



National Mortgage Index

Under embargo until 00:01hrs on 31.07.19

Brian Murphy | Head of Lending Mortgage Advice Bureau

July 2019

Reporting on
June 2019
data

Sunshine doesn't distract as some movers remain committed

Whilst June tends to see the start of the great summer get away, it seems that there was still market momentum over the past month. In terms of mortgages arranged, our brokers observed a somewhat steady 'tick over' in most regions.

Many key indicators for home movers and First Time Buyers remained either stable or only marginally changed when compared to the previous month, although some year on year figures saw slightly more noticeable movements, albeit these were very much in line with data from other sources.

As has been the case for the past twelve months or more, the regionally diverse picture continued in June, with the East and West Midlands, Scotland, Wales, Yorkshire and the Humber and the North still seeing purchase loan sizes increased on the previous month.

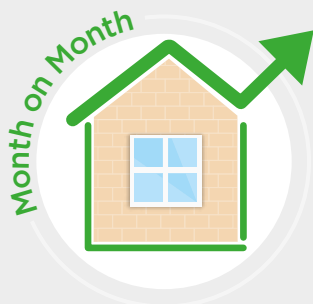
However, it's a slightly different picture inside the M25. Whilst many areas of London continue to appear to be suffering from 'Brexit fatigue' and ongoing downwards pressure on prices, anecdotally our brokers would suggest that there is an encouraging level of activity, particularly from First Time Buyers taking

advantage of softer market conditions in order to negotiate on their purchase. Outside of the city, conditions appear to be starting to move a little, as there was a marginal but positive change in terms of average purchase loan size in the South East over the last month, suggesting that those who have decided to proceed with their purchase are paying at or close to asking prices, probably due to lack of stock meaning that vendors are holding out and being less open to negotiation.

Across the month, many lenders reviewed their rates and repriced downwards, providing those who were moving or remortgaging with access to some of the lowest rates seen for some time. What's also become more apparent is a move by many lenders to take a more pragmatic view around affordability where it's prudent to do so, sending a clear message to the would-be borrowers that conditions continue to be favourable.

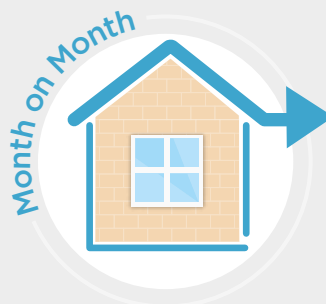


Residential Purchase



Average purchase loan

£179,173 in June 19, an increase of **1.3%** on May 19 (**£176,903**) and also increased by **1.8%** on June 18 (**£175,929**).



Amount of purchase applicants who opted for fixed rate products

In June 19, **97.8%** of borrowers fixed their mortgage, broadly similar to May 19 (**98.1%**) and also June 18 (**97.1%**).



Typical LTVs

Were hardly changed in June 19 at **71.4%** from May 19 (**71.3%**) but were slightly increased from June 18 (**69.9%**).



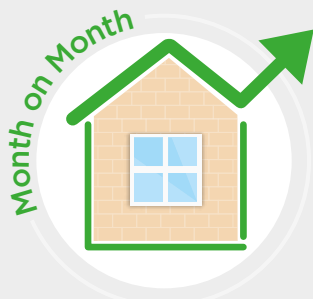
Average applicant age

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

45 yrs - Buy-To-Let Purchase in June 19

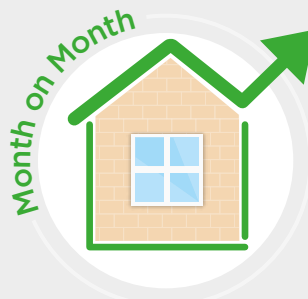
43 yrs - Residential Remortgage in June 19

32 yrs - First Time Buyer in June 19



Change in the average purchase price

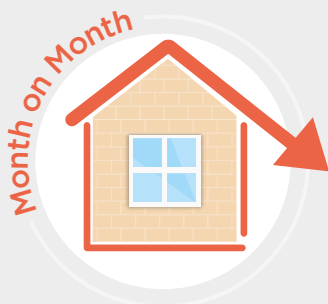
£250,857 in June 19, an increase of **1.1%** on May 19 (**£248,237**) but a slight decrease of **0.3%** on June 18 (**£251,573**).



