



# National Mortgage Index

Under embargo until 00:01hrs on 30.01.19



Brian Murphy | Head of Lending Mortgage Advice Bureau

January 2019

Reporting on

December 2018

data

## Positive end to 2018 as market still busy in lead-up to Christmas

The UK high street may have been quieter than anticipated prior to Christmas, but the property market in December appeared to exceed seasonal expectations in some parts of the UK, with regions such as the East and West Midlands, Yorkshire and the Humber and Wales ending the year with a flourish. Buyer activity in the major cities and surrounding towns and villages in these regions remained busy last month, regardless of the lead-up to the festive period, with the ongoing news headlines not appearing to make a significant impact on consumer confidence in terms of the property market. As such, we'd suggest this highlights the disaggregated environment that has been in evidence for most of 2018; the market has been highly nuanced for some time, with dynamics between price points as well as overall market activity varying between the major conurbations, even within the same region.

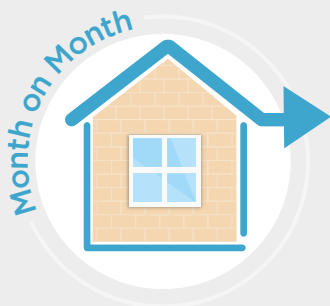
Reviewing our data for last month from a topline perspective, many key indicators for the Residential Purchase, Buy To Let and First Time Buyer sectors remained consistent compared to November. There was a small amount of change in terms of a couple of points in the Residential Remortgage sector, with the average remortgage loan increasing slightly, in line with the average remortgage property value, however these were only very modest movements, meaning that the overall picture remained steady and in-line with what we've observed for the majority of the last twelve months.

The lending environment also remained benign in December, with many mainstream lenders releasing competitively priced products, meaning that many borrowers were able to access near-historically low rates, either for purchase or remortgage. As such, our brokers reported that they observed a significant number of buyers who arranged their mortgage in December so that they had an Agreement In Principle ready to go for January when they planned to start house-hunting in earnest, as they had been tempted to apply for a mortgage a few weeks early, once they were aware of what rates were on offer.

With the major lenders, such as the Halifax and Nationwide house price indices reporting positive movement in average values for December, as well as HMRC returning a steady level of transactions, it's possible to suggest that this supports what many of our advisers in our network saw 'at the coal-face' last month, which is that regardless of the ongoing Brexit-driven headlines, consumers both need and want to get on with their lives, and that the motivations and aspirations to move home are still, for the most part, in evidence.

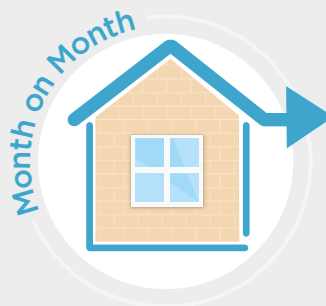


# Residential Purchase



## Average purchase loan

**£170,228** in Dec 18, broadly similar to Nov 18 (**£171,185**) but a small decrease of **2.1%** on Dec 17 (**£173,796**).



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

In Dec 18, **97.4%** of borrowers fixed their mortgage, hardly changed on Nov 18 (**97.8%**) and unchanged on Dec 17 (**97.4%**).



## Typical LTVs

Remained mostly unchanged in Dec 18 at **70.5%** when compared with Nov 18 (**70.7%**) and broadly similar to Dec 17 (**69.9%**).



