



National Mortgage Index

For immediate release on 06.08.18

Brian Murphy | Head of Lending Mortgage Advice Bureau

July 2018

Reporting on

June 2018

data

Steady start to summer selling period

“June appeared to be consistently busy in many regions, with members of the network observing a solid number of buyer enquiries, regardless of the distractions of certain major sporting events and a heatwave. In particular, Yorkshire, Scotland and the Midlands saw a very positive market, with motivated movers at all levels. However, continuing the theme of the fragmented market that we’ve seen for a few months now, other areas, such as London and the South East saw activity levels continue to tick over, but at nowhere near the levels seen in other parts of the UK.

Overall, house price growth is still positive, although the year on year increment is modest as was also reported by other major indices such as Nationwide and Halifax. Transaction volumes have also remained relatively steady over the last few months, as reported by HMRC, so whilst we’ve not seen a late ‘spring surge’ in terms of completions, one might suggest that the end of the first half of this year has seen the market perform to expectations and as such, remains in a positive position.

Feedback from our network suggests that in the current climate, those sellers who are succeeding in finding a buyer quickly are those who are most realistic, rather than ambitious, about their asking price. Even though there is still a dearth of available homes for sale in many regions, vendors who are aiming to push the boundaries of the ceiling price for the road are seeing their properties sticking, rather than finding that the law of scarcity is working in their favour as might normally be the case.

That said, there are areas where higher selling prices are still being agreed, leading to a variable picture overall. [\(See page 6 for more details\)](#)

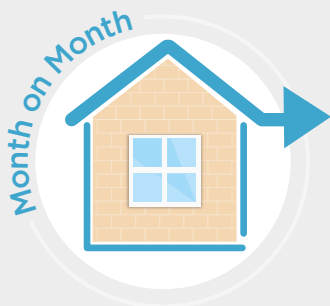
What is encouraging is that the key metrics for First Time Buyers seem to have stabilised, as our data suggests that there has been little movement in this sector between May and June with the average price of a property for those buying their first home barely changed month on month, with only a very small year on year increase. Given that First Time Buyers generally underpin the rest of the market, affordability at this end of the market is one trend that many will hope continues over the coming months. [\(See page 5 for more details\)](#)

In the remortgage sector, our data for June suggests that demand remains constant, if not increased on the same time last year, a likely consequence of ongoing news chatter around the likelihood of a rise in the Bank of England bank rate at some point this year. [\(See page 3 for more details\)](#)

In summary, we would suggest that the UK property market is entering the second half of the year in a resilient climate. Growth, whilst modest in some parts, is still evident due to buyer demand and confidence in bricks and mortar would appear to be, for many consumers at least, unruffled by ongoing political debate.”

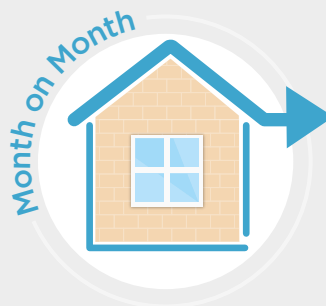


Residential Purchase



Average purchase loan

£175,929 in June 18, broadly unchanged on May 18 (**£175,487**) and also June 17 (**£175,151**).



Amount of purchase applicants who opted for fixed rate products

In June 18, **97.1%** of borrowers fixed their mortgage, broadly similar on May 18 (**97.2%**) and **1.6%** higher than June 17 (**96.9%**).



Typical LTVs

Remained broadly similar at **69.9%** in June 18, compared to **70.2%** in May 18, and **70%** in June 17.



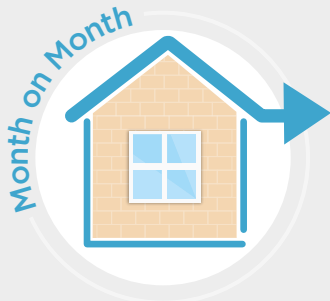
Average applicant age

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

46 yrs - Buy-To-Let Purchase in June 18

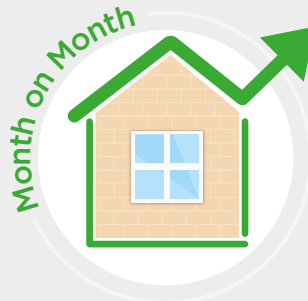
42 yrs - Residential Remortgage in June 18

31 yrs - First Time Buyer in June 18



Change in the average purchase price

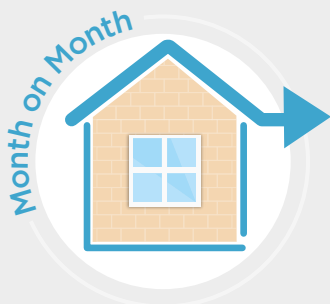
£251,573 in June 18, broadly similar to May 18 (**£249,862**) and also June 17 (**£250,216**).



