



# National Mortgage Index

Under embargo until 00:01hrs on 28.06.19

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June 2019

*Reporting on*

**May 2019**

*data*

## Property market steady despite continued political uncertainty

We've observed that the majority of key indicators have either remained stable or seen a slight increase on a month-on-month basis, suggesting that the market has remained consistent over the course of May. This is a continuation of the trend that we've observed since the start of the year, albeit with the top-line figure masking the variation of performance between regions.

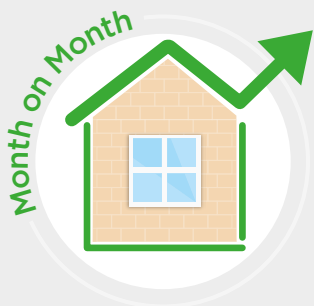
In some areas of the UK, notably the Midlands, Wales, North West, Yorkshire and Humberside, market confidence is still strong, with demand often outstripping supply at some price points. This has, understandably, translated into increased numbers of clients requiring purchase mortgages in these areas. Likewise, in these regions, year on year price growth is notable, meaning that those who are trading up to a more expensive property, or indeed staying put and remortgaging, are in many cases benefiting from the increased amount of value in their current property. However, these areas are balancing out those which are seeing softer conditions, meaning that when viewed collectively, national average price movements on both a month on month and year on year basis are more subdued.

It's also interesting to note the anecdotal feedback from our brokers in the regions where the market is busier, despite the political headlines in May. It would appear that many First Time Buyers and home movers have decided over the past few weeks that, whilst they may have previously delayed their moving plans due to Brexit, they simply aren't willing – or in some cases, able – to wait any longer. It's this 'carry on regardless' sentiment in the stronger performing parts of the UK that appears to be keeping overall purchase levels ticking over at a steady pace, with the better performing regions counterbalancing the lower levels of activity in other regions.

Against this backdrop, lenders have continued to maintain a competitive stance, with some of the larger brands re-pricing downwards last month. Of course, this is positive for consumers, and it would appear that this 'open for business' approach is likely to be indicative of the lending landscape over the next few months.

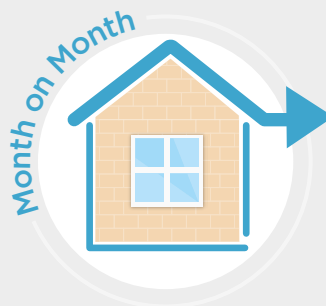


# Residential Purchase



## Average purchase loan

**£176,903** in May 19, an increase of 1.6% on April 19 (**£174,074**) and also increased by **0.8%** on May 18 (**£175,487**).



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

In May 19, **98.1%** of borrowers fixed their mortgage, broadly similar to April 19 (**97.8%**) and slightly increased on May 18 (**97.2%**).



## Typical LTVs

Remained unchanged in May 19 at **71.3%** from the previous month, however a slight increase on May 18 (**70.2%**).



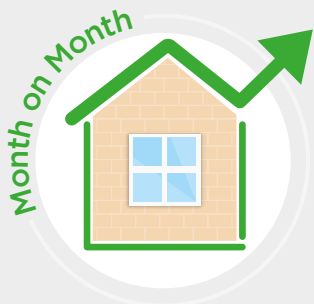
## Average applicant age

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

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

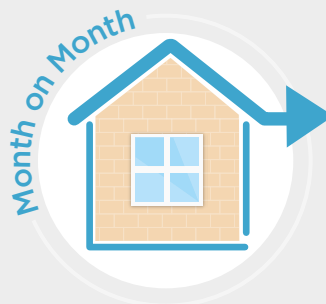
**43 yrs** - Residential Remortgage in May 19

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



## Change in the average purchase price

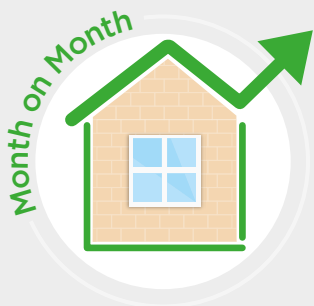
**£248,237** in May 19, an increase of **1.7%** on April 19 (**£244,127**) but a slight decrease of **0.7%** on May 18 (**£249,862**).



## Change in average purchase salaries

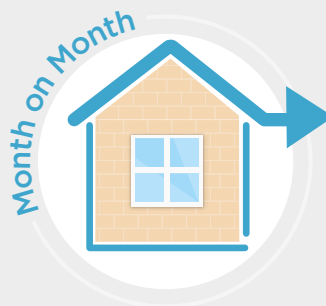
**£36,865** in May 19, broadly similar to April 19 (**£36,503**) and hardly changed from May 18 (**£36,812**).

