



# National Mortgage Index

Under embargo until 00:01hrs on 27.02.19



Brian Murphy | Head of Lending Mortgage Advice Bureau

February 2019

## Property market steady in January as wait for Brexit decision continues

Reporting on  
**January 2019**  
data

The start to 2019 saw a continuation of many of the trends that were apparent towards the end of 2018, namely that there was still significant disaggregation between regional performance, and further nuances between price brackets in key conurbations. With values increasing slightly on a monthly basis in Wales, Scotland, the North East and East of England, and reports across our network of a busy month with buyer enquiries, we would suggest that there is plenty of steam left in the market in parts of the country, albeit that other areas are perhaps seeing some potential movers taking the 'wait and see' approach until there is more clarity around the current political situation.

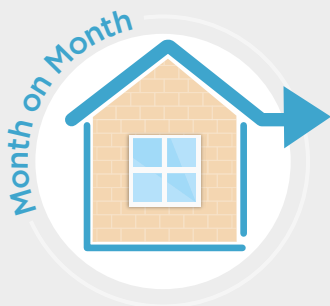
This has led to reports of shortages of stock in some areas, as vendors who would like to move are also holding on until such time as the market in their area improves, providing a degree of insulation for values even where there are fewer buyers who are currently active. With many lenders entering the final quarter of their financial year in January, the market saw a raft of new and highly competitive rates released which added further support for the market as fixed-term product pricing fell to near-historically low levels.

Looking at our data for the month, we would suggest that the key indicators for residential purchase and remortgage borrowing remained, for the most part, steady in January with the only movement being a slight increase in the average value of properties which were remortgaged. Some changes were found in the Buy To Let and First Time Buyer sectors, where the average purchase price for both demographics reduced, as did the average Buy To Let purchase loan size, however even these movements were marginal rather than significant. One might suggest that this could be due to the decrease in demand for Buy To Let properties due to the impact of Section 24, which has reduced pressure on the entry level of the market, meaning that First Time Buyers in some regions of the country are no longer having to compete with landlords to purchase the same properties.

Overall, it would seem that pent-up demand is building in many areas, due to the number of well-intentioned buyers and sellers who had hoped that the political uncertainty would have abated by now. Therefore, whilst market sentiment may be one of caution in some areas for the short-term, the mid to longer-term view could well be more optimistic once we have a Brexit denouement.

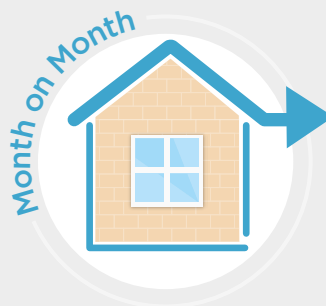


# Residential Purchase



## Average purchase loan

**£169,762** in Jan 19, broadly similar to Dec 18 (**£170,228**) but decreased by **1.9%** on Jan 18 (**£172,990**).



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

In Jan 19, **98.1%** of borrowers fixed their mortgage, mostly unchanged on Dec 18 (**97.4%**) and similar to Jan 18 (**97.4%**).



## Typical LTVs

Remained mostly unchanged in Jan 19 at **70.6%**, compared to Dec 18 (**70.5%**) and also Jan 18 (**70.4%**).



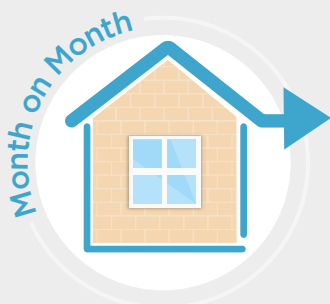
## Average applicant age

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

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

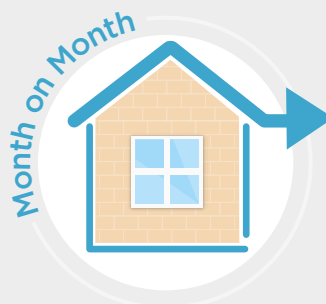
**43 yrs** - Residential Remortgage in Jan 19

**31 yrs** - First Time Buyer in Jan 19



## Change in the average purchase price

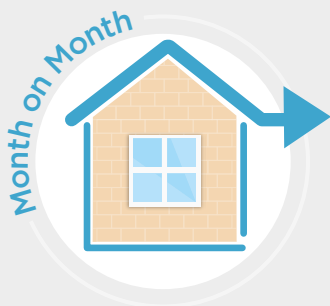
**£240,344** in Jan 19, mostly unchanged on Dec 18 (**£241,341**) but decreased by **2.2%** on Jan 18 (**£245,341**).