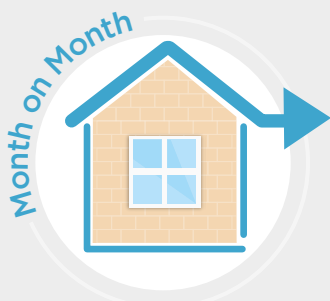
## Average applicant age

**36** years old in Dec 18, unchanged month on month and year on year.

**44 yrs** - Buy-To-Let Purchase in Dec 18

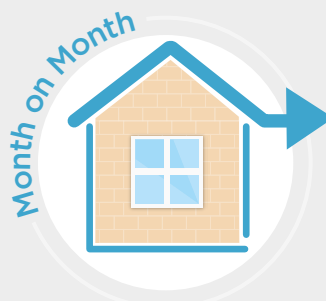
**42 yrs** - Residential Remortgage in Dec 18

**31 yrs** - First Time Buyer in Dec 18



## Change in the average purchase price

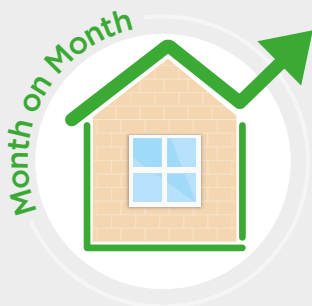
**£241,341** in Dec 18, broadly similar to Nov 18 (**£242,127**) but a modest decrease on Dec 17 of **2.9%** (**£248,637**).



## Change in average purchase salaries

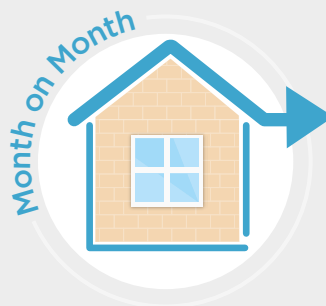
**£35,840** in Dec 18, hardly changed on Nov 18 (**£35,989**) but a slight decrease on Dec 17 of **2.71%** (**£36,839**).

# Residential Remortgage



## Average remortgage loan

**£175,274** in Dec 18, a slight increase on Nov 18 of **1.4%** (**£172,775**) and also modestly increased on Dec 17 by **1.4%** (**£172,795**).



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

In Dec 18, **94%** fixed their mortgage, broadly similar to Nov 18 (**94.6%**) but slightly decreased on Dec 17 (**95.8%**).



## Typical LTVs

**57%** in Dec 18, broadly similar to Nov 18 (**56.8%**) and increased on Dec 17 (**54.5%**).



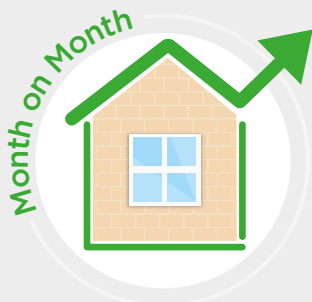
## Average applicant age

**42** years old in Dec 18, unchanged month on month and year on year.

**44 yrs** - Buy-To-Let Purchase in Dec 18

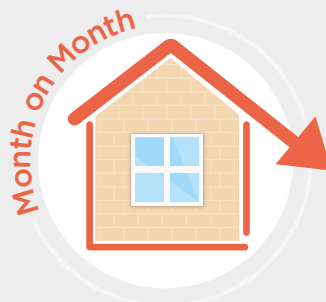
**36 yrs** - Residential Purchase in Dec 18

**31 yrs** - First Time Buyer in Dec 18



## Change in the average remortgage property value

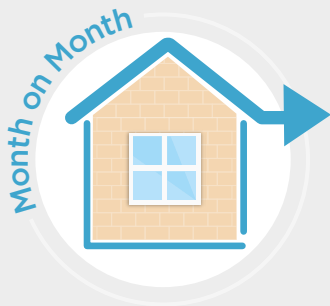
**£307,660** in Dec 18, an increase of **1.2%** on Nov 18 (**£303,995**) but decreased by **2.9%** on Dec 17 (**£316,928**).



## Change in average remortgage salaries

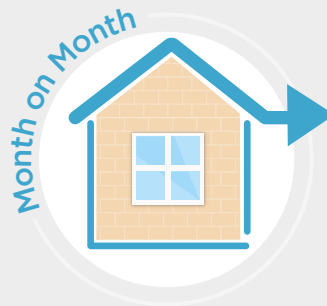
**£43,850** in Dec 18, a decrease of **3.7%** on Nov 18 (**£45,548**) but increased by **5.1%** on Dec 17 (**£41,712**).

