



National Mortgage Index

Under embargo until 00:01hrs on 19.12.19

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December 2019

Reporting on

November 2019

data

Market steady in lead up to General Election

November saw the UK property market continue in the same direction of travel we've seen for most of 2019; transaction volumes were consistent with the same time in previous years, with buyers committed to their purchase, and remortgage levels increased slightly on the previous month.

Whilst the majority of news headlines were dedicated to the upcoming General Election for most of the month, we observed that consumers were, for the most part, continuing with their plans regardless. This supports the view of many in the industry since 2016, which is that pent-up demand can only last for so long, and at some point the life circumstances which dictate that an individual or family needs to move home will, in many cases, outweigh any caution around the political climate.

As a consequence, for the most part property values remained at their current levels with little movement on the average purchase price, although as has been the case for the past two years or so, some regions saw a little more movement than others, with upwards pressure on prices evident in the regions where stock numbers didn't meet buyer demand levels. Areas including Yorkshire, the Midlands and Scotland all saw a busy period in November, consistent with their performance for the past two years or so.

It was also encouraging to see the number of First Time Buyers entering the market remaining at consistent levels, supported by the good levels of low deposit mortgage products. As we observed in October, the

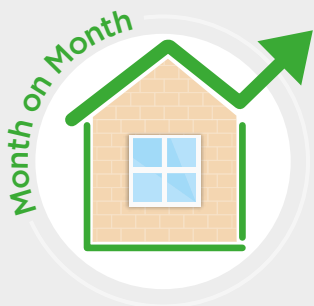
increasing level of family supported products from a number of lenders has also assisted many who otherwise may have struggled to get on the property ladder, and we'd suggest that as consumer awareness and understanding of these sorts of mortgages increases, so will their popularity.

Buy To Let borrowing remained stable in November, with many landlords taking advantage of competitive specialist products to remortgaging existing portfolios or, in some areas, purchase additional investment units. This would perhaps suggest that, despite taxation and legislations changes for landlords over the past few years, and any uncertainty in the lead up the General Election, many were confident in property as an attractive asset class.

Looking at the underlying market fundamentals of low unemployment, consumer incomes remaining slightly ahead of inflation and low costs of borrowing, it's easy to see why the UK property market has remained resilient over the past year. We would suggest that these market dynamics are very much reflected in our data for the past month, leading us to conclude that whilst there were no dramatic movements in the penultimate month of 2019, 'no news is good news'.

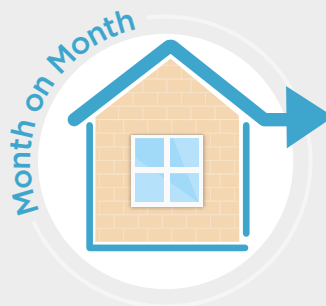


Residential Purchase



Average purchase loan

£176,228 in Nov 19, an increase of **0.96%** from Oct 19 (**£174,544**) and also increased by 2.9% on Nov 18 (**£171,185**)



Amount of purchase applicants who opted for fixed rate products

In Nov 19, **98%** of borrowers fixed their mortgage, mostly unchanged on Oct 19 (**98.2%**) and broadly similar to Nov 18 (**97.8%**)



Typical LTVs

Mostly unchanged in Nov 19 at **71.3%** from Oct 19 (**70.7%**) and also broadly similar to Nov 18 (**70.7%**)



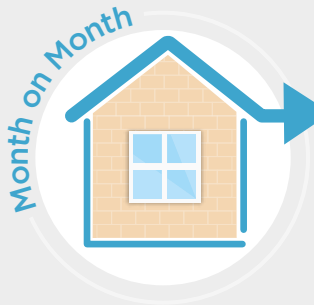
Average applicant age

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

42 yrs - Buy-To-Let Purchase in Nov 19

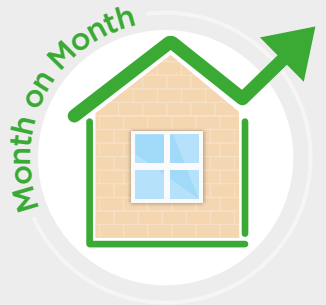
42 yrs - Residential Remortgage in Nov 19