Change in average purchase salaries

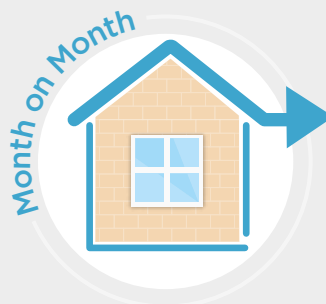
£37,573 in June 19, increased by **1.92%** on May 19 (**£36,865**) and also increased by **1.62%** on June 18 (**£36,973**).

Residential Remortgage



Average remortgage loan

£174,389 in June 19, a decrease of **1.5%** on May 19 (**£177,085**) and a **2.5%** decrease on June 18 (**£178,934**).



Amount of remortgage applicants who opted for fixed rate products

In June 19, **94.8%** of borrowers fixed their mortgage, unchanged on May 19 (**94.8%**) but slightly increased on June 18 (**93.5%**).



Typical LTVs

57.3% in June 19, hardly changed on May 19 (**57.1%**) and increased on June 18 (**56.5%**).



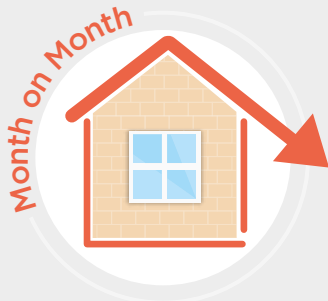
Average applicant age

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

45 yrs - Buy-To-Let Purchase in June 19

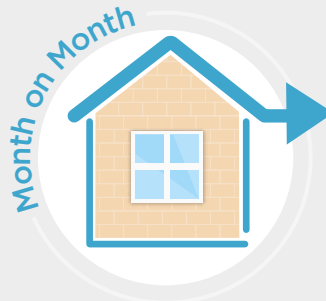
36 yrs - Residential Purchase in June 19

32 yrs - First Time Buyer in June 19



Change in the average remortgage property value

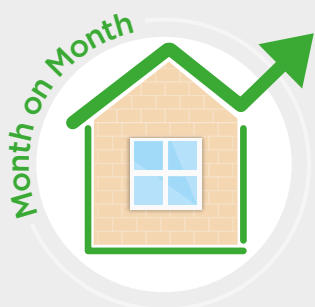
£304,172 in June 19, a decrease of **1.9%** on May 19 (**£309,982**) and also decreased on June 18 by **3.9%** (**£316,530**).



Change in average remortgage salaries

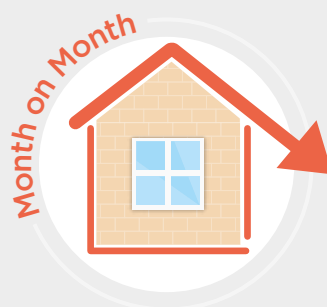
£43,776 in June 19, broadly similar to May 19 (**£43,030**) and also June 18 (**£43,172**).

Buy-To-Let Purchase



Average BTL purchase loan

£125,882 in June 19, an increase of **1.35%** on May 19 (**£124,182**) but a decrease of **3.90%** on June 18 (**£131,033**).



Amount of BTL purchase applicants who opted for fixed rate products

In June 19, **96.1%** of borrowers fixed their mortgage, a slight decrease from May 19 (**97.2%**) but an increase on June 18 (**95.9%**).



Typical LTVs

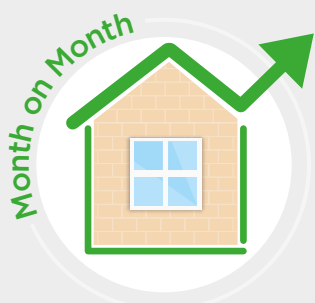
In June 19, the average BTL purchase LTV was **70.6%**, hardly changed from May 19 (**70.2%**) but increased from June 18 (**66.5%**).



Average applicant age

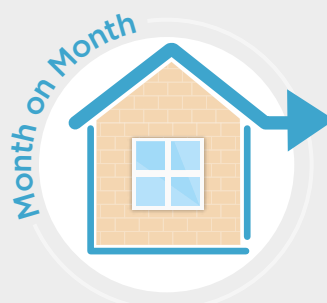
45 in June 19, unchanged on May 19 but lower than June 18 (**46**).

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



Change in the average BTL purchase price

£178,333 in June 19, increased by **0.80%** on May 19 (**£176,901**) but decreased by **9.50%** on June 18 (**£197,074**).



