



# National Mortgage Index

Under embargo until 00:01 hrs on 06.06.18

Brian Murphy | Head of Lending Mortgage Advice Bureau

May 2018

Reporting on

April 2018

data

## Market remains consistent in April

“In overall lending terms, in April we observed plenty of purchase-led activity alongside significant numbers of homeowners deciding to remortgage, probably due to the news headlines suggesting that an interest rate rise in May was likely.

The Easter holiday at the beginning of the month coupled with un-seasonally late bursts of inclement weather appeared to impact buyer behaviour in some areas until the middle of the month with many estate agents reporting viewings postponed during the period. However, homebuyer borrowing activity remained strong all month overall, suggesting that consumer confidence was very much still in evidence. Completed transaction volumes as a whole were slightly tempered according to HMRC data, although deals finalising in April would be a reflection of those which probably would have originated in January, if not previously.

House price growth continues to perform within market expectations, with the Halifax reporting year on year average price increases at 2.2% and our data suggesting an average annual increase of 0.6%. However, on a monthly basis, price movements vary between indices, which we would suggest highlights the volatility of data, and also the fact that all indices vary due to the point at which the data is captured. We have seen more evidence of a regionally divergent picture this month reflected in our data, which is collected at applications stage, and have observed that some major conurbations are faring far better than others.

[\(See page 6 for further details\).](#)

Sentiment in terms of the twelve-month outlook appears to be more positive, with the latest RICS Residential Survey suggesting that 31% of surveyors believe that prices will be higher in a year's time, with the strongest sentiment in Scotland and the North West, although expectations for London remain subdued.

Until the latest CPI Inflation figures were released on 18th April showing that the headline figure had dropped to 2.3% it appeared almost certain that an interest rate rise would be announced in early May. We believe the news agenda around a potential increase drove consumer sentiment around remortgaging activity earlier in the month, with 95.5% of those arranging borrowing on their existing home selecting a fixed rate product of some kind, a slight increase on 94.2% in April last year.

[\(See page 3 for more information\).](#)

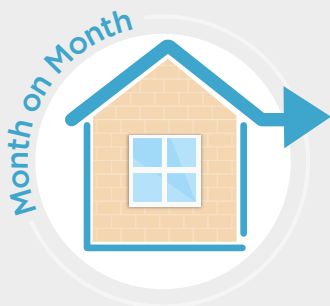
First Time Buyer activity remained consistent last month, although we did observe a slight average uplift in purchase price at the entry level of the market. However, this would potentially correlate with the ongoing lack of housing stock available, as reported by RICS in their April data, which naturally would place an upwards pressure on prices in sectors of high demand.

[\(See page 5 for more information\).](#)

Overall, we'd suggest that buyer demand has remained consistent, with the ongoing lack of available properties still at near all-time record lows contributing in no small part to a market which appears to be turning slightly stagnant in some areas. That's because in practical terms, few properties available to buy translates into less buyer choice, and those who want to purchase are taking longer to find what they are looking for. Of course, whilst this trend continues, although it may not be great news for estate agents who were relying on a seasonal 'Spring surge' to boost their income, it does at least suggest consumer confidence in property is still evident, which in the longer term is not the worst place for the UK property market to find itself in.”

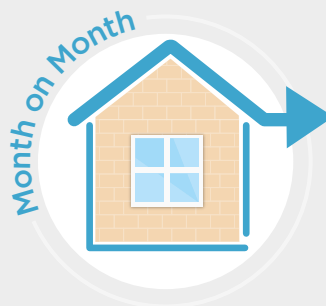


# Residential Purchase



## Average purchase loan

**£174,993** in April 18, broadly unchanged on Mar 18 (**£174,491**) and **1.2%** higher than in April 17 (**£172,929**).



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

In April 18, **97.1%** of borrowers fixed their mortgage, similar to Mar 18 (**97.6%**) and only **1.6%** higher than in April 17 (**96.2%**).



## Typical LTVs

Remained broadly similar in April 18 at **70.5%** to **70.9%** in Mar 18, and **70.1%** in April 17.