# Residential Remortgage



## Average remortgage loan

**£177,085** in May 19, a slight increase of **0.8%** on April 19 (**£175,682**) but a decrease of 1.1% from May 18 (**£179,079**).



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

In May 19, **94.8%** of borrowers fixed their mortgage, broadly similar to April 19 (**94.2%**) but slightly lower than May 18 (**95.3%**).



## Typical LTVs

**57.1%** in May 19, broadly similar to **56.7%** and slightly increased on May 18 (**55.7%**).



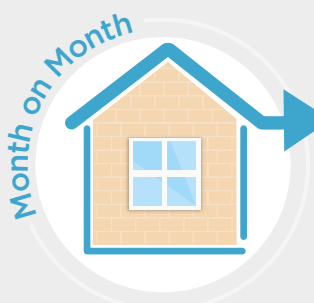
## Average applicant age

**43 years** old in May 19, unchanged month on month and also year on year

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

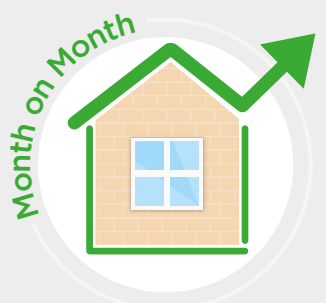
**36 yrs** - Residential Purchase in May 19

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



## Change in the average remortgage property value

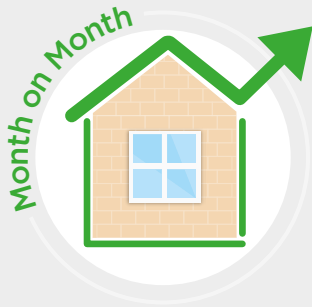
**£309,982** in May 19, hardly changed on April 19 (**£309,866**) but decreased by **3.6%** on May 18 (**£321,580**).



## Change in average remortgage salaries

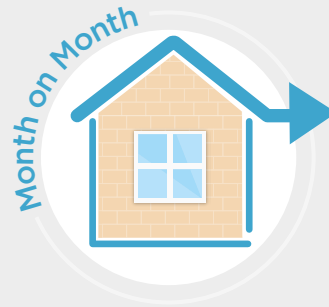
**£43,030** in May 19, a slight increase of **0.9%** on April 19 (**£42,647**) but a decrease of 1.8% on May 18 (**£43,812**).

# Buy-To-Let Purchase



## Average BTL purchase loan

**£124,182** in May 19, an increase of **0.97%** on April 19 (**£122,975**) but a decrease of **1.77%** on May 18 (**£126,428**).



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

In May 19, **97.2%** of borrowers fixed their mortgage, unchanged from April 19 and also May 18.



## Typical LTVs

In May 19, the average BTL purchase LTV was **70.2%**, unchanged from April 19 but increased slightly on May 18 (**67%**).



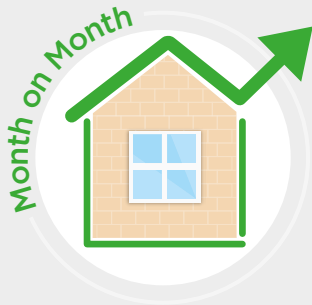
## Average applicant age

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

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

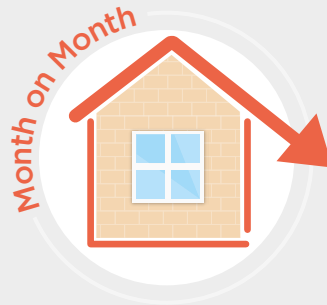
**36 yrs** - Residential Purchase in May 19

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



## Change in the average BTL purchase price

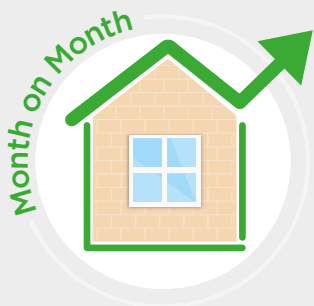
**£176,901** in May 19, a slight increase of **0.97%** from April 19 (**£175,183**) but a decrease of **6.35%** from May 18 (**£188,909**).



## Change in average BTL purchase salaries

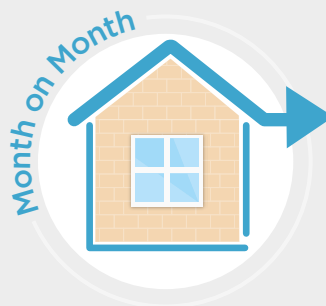
**£38,553** in May 19, a decrease of **3.26%** on April 19 (**£39,856**) but increased on May 18 by **2.17%** (**£37,715**).

