



# Mortgage Trends Update



Release date: 19 February 2019

## UK Finance: Mortgage Trends Update December 2018

### Number of first-time buyers reaches 12-year high in 2018

#### Key data highlights:

- There were 370,000 new first-time buyer mortgages completed in 2018, some 1.9 per cent more than in 2017. This is the highest number of first-time buyer mortgages since 2006, when this figure stood at 402,800. The £62 billion of new lending in the year was 4.9 per cent more than in 2017.
- There were 30,900 new first-time buyer mortgages completed in December 2018, some 1.6 per cent more than in the same month a year earlier. The £5.2 billion of new lending in the month was 4 per cent more year-on-year.
- There were 30,000 new homemover mortgages completed in December 2018, some 1.3 per cent fewer than in the same month a year earlier. The £6.5 billion of new lending in the month was the same year-on-year. In 2018, there were 367,800 new homemover mortgages completed, some 1.9 per cent less than in 2017. The £80 billion of new lending in the year was the same as in 2017.
- There were 34,000 new homeowner remortgages completed in December 2018, some 9.3 per cent more than in the same month a year earlier. The £6.1 billion of remortgaging in the month was 13 per cent more year-on-year. In 2018, there were 476,900 new homeowner remortgages completed, some 10.8 per cent more than in 2017. The £85 billion of new lending in the year was 13 per cent more than in 2017.
- There were 5,100 new buy-to-let home purchase mortgages completed in December 2018, some 5.6 per cent fewer than in the same month a year earlier. By value this was £0.7 billion of lending in the month, 12.5 per cent down year-on-year. In 2018, there were 66,400 new buy-to-let home purchases completed, some 11.5 per cent less than in 2017. The £9 billion of new lending in the year was 15 per cent less than in 2017.
- There were 12,400 new buy-to-let remortgages completed in December 2018, some 25.3 per cent more than in the same month a year earlier. By value this was £2.0 billion of lending in the month, 25 per cent more year-on-year. In 2018, there were 169,100 new buy-to-let remortgages completed, some 11.2 per cent more than in 2017. The £27 billion of new lending in the year was 11.6 per cent more than in 2017.

Commenting on the data, [Jackie Bennett, Director of Mortgages at UK Finance](#) said:

“The mortgage industry helped 370,000 people buy their first home in 2018, the highest number in twelve years, as competitive deals and government schemes such as Help to Buy continue to boost the market.

“Homeowner remortgaging also saw strong growth driven by customers locking into attractive rates, a trend we expect to continue in 2019 as more fixed-rate mortgages come to an end.

“Demand for new buy-to-let purchases continues to be dampened by recent tax and regulatory changes. However, the number of buy-to-let remortgages reached a record high of almost 170,000 last year, suggesting many landlords remain committed to the market.”

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Notes to Editor

- 1 For more information please call the UK Finance press office on 020 7416 6750 or email [press@ukfinance.org.uk](mailto: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 help drive forward positive change to enhance standards, support customers and promote innovation.
- 3 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 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 medians, as they tend to better represent the position of the typical borrower. Affordability measures 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 Income metrics are presented on a gross household basis, as the sum of all income sources for all borrowers included in the affordability assessment.

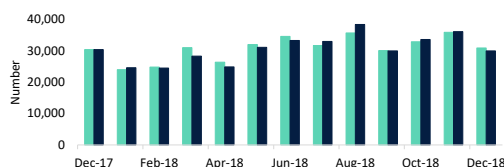
Next update:

14 March 2019

## House Purchase

### Number of new loans

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



	Latest (Dec-2018)	Y-o-Y comparison
First-time buyers	30,900	1.6%
Homemovers	30,000	-1.3%

### Value of new lending

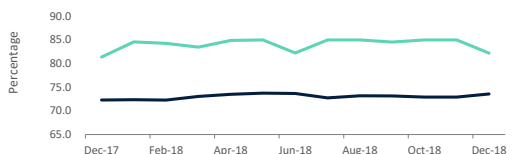
Value of new residential mortgage loans for house purchase, secured by a first charge on the property