## Change in average purchase salaries

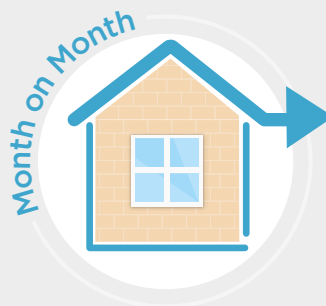
**£35,902** in Jan 19, hardly changed on Dec 18 (**£35,840**) and also broadly similar to Jan 18 (**£36,207**).

# Residential Remortgage



## Average remortgage loan

**£176,187** in Jan 19, broadly similar to Dec 18 (**£175,274**) but increased by **3.6%** on Jan 18 (**£170,102**).



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

In Jan 19, **95.1%** of borrowers fixed their mortgage, similar to Dec 18 (**94.1%**) and unchanged on Jan 18 (**95.1%**).



## Typical LTVs

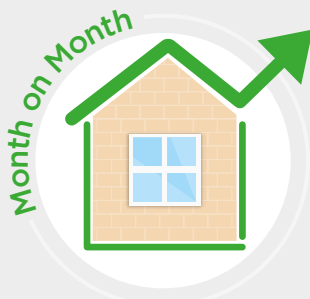
**56.5%** in Jan 19, broadly similar to Dec 18, and also Jan 18 (**55.2%**).



## Average applicant age

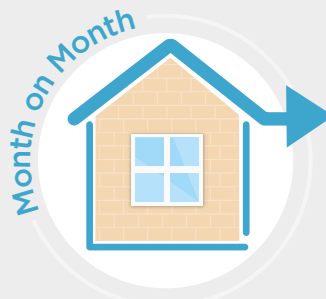
**43** years old in Jan 19, increased from **42** in Dec 18, and Jan 18 (**42**).

**45 yrs** - Buy-To-Let Purchase in Jan 19  
**36 yrs** - Residential Purchase in Jan 19  
**31 yrs** - First Time Buyer in Jan 19



## Change in the average remortgage property value

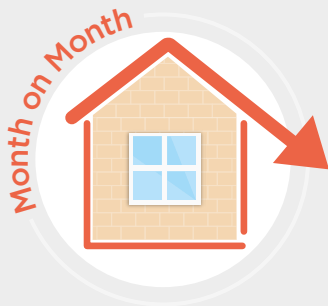
**£311,662** in Jan 19, a slight increase of **1.3%** on Dec 18 (**£307,660**) and also increased by 1.1% on Jan 18 (**£308,257**).



## Change in average remortgage salaries

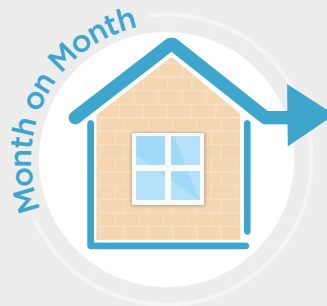
**£43,810** in Jan 19, hardly changed on Dec 18 (**£43,850**) and increased by **3.6%** on Jan 18 (**£42,292**).

# Buy-To-Let Purchase



## Average BTL purchase loan

**£123,738** in Jan 19, a decrease of **2.48%** on Dec 18 (**£126,895**) and also decreased by **4.75%** on Jan 18 (**£129,917**).



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

In Jan 19, **96%** of BTL borrowers fixed their mortgage, mostly unchanged on Dec 18 (**96.9%**) and also Jan 18 (**96.4%**).



## Typical LTVs

In Jan 19, the average BTL purchase LTV was **68.9%**, hardly changed on Dec 18 (**68.6%**) and also Jan 18 (**67.9%**).



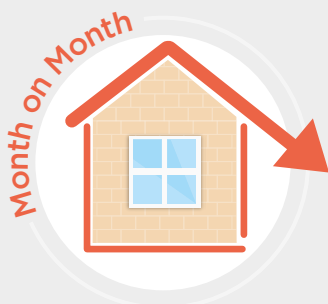
## Average applicant age

**45** in Jan 19, an increase on Dec 18 (**44**) but unchanged on Jan 18 (**45**).

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

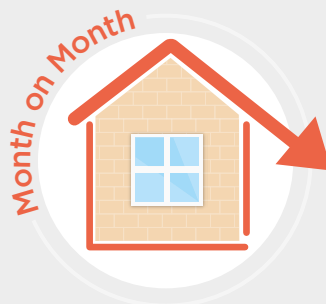
**36 yrs** - Residential Purchase in Jan 19

**31 yrs** - First Time Buyer in Jan 19



## Change in the average BTL purchase price

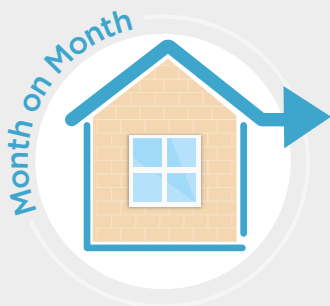
**£179,684** in Jan 19, decreased by **2.94%** on Dec 18 (**£185,133**) and also decreased by **6.19%** on Jan 18 (**£191,559**).



