



# National Mortgage Index

For immediate release - 30.08.2019



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August 2019

*Reporting on*

**July 2019**

*data*

## Buyers still moving, despite seasonal factors

July was dominated by political headlines due to the appointment of Boris Johnson as the new Prime Minister, together with the announcement of his new Cabinet. In normal circumstances, any change of occupant at 'number 10' generally brings about a temporary pause in market activity as consumer sentiment settles. Whilst the usual seasonal factors applied, with some would-be movers distracted by holiday plans, certain regions, such as Scotland, Wales, West Midlands and East Anglia continued to perform well last month, with little discernible impact on their local housing markets. Overall house price growth, whilst muted at headline level, remained in positive territory on an annualised basis. In fact, a number of our brokers recorded one of their busiest months so far this year, with some citing an increase in the number of mid-market family movers, which is encouraging news.

This is particularly relevant as there were concerns amongst some in the industry that the suggestion of possible Stamp Duty reform could have encouraged potential buyers to 'wait and see' until the Autumn Budget, when any such measures would ordinarily be announced. However, broadly speaking this doesn't appear to have been the case; the divergence between the better performing regions remains apparent in terms of both transaction volumes and increases in values, but this is possibly more due to

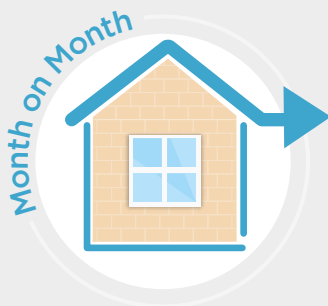
a continuation of the varying degrees of consumer confidence across the UK based on local economic factors than anything else.

Remortgage cases also appeared to be on the increase in July, and this is likely to continue as we move into the second half of this year when many clients on existing two-year fixed rates see their current products coming to an end. With several lenders repricing longer fixed rate products downwards during the month, some clients are now reviewing their borrowing arrangements to take advantage of lower rates in order to either reduce their monthly payments, or indeed the overall term of their mortgage. For those who are purchasing at the moment, the current crop of rates available offers excellent value, as well as further support for affordability calculations. This is a continuation of the competitive market we've seen for some time now, and further highlights the opportunity borrowers have at the moment to secure a low product rate for an extended period.

In terms of key indicators for the main borrowing groups, these all remained relatively steady in July, again potentially reflecting the current set of wider economic sound fundamentals in terms of average wage growth, low costs of borrowing and ongoing demand for properties.

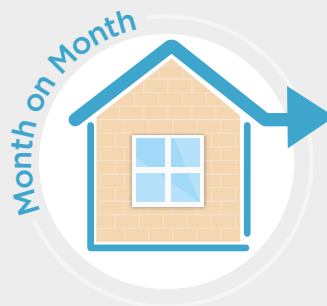


# Residential Purchase



## Average purchase loan

**£179,662** in July 19, broadly unchanged from June 19 (**£179,173**) but increased by **2.5%** on July 18 (**£175,233**).



## Amount of purchase applicants who opted for fixed rate products

In July 19, **97.5%** of borrowers fixed their mortgage, mostly unchanged from June 19 (**97.8%**) and also similar to July 18 (**96.9%**)



## Typical LTVs

Mostly unchanged in July 19 at **70.8%** from July 19 (**71.4%**) and also broadly similar to July 18 (**70%**)



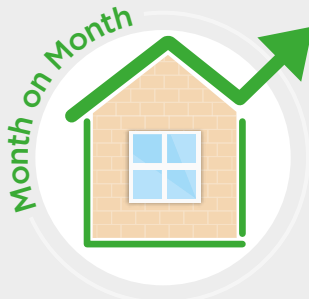
## Average applicant age

**36** years old in July 19, unchanged month on month and year on year.

**45 yrs** - Buy-To-Let Purchase in July 19

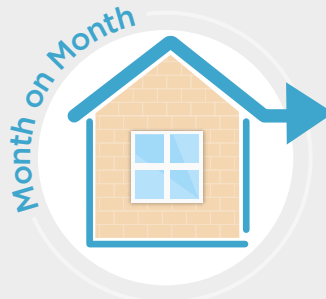
**43 yrs** - Residential Remortgage in July 19