	Latest (Dec-2018)	Y-o-Y comparison
First-time buyers	£5.2bn	4.0%
Homemovers	£6.5bn	0.0%

### Loan to value

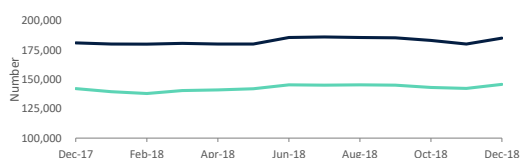
Ratio of loan amount advanced to property value. Year-on-year comparison is the absolute change in the percentage



	Latest (Dec-2018)	Y-o-Y comparison
First-time buyers	82.2%	0.8%
Homemovers	73.6%	1.3%

### Loan size

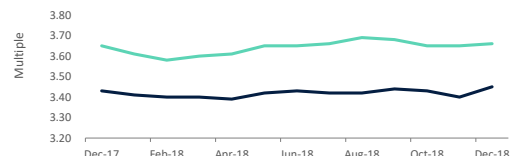
Median value of loans advanced



	Latest (Dec-2018)	Y-o-Y comparison
First-time buyers	£145,702	2.5%
Homemovers	£184,996	2.2%

### 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 (Dec-2018)	Y-o-Y comparison
First-time buyers	3.66	0.01
Homemovers	3.45	0.02

### Repayments as % of income

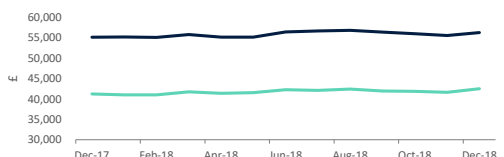
Proportion of gross income used to service capital and interest repayments. Year-on-year comparison is the absolute change in the percentage



	Latest (Dec-2018)	Y-o-Y comparison
First-time buyers	17.2%	0.0%
Homemovers	17.6%	0.1%

### Borrower income

Median gross income of all borrowers used in mortgage assessment



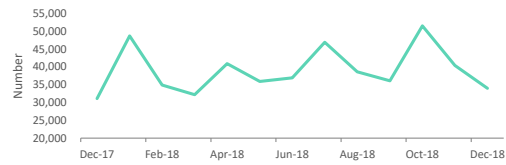
	Latest (Dec-2018)	Y-o-Y comparison
First-time buyers	£42,500	3.2%
Homemovers	£56,276	2.1%

## Remortgaging

Latest  
(Dec-2018) Y-o-Y comparison

### Number of remortgages

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



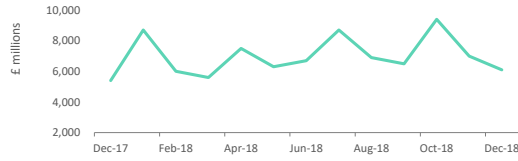
Homeowners

34,000

9.3%

### Value of remortgages

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



Homeowners

£6.1bn

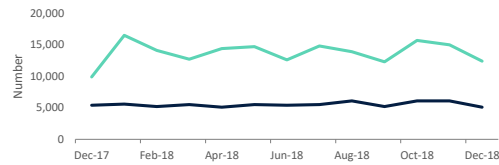
13.0%

## Buy-to-let

Latest  
(Dec-2018) Y-o-Y comparison

### Number of new loans

Number of new buy-to-let mortgage loans for house purchase or remortgaging, secured by a first charge on the property



House purchase

5,100

-5.6%

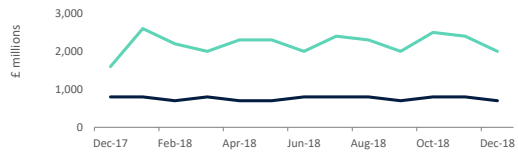
Remortgage

12,400

25.3%

### Value of new lending

Value of new buy-to-let mortgage loans for house purchase or remortgaging, secured by a first charge on the property



