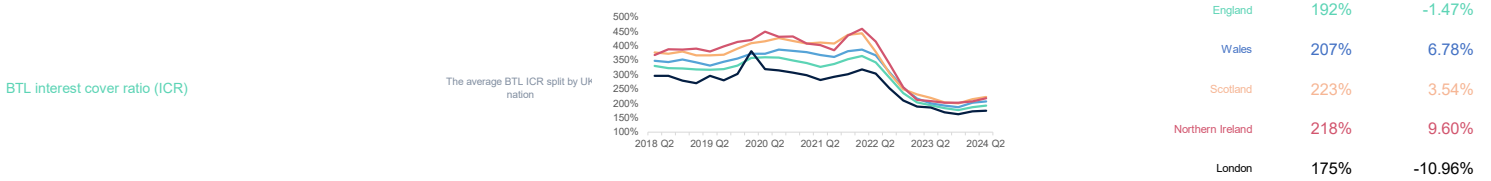
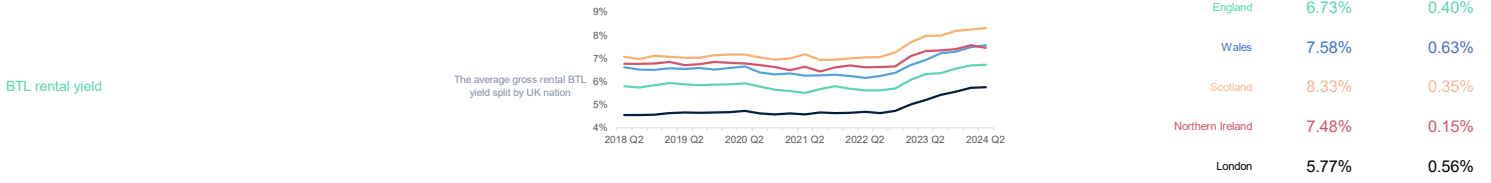
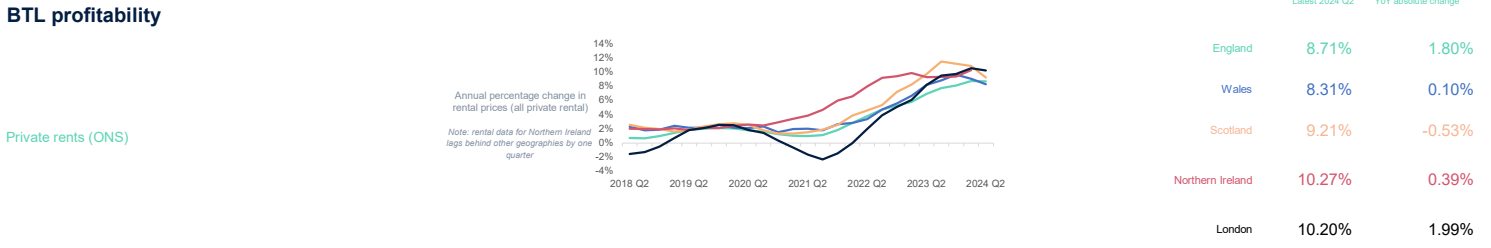


	Latest 2024 Q2	YoY % change
	£12.5bn	-7.3%

Mortgage characteristics for new lending



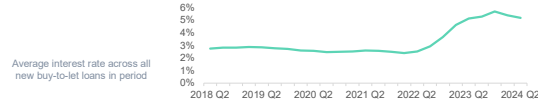
BTL profitability



BTL Interest Rate

Latest 2024 Q2 YoY absolute change

BTL Interest rate (mean)

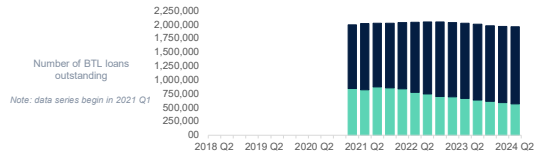


Mean interest rate 5.19% 0.04%

BTL mortgage stock

Latest 2024 Q2 YoY % change

Number of BTL loans by rate type



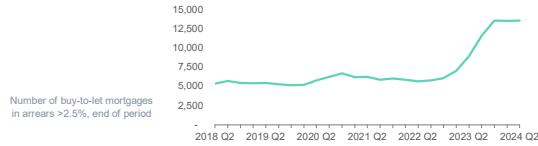
Fixed rate 1,395,000 2.4%

Variable rate 567,000 -14.6%

BTL arrears and possessions

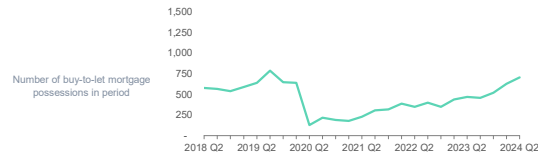
Latest 2024 Q2 YoY % change

BTL arrears



Arrears 13,570 51.5%

BTL possessions



Possessions 710 51.1%

UK Finance

Next update: 22 January 2025

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.