

# Mortgage Trends Update

## London



Release date: 21 November 2018

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UK Finance: Mortgage Trends in London Update Quarter 3

### First-time buyers in London reach highest level since 2015

#### Key data highlights:

There were 11,700 new first-time buyer mortgages completed in London in the third quarter of 2018, some 2.6 per cent more than in the same quarter of 2017. The £3.55bn of new lending was 6 per cent more year-on-year. The average first-time buyer in the capital is 32 and has a gross household income of £70,000.

There were 8,100 new homemover mortgages completed in London in the third quarter of 2018, some 4.7 per cent fewer than in the same quarter of 2017. The £3.49bn of new lending in the quarter was 0.3 per cent more year-on-year. The average homemover in the capital is 37 and has a gross household income of £95,000.

There were 15,200 new homeowner remortgages in London completed in the third quarter, some 3.4 per cent more than in the same quarter a year earlier. The £4.76bn of remortgaging in the third quarter was 4.6 per cent more year-on-year.

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

“London’s mortgage market remained resilient in the third quarter of this year, despite an uncertain economic environment.

“The number of first-time buyers in the capital reached its highest level in three years, boosted by schemes such as Help to Buy. The recent extension of the scheme until 2023 will help even more people get a foot on the housing ladder in the years ahead.

“Remortgaging continues to be strong, reflecting the large number of fixed rate loans coming to an end as well as customers desire to lock into new competitive rates.”

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#### Notes to Editor

1 For more information please call the UK Finance press office on 020 7416 6750 or mail [press@ukfinance.org.uk](mailto:press@ukfinance.org.uk).

2 UK Finance is the trade association formed on 1 July 2017 to represent the banking and finance industry operating in the UK. It represents more than 250 firms in the UK providing credit, banking, markets and payment-related services. The organisation brings together most of the activities previously carried out by the Asset Based Finance Association, the British Bankers’ Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.

3 The data shown is estimates 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. 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 this tends to better represent the position of the typical borrower. Affordability calculations 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 The income for a first time buyer is calculated on the basis of gross household income. (The sum of occupants living in a household – joint or single).

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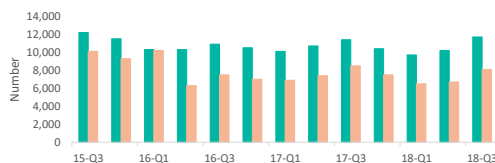


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### House Purchase

#### Number of new loans

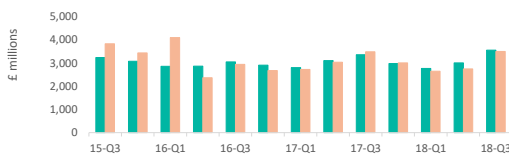
Number of new residential mortgage loans for house purchase, secured by a first charge on the property



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	11,700	2.6%
Home movers	8,100	-4.7%

#### Value of new lending

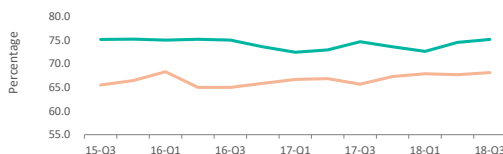
Value of new residential mortgage loans for house purchase, secured by a first charge on the property



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	£3.55bn	6.0%
Home movers	£3.49bn	0.3%

#### Loan to value

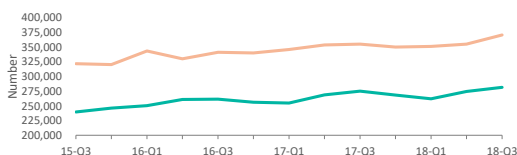
Ratio of loan amount advanced to property value. Year-on-year comparison is the absolute change in the percentage



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	75.1%	0.5%
Home movers	68.1%	2.4%

#### Loan size

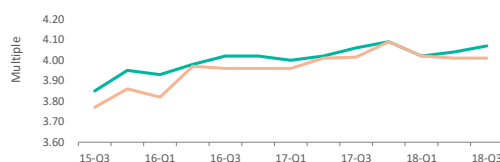
Median value of loans advanced



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	£281,500	2.4%
Home movers	£370,547	4.4%

#### Loan to income multiple

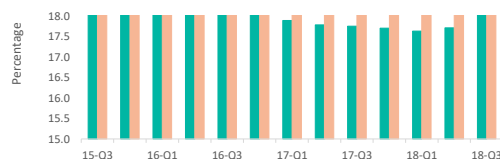
Ratio of loan amount advanced to gross income of all borrowers. Year-on-year comparison is the absolute change in the multiple



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	4.07	0.01
Home movers	4.01	0.00

