



Statistical release

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Mortgage Lenders and Administrators Statistics: 2019 Q2

Key findings

- The outstanding value of all residential mortgage loans was £1,461 billion in 2019 Q2, 3.1% higher than a year earlier (**Table A**)¹.
- The value of gross mortgage advances was £66.1 billion in 2019 Q2, 1.0% lower than a year ago (**Table A and Chart 1**).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was broadly unchanged compared to a year earlier, at £73.4 billion (**Table A and Chart 1**).
- The share of mortgages advanced in Q2 with loan to value (LTV) ratios exceeding 90% was 5.5%, the highest since 2008 Q4 (**Chart 3**).
- The proportion of lending at high loan to income (LTI) ratios (loans greater than four times the value of annual income for a single borrower or greater than three times annual income for joint borrowers) was 46.1% in 2019 Q2, 0.7 percentage points (pp) higher than a year earlier (**Chart 4**).
- The share of gross mortgage lending for buy-to-let purposes (covering house purchase, remortgage and further advance) was 13.1%, in line with a year earlier (**Chart 5**).
- Lending to owner-occupiers for house purchase accounted for 50.5% of total gross mortgage advances in Q2. Of this, 21.3% was to first-time buyers, which is consistent with a year earlier. The share of lending to home movers increased marginally in the year to 29.2% (**Chart 5**).

Table A: Residential loans to individuals flows and balances

Regulated and non-regulated mortgages

£ billions

Not seasonally adjusted

	Q1	Q2	Q3	Q4	Q1	Q2
	2018				2019	
Business flows						
Gross advances	62.4	66.7	73.5	72.9	63.4	66.1
New commitments	61.0	73.2	73.0	67.9	63.7	73.4
Residential loan amounts outstanding						
Total Regulated and Non-regulated	1,403.1	1,417.3	1,429.6	1,442.1	1,450.9	1,461.4

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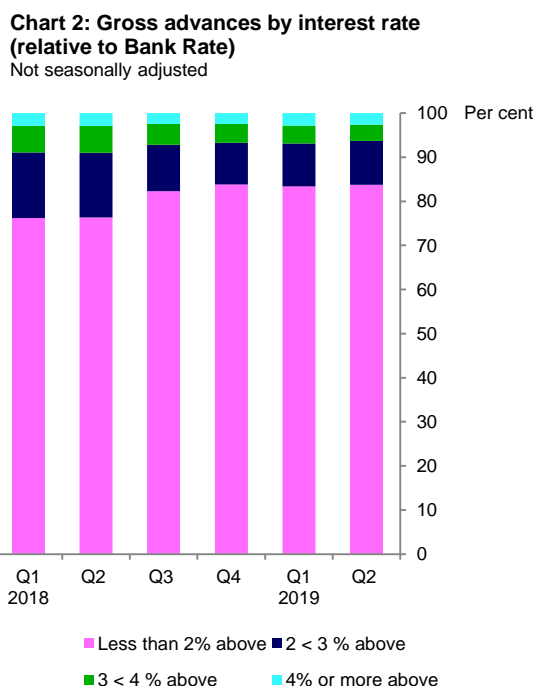
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Graphical Analysis

- The value of gross mortgage advances was £66.1 billion in 2019 Q2, 1.0% lower than a year ago (**Table A and Chart 1**).²
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was broadly unchanged compared to a year earlier, at £73.4 billion.³



- The distribution of interest rates for gross mortgage advances relative to Bank Rate has remained broadly unchanged since 2018 Q3 (**Chart 2**).
- The share of mortgages advanced with interest rates 3% or more above Bank Rate fell marginally to 6.3%, the lowest since 2008 Q3. The share of gross advances with interest rates over 2%, but less than 3%, above Bank Rate was 9.9%, whilst the share of loans with interest rates less than 2% above Bank Rate was 83.7%.^{4,5,6}