31 yrs - First Time Buyer in Nov 19



Change in the average purchase price

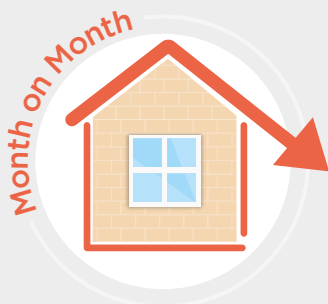
£247,171 in Nov 19, broadly similar to Oct 19 (**£246,756**) but increased by **2.1%** on Nov 18 (**£242,127**)



Change in average purchase salaries

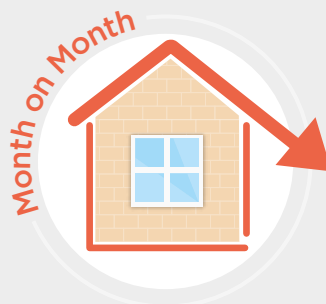
£37,835 in Nov 19, an increase of **2.5%** on Oct 19 (**£36,888**) and also **5.13%** higher than Nov 18 (**£35,989**)

Residential Remortgage



Average remortgage loan

£174,201 in Nov 19, a decrease of **1.4%** from Oct 19 (**£176,674**) but increased slightly by **0.8%** on Nov 18 (**£172,775**)



Amount of remortgage applicants who opted for fixed rate products

In Nov 19, **95.4%** of borrowers fixed their mortgage, a slight decrease from Oct 19 (**98.3%**) but broadly similar to Nov 18 (**94.6%**)



Typical LTVs

56.9% in Nov 19, mostly unchanged on Oct 19 (**57.2%**) and also very similar to Nov 18 (**56.8%**)



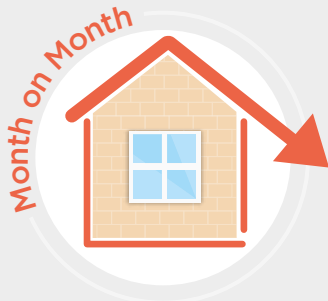
Average applicant age

42 years old in Nov 19, unchanged month on month and year on year

42 yrs - Buy-To-Let Purchase in Nov 19

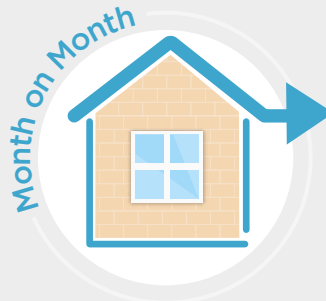
36 yrs - Residential Purchase in Nov 19

31 yrs - First Time Buyer in Nov 19



Change in the average remortgage property value

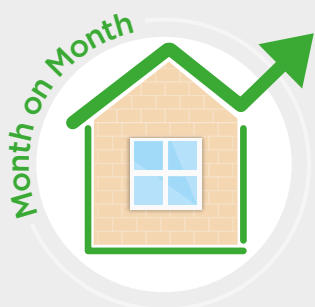
£306,164 in Nov 19, a small decrease of **0.9%** from Oct 19 (**£309,062**) but a slight increase of **0.7%** on Nov 18 (**£303,995**)



Change in average remortgage salaries

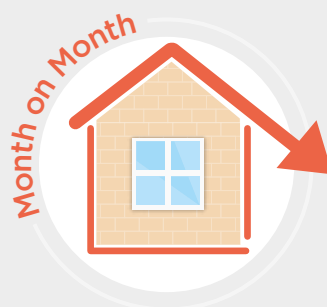
£43,747 in Nov 19, almost unchanged on Oct 19 (**£43,649**) but decreased by **4%** since Nov 18 (**£45,548**)

Buy-To-Let Purchase



Average BTL purchase loan

£128,099 in Nov 19, an increase of **3.27%** on Oct 19 (**£123,899**) and also a slight rise of **1.12%** since Nov 18 (**£126,657**)