# Buy-To-Let Purchase



## Average BTL purchase loan

**£126,895** in Dec 18, broadly similar to Nov 18 (**£126,657**) and also Dec 17 (**£126,826**).



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

In Dec 18, **96.9%** of BTL borrowers fixed their mortgage, unchanged on Nov 18 (**96.7%**) and also similar to Dec 17 (**97.4%**).



## Typical LTVs

In Dec 18, the average BTL purchase LTV was **68.6%**, broadly similar to Nov 18 (**68.2%**) and mostly unchanged from Dec 17 (**68.5%**).



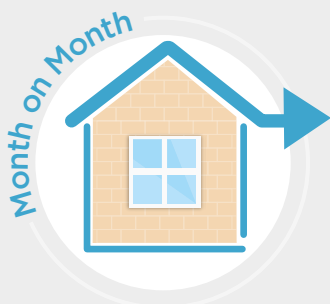
## Average applicant age

**44** in Dec 18, unchanged month on month and year on year.

**42 yrs** - Residential Remortgage in Dec 18

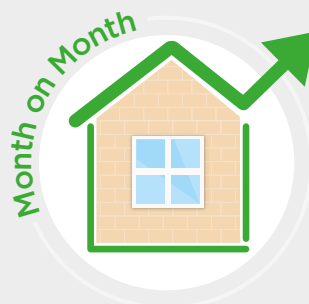
**36 yrs** - Residential Purchase in Dec 18

**31 yrs** - First Time Buyer in Dec 18



## Change in the average BTL purchase price

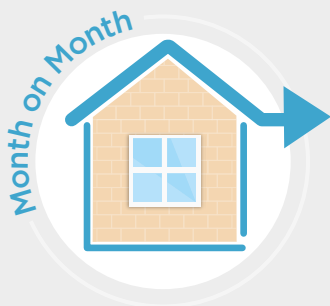
**£185,133** in Dec 18, broadly similar to Nov 18 (**£185,857**) and mostly unchanged from Dec 17 (**£185,273**).



## Change in average BTL purchase salaries

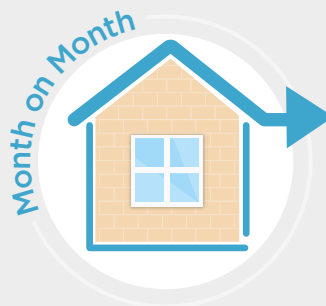
**£40,914** in Dec 18, an increase of **3.44%** on Nov 18 (**£39,505**) and also increased by **6.57%** on Dec 17 (**£38,225**).

# First Time Buyers



## Average FTB purchase loan

**£151,549** in Dec 18, broadly similar to Nov 18 (**£152,857**) but a modest decrease of **2.57%** on Dec 17 (**£155,561**).



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

**99.1%** in Dec 18, hardly changed from Nov 18 (**99.2%**) and slightly increased from Dec 17 (**98.9%**).



## Typical LTVs

**73.3%** in Dec 18, broadly similar to Nov 18 (**74.1%**) and hardly changed from Dec 17 (**73.4%**).



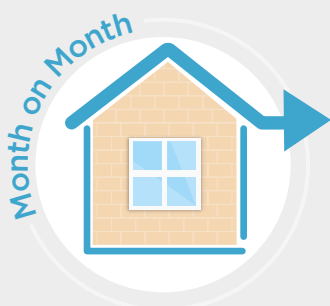
## Average applicant age

**31** years old in Dec 18, unchanged month on month and also year on year.

**44 yrs** - Buy-To-let Purchase in Dec 18

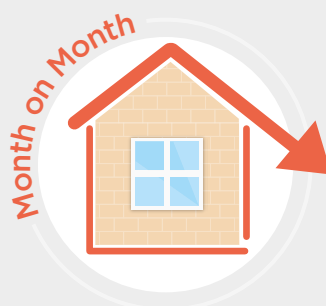
**42 yrs** - Residential Remortgage in Dec 18

