



Statistical release

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Mortgage Lenders and Administrators Statistics: 2018 Q4

Key Stories

- The outstanding value of all residential mortgage loans was £1,442 billion in 2018 Q4, 3.3% higher than a year earlier (**Table A**).¹
- The value of gross mortgage advances grew 5.5% in the year to 2018 Q4, to £72.9 billion (**Table A and Chart 1**).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was £68.0 billion, 4.6% higher than a year earlier (**Table A and Chart 1**).
- The share of lending for remortgage was 1.4 percentage points higher than a year earlier, at 31.1% (**Chart 5**). The share for house purchase was 1.0 percentage points lower, at 63.5%.
- As a component of lending for house purchase, the percentage of lending to home movers fell 0.9 percentage points in the year to Q4, to 29.7% of gross advances. The other two components were broadly unchanged in the year with 21.2% of lending to first-time buyers and 12.5% for buy-to-let purchases (**Chart 5**).
- 4.4% of mortgages advanced in Q4 had loan to value (LTV) ratios exceeding 90%, compared to 3.8% a year earlier (**Chart 3**).
- The proportion of high loan to income (LTI) lending (loans greater than four times the value of annual income for a single buyer or greater than three times the annual income for joint buyers) remained at 46.9% in Q4, its highest value since the series began in 2007 Q1 (**Chart 4**).
- The value of outstanding balances with some arrears fell slightly in the quarter to £14.4 billion. As a proportion of total balances it has remained at 1.0% (**Chart 6**).

Table A: Residential loans to individuals flows and balances

Regulated and non-regulated mortgages

£ billions

Not seasonally adjusted

	Q3 2017	Q4	Q1	Q2 2018	Q3	Q4
Business flows						
Gross advances	70.9	69.1	62.4	66.7	73.5	72.9
New commitments	69.6	65.0	61.1	73.1	72.9	68.0

Residential loan amounts outstanding

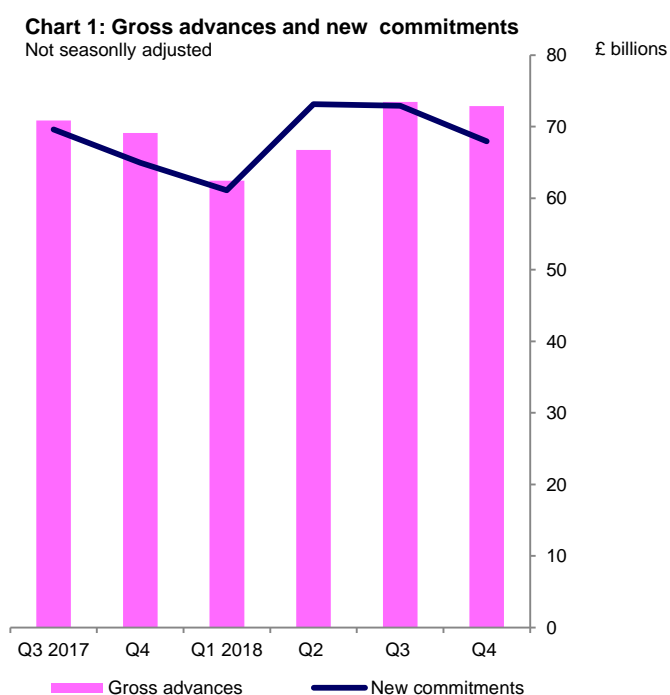
Total Regulated and Non-regulated	1,385.5	1,395.9	1,403.1	1,417.3	1,429.6	1,442.1
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Next release – 11 June 2019. Release available online at www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2018/2018-q4 and www.fca.org.uk/firms/mortgage-lending-statistics.