**32 yrs** - First Time Buyer in July 19



## Change in the average purchase price

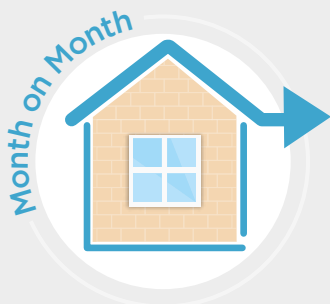
**£253,645** in July 19, a slight increase of **1.1%** on June 19 (**£250,857**) and also a modest year on year rise of **1.3%** since July 18 (**£250,857**)



## Change in average purchase salaries

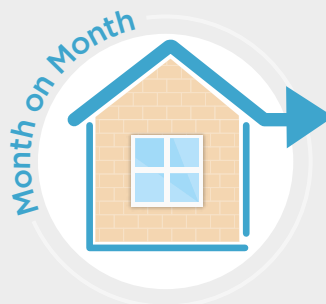
**£37,289** in July 19, mostly unchanged on June 19 (**£37,573**) and also broadly similar to July 18 (**£36,986**)

# Residential Remortgage



## Average remortgage loan

**£173,716** in July 19, broadly similar to June 19 (**£174,389**) but decreased by **2.3%** when compared to July 18 (**£177,802**)



## Amount of remortgage applicants who opted for fixed rate products

In July 19, **94.7%** of borrowers fixed their mortgage, hardly changed on June 19 (**94.8%**) and also broadly similar to July 18 (**94.3%**).



## Typical LTVs

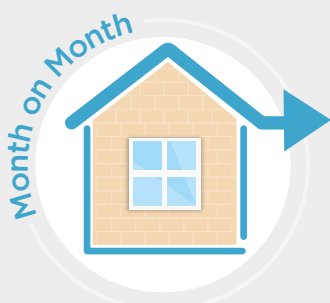
**57.4%** in July, hardly changed since June 19 (**57.3%**) and broadly similar to July 18 (**56.7%**).



## Average applicant age

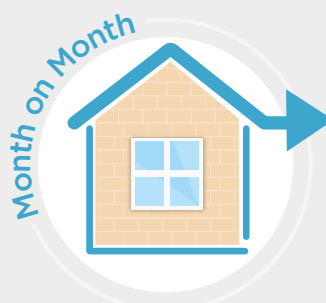
**43 years** old in July 19, unchanged month on month but increased from July 18 (**42**).

**45 yrs** - Buy-To-Let Purchase in July 19  
**36 yrs** - Residential Purchase in July 19  
**32 yrs** - First Time Buyer in July 19



## Change in the average remortgage property value

**£302,483** in July 19, broadly similar to June 19 (**£304,172**) but decreased by **3.6%** on July 18 (**£313,769**)



## Change in average remortgage salaries

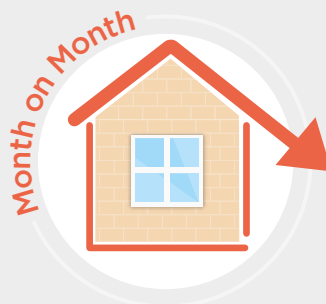
**£43,647** in July 19, hardly changed from June 19 (**£43,776**) but an increase of **3.1%** on July 18 (**£42,325**)

# Buy-To-Let Purchase



## Average BTL purchase loan

**£129,565** in July 19, an increase of **2.84%** on June 19 (**£125,882**) but broadly similar to July 18 (**£129,285**)



## Amount of BTL purchase applicants who opted for fixed rate products

In July 19, **92.9%** of borrowers fixed their mortgage, a decrease from June 19 (**96.1%**) and also on July 18 (**97%**)