Change in average purchase salaries

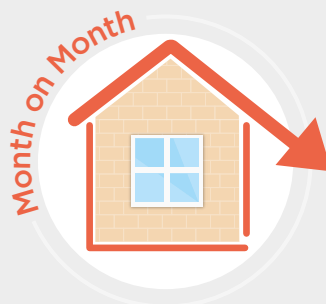
£36,973 in June 18, hardly changed from May 18 (**£36,812**) but slightly increased by **2.75%** on June 17 (**£35,983**).

Residential Remortgage



Average remortgage loan

£178,934 in June 18, broadly unchanged on May 18 (**£179,079**) and a slight rise on June 17 (**£175,265**).



Amount of remortgage applicants who opted for fixed rate products

In June 18, **93.5%** of borrowers fixed their mortgage, slightly lower than May 18 (**95.3%**) and June 17 (**94.6%**).



Typical LTVs

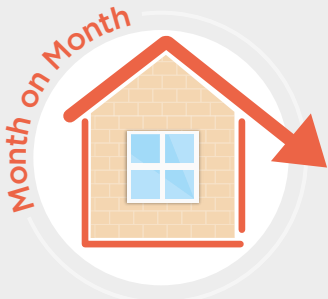
Mostly unchanged in June 18 at **56.5%** on May 18 (**56%**) and slightly increased on June 17 (**54.2%**).



Average applicant age

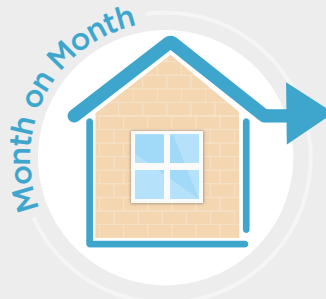
42 years old in June 18, lower than May 18 (**43**) and also June 17 (**43**).

46 yrs - Buy-To-Let Purchase in June 18
36 yrs - Residential Purchase in June 18
31 yrs - First Time Buyer in June 18



Change in the average remortgage property value

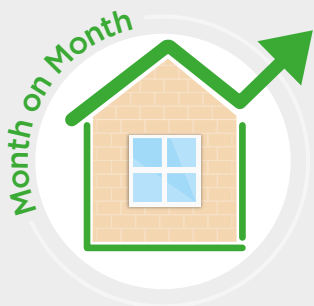
£316,530 in June 18, a slight decrease of **1.6%** on May 18 (**£321,580**) and a **2.1%** decrease on June 17 (**£323,395**).



Change in average remortgage salaries

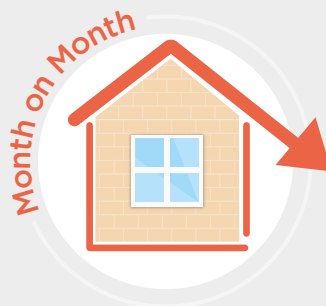
Broadly unchanged in June 18 at **£43,172** against **£43,812** in May 18, and also similar to June 17 (**£42,714**).

Buy-To-Let Purchase



Average BTL purchase loan

£131,033 in June 18, an increase of **3.51%** on May 18 (**£126,428**) but broadly similar to June 17 (**£131,349**).



Amount of BTL purchase applicants who opted for fixed rate products

In June 18, **95.9%** of BTL borrowers fixed their mortgage, down slightly on May 18 (**97.2%**) but broadly similar to June 17 (**96%**).



Typical LTVs

In June 18, the average BTL purchase LTV was **67.2%**, mostly unchanged from May 18 (**67%**) and also June 17 (**67.8%**).



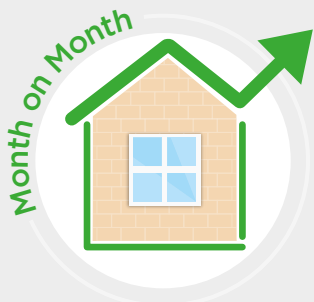
Average applicant age

46 years old in June 18, unchanged month on month and also year on year.