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Graphical Analysis

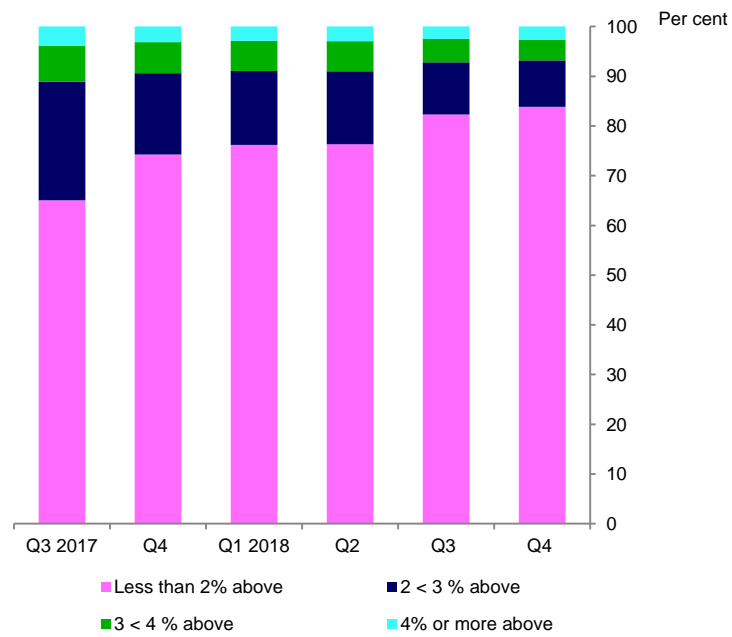
- The value of gross mortgage advances grew 5.5% in the year to 2018 Q4 to £72.9 billion (**Table A and Chart 1**).²
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 4.6% higher than a year earlier, at £68.0 billion.³



- The share of mortgage loans advanced with interest rates less than 2% above Bank Rate continued to increase in Q4, reaching 83.8% (**Chart 2**).⁴
- This has been offset by a 1.2 percentage point fall in the share of loans advanced with interest rates between 2% and 3% above Bank Rate in the quarter. This is now 9.4%.⁵
- The percentage of loans advanced with interest rates 3% or more above Bank Rate was broadly unchanged in the quarter, at 6.8%.⁶

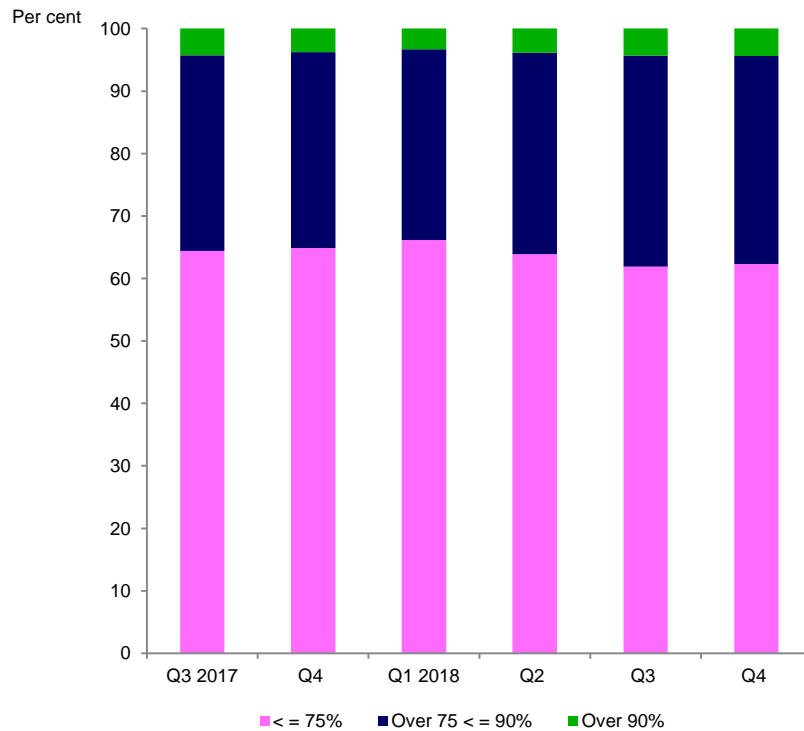
Chart 2: Per cent of business above Bank Rate - Gross Advances

Not seasonally adjusted



- 4.4% of mortgages advanced in 2018 Q4 had LTV ratios exceeding 90%, compared to 3.8% a year earlier **(Chart 3)**.⁷
- The share of mortgages with LTV ratios of 75% or lower was broadly stable in the quarter at 62.3%. This compares to 64.8% a year earlier.⁸

