

Mortgage Trends Update



UK
FINANCE

Release date: 14 March 2018

UK Finance: Mortgage Trends Update - January 2018

Remortgages reach nine-year high in January 2018

Key data highlights:

- There were 49,800 new homeowner remortgages completed in January 2018, some 19.1 per cent more than in the same month a year earlier. This is the highest monthly number of remortgages since November 2008, when the figure stood at 51,300. The £8.9bn of remortgaging in January 2018 was 20.3 per cent more year-on-year.
 - There were 24,500 new first-time buyer mortgages completed in January 2018, some 7 per cent more than in the same month a year earlier. The £4bn of new lending in the month was 11.1 per cent more year-on-year. The average first-time buyer is 30 and has a gross household income of £41,000.
 - There were 25,000 new home mover mortgages completed in January 2018, some 6.4 per cent more than in the same month a year earlier. The £5.4bn of new lending in the month was 10.2 per cent more year-on-year. The average home mover is 39 and has a gross household income of £55,000.
 - There were 5,600 new buy-to-let house purchase mortgages completed in January 2018, some 5.1 per cent fewer than in the same month a year earlier. By value this was £0.8bn of lending in the month, the same year-on-year.
 - There were 16,500 new buy-to-let remortgages completed in January 2018, some 17.9 per cent more than in the same month a year earlier. By value this was £2.6bn of lending in the month, 18.2 per cent more year-on-year.
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Commenting on the data, [Jackie Bennett, Director of Mortgages at UK Finance](#) said:

"Remortgaging in January reached a nine-year high, as a number of fixed rate mortgages came to an end while borrowers locked into attractive deals amid expectations of further interest rate rises.

"While an increase in remortgaging is expected in the New Year as people put their household finances in order, this strong growth is above the seasonal fluctuations we tend to see at this time of year.

"There was the usual dip in both first-time buyers and home-movers post the December festive period, but mortgage lending in both segments increased compared to the same period in 2017.⁴

"However, growth in the buy-to-let market remains subdued, reflecting the ongoing impact of recent tax and regulatory changes."

Notes to Editor

¹ For more information please call the UK Finance press office on 020 7416 6750 or mail press@ukfinance.org.uk.

² UK Finance is a new trade association which was formed on 1 July 2017 to represent the finance and banking industry operating in the UK. It represents around 300 firms in the UK providing credit, banking, markets and payment-related services. The new organisation brings together most of the activities previously carried out by the Asset Based Finance Association, the British Bankers' Association, the Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.

- 3 The data shown is estimates grossed up from the sample of lenders reporting to reflect total market size, based on total market volumes of Mortgage Product Sales Data published by the FCA. Our historical figures are subject to revision as and when the FCA makes revisions to the market totals. The average figures shown are medians, as this tends to better represent the position of the typical borrower. Affordability calculations are based on median averages of calculations for individual transactions. Capital & interest payment calculations only include mortgages taken out on a full capital and interest repayment basis and are calculated based on the reported repayment term, interest rate, loan amount and income for each transaction.
- 4 The number of first-time buyers and Home Movers tend to see a seasonal dip in January. Previous UK Finance figures show the number of first-time buyers went from 29,600 to 21,300 in Dec-Jan 2016, and from 32,500 to 22,900 in Dec-Jan 2017.
- 5 The income for a first time buyer is calculated on the basis of gross household income. (The sum of occupants living in a household – joint or single)

Mortgage Trends Update

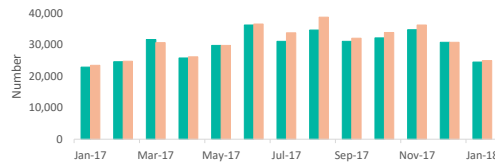


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House Purchase

Number of new loans

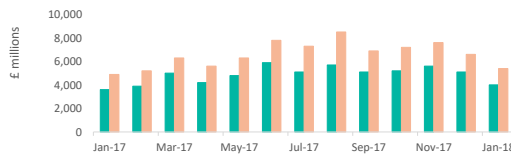
Number of new residential mortgage loans for house purchase, secured by a first charge on the property



	Latest (Jan-2018)	Y-o-Y comparison
First-time buyers	24,500	7.0%
Home movers	25,000	6.4%