**36 yrs** - Residential Purchase in Dec 18



## Change in the average FTB purchase price

**£204,228** in Dec 18, broadly similar to Nov 18 (**£204,927**) but decreased by **4.08%** on Dec 17 (**£212,904**).



## Change in average FTB purchase salaries

**£30,788** in Dec 18, a decrease of **1.25%** on November 18 (**£31,179**) and also decreased by **2.70%** on Dec 17 (**£31,645**).

# Regional Mortgage Analysis

January 2019 reporting on  
December 2018 data

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

## ▼ SCOTLAND

Av. Purchase Loan Dec 18 ..... £150,489  
 Av. Purchase Loan Nov 18 ..... £154,401  
**Monthly Change** ..... -2.5%  
 Av. Purchase Loan Dec 17 ..... £156,141  
**Annual Change** ..... -3.6%

## ▼ NORTH WEST

Av. Purchase Loan Dec 18 ..... £137,980  
 Av. Purchase Loan Nov 18 ..... £143,020  
**Monthly Change** ..... -3.5%  
 Av. Purchase Loan Dec 17 ..... £138,024  
**Annual Change** ..... 0%

## ▼ WEST MIDLANDS

Av. Purchase Loan Dec 18 ..... £177,682  
 Av. Purchase Loan Nov 18 ..... £178,758  
**Monthly Change** ..... -0.6%  
 Av. Purchase Loan Dec 17 ..... £176,899  
**Annual Change** ..... 0.4%

## ▲ WALES

Av. Purchase Loan Dec 18 ..... £130,443  
 Av. Purchase Loan Nov 18 ..... £126,836  
**Monthly Change** ..... 2.8%  
 Av. Purchase Loan Dec 17 ..... £127,848  
**Annual Change** ..... 2.0%

## ▲ SOUTH WEST

Av. Purchase Loan Dec 18 ..... £168,388  
 Av. Purchase Loan Nov 18 ..... £166,591  
**Monthly Change** ..... 1.1%  
 Av. Purchase Loan Dec 17 ..... £164,797  
**Annual Change** ..... 2.2%

## ▼ SOUTH EAST

Av. Purchase Loan Dec 18 ..... £220,758  
 Av. Purchase Loan Nov 18 ..... £223,031  
**Monthly Change** ..... -1.0%  
 Av. Purchase Loan Dec 17 ..... £223,845  
**Annual Change** ..... -1.4%

## ▲ NORTH EAST

Av. Purchase Loan Dec 18 ..... £122,565  
 Av. Purchase Loan Nov 18 ..... £120,569  
**Monthly Change** ..... 1.7%  
 Av. Purchase Loan Dec 17 ..... £120,691  
**Annual Change** ..... 1.6%

## ▼ YORKSHIRE & THE HUMBER

Av. Purchase Loan Dec 18 ..... £145,271  
 Av. Purchase Loan Nov 18 ..... £145,864  
**Monthly Change** ..... -0.4%  
 Av. Purchase Loan Dec 17 ..... £145,161  
**Annual Change** ..... 0.1%