## Typical LTVs

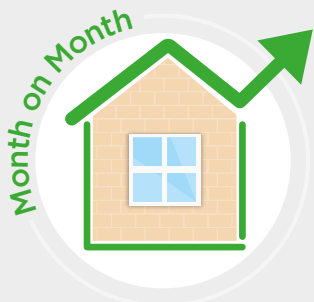
In July 19, the average BLT purchase LTV was **70.6%**, unchanged from June 19 and slightly increased from July 18 (**67.2%**)



## Average applicant age

**45** in July 19, unchanged on June 19 but lower than July 18 (**46**).

**43 yrs** - Residential Remortgage in July 19  
**36 yrs** - Residential Purchase in July 19  
**32 yrs** - First Time Buyer in July 19



## Change in the average BTL purchase price

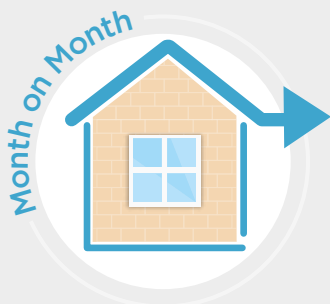
**£183,528** In July 19, increased by **2.83%** on June 19 (**£178,333**) but decreased by **4.65%** on July 18 (**£192,479**)



## Change in average BTL purchase salaries

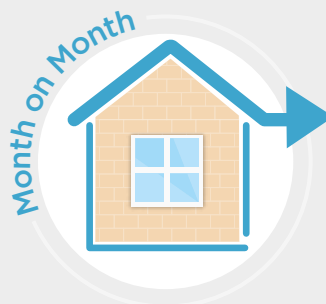
**£39,236** in July 19, a slight increase of **1.71%** on June 19 (**£38,562**) and also increased by **4.40%** on July 18 (**£37,506**).

# First Time Buyers



## Average FTB purchase loan

**£160,387** in July 19, broadly similar to June 19 (**£161,123**) but an increase of **2.04%** on July 18 (**£157,104**).



## Amount of FTB purchase applicants who opted for fixed rate products

**99.2%** in July 19, broadly similar to June 19 (**99.1%**) and also to July 18 (**98.6%**)



## Typical LTVs

**74.1%** in July 19, broadly similar to June 19 (**74.4%**) and also July 18 (**73.7%**)



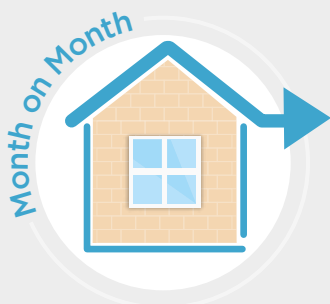
## Average applicant age

**32** years old in July 19, unchanged month on month but increased on July 18 (**31**).

**45 yrs** - Buy-To-let Purchase in July 19

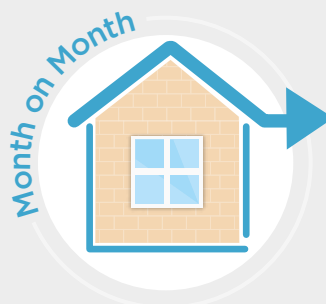
**43 yrs** - Residential Remortgage in July 19

**36 yrs** - Residential Purchase in July 19



## Change in the average FTB purchase price

**£216,544** in July 19, hardly changed on June 19 (**£216,561**) but increased by **1.8%** on July 18 (**£212,558**)



## Change in average FTB purchase salaries

**£32,454** in July 19, hardly changed on June 19 (**£32,610**) and also July 18 (**£32,281**)

# Regional Mortgage Analysis

August 2019 reporting on  
July 2019 data

- ▲ Increase from previous month
- ▼ Decrease from previous month

## ▲ SCOTLAND

Av. Purchase Loan **July 19** ..... £153,117  
 Av. Purchase Loan **June 19** ..... £152,891  
**Monthly Change** ..... +0.1%  
 Av. Purchase Loan **July 18** ..... £151,824  
**Annual Change** ..... +0.9%

## ▲ NORTH WEST

Av. Purchase Loan **July 19** ..... £145,857  
 Av. Purchase Loan **June 19** ..... £144,232  
**Monthly Change** ..... +1.1%  
 Av. Purchase Loan **July 18** ..... £144,696  
**Annual Change** ..... +0.8%