Chart 3: Gross advances by loan to value (LTV) ratios
Not seasonally adjusted

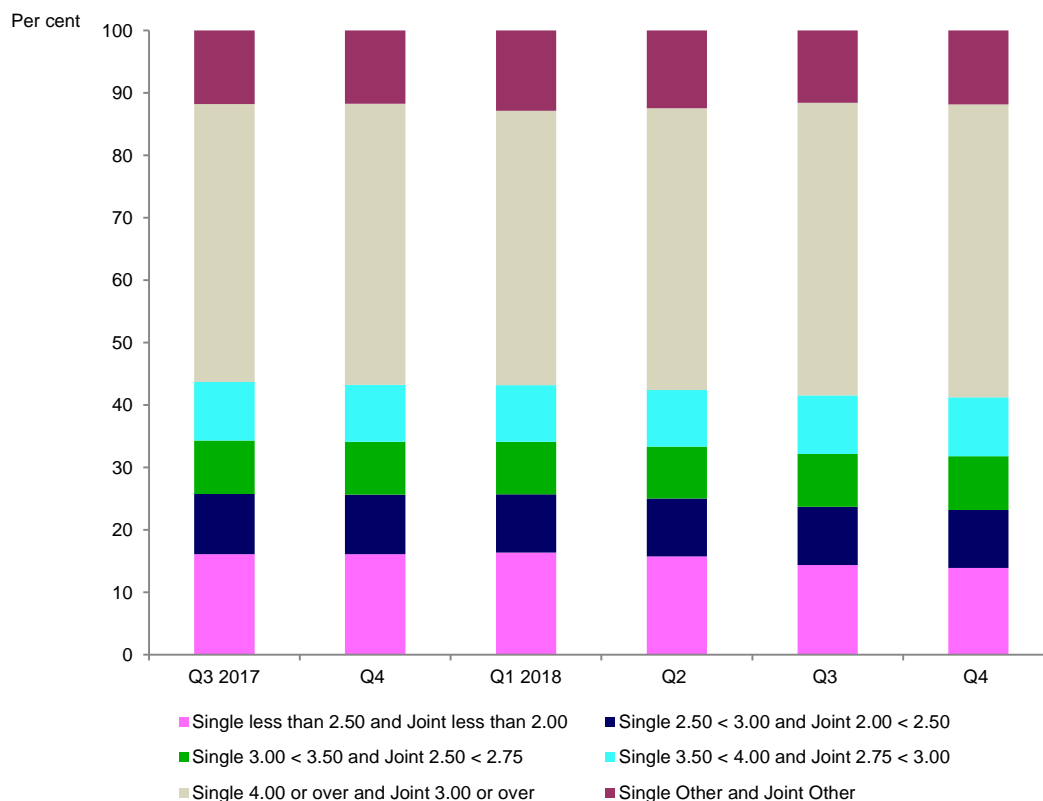


The proportion of high LTI lending (loans greater than four times the value of annual income for a single buyer or greater than three times the annual income for joint buyers) has remained at 46.9%, its highest since the series began in 2007 Q1 (**Chart 4**).⁹ In 2018 Q4:

- New lending to borrowers with a single income who had an LTI of 4 or above is steady at 10.9%. This is 0.2 percentage points lower than a year earlier.¹⁰
- New lending to borrowers with a joint income who had an LTI of 3 or above has remained at 36.0%. This is 2.1 percentage points higher than a year earlier.¹¹

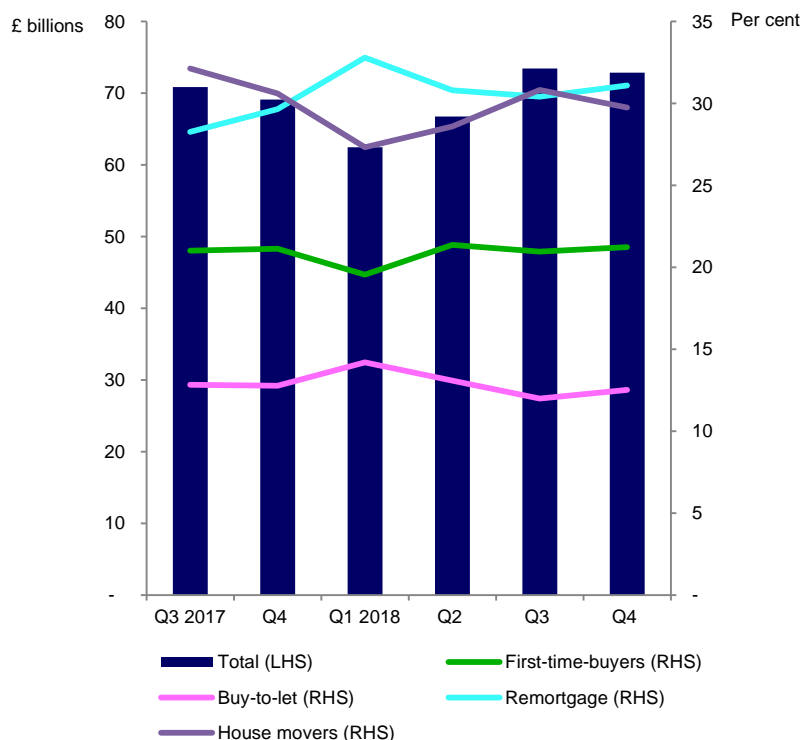
Chart 4: Gross advances by income multiple

