



# Statistical release

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## Mortgage Lenders and Administrators Statistics: 2019 Q3

### Key findings

- The outstanding value of all residential mortgage loans was £1,486 billion in 2019 Q3, 3.9% higher than a year earlier (**Table A**)<sup>1</sup>.
- The value of gross mortgage advances was £73.3 billion, broadly unchanged in comparison to 2018 Q3 (**Table A and Chart 1**).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 1.1% higher than a year earlier, at £73.8 billion (**Table A and Chart 1**).
- The share of mortgages advanced in Q3 with loan to value (LTV) ratios exceeding 90% increased to 5.9%. Lending in this LTV bracket is at its highest since 2008 Q4 (**Chart 3**).
- The share of gross mortgage lending for buy-to-let purposes (covering house purchase, remortgage and further advance) was 12.3%, consistent with 2018 Q3 (**Chart 5**).
- The value of outstanding balances with some arrears fell significantly to £13.7 billion, and now accounts for 0.92% of outstanding mortgage balances (**Chart 6**).

**Table A: Residential loans to individuals, flows and balances**

*Regulated and non-regulated mortgages<sup>1</sup>*

*£ billions*

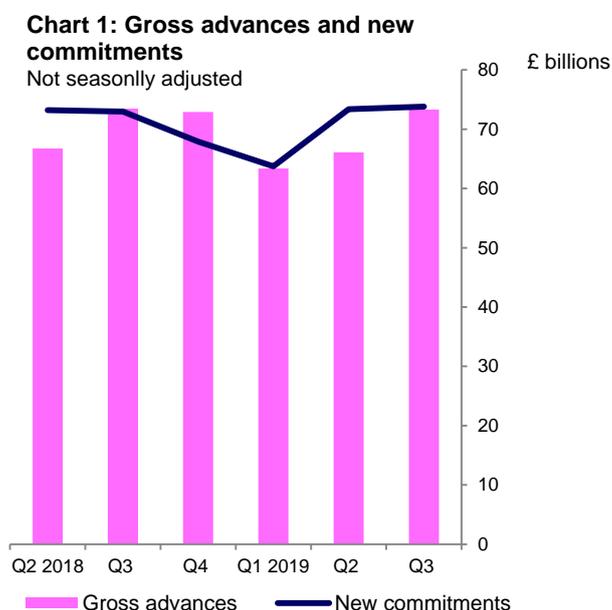
*Not seasonally adjusted*

|                            | Q2<br>2018 | Q3      | Q4      | Q1<br>2019 | Q2      | Q3      |
|----------------------------|------------|---------|---------|------------|---------|---------|
| <b>Flows</b>               |            |         |         |            |         |         |
| Gross advances             | 66.7       | 73.5    | 72.9    | 63.4       | 66.1    | 73.3    |
| New commitments            | 73.2       | 73.0    | 67.9    | 63.7       | 73.4    | 73.8    |
| <b>Amounts outstanding</b> | 1,418.0    | 1,430.2 | 1,443.7 | 1,452.3    | 1,466.6 | 1,485.7 |

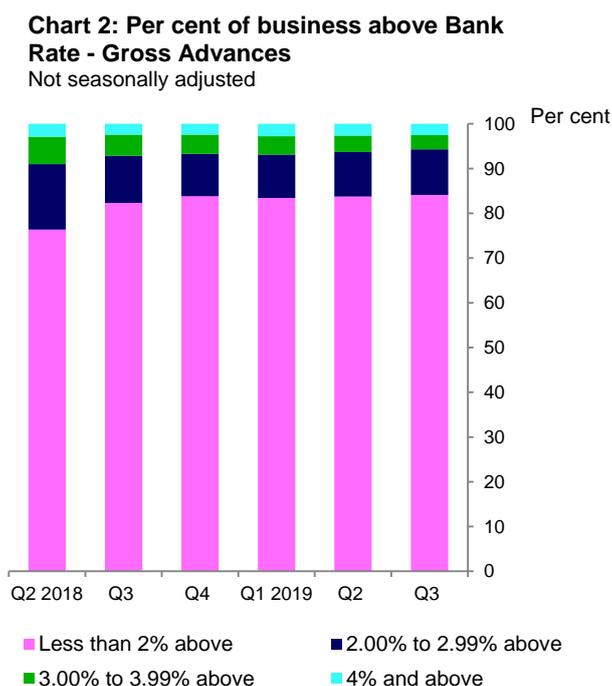
<sup>1</sup> This data covers regulated mortgage lending, and non-regulated mortgage lending by firms which undertake regulated mortgage lending or administration of regulated mortgages.