## ▲ WEST MIDLANDS

Av. Purchase Loan **July 19** ..... £185,058  
 Av. Purchase Loan **June 19** ..... £180,645  
**Monthly Change** ..... +2.4%  
 Av. Purchase Loan **July 18** ..... £177,705  
**Annual Change** ..... +4.1%

## ▲ WALES

Av. Purchase Loan **July 19** ..... £143,611  
 Av. Purchase Loan **June 19** ..... £142,638  
**Monthly Change** ..... +0.7%  
 Av. Purchase Loan **July 18** ..... £141,293  
**Annual Change** ..... +1.6%

## ▼ SOUTH WEST

Av. Purchase Loan **July 19** ..... £177,616  
 Av. Purchase Loan **June 19** ..... £177,709  
**Monthly Change** ..... -0.1%  
 Av. Purchase Loan **July 18** ..... £170,809  
**Annual Change** ..... +4.0%

## ▲ SOUTH EAST

Av. Purchase Loan **July 19** ..... £225,744  
 Av. Purchase Loan **June 19** ..... £225,302  
**Monthly Change** ..... +0.2%  
 Av. Purchase Loan **July 18** ..... £224,934  
**Annual Change** ..... +0.4%

## ▲ NORTH EAST

Av. Purchase Loan **July 19** ..... £128,462  
 Av. Purchase Loan **June 19** ..... £124,058  
**Monthly Change** ..... +0.3%  
 Av. Purchase Loan **July 18** ..... £127,821  
**Annual Change** ..... +0.5%

## ▼ YORKSHIRE & THE HUMBER

Av. Purchase Loan **July 19** ..... £144,121  
 Av. Purchase Loan **June 19** ..... £145,421  
**Monthly Change** ..... -0.9%  
 Av. Purchase Loan **July 18** ..... £145,261  
**Annual Change** ..... -0.8%

## ▼ EAST MIDLANDS

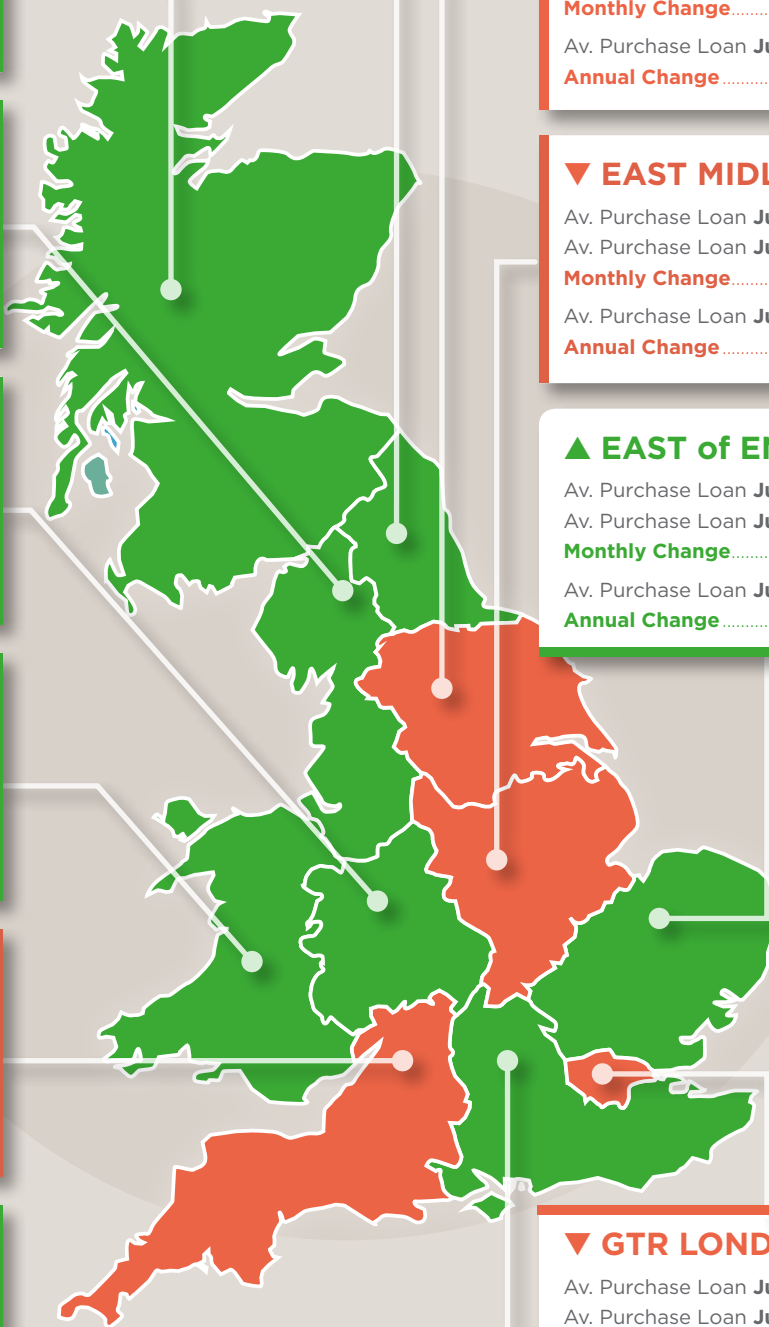
Av. Purchase Loan **July 19** ..... £152,899  
 Av. Purchase Loan **June 19** ..... £157,497  
**Monthly Change** ..... -2.9%  
 Av. Purchase Loan **July 18** ..... £143,114  
**Annual Change** ..... +6.8%