42 yrs - Residential Remortgage in June 18

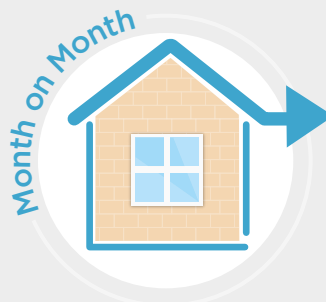
36 yrs - Residential Purchase in June 18

31 yrs - First Time Buyer in June 18



Change in the average BTL purchase price

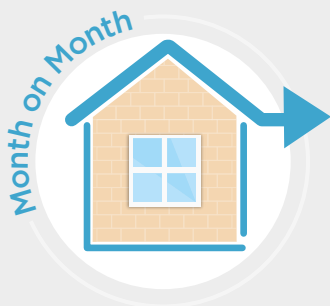
£197,074 in June 18, an increase of **4.14%** on May 18 (**£188,909**) and **2%** on June 17 (**£193,120**).



Change in average BTL purchase salaries

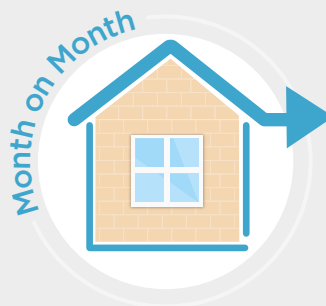
£37,751 in June 18, mostly unchanged on May 18 (**£37,715**) but slightly lower than June 17 (**£38,829**).

First Time Buyers



Average FTB purchase loan

£157,104 in June 18, mostly unchanged on May 18 (**£157,533**) but slightly increased by **1.1%** on June 17 (**£155,372**).



Amount of FTB purchase applicants who opted for fixed rate products

98.7% in June 18, mostly unchanged on May 18 (**98.8%**) and also June 17 (**98.7%**).



Typical LTVs

74.1% in June 18, unchanged month on month, and broadly similar to June 17 (**73.8%**).



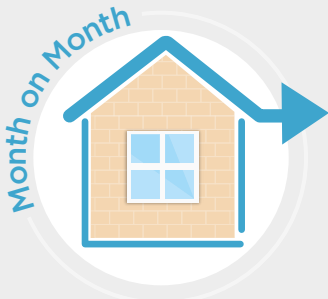
Average applicant age

31 years old in June 18, lower than May 18 (**32**) but unchanged on June 17.

46 yrs - Buy-To-let Purchase in June 18

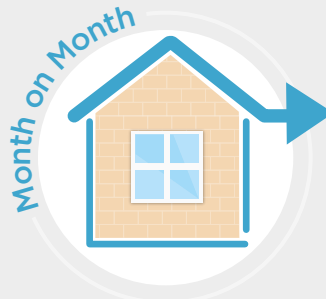
42 yrs - Residential Remortgage in June 18

36 yrs - Residential Purchase in June 18



Change in the average FTB purchase price

£211,920 in June 18, broadly similar to May 18 (**£212,499**) but a slight increase of **0.65%** on June 17 (**£210,533**).



Change in average FTB purchase salaries

£32,124 in June 18, broadly similar to May 18 (**£31,875**) but increased by **3.61%** on June 17 (**£30,964**).

Regional Mortgage Analysis

July 2018 reporting on
June 2018 data

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

▲ SCOTLAND

Av. Purchase Loan **June 18** £152,457
 Av. Purchase Loan **May 18** £149,763
Monthly Change 1.8%
 Av. Purchase Loan **June 17** £148,757
Annual Change 2.5%

▲ NORTH WEST

Av. Purchase Loan **June 18** £144,999
 Av. Purchase Loan **May 18** £144,130
Monthly Change 0.6%
 Av. Purchase Loan **June 17** £128,608
Annual Change 12.7%

▲ WEST MIDLANDS

Av. Purchase Loan **June 18** £176,041
 Av. Purchase Loan **May 18** £174,888
Monthly Change 0.7%
 Av. Purchase Loan **June 17** £173,187
Annual Change 1.6%

▲ WALES

Av. Purchase Loan **June 18** £137,433
 Av. Purchase Loan **May 18** £130,187
Monthly Change 5.6%
 Av. Purchase Loan **June 17** £123,254
Annual Change 11.5%

▲ SOUTH WEST

Av. Purchase Loan **June 18** £169,977
 Av. Purchase Loan **May 18** £169,100
Monthly Change 0.5%
 Av. Purchase Loan **June 17** £165,251
Annual Change 2.9%

▼ SOUTH EAST

Av. Purchase Loan **June 18** £227,880
 Av. Purchase Loan **May 18** £228,038
Monthly Change -0.1%
 Av. Purchase Loan **June 17** £227,497
Annual Change 0.2%