Change in average BTL purchase salaries

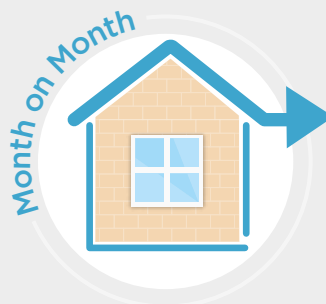
£38,562 in June 19, mostly unchanged on May 19 (**£38,555**) but increased by **2.10%** on June 18 (**£37,751**).

First Time Buyers



Average FTB purchase loan

£161,123 in June 19, an increase of **1.53%** on May 19 (**£158,655**) and also increased on June 18 by **2.49%** (**£157,104**).



Amount of FTB purchase applicants who opted for fixed rate products

99.1% in June 19, broadly similar to May 19 (**99.5%**) and also June 18 (**98.7%**).



Typical LTVs

74.4% in June 19, a slight increase on May 19 (**72.4%**) but broadly similar to June 18 (**74.1%**).



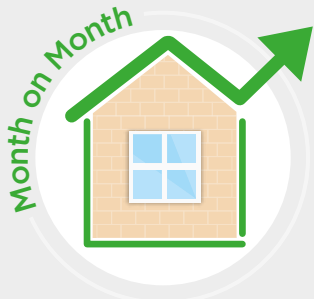
Average applicant age

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

45 yrs - Buy-To-let Purchase in June 19

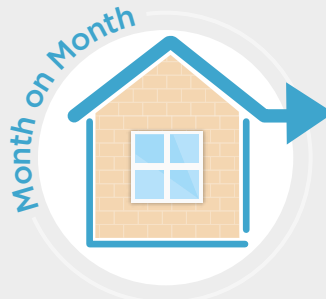
43 yrs - Residential Remortgage in June 19

36 yrs - Residential Purchase in June 19



Change in the average FTB purchase price

£216,561 in June 19, an increase of **1.32%** on May 19 (**£213,700**) and also increased by **2.14%** from June 18 (**£211,290**).



Change in average FTB purchase salaries

£32,610 in June 19, broadly unchanged from May 19 (**£32,322**) and also similar to June 18 (**£32,124**).

Regional Mortgage Analysis

July 2019 reporting on
June 2019 data

■ Increase from previous month
■ Decrease from previous month

▲ SCOTLAND

Av. Purchase Loan **June 19** £152,891
Av. Purchase Loan **May 19** £151,795
Monthly Change +0.7%
Av. Purchase Loan **June 18** £152,457
Annual Change +0.3%

▲ NORTH WEST

Av. Purchase Loan **June 19** £144,232
Av. Purchase Loan **May 19** £143,995
Monthly Change +0.2%
Av. Purchase Loan **June 18** £144,999
Annual Change -0.5%

▲ WEST MIDLANDS

Av. Purchase Loan **June 19** £180,645
Av. Purchase Loan **May 19** £179,734
Monthly Change +0.5%
Av. Purchase Loan **June 18** £176,041
Annual Change +2.6%

▲ WALES

Av. Purchase Loan **June 19** £142,638
Av. Purchase Loan **May 19** £142,053
Monthly Change +0.4%
Av. Purchase Loan **June 18** £137,433
Annual Change +3.8%

▼ SOUTH WEST

Av. Purchase Loan **June 19** £177,709
Av. Purchase Loan **May 19** £177,813
Monthly Change -0.1%
Av. Purchase Loan **June 18** £169,977
Annual Change +4.5%

▲ SOUTH EAST

Av. Purchase Loan **June 19** £225,302
Av. Purchase Loan **May 19** £219,465
Monthly Change +2.7%
Av. Purchase Loan **June 18** £227,880
Annual Change -1.1%

▲ NORTH EAST

Av. Purchase Loan **June 19** £128,058
Av. Purchase Loan **May 19** £124,942
Monthly Change +2.5%
Av. Purchase Loan **June 18** £130,745
Annual Change -2.1%

▲ YORKSHIRE & THE HUMBER

Av. Purchase Loan **June 19** £145,421
Av. Purchase Loan **May 19** £142,696
Monthly Change +1.9%
Av. Purchase Loan **June 18** £145,984
Annual Change -0.4%