## Graphical Analysis

- The value of gross mortgage advances was £73.3 billion, broadly unchanged in comparison to 2018 Q3 (**Table A and Chart 1**).<sup>2</sup>
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 1.1% higher than 2018 Q3, at £73.8 billion.<sup>3</sup>



- The distribution of interest rates relative to Bank Rate for gross mortgage advances has remained broadly unchanged since 2018 Q3 (**Chart 2**).
- The share of mortgages advanced with interest rates 3% or more above Bank Rate decreased further to 5.7%, and continues to be at its lowest since 2008 Q3.<sup>4</sup>
- The share of gross advances with interest rates over 2%, but less than 3%, above Bank Rate was 10.2%, and the share of loans with interest rates less than 2% above Bank Rate was 84.1%.<sup>5,6</sup>

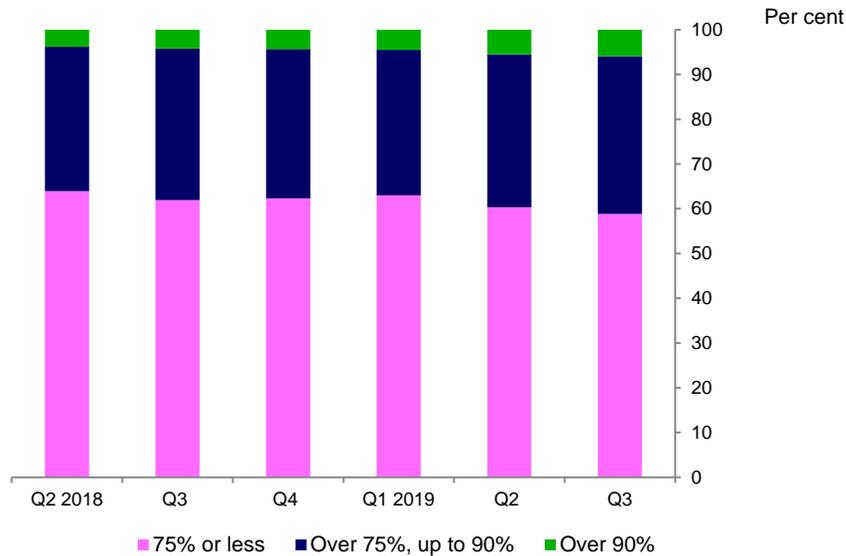


Next release – 10 March 2020. Release available online at [www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2019/2019-q4](http://www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2019/2019-q4) and [www.fca.org.uk/firms/mortgage-lending-statistics](http://www.fca.org.uk/firms/mortgage-lending-statistics).

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- The share of mortgages advanced in Q3 with loan to value (LTV) ratios exceeding 75% increased to 41.1%, 3.1 percentage points (pp) higher than 2018 Q3 (**Chart 3**).<sup>7</sup>
- The share of gross mortgage lending in Q3 with LTV ratios exceeding 90% increased to 5.9%. This is at its highest share since 2008 Q4.<sup>8</sup>
- The share of mortgages advanced at LTVs over 95% has remained broadly unchanged since 2017 Q1, at 0.3%.<sup>9</sup>