Not seasonally adjusted



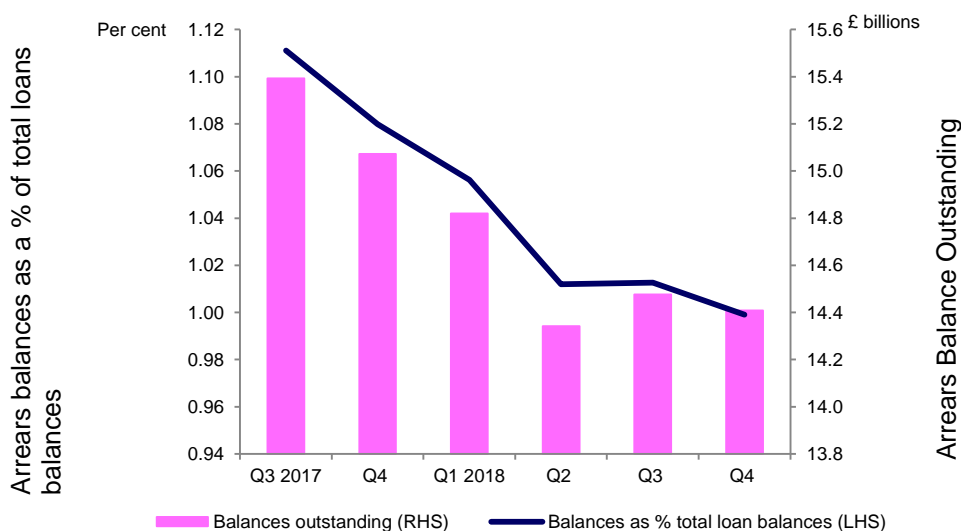
- In 2018 Q4 the proportion of lending to existing borrowers in the form of remortgaging was 1.4 percentage points higher than a year earlier, at 31.1% (**Chart 5**).¹²
- The proportion of lending for house purchase (including all buy-to-let lending) was 1.0 percentage points lower than in 2017 Q4, at 63.5%.¹³
- As a component of lending for house purchase, the percentage of lending to home movers fell 0.9 percentage points in the year, to 29.7% of gross advances. The other two components were broadly unchanged in the year with 21.2% of lending to first-time buyers and 12.5% for buy-to-let purchases.^{14,15,16}

Chart 5: Breakdown of gross advances by purpose of loan
Not seasonally adjusted



- The value of outstanding balances with some arrears fell by 0.5% in the quarter, to reach £14.4 billion (**Chart 6**).¹⁷
- The proportion of total loan balances in arrears has continued to remain at 1.0%, which is the lowest since the series began in 2007 Q1.¹⁸

Chart 6: Arrears balances
Not seasonally adjusted



Next release – 11 June 2019. Release available online at www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2018/2018-q4 and www.fca.org.uk/firms/mortgage-lending-statistics.

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Appendix

Below is a list detailing where the information in the statistics release can be found in the document named "[MLAR statistics: detailed tables \(XLSX\)](#)".

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- ¹ Table 1.11 sub table A row 9
 - ² Table 1.21 sub table C row 1
 - ³ Table 1.21 sub table C row 3
 - ⁴ Table 1.22 sub table C row 3
 - ⁵ Table 1.22 sub table C row 4
 - ⁶ Table 1.22 sub table C row 5 + row 6
 - ⁷ Table 1.31 sub table C row 19 + row 20
 - ⁸ Table 1.31 sub table C row 17
 - ⁹ Table 1.31 sub table C row 5 + row 13
 - ¹⁰ Table 1.31 sub table C row 5
 - ¹¹ Table 1.31 sub table C row 13
 - ¹² Table 1.33 sub table C row 6
 - ¹³ Table 1.33 sub table C row 1
 - ¹⁴ Table 1.33 sub table C row 3 (home movers)
 - ¹⁵ Table 1.33 sub table C row 2 (first-time buyers)
 - ¹⁶ Table 1.33 sub table C row 4 (buy-to-let)
 - ¹⁷ Table 1.7 sub table C row 10
 - ¹⁸ Table 1.7 sub table C row 11