## Change in average BTL purchase salaries

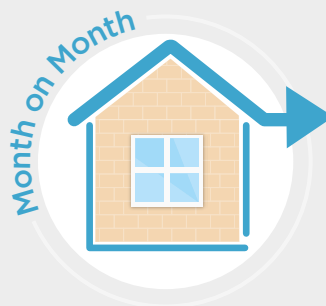
**£38,849** in Jan 19, a decrease of **5.04%** on Dec 18 (**£40,914**) but increased by **3.66%** on Jan 18 (**£37,427**).

# First Time Buyers



## Average FTB purchase loan

**£150,099** in Jan 19, broadly similar to Dec 18 (**£151,549**) but a decrease of **3.45%** on Jan 18 (**£155,465**).



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

**99.4%** in Jan 19, hardly changed from Dec 18 (**99.1%**) and also broadly similar to Jan 18 (**98.7%**).



## Typical LTVs

**73.5%** in Jan 19, hardly changed from Dec 18 (**73.3**) but slightly lower than Jan 18 (**74.9%**).



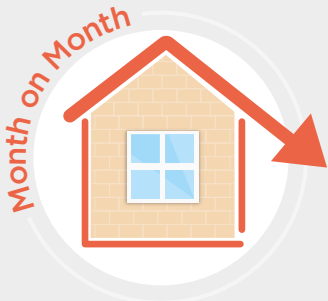
## Average applicant age

**31** years old in Jan 19, unchanged month on month and also year on year.

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

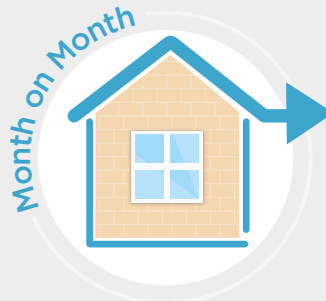
**43 yrs** - Residential Remortgage in Jan 19

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



## Change in the average FTB purchase price

**£206,371** in Jan 19, a slight decrease of **0.96%** on Dec 18 (**£204,377**) but broadly similar to Jan 18 (**£207,741**).



## Change in average FTB purchase salaries

**£30,768** in Jan 19, hardly changed on Dec 18 (**£30,788**) but decreased on Jan 2018 (**£31,318**).

# Regional Mortgage Analysis

February 2019 reporting on  
January 2019 data

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

## ▲ SCOTLAND

Av. Purchase Loan Jan 19 ..... £151,991  
 Av. Purchase Loan Dec 18 ..... £150,489  
**Monthly Change** ..... 1.0%  
 Av. Purchase Loan Jan 18 ..... £159,120  
**Annual Change** ..... -4.5%

## ▼ NORTH WEST

Av. Purchase Loan Jan 19 ..... £130,053  
 Av. Purchase Loan Dec 18 ..... £137,980  
**Monthly Change** ..... -5.7%  
 Av. Purchase Loan Jan 18 ..... £138,562  
**Annual Change** ..... -6.1%

## ▼ WEST MIDLANDS

Av. Purchase Loan Jan 19 ..... £177,473  
 Av. Purchase Loan Dec 18 ..... £177,682  
**Monthly Change** ..... -0.1%  
 Av. Purchase Loan Jan 18 ..... £176,515  
**Annual Change** ..... 0.5%

## ▲ WALES

Av. Purchase Loan Jan 19 ..... £131,861  
 Av. Purchase Loan Dec 18 ..... £130,443  
**Monthly Change** ..... 1.1%  
 Av. Purchase Loan Jan 18 ..... £128,704  
**Annual Change** ..... 2.5%

## ▲ SOUTH WEST

Av. Purchase Loan Jan 19 ..... £169,866  
 Av. Purchase Loan Dec 18 ..... £168,388  
**Monthly Change** ..... 0.9%  
 Av. Purchase Loan Jan 18 ..... £166,448  
**Annual Change** ..... 2.1%

## ▼ SOUTH EAST

Av. Purchase Loan Jan 19 ..... £216,528  
 Av. Purchase Loan Dec 18 ..... £220,758  
**Monthly Change** ..... -1.9%  
 Av. Purchase Loan Jan 18 ..... £223,090  
**Annual Change** ..... -2.9%