Amount of BTL purchase applicants who opted for fixed rate products

In Nov 19, **97.3%** of borrowers fixed their mortgage, slightly decreased on Oct 19 (**98.6%**) but a modest increase on Nov 18 (**96.7%**)



Typical LTVs

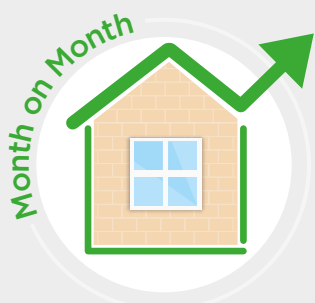
In Nov 19, the average BTL purchase LTV was **70%**, hardly changed from Oct 19 (**69.9%**) and also broadly similar to Nov 19 (**68.2%**)



Average applicant age

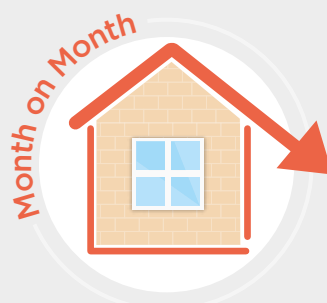
42 in Nov 19, unchanged month on month but decreased on Oct 18 (**45**).

42 yrs - Residential Remortgage in Nov 19
36 yrs - Residential Purchase in Nov 19
31 yrs - First Time Buyer in Nov 19



Change in the average BTL purchase price

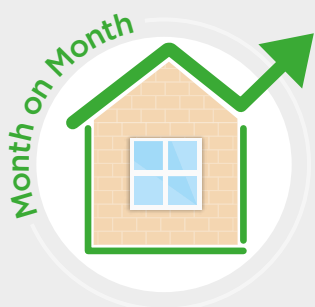
£182,926 in Nov 19, an increase of **3.15%** since Oct 19 (**£177,148**) but a decrease of **1.57%** from Nov 18 (**£185,857**)



Change in average BTL purchase salaries

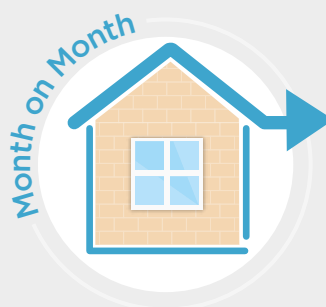
£38,006 in Nov 19, a decrease of **4.26%** from Oct 19 (**£39,698**) and also a drop of **3.79%** since Nov 18 (**£39,505**)

First Time Buyers



Average FTB purchase loan

£163,194 in Nov 19, a slight increase of **1.11%** on Oct 19 (**£161,379**) but also a rise of **6.31%** since Nov 18 (**£152,887**)



Amount of FTB purchase applicants who opted for fixed rate products

99.4% in Nov 19, unchanged on Oct 19 and also broadly similar to Nov 18 (**99.2%**)



Typical LTVs

74% in Nov 19, broadly similar to Oct 19 (**73.3%**) and also mostly unchanged when compared to Nov 18 (**74.6%**)



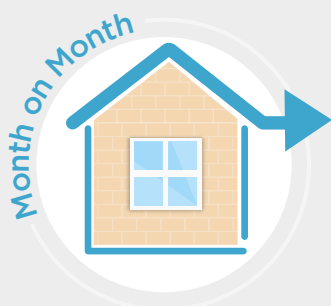
Average applicant age

31 years old in Nov 19, unchanged month on month and year on year

42 yrs - Buy-To-let Purchase in Nov 19

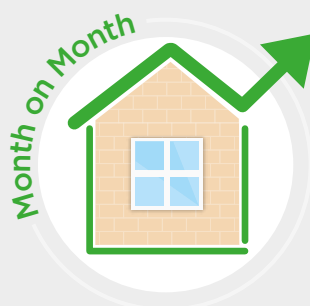
42 yrs - Residential Remortgage in Nov 19