▲ EAST MIDLANDS

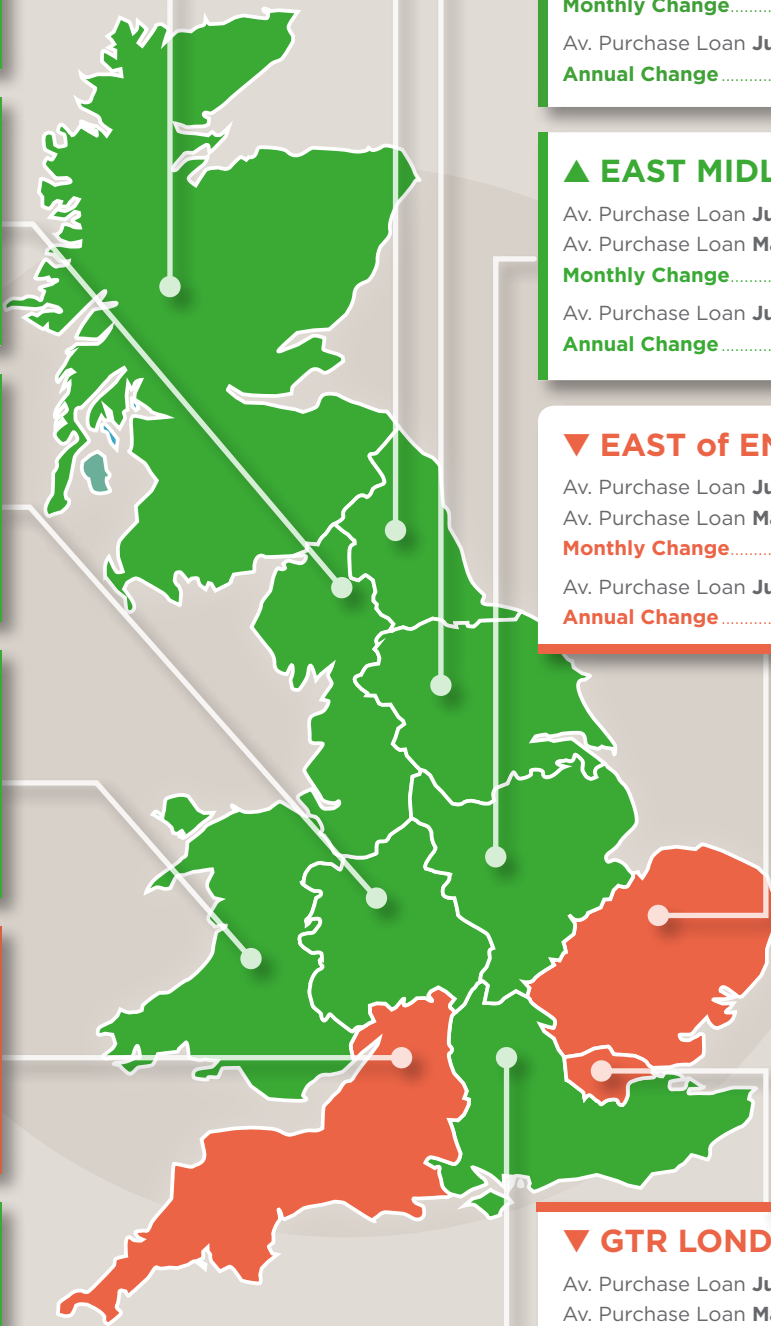
Av. Purchase Loan **June 19** £157,497
Av. Purchase Loan **May 19** £156,894
Monthly Change +0.4%
Av. Purchase Loan **June 18** £145,757
Annual Change +8.1%

▼ EAST of ENGLAND

Av. Purchase Loan **June 19** £170,847
Av. Purchase Loan **May 19** £173,163
Monthly Change -1.34%
Av. Purchase Loan **June 18** £152,702
Annual Change +11.9%

▼ GTR LONDON

Av. Purchase Loan **June 19** £311,653
Av. Purchase Loan **May 19** £315,656
Monthly Change -1.27%
Av. Purchase Loan **June 18** £325,736
Annual Change -4.3%



Regional Market Commentary

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

Dylan Kelly - Edinburgh

"Last month was very consistent with market activity at the same point last year, and indeed since the beginning of 2019. First Time Buyers are still very much the lifeblood of the local market, but we've also seen an increase in shared equity purchases of late. We'd suggest that this is due to the prevalence of new build developments around the city which recently launched for sale and have an element of shared ownership provision. As a consequence, those who perhaps initially believed that they would not be able to purchase a home are finding they are able to get on the property ladder, which is really good news."