## ▲ EAST of ENGLAND

Av. Purchase Loan **July 19** ..... £180,740  
 Av. Purchase Loan **June 19** ..... £170,847  
**Monthly Change** ..... +5.79%  
 Av. Purchase Loan **July 18** ..... £156,714  
**Annual Change** ..... +15.3%

## ▼ GTR LONDON

Av. Purchase Loan **July 19** ..... £309,599  
 Av. Purchase Loan **June 19** ..... £311,653  
**Monthly Change** ..... -0.66%  
 Av. Purchase Loan **July 18** ..... £325,747  
**Annual Change** ..... -5.0%



# Regional Market Commentary

Mortgage Advice Bureau advisers from around the UK give their views...

## Dylan Kelly - Edinburgh

"We saw a lot of completions in July as clients finalised their transactions in order to move home over the summer, mostly taking advantage of the school holidays. This was especially the case with those who have bought new build homes, as they've had the flexibility from developers around dates to complete at a more convenient time.

"For those who weren't moving home last month, we saw remortgage cases increase substantially as we enter into a busy period of the year on that side of the business. With a significant number of clients coming to the end of their existing product in the next few months, we're already in the planning stages in terms of lining up their next deal for them. Whilst two and five year products remain the most popular by far, the recent launch by a couple of lenders of 15 year fixes has stirred up some interest in longer term products. Some of our clients have seen the deals in the news and have asked us about them to understand if fixing for longer might be a good idea.

"Overall, confidence remains solid and sentiment positive in and around Edinburgh with the market ticking over nicely. Values in general appear to have remained consistent of late, and transactions times are still relatively swift; if a desirable property is marketed at the right price, it's still likely to go under offer within a week or so."

## Richard Hullin - Swansea

"July was an exceptionally busy month for us, despite it being peak holiday season. The residential sales market maintained its momentum, meaning that we assisted a significant level of buyers with their transactions; in fact, more so than the previous month. This appeared to be across the board, with an even mix of First Time Buyers, more established home movers and also at the higher end of the market. Confidence locally appears to be undented, despite the political headlines, with the overall sentiment appearing to be that both buyers and sellers are getting on with their move regardless, if it's the right time and the right property for them.

"As a consequence, demand remains strong and there is still not quite enough available stock locally, which in turn is providing support for values. Carmarthenshire and Pembrokeshire are seeing solid levels of year on year growth, but the towns of Tenby, Haverfordwest, Saundersfoot and Pembroke in particular have seen substantial price rises of late. That's because they appeal to downsizers or those who are retiring, as well as investors looking for holiday lets and prospective second homeowners. This means that well-presented properties don't stay on the market for long as there are often multiple offers and competing bids."