## ▲ NORTH EAST

Av. Purchase Loan Jan 19 ..... £126,740  
 Av. Purchase Loan Dec 18 ..... £122,565  
**Monthly Change** ..... 3.4%  
 Av. Purchase Loan Jan 18 ..... £122,188  
**Annual Change** ..... 3.7%

## ▼ YORKSHIRE & THE HUMBER

Av. Purchase Loan Jan 19 ..... £142,956  
 Av. Purchase Loan Dec 18 ..... £145,271  
**Monthly Change** ..... -1.6%  
 Av. Purchase Loan Jan 18 ..... £142,801  
**Annual Change** ..... 0.1%

## ▼ EAST MIDLANDS

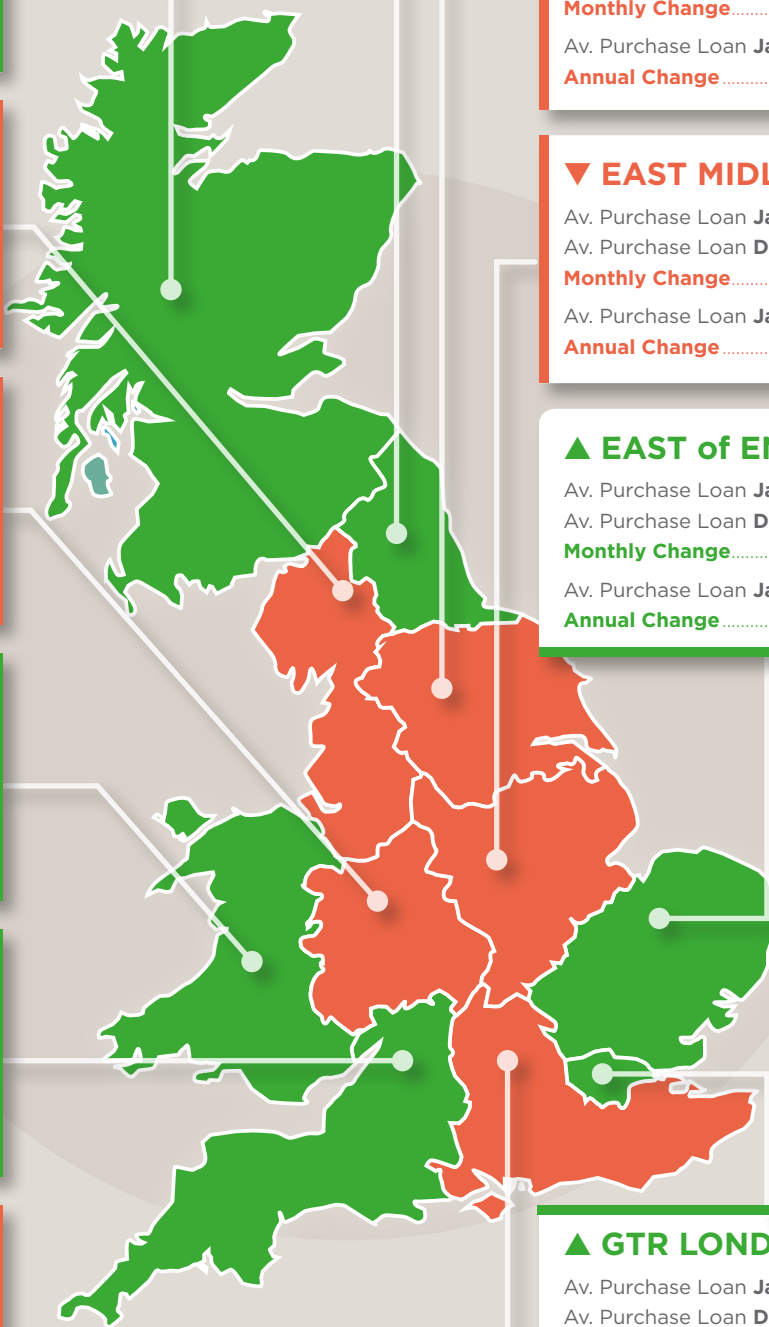
Av. Purchase Loan Jan 19 ..... £143,665  
 Av. Purchase Loan Dec 18 ..... £143,767  
**Monthly Change** ..... -0.1%  
 Av. Purchase Loan Jan 18 ..... £139,254  
**Annual Change** ..... 3.2%

## ▲ EAST of ENGLAND

Av. Purchase Loan Jan 19 ..... £170,322  
 Av. Purchase Loan Dec 18 ..... £165,921  
**Monthly Change** ..... 2.65%  
 Av. Purchase Loan Jan 18 ..... £138,819  
**Annual Change** ..... 22.7%

## ▲ GTR LONDON

Av. Purchase Loan Jan 19 ..... £281,937  
 Av. Purchase Loan Dec 18 ..... £271,841  
**Monthly Change** ..... 3.71%  
 Av. Purchase Loan Jan 18 ..... £317,595  
**Annual Change** ..... -11.2%



# Regional Market Commentary

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

## Rachel Geddes - London

“January was a fast-paced month for the team which started with a bang. A significant number of clients got in touch with us in the first week of the new year, many having viewed properties in late December. As a result, we exceeded our target in terms of the number of mortgages arranged for the month, which was a little unexpected but very positive news nonetheless.