## ▲ EAST MIDLANDS

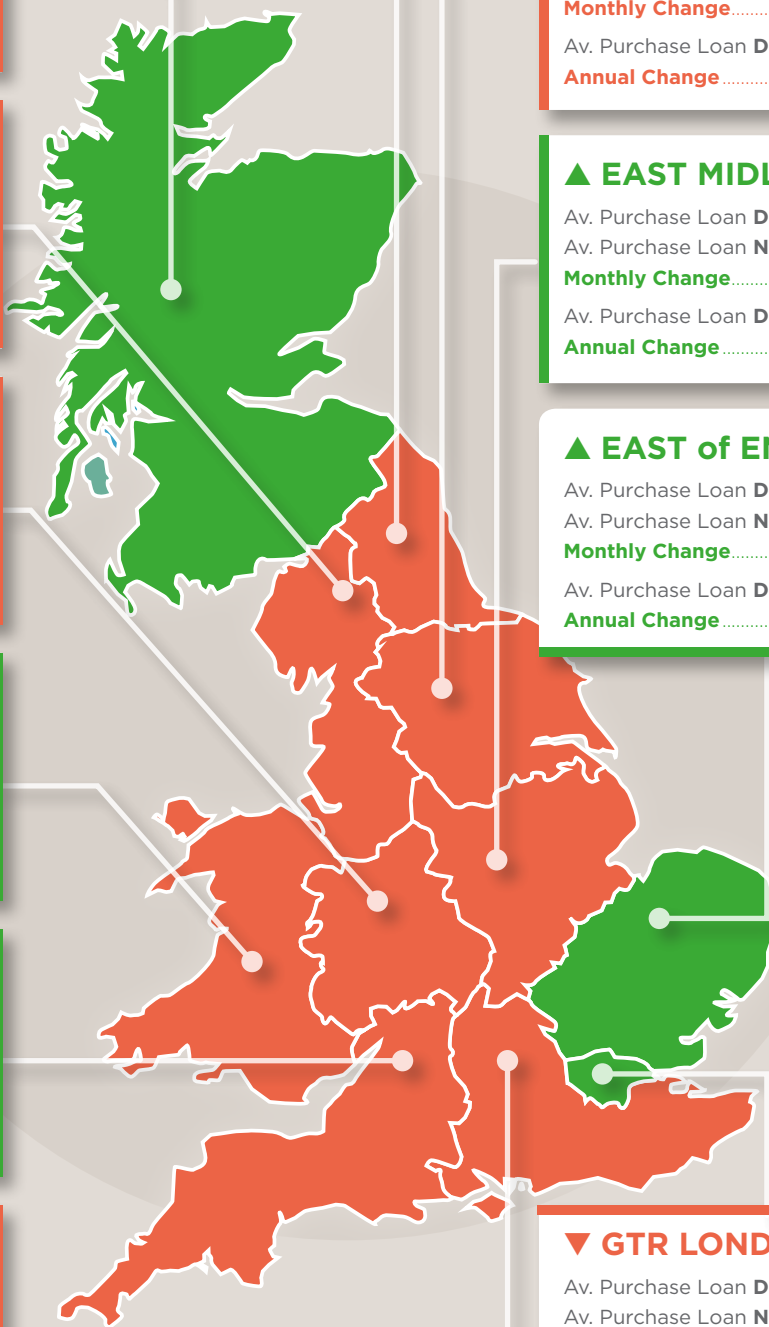
Av. Purchase Loan Dec 18 ..... £143,767  
 Av. Purchase Loan Nov 18 ..... £141,228  
**Monthly Change** ..... 1.8%  
 Av. Purchase Loan Dec 17 ..... £140,460  
**Annual Change** ..... 2.4%

## ▲ EAST of ENGLAND

Av. Purchase Loan Dec 18 ..... £165,921  
 Av. Purchase Loan Nov 18 ..... £161,073  
**Monthly Change** ..... 3.01%  
 Av. Purchase Loan Dec 17 ..... £137,549  
**Annual Change** ..... 20.6%

## ▼ GTR LONDON

Av. Purchase Loan Dec 18 ..... £271,841  
 Av. Purchase Loan Nov 18 ..... £284,841  
**Monthly Change** ..... -4.59%  
 Av. Purchase Loan Dec 17 ..... £323,427  
**Annual Change** ..... -15.9%



# Regional Market Commentary

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

## Rachel Geddes - London

“Our expectations for December were that it would be a relatively quiet month. However, we found ourselves still processing remortgage applications the Friday before Christmas, and even assisted a client with a new purchase enquiry on Christmas Eve. Suffice to say then, we were far busier than we had anticipated!