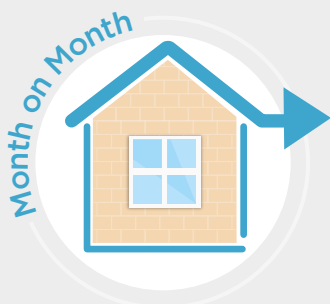
## Average applicant age

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

**45 yrs** - Buy-To-Let Purchase in April 18

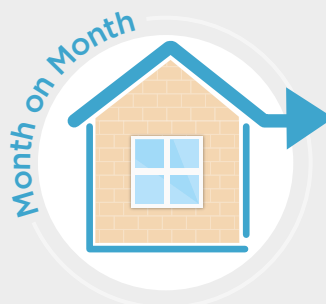
**43 yrs** - Residential Remortgage in April 18

**32 yrs** - First Time Buyer in April 18



## Change in the average purchase price

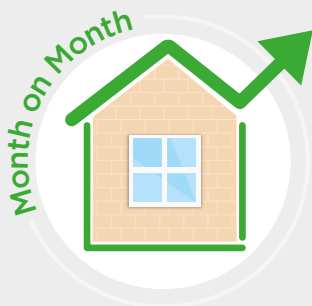
**£248,106** in April 18, hardly changed on Mar 18 (**£246,005**) and a slight increase on April 17 (**£246,569**).



## Change in average purchase salaries

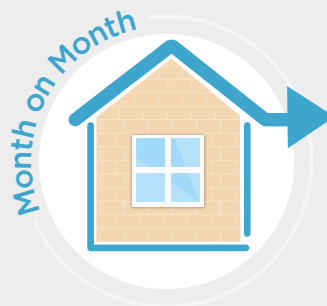
**£36,156** in April 18, hardly changed from Mar 18 (**£36,138**) and a year on year decrease of **3.33%** on April 17 (**£37,401**).

# Residential Remortgage



## Average remortgage loan

**£177,688** in April 18, a **2%** increase on Mar 18 (**£174,192**) and a **1.9%** increase on April 17 (**£174,325**).



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

In April 18, **95.5%** of borrowers fixed their mortgage, similar on Mar 18 (**96.1%**) and a **1.4%** increase on April 17 (**94.2%**).



## Typical LTVs

Remain unchanged month on month at **55%** in April 18, and increased on April 17 when the average LTV was **53.7%**.



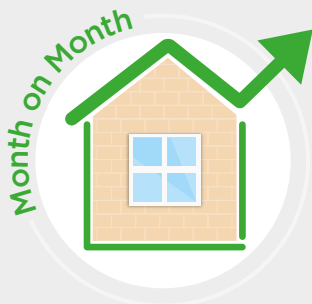
## Average applicant age

**43** years old in April 18, unchanged month on month and year on year.

**45 yrs** - Buy-To-Let Purchase in April 18

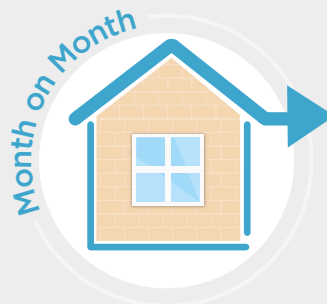
**36 yrs** - Residential Purchase in April 18

**32 yrs** - First Time Buyer in April 18



## Change in the average remortgage property value

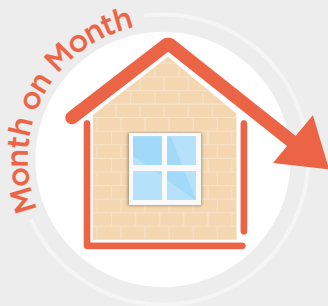
**£322,107** in April 18, an increase of **2.1%** on March 18 (**£315,527**) but a decrease of **0.8%** on April 17 (**£324,841**).