▼ NORTH EAST

Av. Purchase Loan **June 18** £130,745
 Av. Purchase Loan **May 18** £132,511
Monthly Change -1.3%
 Av. Purchase Loan **June 17** £127,182
Annual Change 2.8%

▲ YORKS & HUMBER

Av. Purchase Loan **June 18** £145,984
 Av. Purchase Loan **May 18** £145,092
Monthly Change 0.6%
 Av. Purchase Loan **June 17** £146,875
Annual Change 0.6%

▲ EAST MIDLANDS

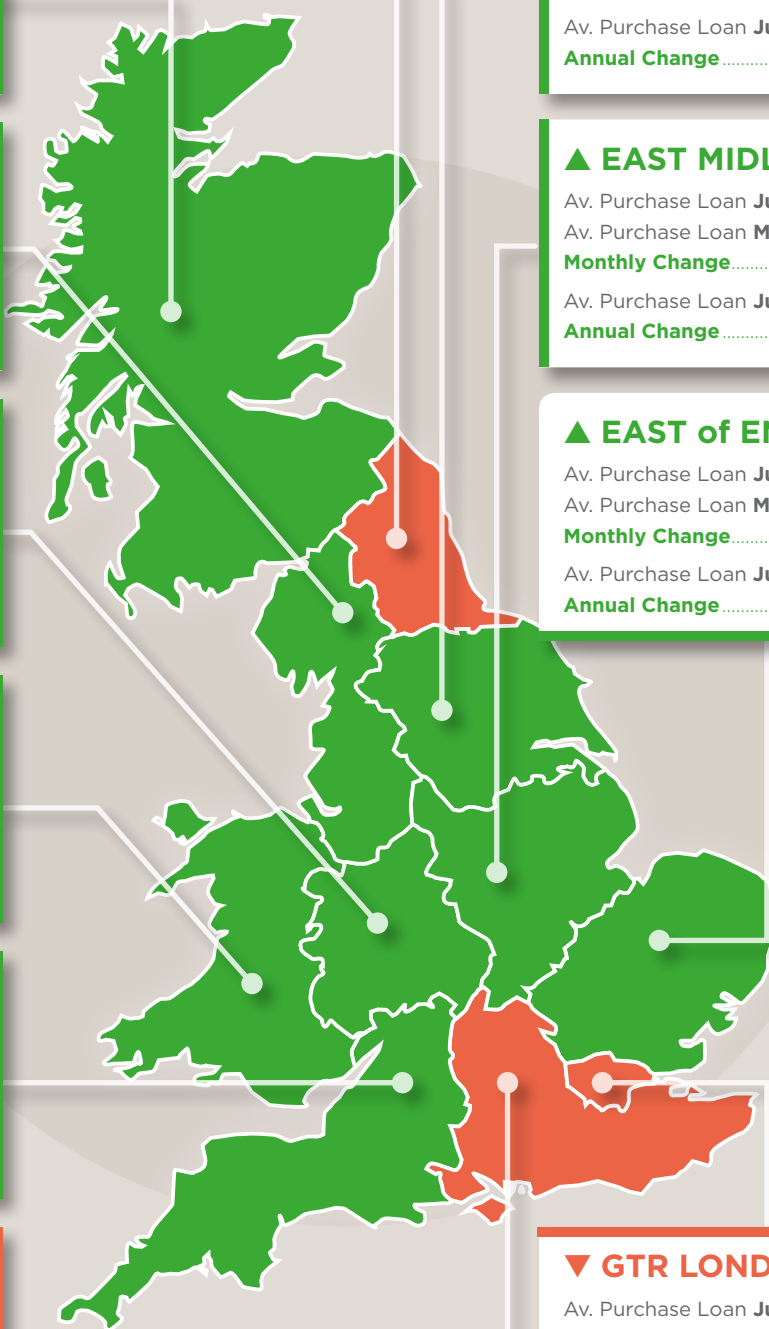
Av. Purchase Loan **June 18** £145,757
 Av. Purchase Loan **May 18** £143,928
Monthly Change 1.3%
 Av. Purchase Loan **June 17** £140,324
Annual Change 3.9%

▲ EAST of ENGLAND

Av. Purchase Loan **June 18** £152,702
 Av. Purchase Loan **May 18** £145,172
Monthly Change 5.19%
 Av. Purchase Loan **June 17** £165,778
Annual Change -7.9%

▼ GTR LONDON

Av. Purchase Loan **June 18** £325,736
 Av. Purchase Loan **May 18** £334,720
Monthly Change -2.68%
 Av. Purchase Loan **June 17** £357,955
Annual Change -9.0%



Regional Market Commentary

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

Rachel Geddes - London

“June was steady, with many workers in and around the city taking their summer break this month in order to avoid school holidays in July and August. However, we did see a significant number of First Time Buyers and second steppers who were active, with many taking advantage of Help To Buy and other developer incentives available, as a result of the many new build developments which have been launched recently.