36 yrs - Residential Purchase in Nov 19



Change in the average FTB purchase price

£221,136 in Nov 19, broadly similar to Oct 19 (**£220,674**) but increased by **7.32%** when compared to Nov 18 (**£204,927**)



Change in average FTB purchase salaries

£35,132 in Nov 19, an increase of **4.26%** on Oct 19 (**£33,634**) and also a rise of **11.25%** on Nov 18 (**£31,179**)

Regional Mortgage Analysis

December 2019 reporting on
November 2019 data

▲ Increase from previous month
▼ Decrease from previous month

▲ SCOTLAND

Av. Purchase Loan Nov 19 £157,765
 Av. Purchase Loan Oct 19 £154,599
Monthly Change +2.0%
 Av. Purchase Loan Nov 18 £154,401
Annual Change +2.2%

▼ NORTH WEST

Av. Purchase Loan Nov 19 £144,354
 Av. Purchase Loan Oct 19 £149,650
Monthly Change -3.5%
 Av. Purchase Loan Nov 18 £143,020
Annual Change +0.9%

▲ WEST MIDLANDS

Av. Purchase Loan Nov 19 £189,794
 Av. Purchase Loan Oct 19 £188,677
Monthly Change +0.6%
 Av. Purchase Loan Nov 18 £178,758
Annual Change +6.2%

▼ WALES

Av. Purchase Loan Nov 19 £137,573
 Av. Purchase Loan Oct 19 £138,234
Monthly Change -0.5%
 Av. Purchase Loan Nov 18 £126,836
Annual Change +8.5%

▼ SOUTH WEST

Av. Purchase Loan Nov 19 £184,856
 Av. Purchase Loan Oct 19 £185,051
Monthly Change -0.1%
 Av. Purchase Loan Nov 18 £166,591
Annual Change +11%

▲ SOUTH EAST

Av. Purchase Loan Nov 19 £212,588
 Av. Purchase Loan Oct 19 £211,993
Monthly Change +0.3%
 Av. Purchase Loan Nov 18 £223,031
Annual Change -4.7%

▲ NORTH EAST

Av. Purchase Loan Nov 19 £126,217
 Av. Purchase Loan Oct 19 £125,554
Monthly Change +0.5%
 Av. Purchase Loan Nov 18 £120,569
Annual Change +4.7%

▲ YORKSHIRE & THE HUMBER

Av. Purchase Loan Nov 19 £144,336
 Av. Purchase Loan Oct 19 £143,952
Monthly Change +0.3%
 Av. Purchase Loan Nov 18 £145,864
Annual Change -1.0%