## Change in average remortgage salaries

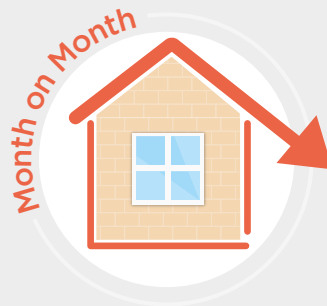
Broadly unchanged in April at **£43,939** against **£43,814** in Mar 18, and increased by **3.7%** in April 17 (**£42,358**).

# Buy-To-Let Purchase



## Average BTL purchase loan

**£127,162** in April 18, a decrease of **1.03%** on Mar 18 (**£128,497**) and broadly similar to April 17 (**£127,390**).



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

In April 18, **96.5%** of BTL borrowers fixed their mortgage, similar to Mar 18 (**97.1%**) and a slight increase on April 17 (**95.7%**).



## Typical LTVs

In April 18, the average BTL purchase LTV was **67.1%**, broadly unchanged on Mar 18 (**67.5%**) and only slightly higher than April 17 (**66.7%**).



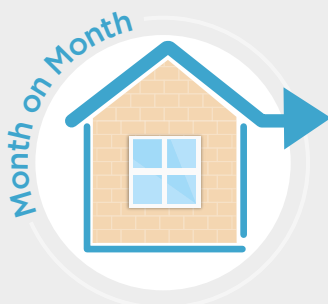
## Average applicant age

**45** years old in April 18, unchanged month on month and also year on year.

**43 yrs** - Residential Remortgage in April 18

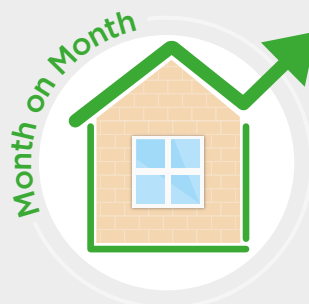
**36 yrs** - Residential Purchase in April 18

**32 yrs** - First Time Buyer in April 18



## Change in the average BTL purchase price

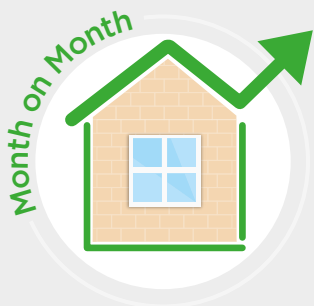
**£189,819** in April 18, broadly similar to Mar 18 (**£190,398**) and slightly lower by **0.69%** on April 17 (**£191,143**).



## Change in average BTL purchase salaries

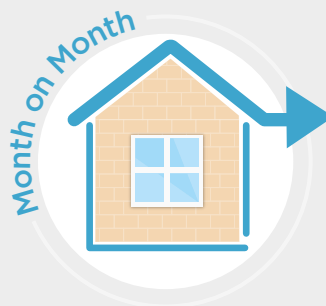
**£37,367** in April 18, an increase of **4.8%** on Mar 18 (**£35,571**) but decreased on April 17 by **10.77%** (**£41,880**).

# First Time Buyers



## Average FTB purchase loan

**£156,648** in April 18, a slight increase of **0.47%** on Mar 18 (**£155,904**) and increased by **5.16%** on April 17 (**£150,420**).



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

**99%** in April 18, unchanged month on month and slightly increased on April 17 (**98%**).



## Typical LTVs

**74.5%** in April 18, broadly similar to Mar 18 (**75%**) and slightly increased on April 17 (**73.8%**).



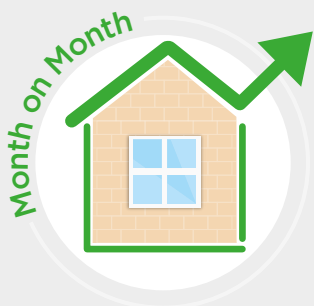
## Average applicant age

**32** years old in April 18, unchanged month on month and up from **31** in April 17.

**45 yrs** - Buy-To-let Purchase in April 18

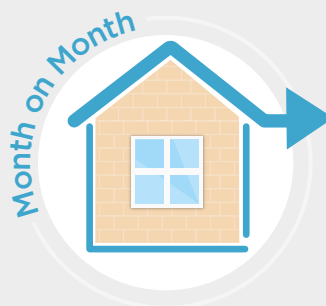
**43 yrs** - Residential Remortgage in April 18

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



## Change in the average FTB purchase price

**£210,376** in April 18, an increase of **0.78%** on Mar 18 (**£208,719**) and also increased by **3.17%** on April 17 (**£203,698**).