Residential purchase business accounted for a significant number of the mortgages we arranged last month, and interestingly we observed that the busiest sector was the £1m to £3m price bracket; these were mainly family movers who were taking advantage of softer market conditions in order to trade up. It appeared that many in this demographic had taken the view that they will be in the property for the long-term, and therefore didn't appear to be overly-concerned about any impact of Brexit on the property market in the next two to three years. Instead, they saw the current climate as an opportunity to purchase the sort of property that they would have otherwise perhaps been unable to afford. We also assisted a substantial number of investors with Buy To Let borrowing who were adding to their portfolios last month, which would perhaps also indicate the level of market confidence that was apparent, regardless of the news headlines.”

## Richard Hullin - Swansea

“We came back to work in January expecting a quiet couple of weeks, but instead hit the ground running with the phones ringing non-stop on the first day back! It would seem that a lot of our clients had been out viewing properties over the Christmas holidays, and as a result wanted to formalise their offers early in the new year. This meant that the majority of mortgages we arranged last month were for clients moving home, either due to a change in circumstances - for example, a few divorce cases which were quite complex to navigate - as well as growing families for whom the festive period had highlighted that they needed more room. As a consequence of this level of activity, prices locally remained steady in January on the previous month.

We also assisted a substantial number of clients with their remortgages in January, many of whom wanted to take the time to review their borrowing and get their finances in order for the new year. In addition, we worked closely with a few of our professional investor clients who required specialist Buy To Let mortgages, as they have large portfolios owned by limited company structures. Overall then, it was very much business as usual for us, despite the Brexit headlines which don't seem to be causing much - if any - concern to buyers in our local area.”

Continued overleaf

# Regional Market Commentary

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

## Lisa Berrido - Manchester

“Continuing the momentum from December, January exceeded our expectations as we saw a significant increase in both the number of client appointments and the number of completed mortgages on the same period last year.

Whilst we always expect to be busy in January with arranging remortgages for clients, we saw a significant rise in the number of clients who were seeking a mortgage to purchase a home, and the local estate agents that we work with all also reported that they have been extremely busy over the last month, with some properties attracting multiple offers and selling at over the asking price. Apartments in Manchester city centre have been in particular demand, as have family homes around Worsley and Prestwich. Landlords were also active in January and we handled numerous enquiries from investors looking to raise funds to purchase commercial properties, as well as residential, which again provides an indication of how buoyant conditions were.

Although Brexit was mentioned in conversations by many of our clients, it would appear to be that the local perception is that regardless of what happens, it won't have a huge impact on the economy in the North West, and therefore confidence in property appears to be strong, which has translated into a busy start to 2019.”

## Dylan Kelly - Edinburgh

“Given the news headlines in January, we had expected to perhaps see a slight decrease in the number of client enquiries, but in fact we were busier last month than we were in the same period last year.

Our advisers assisted a significant number of clients with their arrangements for purchase mortgages, and we observed that many movers wanted to get their mortgages agreed in principle so that they were ready to proceed as soon as there was more clarity around Brexit. We would suggest that this pent-up demand, particularly in the second-stepper and higher-end family mover market, is likely to lead to a busy period later in the spring.

Another encouraging sign was that we saw a slight year on year uplift in terms of the Buy To Let borrowing that we arranged for clients last month, which again would suggest a significant degree of confidence in the local market, with attractive yields still available for investors.

Overall, the market remained steady in January with prices consistent on the previous month, and certainly not impacted to any significant extent by the Brexit headlines; as far as we were concerned, it was very much 'business as usual'.”





# 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 1,100 advisers across the UK. All figures quoted are three month averages unless otherwise specified.

Mortgage Advice Bureau is a mortgage network and the UK's best-known broker brand, winning over 70 national awards for the quality of its advice and service in each of the last five years.

It has over 1,100 advisers offering expert mortgage advice on a local, regional and national level to UK consumers. Mortgage Advice Bureau handles over £12bn of loans annually. It 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 2018.