▲ EAST MIDLANDS

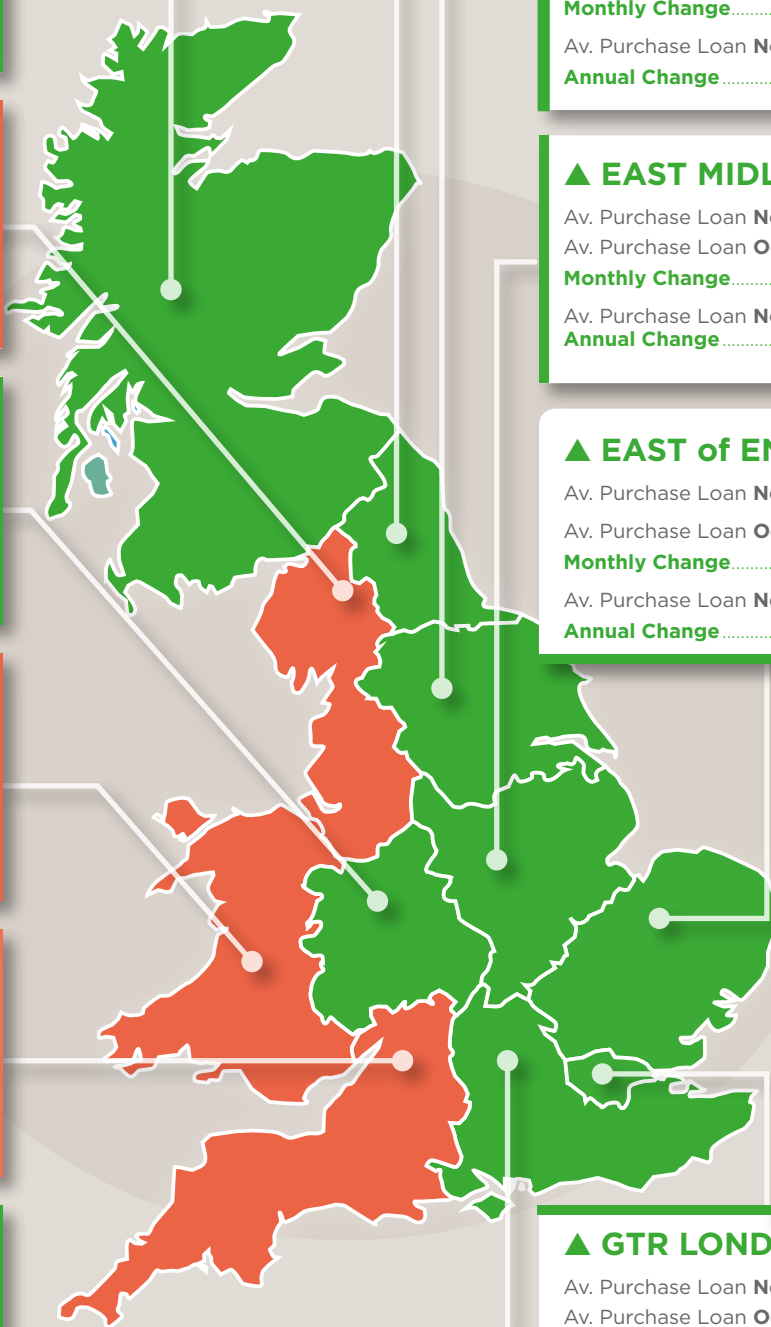
Av. Purchase Loan Nov 19 £153,584
 Av. Purchase Loan Oct 19 £152,363
Monthly Change +0.8%
 Av. Purchase Loan Nov 18 £141,228
Annual Change +8.7%

▲ EAST of ENGLAND

Av. Purchase Loan Nov 19 £174,212
 Av. Purchase Loan Oct 19 £168,382
Monthly Change +3.4%
 Av. Purchase Loan Nov 18 £161,073
Annual Change +8.2%

▲ GTR LONDON

Av. Purchase Loan Nov 19 £279,057
 Av. Purchase Loan Oct 19 £269,370
Monthly Change +3.60%
 Av. Purchase Loan Nov 18 £284,915
Annual Change -2.1%



Regional Market Commentary

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

Dylan Kelly - Edinburgh

"As in previous months, November was solid in terms of purchaser activity in and around Edinburgh. We observed transaction levels remaining consistent and demand levels also mostly unchanged over the last year or so. A significant amount of the properties we arranged purchase mortgages on in November were new build, at all price points from shared equity starter homes, all the way up to a luxury penthouse for just shy of a £1m overlooking the Royal Mile. Looking further out into West Lothian, mid-range family homes are still in demand; transaction times seemed to have slowed slightly, but prices are still on the ascendant in many areas, which we would suggest doesn't indicate any lack of buyer confidence.

On the remortgage side of the business, our advisers were able to assist a significant number of clients last month who had existing fixed rate products that were coming to an end. With lenders becoming ever-more competitive in terms of rates over the last few weeks, the gap between two and five-year fixed rates has really closed, meaning that those borrowing have, in many cases, a lot more choice in terms of their new deal.

Overall, whilst there is of course an awareness of the current news headlines, we'd suggest that these don't have much of an impact on buyer and seller sentiment in terms of property North of the Border. Given that Christmas is only a few short weeks away, this is perhaps more of a priority for most of those transacting, and is providing many with an incentive to complete in good time so that they can spend the holidays settling into their new home."