Value of new lending

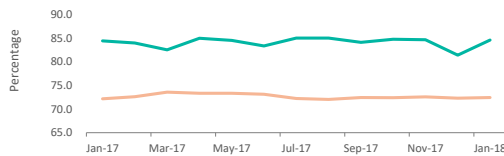
Value of new residential mortgage loans for house purchase, secured by a first charge on the property



	Latest (Jan-2018)	Y-o-Y comparison
First-time buyers	£4bn	11.1%
Home movers	£5.4bn	10.2%

Loan to value

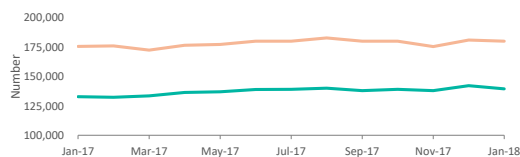
Ratio of loan amount advanced to property value. Year-on-year comparison is the absolute change in the percentage



	Latest (Jan-2018)	Y-o-Y comparison
First-time buyers	84.6%	0.2%
Home movers	72.4%	0.3%

Loan size

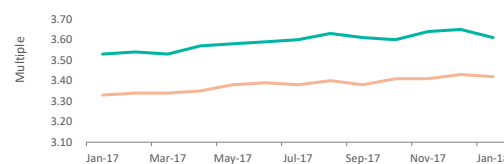
Median value of loans advanced



	Latest (Jan-2018)	Y-o-Y comparison
First-time buyers	£139,500	5.1%
Home movers	£180,000	2.6%

Loan to income multiple

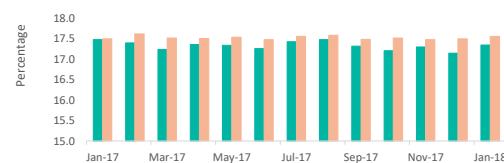
Ratio of loan amount advanced to gross income of all borrowers. Year-on-year comparison is the absolute change in the multiple



	Latest (Jan-2018)	Y-o-Y comparison
First-time buyers	3.61	0.08
Home movers	3.42	0.09

Repayments as % of income

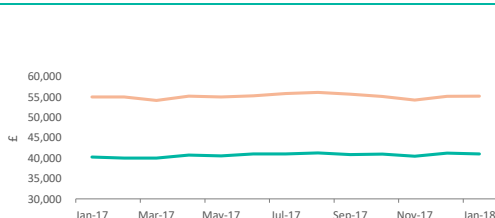
Proportion of gross income used to service capital and interest repayments. Year-on-year comparison is the absolute change in the percentage



	Latest (Jan-2018)	Y-o-Y comparison
First-time buyers	17.3%	-0.1%
Home movers	17.6%	0.1%

Borrower income

Median gross income of all borrowers used in mortgage assessment



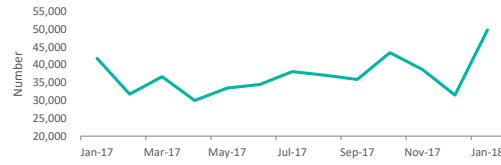
	Latest (Jan-2018)	Y-o-Y comparison
First-time buyers	£41,000	1.8%
Home movers	£55,200	0.4%

Remortgaging

Latest (Jan-2018) Y-o-Y comparison

Number of remortgages

Number of residential loans remortgaged, secured by a first charge on the property



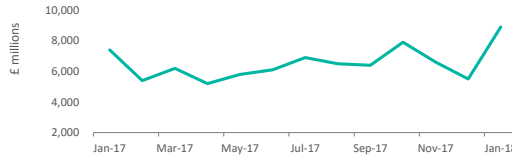
Home owners

49,800

19.1%

Value of remortgages

Value of residential loans remortgaged, secured by a first charge on the property



Home owners

£8.9bn

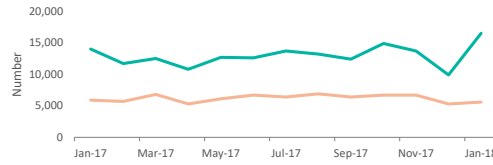
20.3%

Buy-to-let

Latest (Jan-2018) Y-o-Y comparison

Number of new loans

Number of new buy-to-let mortgage loans for house purchase or remortgaging, secured by a first charge on the property



House purchase

5,600

-5.1%

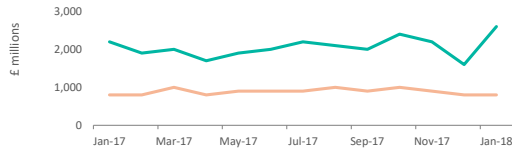
Remortgage

16,500

17.9%

Value of new lending

Value of new buy-to-let mortgage loans for house purchase or remortgaging, secured by a first charge on the property