On the purchase side of the business, we saw two very distinct trends last month. The first was that the First Time Buyer clients we were working with were keen to get a deal agreed before everyone finished for the holidays, so that the paperwork could be started promptly in the first week of the new year. The second group were those clients who were mainly in the market for family homes or more expensive properties, and who were keen to get their mortgage Agreement In Principle done and dusted prior to Christmas, so that they were then ready to actively start viewing and bidding on properties in January.

The competitive lending climate coupled with the motivated mindset of many current vendors means that, in our opinion at least, there is a significant window of opportunity going into 2019 for those who wish to purchase. We would suggest that it's still very much a buyers' market in London at the moment, which means that for those who have their finance in place and are ready to go, there are deals out there to be done.”

## Richard Hullin - Swansea

“December was a very interesting month in Wales as far as the property market was concerned. That's because the towns close to the border, such as Newport and Monmouth, saw demand for properties surge when the toll charges on the Severn Bridge were abolished mid-month. With these areas offering a commute time to Bristol of around half an hour yet being significantly better value than those in and around Bristol itself, estate agents were busy despite the lead-up to the festive season.

As a result of increased demand, prices in these areas saw a substantial uplift last month, which then created a positive 'ripple effect' on values in many other towns around the rest of South Wales. Elsewhere however, we would suggest that activity around the rest of the country was more in line with the normal seasonal expectations, especially from mid-month onwards.

Remortgage enquiries were steady throughout December, as they have been for the past few months, with the majority of clients opting for five-year fixed rate products. We also had a substantial number of investors who were taking the opportunity to review the financing on their portfolios last month in order to get their ducks in a row for 2019, and who took advantage of some of the lowest Buy To Let rates for some time.”

Continued overleaf



# Regional Market Commentary

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

## Lisa Berrido - Manchester

“Whilst we were perhaps expecting activity in the lead-up to Christmas to be quieter than we’ve seen in recent months, we were actually extremely busy with clients who were moving home as well as those who were seeking assistance with their remortgage in December, much more so than in the same period last year.

The raft of new mortgage rates released from lenders early in the month were highly competitive, particularly for five-year fixed rate deals which proved to be the most popular with all of our clients, particularly with those who were remortgaging.

The overall pace of the local market barely slowed down last month, and as a consequence the number of homes available for sale was still exceptionally low. This led to many properties going under offer very quickly and usually at or very close to asking price.

Whilst we did assist some First Time Buyers last month, and indeed of these a significant proportion opted to purchase a new build home using Help To Buy, in general we observed that most of the buyers were transacting at mid-price to higher values and were trading up their family home. We also saw a significant number of completions in December, proving that many buyers were committed to moving despite what’s been going on in the news recently around Brexit, and of course it’s always gratifying to see clients getting the keys to their new home in time to move in for Christmas.”

## Dylan Kelly - Edinburgh

“We were pleasantly surprised at the overall number of clients we assisted last month. In fact, December was one of our busier months in 2018 for remortgages, which we found quite interesting. In addition, there was a substantial number of clients who were still purchasing, even in the week leading up to Christmas, most notably investors who were adding to their portfolios. We would suggest that this is a significant indicator of the buoyancy of the market locally, as regardless of tax changes for landlords, the considerable number of those who were transacting in the Buy To Let space, particularly in December, suggests that appetite for bricks and mortar remains strong.

Another key indicator last month in terms of consumer confidence was highlighted when our advisers were speaking to remortgage clients. It seems that, regardless of the competitive nature of some of the longer-term fixed rate deals, many clients said that they wanted the flexibility to move home in a couple of years’ time and therefore opted for two-year fixed rates. Of course, there were some clients who preferred the security of a five-year product, which is understandable, but given that we saw a fairly even split between both product types last month, our view is that many local homeowners believe that the market will still be buoyant in 2020, rather than suffering from any significantly adverse effect as a result of Brexit.”





# 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.