## Change in average FTB purchase salaries

**£31,412** in April 18, mostly unchanged on Mar 18 (**£31,348**) but decreased on April 17 by **3.34%** (**£32,500**).

# Regional Mortgage Analysis

May 2018 reporting on  
April 2018 data

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

## ▼ SCOTLAND

Av. Purchase Loan **Apr 18** ..... **£153,447**  
 Av. Purchase Loan **Mar 18** ..... **£154,368**  
**Monthly Change** ..... **-0.6%**  
 Av. Purchase Loan **Apr 17** ..... **£146,647**  
**Annual Change** ..... **4.6%**

## ▲ NORTH WEST

Av. Purchase Loan **Apr 18** ..... **£147,217**  
 Av. Purchase Loan **Mar 18** ..... **£145,306**  
**Monthly Change** ..... **1.3%**  
 Av. Purchase Loan **Apr 17** ..... **£128,007**  
**Annual Change** ..... **15%**

## ▼ WEST MIDLANDS

Av. Purchase Loan **Apr 18** ..... **£177,162**  
 Av. Purchase Loan **Mar 18** ..... **£180,657**  
**Monthly Change** ..... **-1.9%**  
 Av. Purchase Loan **Apr 17** ..... **£170,026**  
**Annual Change** ..... **4.2%**

## ▼ WALES

Av. Purchase Loan **Apr 18** ..... **£124,754**  
 Av. Purchase Loan **Mar 18** ..... **£124,872**  
**Monthly Change** ..... **-0.1%**  
 Av. Purchase Loan **Apr 17** ..... **£128,391**  
**Annual Change** ..... **-2.8%**

## ▼ SOUTH WEST

Av. Purchase Loan **Apr 18** ..... **£170,456**  
 Av. Purchase Loan **Mar 18** ..... **£170,631**  
**Monthly Change** ..... **-0.1%**  
 Av. Purchase Loan **Apr 17** ..... **£164,349**  
**Annual Change** ..... **3.7%**

## ▲ SOUTH EAST

Av. Purchase Loan **Apr 18** ..... **£224,328**  
 Av. Purchase Loan **Mar 18** ..... **£222,159**  
**Monthly Change** ..... **1%**  
 Av. Purchase Loan **Apr 17** ..... **£224,319**  
**Annual Change** ..... **0%**

## ▲ NORTH EAST

Av. Purchase Loan **Apr 18** ..... **£131,714**  
 Av. Purchase Loan **Mar 18** ..... **£127,655**  
**Monthly Change** ..... **3.2%**  
 Av. Purchase Loan **Apr 17** ..... **£124,860**  
**Annual Change** ..... **5.5%**

## ▼ YORKS & HUMBER

Av. Purchase Loan **Apr 18** ..... **£147,288**  
 Av. Purchase Loan **Mar 18** ..... **£147,859**  
**Monthly Change** ..... **-0.4%**  
 Av. Purchase Loan **Apr 17** ..... **£143,684**  
**Annual Change** ..... **2.5%**