#### Repayments as % of income

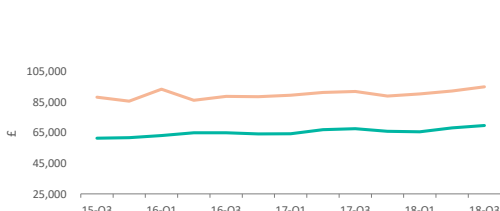
Proportion of gross income used to service capital and interest repayments. Year-on-year comparison is the absolute change in the percentage



	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	18.1%	0.3%
Home movers	18.6%	0.3%

#### Borrower income

Median gross income of all borrowers used in mortgage assessment



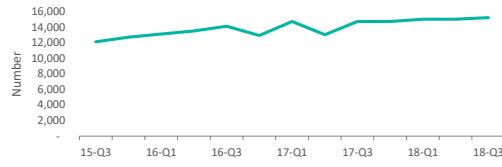
	Latest (18-Q3)	Y-o-Y comparison
First-time buyers	£69,700	3.1%
Home movers	£95,000	3.3%

# Remortgaging

Latest (18-Q3) Y-o-Y comparison

## Number of remortgages

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



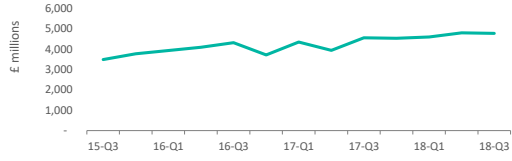
Home owners

15,200

3.4%

## Value of remortgages

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



Home owners

£4.76bn

4.6%

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### Homeowner House Purchase

		15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	Source table
Number of new loans	First-time buyers	12,200	11,500	10,300	10,300	10,900	10,500	10,100	10,700	11,400	10,400	9,700	10,200	11,700	MLGL
	Home movers	10,100	9,300	10,200	6,300	7,500	7,000	6,900	7,400	8,500	7,500	6,500	6,700	8,100	MLGL
Value of new lending (£mn)	First-time buyers	3,230	3,070	2,850	2,860	3,040	2,900	2,800	3,100	3,350	2,970	2,760	3,000	3,550	MLGL
	Home movers	3,820	3,430	4,090	2,360	2,940	2,670	2,720	3,030	3,480	3,000	2,640	2,740	3,490	MLGL
Loan to value	First-time buyers	75.2	75.2	75.0	75.2	75.0	73.6	72.4	72.9	74.7	73.6	72.6	74.5	75.1	MLGL
	Home movers	65.5	66.5	68.3	65.0	65.0	65.9	66.7	66.9	65.7	67.3	67.9	67.7	68.1	MLGL
Loan size	First-time buyers	239,582	246,290	250,196	260,997	261,294	256,100	254,900	268,747	274,999	268,254	262,000	274,562	281,500	MLGL
	Home movers	321,794	320,200	343,461	330,000	340,999	340,000	345,928	353,495	354,999	350,000	350,999	355,000	370,547	MLGL
Loan to income multiple	First-time buyers	3.85	3.95	3.93	3.98	4.02	4.02	4.00	4.02	4.06	4.09	4.02	4.04	4.07	MLGL
	Home movers	3.77	3.86	3.82	3.97	3.96	3.96	3.96	4.01	4.02	4.09	4.02	4.01	4.01	MLGL
Repayments as % of income	First-time buyers	19.2	19.4	19.0	18.9	18.8	18.1	17.9	17.8	17.8	17.7	17.6	17.7	18.1	MLGL
	Home movers	19.2	19.4	18.9	19.1	18.8	18.5	18.5	18.4	18.3	18.4	18.3	18.5	18.6	MLGL
Borrower income	First-time buyers	61,401	61,785	63,091	65,000	65,000	64,253	64,276	66,961	67,617	65,857	65,567	68,181	69,700	MLGL
	Home movers	88,216	85,616	93,477	86,157	88,698	88,588	89,491	91,323	91,982	89,000	90,350	92,252	95,000	MLGL

### Homeowner Remortgaging

		15-Q3	15-Q4	16-Q1	16-Q2	16-Q3	16-Q4	17-Q1	17-Q2	17-Q3	17-Q4	18-Q1	18-Q2	18-Q3	Source table
Number of remortgages	Home owners	12,100	12,700	13,100	13,500	14,100	12,900	14,700	13,000	14,700	14,700	15,000	15,000	15,200	MLGL
Value of remortgages (£mn)	Home owners	3,480	3,760	3,920	4,080	4,310	3,710	4,340	3,930	4,550	4,520	4,590	4,790	4,760	MLGL

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)

For media enquiries, journalists should contact [press@ukfinance.org.uk](mailto:press@ukfinance.org.uk)