House purchase

£0.8bn

0.0%

Remortgage

£2.6bn

18.2%

Next update:

17 April 2018

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Homeowner House Purchase

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Source table	
Number of new loans	First-time buyers	22,900	24,600	31,700	25,800	29,800	36,300	31,100	34,700	31,100	32,200	34,800	30,800	24,500	ML2
	Home movers	23,500	24,800	30,700	26,200	29,800	36,600	33,800	38,800	32,100	33,900	36,300	30,800	25,000	ML3
Value of new lending (£mn)	First-time buyers	3,600	3,900	5,000	4,200	4,800	5,900	5,100	5,700	5,100	5,200	5,600	5,100	4,000	ML2
	Home movers	4,900	5,200	6,300	5,600	6,300	7,800	7,300	8,500	6,900	7,200	7,600	6,600	5,400	ML3
Loan to value	First-time buyers	84.4	84.0	82.5	85.0	84.5	83.3	85.0	85.0	84.1	84.8	84.7	81.4	84.6	ML2
	Home movers	72.2	72.6	73.6	73.3	73.3	73.1	72.2	72.0	72.5	72.4	72.6	72.3	72.4	ML3
Loan size	First-time buyers	132,745	132,295	133,500	136,350	137,000	138,958	139,000	140,000	138,000	139,000	138,000	142,145	139,500	ML2
	Home movers	175,495	176,000	172,399	176,495	177,245	180,000	180,000	182,750	180,000	179,950	175,374	180,999	180,000	ML3
Loan to income multiple	First-time buyers	3.53	3.54	3.53	3.57	3.58	3.59	3.60	3.63	3.61	3.60	3.64	3.65	3.61	ML2
	Home movers	3.33	3.34	3.34	3.35	3.38	3.39	3.38	3.40	3.38	3.41	3.41	3.43	3.42	ML3
Repayments as % of income	First-time buyers	17.5	17.4	17.2	17.4	17.3	17.3	17.4	17.5	17.3	17.2	17.3	17.1	17.3	ML2
	Home movers	17.5	17.6	17.5	17.5	17.5	17.5	17.6	17.6	17.5	17.5	17.5	17.5	17.6	ML3
Borrower income	First-time buyers	40,271	40,000	40,000	40,755	40,549	41,000	41,000	41,265	40,845	40,973	40,447	41,201	41,000	ML2
	Home movers	55,000	55,000	54,134	55,177	55,000	55,286	55,847	56,105	55,660	55,094	54,217	55,148	55,200	ML3

Homeowner Remortgaging

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Source table	
Number of remortgages	Home owners	41,800	31,800	36,700	30,000	33,500	34,500	38,100	37,100	35,900	43,400	38,700	31,500	49,800	ML1
Value of remortgages (£mn)	Home owners	7,400	5,400	6,200	5,200	5,800	6,100	6,900	6,500	6,400	7,900	6,600	5,500	8,900	ML1

Buy-to-let

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Source table	
Number of new loans	House purchase	5,900	5,700	6,800	5,300	6,100	6,700	6,400	6,900	6,400	6,700	6,700	5,300	5,600	MM17
	Remortgage	14,000	11,700	12,500	10,800	12,700	12,600	13,700	13,200	12,400	14,900	13,700	9,900	16,500	MM17
Value of new lending (£mn)	House purchase	800	800	1,000	800	900	900	900	1,000	900	1,000	900	800	800	MM17
	Remortgage	2,200	1,900	2,000	1,700	1,900	2,000	2,200	2,100	2,000	2,400	2,200	1,600	2,600	MM17

UK Finance publishes aggregate information on mortgages based on data supplied by our members, and grossed up to estimate total market size.

Remortgage figures shown in this release include refinancing with the same lender, in those cases where a new mortgage contract is created. For this reason these figures will generally exceed those published by the Bank of England, whose remortgage data exclude such internal refinancing transactions.

Source data tables are available to UK Finance members or data associates from www.cml.org.uk/industry-data/industry-data-tables/. For information or enquiries, please contact ukfstatistics@ukfinance.org.uk

For media enquiries, journalists should contact press@ukfinance.org.uk

Next update: 17 April 2018