## ▲ EAST MIDLANDS

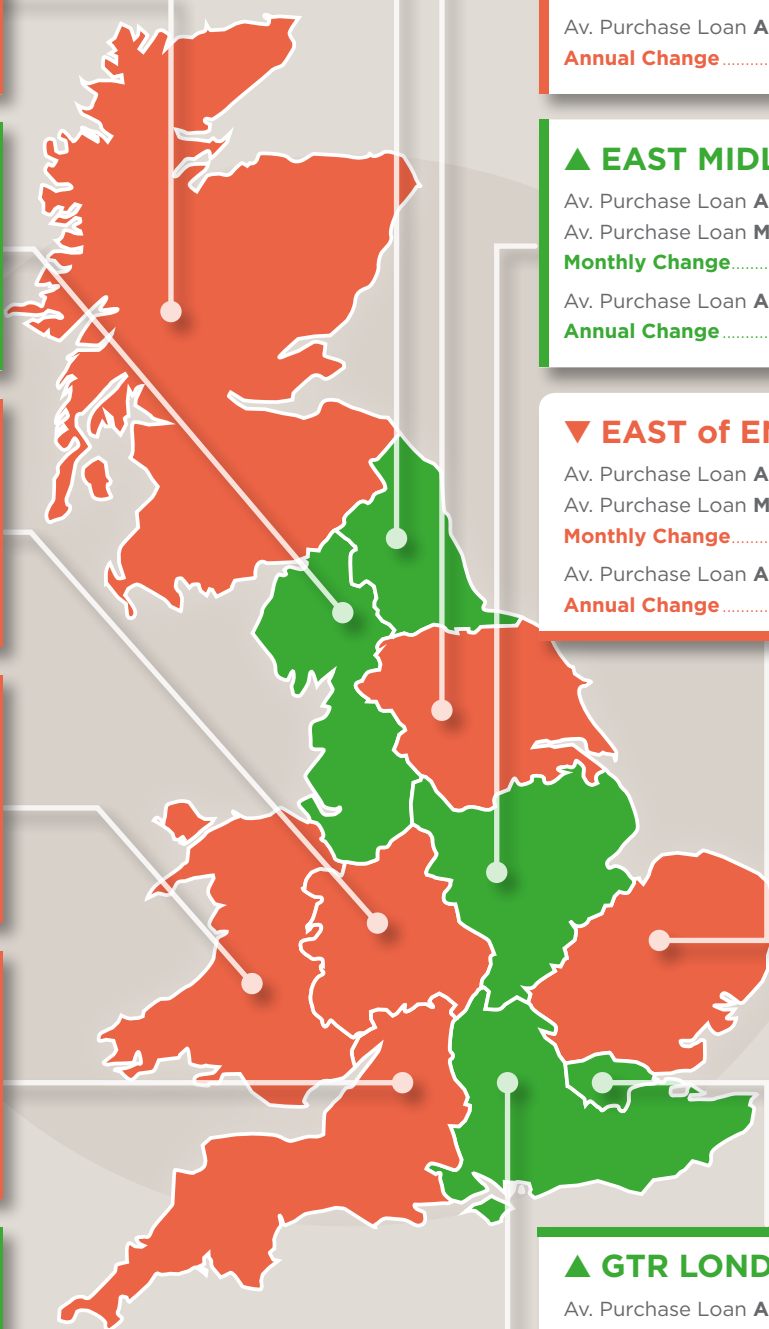
Av. Purchase Loan **Apr 18** ..... **£141,498**  
 Av. Purchase Loan **Mar 18** ..... **£138,985**  
**Monthly Change** ..... **1.8%**  
 Av. Purchase Loan **Apr 17** ..... **£140,067**  
**Annual Change** ..... **1%**

## ▼ EAST of ENGLAND

Av. Purchase Loan **Apr 18** ..... **£145,756**  
 Av. Purchase Loan **Mar 18** ..... **£146,195**  
**Monthly Change** ..... **-0.3%**  
 Av. Purchase Loan **Apr 17** ..... **£152,591**  
**Annual Change** ..... **-4.5%**

## ▲ GTR LONDON

Av. Purchase Loan **Apr 18** ..... **£348,069**  
 Av. Purchase Loan **Mar 18** ..... **£345,218**  
**Monthly Change** ..... **0.82%**  
 Av. Purchase Loan **Apr 17** ..... **£367,485**  
**Annual Change** ..... **-5.3%**



# Regional Market Commentary

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

## Rachel Geddes - London

“April was exceptionally busy for us, and fortunately the inclement weather didn’t have any impact on client enquiries or activity for us whatsoever. Buyers were wanting to move quickly, having held off for as long as possible, so were making decisive offers quickly which were equally swiftly accepted.