# First Time Buyers



## Average FTB purchase loan

**£158,655** in May 19, an increase of **1.87%** on April 19 (**£155,674**) and also increased by **0.70%** on May 18 (**£157,533**).



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

**99.5%** in May 19, hardly changed from April 19 (**99%**) and broadly similar to May 18 (**98.8%**).



## Typical LTVs

**74.2%** in May 19, hardly changed from April 19 (**74.1%**) and also May 18 (**74.1%**).



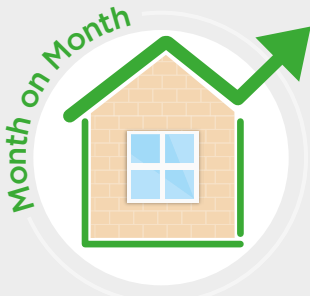
## Average applicant age

**32** years old in May 19, increased from **31** in April 19 and also May 18 (**31**).

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

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

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



## Change in the average FTB purchase price

**£213,700** in May 19, an increase of **1.74%** in April 19 (**£209,975**) but decreased by **0.56%** from May 18 (**£212,499**).



## Change in average FTB purchase salaries

**£32,322** in May 19, an increase of **1.69%** on April 19 (**£31,773**) and also increased by **1.37%** on May 18 (**£31,876**).

# Regional Mortgage Analysis

June 2019 reporting on  
May 2019 data

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

## ▲ SCOTLAND

Av. Purchase Loan **May 19** ..... £151,795  
 Av. Purchase Loan **April 19** ..... £150,230  
**Monthly Change** ..... +1.0%  
 Av. Purchase Loan **May 18** ..... £149,763  
**Annual Change** ..... +1.4%

## ▲ NORTH WEST

Av. Purchase Loan **May 19** ..... £143,995  
 Av. Purchase Loan **April 19** ..... £141,058  
**Monthly Change** ..... +2.1%  
 Av. Purchase Loan **May 18** ..... £144,130  
**Annual Change** ..... -0.1%

## ▲ WEST MIDLANDS

Av. Purchase Loan **May 19** ..... £179,734  
 Av. Purchase Loan **April 19** ..... £176,984  
**Monthly Change** ..... +1.6%  
 Av. Purchase Loan **May 18** ..... £174,888  
**Annual Change** ..... +2.8%

## ▲ WALES

Av. Purchase Loan **May 19** ..... £142,053  
 Av. Purchase Loan **April 19** ..... £134,185  
**Monthly Change** ..... +5.9%  
 Av. Purchase Loan **May 18** ..... £130,187  
**Annual Change** ..... +9.1%

## ▲ SOUTH WEST

Av. Purchase Loan **May 19** ..... £177,813  
 Av. Purchase Loan **April 19** ..... £174,729  
**Monthly Change** ..... +1.8%  
 Av. Purchase Loan **May 18** ..... £169,100  
**Annual Change** ..... +5.2%

## ▲ SOUTH EAST

Av. Purchase Loan **May 19** ..... £219,465  
 Av. Purchase Loan **April 19** ..... £214,651  
**Monthly Change** ..... +2.2%  
 Av. Purchase Loan **May 18** ..... £228,038  
**Annual Change** ..... -3.8%

## ▲ NORTH EAST

Av. Purchase Loan **May 19** ..... £124,942  
 Av. Purchase Loan **April 19** ..... £124,399  
**Monthly Change** ..... +0.4%  
 Av. Purchase Loan **May 18** ..... £132,511  
**Annual Change** ..... -5.7%

## ▼ YORKSHIRE & THE HUMBER

Av. Purchase Loan **May 19** ..... £142,696  
 Av. Purchase Loan **April 19** ..... £145,837  
**Monthly Change** ..... -2.2%  
 Av. Purchase Loan **May 18** ..... £145,092  
**Annual Change** ..... -1.7%