"Other price brackets, for example second steppers, established family movers and the upper-end of the market also seem to be ticking over well, providing that stock is available to fulfil buyer demand. In some areas, lack of choice can sometimes mean those who are committed to purchasing are taking a little longer to find exactly what they are looking for. We've observed over the past few weeks that this factor as well as rising prices has caused some buyers to widen the location of their search. For example, counties such as Fife, East and West Lothian, which offer good value for money when compared with Edinburgh yet are still easily commutable to the city, have become more popular since the Spring, a trend which is likely to continue."

"For those who aren't moving, remortgaging remains a popular way to raise capital for renovation projects, particularly given that product rates are still highly competitive. We assisted a number of clients in June who were seeking funds to pay for significant home improvements, as well as those who simply wanted to fix their mortgage on a 'like-for-like' basis, given the exceptionally low rates available."

"Overall, we would suggest that consumer sentiment is still positive north of the border; the majority of our clients no longer mention Brexit when speaking to our advisers, and doesn't seem to be having a significant impact on people's long-term plans."

Richard Hullin - Swansea

"Continuing the momentum from May, June was also busy locally with a continued 'feel good' factor in the local market. Residential purchase cases continued to tick along at levels consistent with those we've observed since the beginning of the year, but in particular, First Time Buyers were still the most active sector last month. However, those at entry level were slightly stymied in some areas due to lack of available homes for sale, which we would suggest is probably acting as the biggest brake on the market at the moment, far more so than buyer sentiment or indeed affordability. Likewise, we've observed similar challenges in the mid to upper price brackets, where again it's lack of stock that's holding buyers back, rather than anything else."

"What's also interesting is that we saw an increase in investment purchases again in June. For example, a lot of portfolio investors were transacting, mainly using limited company structures, such as SPVs. Holiday lets in rural areas are also becoming very popular as are student lets in the main University cities of Cardiff and Swansea. Generally speaking, rental yields locally are still very reasonable, and when combined with the highly competitive Buy To Let mortgage products currently available, this means that providing a Buy To Let strategy is well researched and planned, property still makes an attractive asset class in many areas of Wales."

Regional Market Commentary

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

Lisa Berrido - Manchester

"We assisted a significant number of family movers in June, which is very much in line with the usual seasonal trend; this group are generally keen to complete their transactions earlier in the summer so that they are settled in time for the new school term in September. We still saw some First Time Buyers in June, but many were away on holiday which again is usually the case at this time of year – those without children tend to go away on holiday before the schools break up. We've seen a similar pattern over the past few years, so this is something we've come to anticipate."

"Of the home movers that we assisted last month, we saw an increase in cases where clients had a five year fix but had decided to move within the term of the product, meaning that they needed assistance to port their mortgage over to their next property. However, overall we were busier last month with the number of clients we assisted for purchase mortgages than the same period last year, which does give an indication of the current positive market conditions we're seeing locally. In particular, Timperley, Grappenhall and Urmston were areas where the estate agents we work with appeared to be busier than usual."

"On the Buy To Let side of the business, we observed an increase in landlords purchasing properties to add to their portfolios in June, with Wigan, Atherton and Bolton especially of interest to investors, probably due to the yields available. Given that we've seen a shortage of quality private rental properties locally of late, it's positive to see new landlord instructions coming to the market."

Rachel Geddes - London

"Although prices softened slightly in June, we observed that activity levels remained at very respectable levels throughout the month. If anything, we'd suggest that more purchasers were active last month than we've seen in a while, with many taking advantage of the emerging market dynamic. Since March this year, we've gradually seen more properties being listed for sale in and around the city, meaning that asking prices have become more competitive, along with increased choice for purchasers. As a consequence, we've assisted significant levels of both First Time Buyers and home movers around central London over the past month."

"On the remortgage side, we've been speaking to a number of clients who previously took ultra-low two-year fixed rates and are now coming back to the market as their current product is due to expire in the not-too-distant future. It's great to be able to advise, in most cases, that rates are still as competitive, and for some clients even slightly lower than their previous deals."

"Overall, whilst the London market naturally continues to be more sensitive to political headlines than perhaps elsewhere in the country, there is still a palpable momentum. The fact that vendors are being more pragmatic about prices has really helped to get the market moving since the spring. As such, this has provided some purchasers who were 'waiting to see' with regards to the Brexit outcome the confidence to go ahead with their plans regardless."



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.

¹ Based on Opinium Research, Summer 2019.