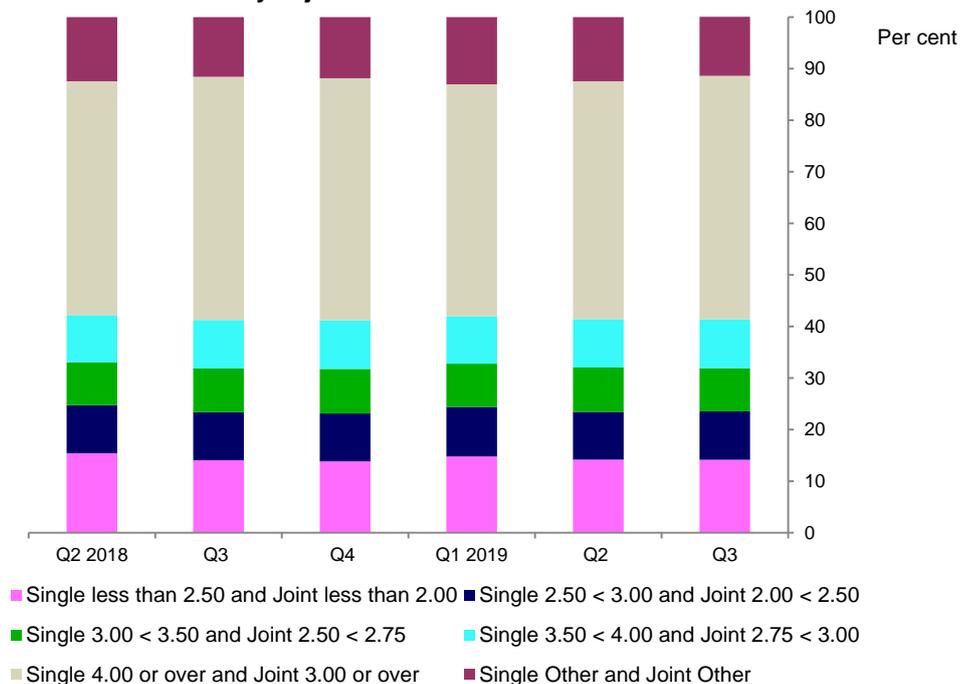
**Chart 3: Gross advances by loan to value (LTV) ratios**  
Not seasonally adjusted



The proportion of lending to borrowers with high loan to income (LTI) ratios was 47.2% this quarter, in line with 2018 Q3 (**Chart 4**).<sup>10</sup> Borrowers with high LTI are defined here as:

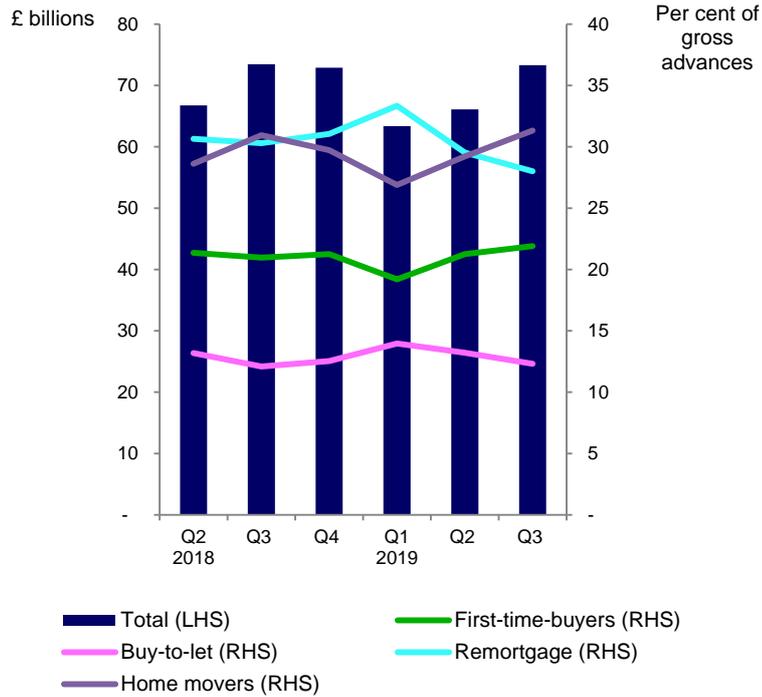
- Borrowers with a single income who had an LTI ratio of 4 or above. These loans accounted for 10.8% of gross mortgage lending in Q3, a share which has been broadly unchanged since 2018 Q1.<sup>11</sup>
- Borrowers with a joint income who had an LTI of 3 or above. These loans accounted for 36.4% of gross mortgage lending in Q3, in line with 2018 Q3.<sup>12</sup>