# Regional Market Commentary

Mortgage Advice Bureau advisers from around the UK give their views...

## Andrew Milnes - Harrogate

“Overall, we saw slightly fewer clients in July; however, this is the usual trend for this time of year as a result of the school holidays so it’s to be expected and we don’t see it as a cause for concern. The market remains resilient regionally, with consumer confidence in bricks and mortar still solid, and the estate agents we work with continue to report that properties are selling quickly if priced correctly. This is especially the case in the ‘spa towns’ of Harrogate and Ilkley, whilst areas like Boston Spa and Collingham remain highly aspirational. In fact, even in July we still observed that certain properties attracted multiple bids with offers agreed within days, not weeks, of being listed for sale.

“This trend is also prevalent in the local Buy To Let space, and we continued to assist landlords last month who were either re-financing or adding to their portfolios. Demand continues to increase for rental properties across the region, meaning that yields remain attractive for those investors who have structured their finances correctly.”

## Rachel Geddes - London

“We had anticipated that July would be rather subdued; what actually transpired couldn’t have been further from that. The majority of our cases last month were for residential purchases and of those, a significant number were for transactions of £1million or above.

“We’d suggest that this was because potential buyers who have been ‘sat on the sidelines’ waiting for a little more political certainty decided to act sooner rather than later. The sentiment we’ve observed amongst buyers over the past few weeks appears to be that they are now taking the plunge and purchasing their main residence, so that they can fix their rate and ‘batten down the hatches’ for the next year or so until any economic impact as a result of Brexit has passed. This particularly seems to be the case with higher value transactions of £2million and over.

“It’s also possible that the market was assisted last month by a rise in motivated vendors, who are keen to get deals agreed. This has resulted in more realistic asking prices and also a more pragmatic view when offers are made. Talking to the estate agents we work with, they have reported that more stock is coming on to the market. This increased choice appears to be tempting more buyers, which in turn has seen a reported upturn in viewing levels. The potential for stamp duty reform in the Autumn Budget has cropped up in conversation with a few clients, but generally speaking for the moment at least, it doesn’t appear to have created a pause for those who genuinely are keen to move and secure the property of their choice.”





# Contact Details

The monthly National Mortgage Index has been created by Mortgage Advice Bureau to provide the most comprehensive overview of the UK mortgage market by a mortgage broker.

## For more information contact:

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## Breakdown of regions

**North East:** Northumberland | Cumbria | Tyne & Wear | Cleveland

**Yorkshire & Humber:** North, West and South Yorkshire | Humberside

**North West:** Lancashire | Greater Manchester | Merseyside and Cheshire

**East Midlands:** Derbyshire | Nottingham | Lincolnshire | Leicestershire

**West Midlands:** Shropshire | Stafford | West Midlands | Warwickshire | Hereford & Worcester

**East of England:** Norfolk | Suffolk | Cambs

**South East:** Essex | Herts | Beds | Bucks | Oxon | Berks | Surrey | Hants | West & East Sussex | Kent

**South West:** Glos | Avon | Wilts | Somerset | Devon | Dorset | Cornwall

**Wales:** All

**Greater London:** All

**Scotland:** All

## About Mortgage Advice Bureau

The National Mortgage Index is based on monthly applications data compiled from over 1,200 advisers across the UK. All figures quoted are three month averages unless otherwise specified.

Mortgage Advice Bureau is the UK's most recognised mortgage intermediary brand\*, winning over 70 national awards for the quality of its advice and service during the last five years.

It has over 1,350 advisers offering expert mortgage advice on a local, regional and national level to consumers, both face to face and over the phone. Mortgage Advice Bureau handles over £14bn of loans annually, and was the first – and is currently the only – mortgage intermediary to have floated on the London Stock Exchange, having joined the Alternative Investment Market (AIM) in November 2014.

<sup>1</sup> Based on Opinium Research, Summer 2019.