The clients we assisted with purchase mortgages last month were an equal mix of First Time Buyers and home movers wanting to trade up. However, we also notice a significant increase in investor activity, with more landlords utilising Special Purpose Vehicle limited companies (SPVs) to purchase further properties to add to their portfolios. Therefore from our experience at least, we would definitely suggest that after a hiatus, investors would appear to be becoming active again.

On the remortgage side, the rumours of a possible interest rate increase in May drove many clients to spend time refinancing their home in order to lock into the best fixed rate deal possible before any change.

In terms of overall property values locally, we noticed that following a cooling in prices in London over the previous few months, things started to level out in April. We’d suggest that this is due to the number of new build units available now has significantly decreased, with the phases which had launched a few months ago in many developments now sold out, together with the fact that a significant amount of existing homes which were on the market having also sold. We’re now waiting for the next wave of stock to hit the market and bolster supply, so in the meantime, this is leading to prices stabilising.”

## Richard Hullin - Swansea

“We were literally rushed off our feet in April, both with clients who were moving home but also those who wanted to remortgage.

With Stamp Duty being devolved to Wales as of the beginning of the month, the overall exemption amount has now risen for any purchaser to £180k, which means those who are transacting at this level who aren’t First Time Buyers are also benefitting. It’s important to remember that in many areas around Wales, it’s entirely possible to buy a family home for less than the new threshold, and certainly we observed that this played a part in conversation with many buyers at that level last month.

We have seen a steady flow of Buy To Let business, although not at its previous level. However, it does somewhat prove that savvy landlords who’ve taken tax advice are still in the game, due to the level of tenant demand for quality rental property locally.

On the remortgage side, with the news being full of predictions of a Bank of England base rate rise in May, many of our existing clients contacted us last month as they wanted to lock in their mortgage on a low interest rate before prices go up, so this kept our team very busy indeed too.

Continued overleaf



# Regional Market Commentary

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

Property prices locally continued to rise in April, particularly at the higher end in the more affluent and desirable areas, but interestingly also at second stepper level. We would suggest that this is due to low levels of available properties for those who want to 'trade up' from their first home, which is putting upwards pressure on values. Of course, further afield East Wales is seeing significant activity and price increases due to the influx of buyers from Bristol, which is likely to be the case for the foreseeable future."

## Lisa Berrido - Manchester

"April was a steady month for us, with plenty of clients moving home and many also wanting to arrange their remortgage. Of those clients purchasing last month, we noticed that many were 'second steppers', rather than First Time Buyers, and we also observed that many were selling their first homes which they had purchased via a Help to Buy scheme.

On the remortgage side, it seemed that most of our clients were more interested in securing the best long-term rate on their current level of borrowing, rather than raising additional capital, and we believe that this was, in part, driven by the news headlines at the beginning of the month suggesting that an interest rate increase was likely in May.

In all cases, both three year and five year fixed rate products were the most requested last month, which very much follows the trend we've seen over the last year. We also noticed an increase in enquiries regarding 90% LTV mortgages on new build properties, which suggests that buyers are taking advantage of low deposit mainstream lenders' products and that they aren't just relying on the Help To Buy equity loan scheme.

In terms of property prices locally, last month saw prices remain mostly unchanged on the previous month, although the launch of a number of new build developments as well as an influx on listings of existing homes on estate agents' books might have blown the froth from the top in terms of asking prices."

## Aaron Frizzel - Edinburgh

"April saw an increase in activity for us in general, with the number of clients wanting to arrange mortgages for home purchases and those who wanted to remortgage their existing homes both increased on the previous month. The numbers of investors seeking Buy To Let borrowing remained steady and on a similar level to March, which underscores consistent performance of rental property as an asset class in Edinburgh.

On the purchase side, the majority of the homebuyers we assisted last month were home movers rather than First Time Buyers, with quality family homes still very much in demand. Having said that, First Time Buyers were still active in April, but perhaps less so than in previous months.

Property prices locally remain strong overall, rising slightly on average month on month, which is likely to be a result of the ongoing lack of stock available in the local area combined with consistent buyer demand at all levels."



# 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 1100 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 1100 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 2017.