## ▲ EAST MIDLANDS

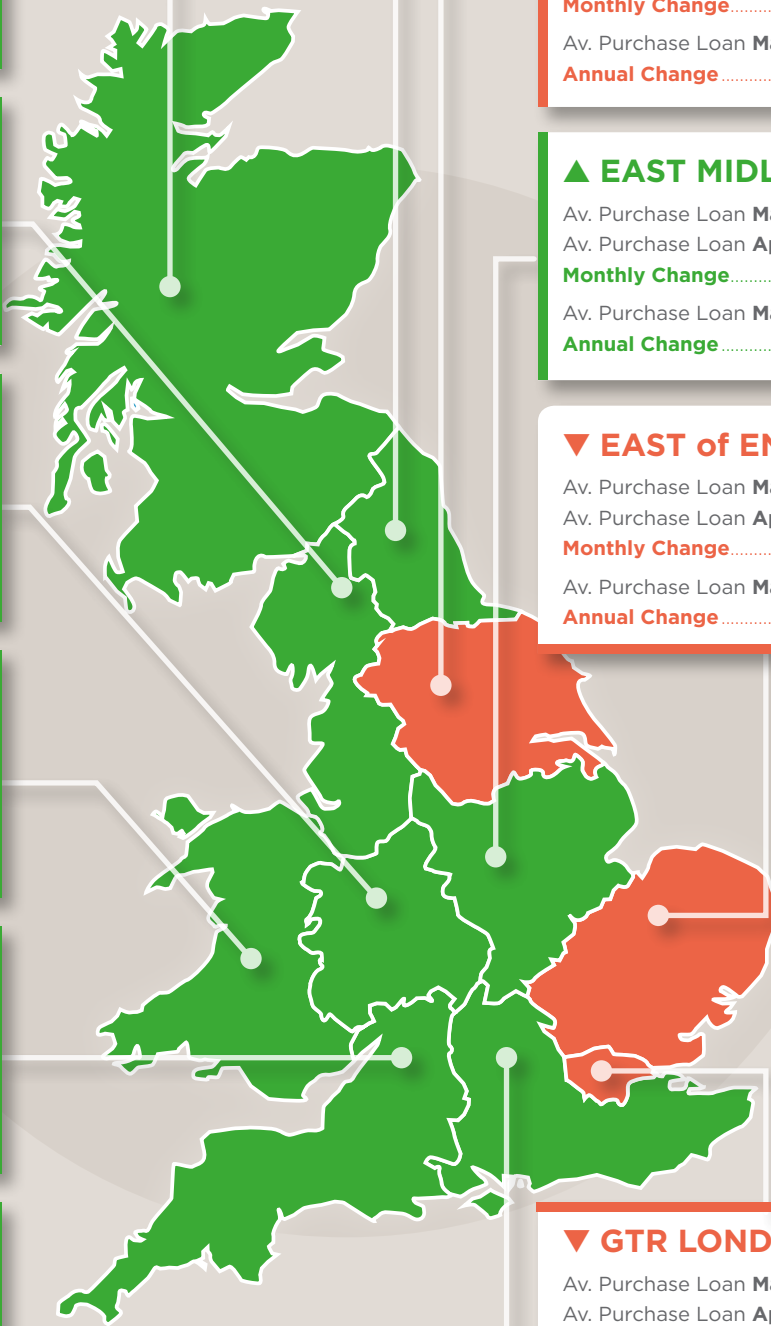
Av. Purchase Loan **May 19** ..... £156,894  
 Av. Purchase Loan **April 19** ..... £151,058  
**Monthly Change** ..... +3.9%  
 Av. Purchase Loan **May 18** ..... £143,928  
**Annual Change** ..... +9.0%

## ▼ EAST of ENGLAND

Av. Purchase Loan **May 19** ..... £173,163  
 Av. Purchase Loan **April 19** ..... £174,201  
**Monthly Change** ..... -0.60%  
 Av. Purchase Loan **May 18** ..... £145,172  
**Annual Change** ..... +19.3%

## ▼ GTR LONDON

Av. Purchase Loan **May 19** ..... £315,656  
 Av. Purchase Loan **April 19** ..... £318,313  
**Monthly Change** ..... -0.83%  
 Av. Purchase Loan **May 18** ..... £334,720  
**Annual Change** ..... -5.7%



# Regional Market Commentary

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

## Rachel Geddes - London

"We would suggest that the London market seems to have settled at a 'new normal'. Whilst it's not perhaps as frenetic as it has been in previous years, there is a steady rhythm with well-intentioned buyers and sellers motivated to get deals done.

Looking at the cases we handled in May, there was a relatively even split between First Time Buyers, family home movers and remortgages, albeit that the main drivers for significant number of all three groups was slightly different for each. First Time Buyers appeared to be taking advantage of the increase of stock available at entry level, either due to the latest crop of new instructions with estate agents, or as a result of new home builders offering very attractive incentives. Coupled with access to specialist products, such as Family Springboard deals, or indeed just the increased pragmatism of lenders around low deposit mortgages, many of our First Time Buyer clients decided that May was the right window of opportunity to press the button on their application.