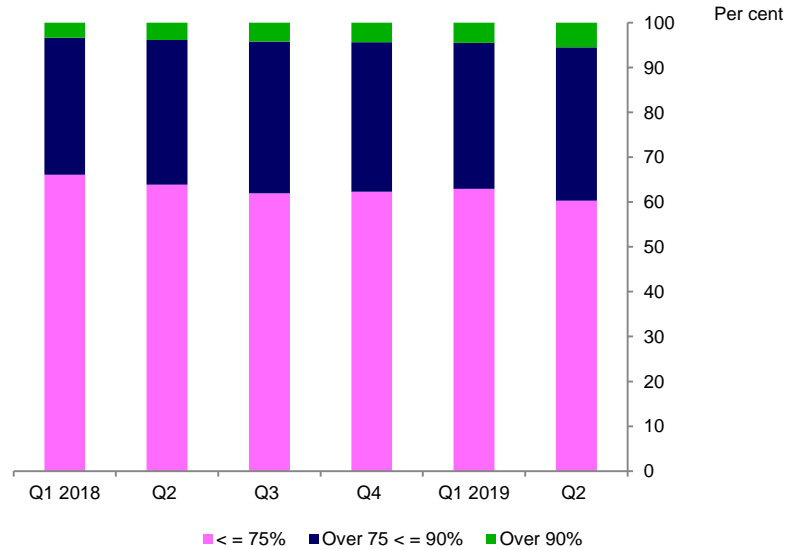


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- The share of mortgages advanced in Q2 with loan to value (LTV) ratios exceeding 75% was 39.7%, the highest since 2008 Q2.⁷
- The share of mortgages advanced in Q2 with LTV ratios exceeding 90% was 5.5%. This is the highest since 2008 Q4 and 1.0pp higher than the previous quarter (**Chart 3**).⁸

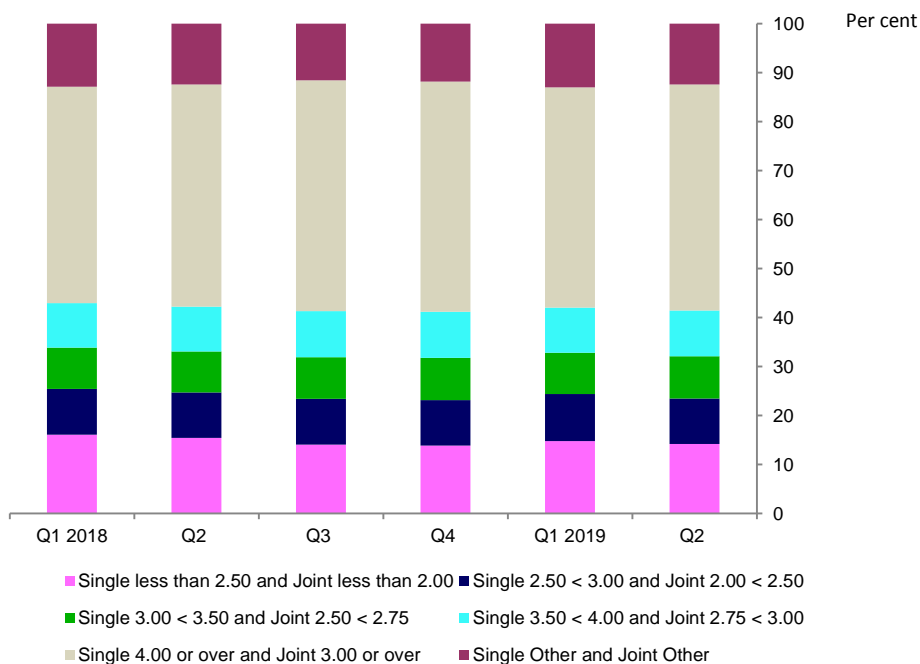
Chart 3: Gross advances by loan to value (LTV) ratios
Not seasonally adjusted



The proportion of lending to borrowers with high loan to income (LTI) ratios was 46.1% in 2019 Q2, 0.7 pp higher than a year earlier (**Chart 4**).⁹ Borrowers with high LTI are defined here as:

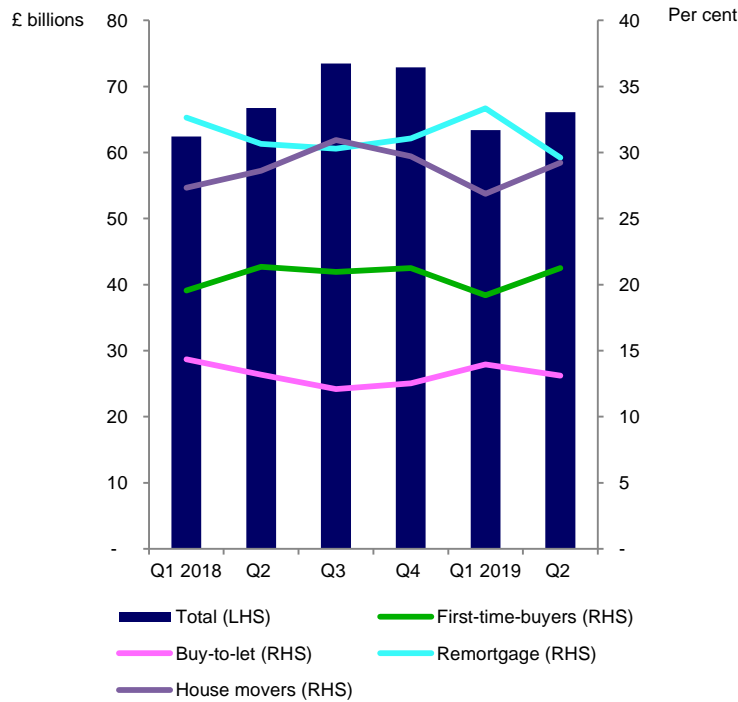
- Borrowers with a single income who had an LTI of 4 or above. These loans accounted for 10.8% of gross mortgage lending in Q2, a share which has been broadly unchanged since 2018 Q1.¹⁰
- Borrowers with a joint income who had an LTI of 3 or above. These loans accounted for 35.3% of gross mortgage lending in Q2, 0.7 pp higher than a year earlier.¹¹