House purchase

£0.7bn

-12.5%

Remortgage

£2.0bn

25.0%

Next update:

13 March 2019

Release date: 19 February 2019

## Homeowner House Purchase

		Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Source table
Number of new loans	First-time buyers	30,400	24,000	24,800	31,000	26,400	32,000	34,600	31,700	35,700	30,100	32,900	35,900	30,900	ML2
	Homemovers	30,400	24,600	24,500	28,300	24,900	31,100	33,300	33,000	38,400	30,000	33,600	36,100	30,000	ML3
Value of new lending (£mn)	First-time buyers	5,000	3,900	4,000	5,100	4,300	5,300	5,800	5,400	6,100	5,100	5,500	5,900	5,200	ML2
	Homemovers	6,500	5,300	5,200	6,100	5,300	6,600	7,200	7,400	8,600	6,600	7,400	7,700	6,500	ML3
Loan to value	First-time buyers	81.4	84.6	84.3	83.5	84.9	85.0	82.2	85.0	85.0	84.6	85.0	85.0	82.2	ML2
	Homemovers	72.3	72.4	72.3	73.0	73.5	73.8	73.7	72.7	73.2	73.2	72.9	72.9	73.6	ML3
Loan size	First-time buyers	142,128	139,500	137,912	140,400	140,995	142,000	145,350	144,999	145,248	144,982	143,100	142,220	145,702	ML2
	Homemovers	180,999	180,000	179,899	180,500	180,000	180,000	185,491	185,999	185,499	185,300	182,991	180,000	184,996	ML3
Loan to income multiple	First-time buyers	3.65	3.61	3.58	3.60	3.61	3.65	3.65	3.66	3.69	3.68	3.65	3.65	3.66	ML2
	Homemovers	3.43	3.41	3.40	3.40	3.39	3.42	3.43	3.42	3.42	3.44	3.43	3.40	3.45	ML3
Repayments as % of income	First-time buyers	17.1	17.4	17.2	17.0	17.1	17.3	17.2	17.4	17.5	17.5	17.4	17.3	17.2	ML2
	Homemovers	17.5	17.5	17.5	17.4	17.5	17.5	17.5	17.7	17.7	17.8	17.8	17.7	17.6	ML3
Borrower income	First-time buyers	41,201	41,000	41,000	41,752	41,383	41,533	42,241	42,108	42,417	41,921	41,873	41,632	42,500	ML2
	Homemovers	55,128	55,200	55,088	55,803	55,149	55,165	56,416	56,678	56,819	56,383	56,000	55,539	56,276	ML3

## Homeowner Remortgaging

		Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Source table
Number of remortgages	Homeowners	31,100	48,700	34,900	32,200	40,900	35,900	36,900	46,900	38,600	36,100	51,500	40,400	34,000	ML1
Value of remortgages (£mn)	Homeowners	5,400	8,700	6,000	5,600	7,500	6,300	6,700	8,700	6,900	6,500	9,400	7,000	6,100	ML1

## Buy-to-let

		Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Source table
Number of new loans	House purchase	5,400	5,600	5,200	5,500	5,100	5,500	5,400	5,500	6,100	5,200	6,100	6,100	5,100	MM17
	Remortgage	9,900	16,500	14,100	12,700	14,400	14,700	12,600	14,800	13,900	12,300	15,700	15,000	12,400	MM17
Value of new lending (£mn)	House purchase	800	800	700	800	700	700	800	800	800	700	800	800	700	MM17
	Remortgage	1,600	2,600	2,200	2,000	2,300	2,300	2,000	2,400	2,300	2,000	2,500	2,400	2,000	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/](http://www.cml.org.uk/industry-data/industry-data-tables/). For information or enquiries, please contact [ukfstatistics@ukfinance.org.uk](mailto:ukfstatistics@ukfinance.org.uk)

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Next update: 13 March 2019