We also saw a reasonable level of Buy To Let activity in June, with a number of first time landlords entering the market – many purchasing properties that other landlords were divesting – and other seasoned investors adding to their portfolios, albeit having had a break from the market over the last months to take tax advice and regroup.

On the remortgage side we were extremely busy, with a lot of clients who had previously held off from re-fixing their rate deciding to take action in June as a result of rates remaining low. Interestingly, we saw a number of High Net Worth clients remortgaging second homes in June in order to use the capital to extend or renovate their main residence, mainly with a view to adding value rather than purchasing further Buy To Let properties, and also due to the fact that they have decided to stay put rather than move home due to the current political and economic uncertainties.”

David Lewis - Swansea

“Carrying on from the momentum we saw in May, June was also very busy for us, as the local property market really got into its stride. Home movers were busy, particularly families who were trading up and taking the opportunity to get into their new home during the summer months, so that they are settled in time for the start of the school term in September.

Buy-To-Let also continues to flourish locally, due to consistent tenant demand and the attractive yields which are still available, although investors are perhaps taking a different strategy now, with many that we assisted last month having taken professional taxation advice before transacting.

On the remortgage side, we assisted a lot of existing clients in June who were now coming to the end of their current two-year fixed rate mortgages and keen to re-fix whilst rates remain low. There is a continued move towards longer-term products, such as three, five and even ten-year mortgages, as those who are settled in their current home opt for the security of locking down their monthly outgoings. That said, for those who may be moving home or are unsure of their plans, two-year fixed rates are still very competitively priced and do offer a little more flexibility.

Overall, property values rose slightly in June locally, an indication of ongoing demand and consumer confidence. We would suggest that First Time Buyer activity in particular is providing stimulus to the rest of the market, helping second steppers and family movers seeking larger homes to trade up, which is the sign of a healthy and functioning market that we hope will continue as we move into the summer.”

Continued overleaf

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**Mortgage
Advice Bureau**

Regional Market Commentary

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

Lisa Berrido - Manchester

“The local market was very buoyant in June with plenty of buyers active. In particular, we assisted a significant amount of First Time Buyers last month, some of whom are taking advantage of Help To Buy, which we would suggest is possibly due to the large amount of new build properties which have been launched over the last couple of months, and the incentives offered by developers, particularly for homes at entry level.

On the remortgage side, many of the clients we assisted took the shorter-term view of a two-year fix last month, which is a change from what we’ve seen previously, where five-year rates had been the preference of the majority of our customers. Interestingly, those purchasing – particularly at a higher value – were still keen to fix for five years. But the ultra-low two-year deals which are currently so competitively priced tempted many who are staying put, and also offer more flexibility should they decide to move in a couple of years’ time.

Property values were stable if not edging up slightly in June, which we’d suggest is a result of the continuing lack of homes available for sale, notwithstanding the new homes which are coming on to the market locally, together with consumer confidence in property as an asset remaining strong. Because of this, we’re seeing properties that are competitively priced selling quickly and normally at asking price, with very little negotiation on behalf of buyers, albeit that those vendors who are securing a sale quickly have been realistic about the price they can achieve.”

Aaron Frizzel - Edinburgh

“With the warmer weather making a rare but welcome appearance in June, buyers have been enjoying viewings in the sunshine, which has helped to keep the mood in the local property market very positive.

Last month we assisted buyers at all levels, from those purchasing for the first time to the upper end of the market, all of whom were motivated to transact, given that there are still lower than normal levels of properties available for sale. There’s plenty of development and ongoing investment in and around Edinburgh and Glasgow, which given demand, are a welcome addition to the numbers of housing stock. In addition, the interest rate hold in June meant that some of the ultra-low fixed rate deals remain available, and many buyers we’ve spoken to have been keen to lock into these before they change, given that the rate is expected to rise at some point this year.

In terms of values, the offers over asking price culture is still prevalent, albeit perhaps not quite at the levels we saw this time last year, but that’s more a reflection of seasonal market fluctuation than anything else. Overall, despite the distraction of the start of the summer, the market locally has remained steady, and certainly would appear to be resilient as we head towards the school holidays.”

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.

¹ Based on Opinium Research, Summer 2018.