Chart 4: Gross advances by income multiple
Not seasonally adjusted

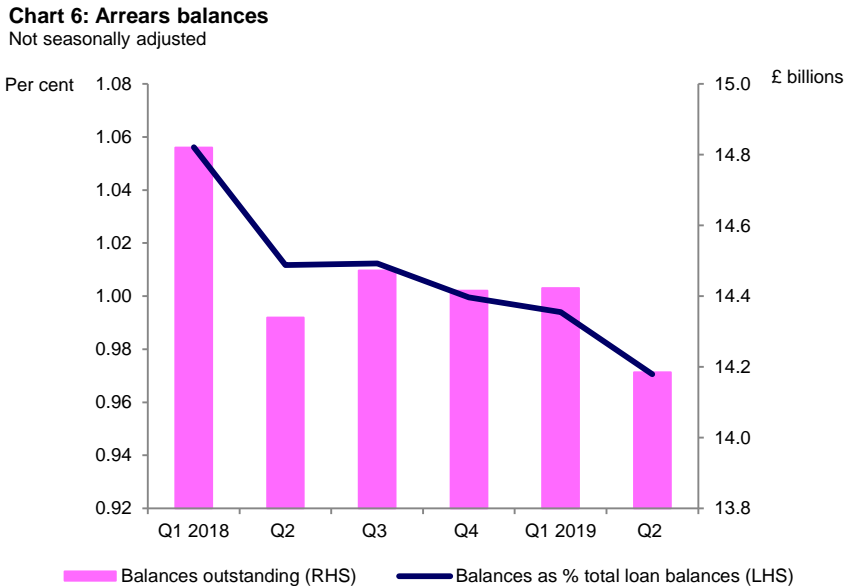


- The share of gross mortgage advances for buy-to-let purposes (covering house purchase, remortgage and further advance) was 13.1% in Q2, in line with a year earlier (**Chart 5**). The share of advances for owner occupation was 86.9%.^{12,13}
- Of the 86.9% of advances for owner occupation, the share for remortgage fell to 29.6% of total gross advances, the lowest since 2017 Q4. The share for house purchase was broadly unchanged on the year at 50.5%. Further advances and other mortgages (including lifetime mortgages) accounted for 6.8% of gross advances combined.^{14,15,16}
- Of the 50.5% of advances for house purchase by owner occupiers, lending to first-time buyers was 21.3% of total gross advances, consistent with a year earlier. The share advanced to home movers was 29.2%.^{17,18}

Chart 5: Gross advances by purpose of loan
Not seasonally adjusted



- The value of outstanding balances with some arrears decreased by 1.7% on the quarter, to £14.2 billion (**Chart 6**).¹⁹
- The proportion of total loan balances with some arrears has decreased to 0.97%, the lowest since the series began in 2007 Q1.²⁰



Appendix

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

-
- 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 5 + row 6 (3% or more above)
 - ⁵ Table 1.22 sub table C row 3 (2<3% above)
 - ⁶ Table 1.22 sub table C row 4 (less than 2% above)
 - ⁷ 100% - Table 1.31 sub table C row 17
 - ⁸ Table 1.31 sub table C row 19 + row 20
 - 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 4 (buy-to-let)
 - ¹³ 100% - Table 1.33 sub table C row 4 (owner-occupation)
 - ¹⁴ Table 1.33 sub table C row 6 (remortgage)
 - ¹⁵ Table 1.33 sub table C row 2 + row 3 (house purchase owner occupation)
 - ¹⁶ Table 1.33 sub table C row 5 + row 9 (further advance and other)
 - ¹⁷ Table 1.33 sub table C row 2 (first-time buyers)
 - ¹⁸ Table 1.33 sub table C row 3 (home movers)
 - ¹⁹ Table 1.7 sub table C row 10
 - ²⁰ Table 1.7 sub table C row 11