Andrew Milnes - Harrogate

"We saw an increase in the number of purchase cases in November compared to October, suggesting that the market has remained resilient in Yorkshire regardless of the upcoming election and related Brexit headlines. The interesting thing in November was that we observed there was no one area in particular that saw a concentration of activity; all the estate agents we work with across the region, in towns such as York, Harrogate, Skipton, Ilkley and Saltaire were all busy, and seemingly at all price points as well, from First Time Buyers to large family homes and high-end, luxury properties.

We'd suggest that a key driver for this is because estate agents are encouraging vendors to be more pragmatic about their pricing; although there are still strong levels of buyer demand, those purchasing at the moment want to make sure that they are paying a realistic price. As a result, when we work with home movers to arrange their next mortgage, our advisers work with the seller to provide a 'cost of moving' exercise. This involves creating a budget to account for legal fees, stamp duty, and moving costs but also looks at the impact of accepting a slightly lower offer than their asking price. For example, if a property is going to be listed at £300,000 our adviser will work through what accepting an offer of £290,000 might look like in terms of raising additional borrowing to make up the difference on purchase price of the next property. In this way, vendors are able to approach both their sale and onward purchase from the outset with a little more knowledge, enabling them to perhaps be a little more flexible when they do receive an offer, which in turn seems to really be helping our clients to tie up deals slightly quicker."

Regional Market Commentary

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

Richard Hullin - Swansea

"November was slightly quieter for us than October, however we still ticked over very nicely with a good mix of both purchase and remortgage clients across the month.

Interestingly, although the local agents we work with have said that on the residential sales side things in November slowed down slightly, as they usually do in the lead up to Christmas, we observed that the Buy To Let market continued at a similar pace to previous months. Investors appear to be making a lot more use of Limited Companies or Special Purchase Vehicles (SPVs) for their purchases of late, having taken specialist tax advice as part of their research and preparation. As a result, we assisted a number of clients with borrowing to fund their purchases of properties for student lets or conversions into HMO's, particularly around the University cities of Cardiff and Swansea, as well as some holiday homes on the West Coast. The other change we've noticed in recent weeks is that there are some lenders who are getting involved with specific products for these more niche Buy To Let markets that they perhaps didn't offer previously, which is great as it provides clients with a few more borrowing options than perhaps may have been available before.

Last month also saw a number of our existing clients contact us either to arrange a straightforward remortgage as their current product is due to expire soon or in some cases, to capital raise in order to fund home improvement projects for next year. In quite a few cases, as some lenders have released reduced 'headline rates' in recent weeks, we've been able to source lower rates than our clients had on their previous deals. It's always nice to be the bearer of good news, particularly where money and mortgages are concerned!"

Rachel Geddes - London

"November was steadily busy for us, which is normally the case as those who are transacting at that time of year are usually very motivated to ensure that everything is completed in time for Christmas. This year has been no exception, and the clients we've been assisting who've been active have been committed to getting their deals over the line in good time. First Time Buyers made up bulk of client cases, with many opting to purchase now as they believe that following the General Election and Brexit, prices may go up in the new year, hence they have been keen to buy now whilst they can still afford to do so.

Perhaps the most surprising thing that we've observed over the last month is the number of Buy To Let purchase cases that we've worked on, the majority of which have been on either new build or properties that are within five years old. Those taking the decision to go ahead with their investment over the past few weeks appear to have been a mix of existing landlords who are UK based, and overseas buyers who are making a first investment purchase in London. Areas around Fulham, Battersea and also Prime Central (PCL) appear to have been the most popular, given both easy access to the City as well as the lifestyle they afford to professional tenants.

Overall, whilst we've spoken to a few clients who've been perhaps holding off on either moving or remortgaging due to the current political and economic climate, we'd suggest that for most, it's a question of making plans which are relevant to their own circumstances and timescales, rather than making their decision based on what's going on in the headlines."



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 1,400 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.

¹ Based on Opinium Research, Summer 2019.