**Chart 4: Gross advances by income multiple**  
Not seasonally adjusted

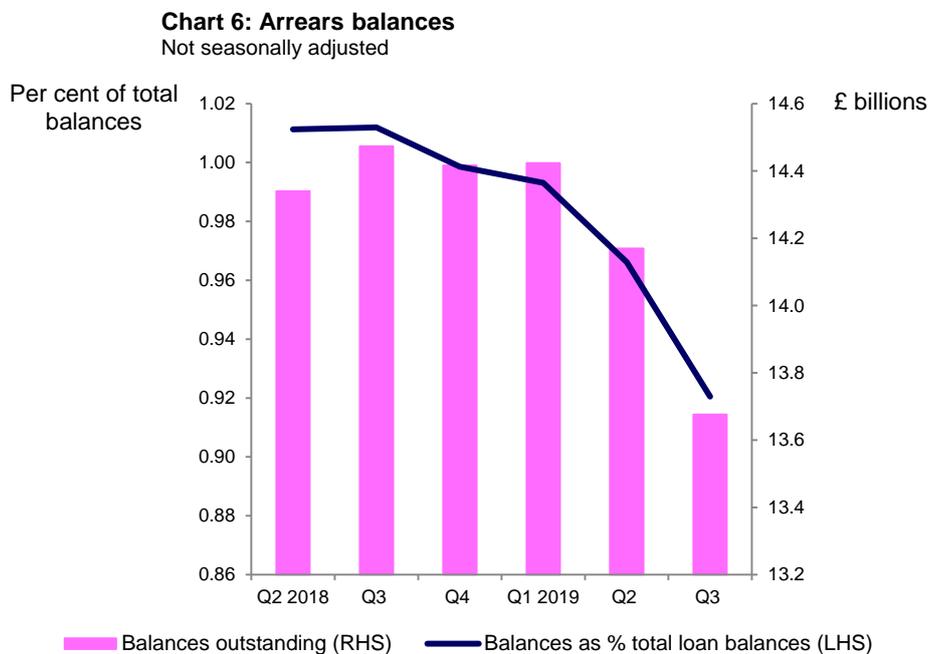


- The share of gross mortgage advances for buy-to-let purposes (covering house purchase, remortgage and further advance) was 12.3% in 2019 Q3, consistent with Q3 figures in 2017 and 2018 (**Chart 5**). The share of advances to owner occupiers was 87.7%.<sup>13,14</sup>
- Of the 87.7% of advances for owner occupation, the share for remortgage fell to 28.0% of gross advances. The share for house purchase increased to 53.2%, 1.3pp higher than in 2018 Q3. Further advances and other mortgages (including lifetime mortgages) accounted for 6.4% of gross advances combined.<sup>15,16,17</sup>
- Of the 53.2% of advances for house purchase by owner occupiers, lending to first-time buyers rose 0.9pp compared to a year earlier, to 21.9% of gross advances. This is the first year-on-year increase since 2018 Q1. The share advanced to home movers was 31.3%, which is its highest since 2017 Q3.<sup>18,19</sup>

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



- The value of outstanding balances with arrears (defined as the borrower failing to make contractual payments equivalent to at least 1.5% of the outstanding mortgage balance or where the property is in possession) fell by 3.5% on the quarter, to £13.7 billion (**Chart 6**).<sup>20</sup>
- Consistent with that, the proportion of total loan balances with arrears continued to decrease on the quarter, reaching 0.92%, the lowest since the series began in 2007 Q1.<sup>21</sup>



## 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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- <sup>1</sup> Table 1.11 sub table A row 9
- <sup>2</sup> Table 1.21 sub table C row 1
- <sup>3</sup> Table 1.21 sub table C row 3
- <sup>4</sup> Table 1.22 sub table C row 5 + row 6 (3% or more above)
- <sup>5</sup> Table 1.22 sub table C row 4 (2.00% to 2.99% above)
- <sup>6</sup> Table 1.22 sub table C row 3 (less than 2% above)
- <sup>7</sup> 100% - Table 1.31 sub table C row 17
- <sup>8</sup> Table 1.31 sub table C row 19 + row 20
- <sup>9</sup> Table 1.31 sub table C row 20
- <sup>10</sup> Table 1.31 sub table C row 5 + row 13
- <sup>11</sup> Table 1.31 sub table C row 5
- <sup>12</sup> Table 1.31 sub table C row 13
- <sup>13</sup> Table 1.33 sub table C row 4 (buy-to-let)
- <sup>14</sup> 100% - Table 1.33 sub table C row 4 (owner-occupation)
- <sup>15</sup> Table 1.33 sub table C row 6 (remortgage)
- <sup>16</sup> Table 1.33 sub table C row 2 + row 3 (house purchase owner occupation)
- <sup>17</sup> Table 1.33 sub table C row 5 + row 9 (further advance and other)
- <sup>18</sup> Table 1.33 sub table C row 2 (first-time buyers)
- <sup>19</sup> Table 1.33 sub table C row 3 (home movers)
- <sup>20</sup> Table 1.7 sub table C row 10
- <sup>21</sup> Table 1.7 sub table C row 11