Our family movers, on the other hand, seem to be motivated to move, due to the fact that they've delayed making a decision for so long - due mainly to the ongoing political situation - that they actually just can't put things off any longer. In these instances, we observed that the majority were driven by their childrens' needs, e.g. requiring more space for a growing family, or a change of school catchment area. In particular, the family homes market at over £1m seems to have come back to life over the past few weeks, and we saw a significant number of cases at this level in May, as families seek to get their new move locked in ready for the start of the school summer holidays.

We also noticed that many of our remortgage clients in May were keen to review the market to understand the full potential and flexibility of longer-term fixed deals. Many sought both the peace of mind of a longer term product - for example five or even ten years - but also wanted to keep their options open with the ability to port within the life of the mortgage, should their personal circumstances dictate that they need or want to move within the next few years.

In terms of the overall London market, the estate agents we work with have reported that the level of new instructions increased during May, which is potentially encouraging as fresh stock provides buyers with increased choice, and therefore may help to stimulate more sales. However, this does also mean that the market continues to be weighted more in favour of buyers than vendors, which is of course reflected in both asking and agreed sales prices."

## Richard Hullin - Swansea

"We've seen a significant 'spring surge', particularly over the past month. What's perhaps unusual is that since the beginning of this year, we've observed an increased demand for homes in more rural areas, particularly from those who wish to invest in holiday lets and retirees from London and the South East who are relocating. In fact, demand is such that we're arranging a lot of Let to Buy loans on properties in other areas of the country which haven't as yet sold, in order to free up the funds for buyers so that they don't miss out on their dream home in Wales.

Local estate agents appear to be very busy, as the lack of stock means that it's a very competitive market for buyers at all levels. The majority of properties are being sold at asking price, leading to values remaining consistent at their current record highs. The pace of the market is brisk too, as many of the deals we have been working on are exchanging and completing relatively quickly.

The 'b' word doesn't appear to be featuring in most of our clients' vocabularies at the moment; if they need, or indeed want to move home they are doing so, and we would suggest that most of those we're arranging borrowing for are currently confident in the longer-term health of the local market."

# Regional Market Commentary

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

## Lisa Berrido - Manchester

"We've seen a significant increase in buyer demand over the last few weeks, in particular from 'first time sellers' who are taking the opportunity of low mortgage product rates and an increase in the value of their first home to trade up to a larger property. In fact, buyer demand is such that second hand stock levels are becoming a real challenge, as there just aren't enough properties on local agents' books to go around. As a result, many of the new build developments locally are reserving units at a faster pace than perhaps anticipated, as there is little else available to purchase.

As a consequence, asking prices are edging up as vendors are aware that they are in the driving seat, and the majority of sales are being agreed at or very close to marketing prices. In particular, Monton near Eccles, Prestwich and Altrincham are seeing values climb as competition between buyers to secure their next home is creating upward pressure on prices.

In terms of remortgages, we assisted a consistent level of clients in May to both the previous month and the same period last year. One thing we have noticed is that our clients are keen to engage in the process well before the end of their current product in order to review the market and their options. We'd suggest that this in-part is due to there being so many competitively priced deals available at the moment, that clients want to make sure they have enough time to do their research properly in order to secure the best rate they can. Due to the lack of homes for sale locally at the moment, many of our clients are combining their remortgage with raising capital to fund significant home improvement projects, rather than moving."

## Dylan Kelly - Edinburgh

"We've noticed that the market has been consistent at all levels throughout May, from First Time Buyers through to the upper end of the market. Since the beginning of the year, in and around Edinburgh, estate agents have been consistently listing new properties due to high levels of stock turnover, and last month was no exception. Values have also seen a steady uplift of late, although fortunately prices seem to be remaining within the realms of relative affordability for now at least.

What has been interesting to note is the increase in Landlords who have been adding to their portfolios over the past month. We've seen a significant upturn in the number of investors we've assisted with Buy To Let borrowing, both on a month-on-month and year-on-year basis. We'd suggest this trend rather underscores the ongoing demand for quality private rental properties and the opportunities for investors North of the border.

At the other end of the scale, the crop of new build developments in and around Edinburgh have continued to prove popular with those taking their first steps on the property ladder, particularly those wishing to take advantage of one of the Help To Buy schemes.

Overall, sentiment locally remains very positive; consumers appear to be carrying on with their lives and certainly, if their individual circumstances dictate that now is the right time to be buying or selling, it appears that they are doing so with little concern about what's going on in Westminster."





# 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 1,250 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.