



# Statistical release

Published on 10 March 2020 at 09:30

## Mortgage Lenders and Administrators Statistics: 2019 Q4

### Key findings

- The outstanding value of all residential mortgages loans was £1,499 billion at end-2019 Q4, 3.8% higher than a year earlier (**Table A**)<sup>1</sup>.
- The value of gross mortgage advances was £73.4 billion, broadly unchanged in comparison to 2018 Q4 (**Table A and Chart 1**).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 4.0% higher than a year earlier, at £70.6 billion (**Table A and Chart 1**).
- The share of gross advances with interest rates less than 2% above Bank Rate was 85.3%, a 1.4 percentage point (pp) increase in comparison to a year ago. This is the highest share since 2008 Q3 (**Chart 2**).
- The share of mortgages advanced in 2019 Q4 with loan to value (LTV) ratios exceeding 90% reached 5.7%, 1.4pp higher than a year earlier (**Chart 3**).
- The share of gross mortgage lending for buy-to-let purposes (covering house purchase, remortgage and further advance) was 12.4%, consistent with 2018 Q4 (**Chart 5**).
- The value of outstanding balances with some arrears fell by 2.1% over the quarter to £13.4 billion, and now accounts for 0.89% of outstanding mortgage balances (**Chart 6**).

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

*Regulated and non-regulated mortgages\**

*£ billions*

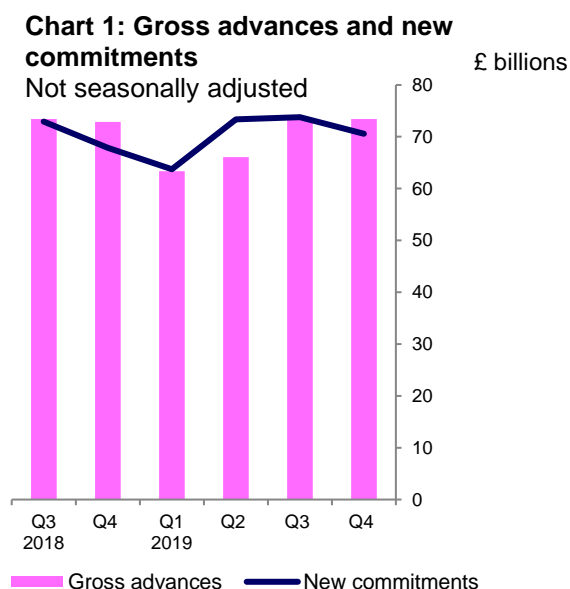
*Not seasonally adjusted*

	Q3 2018	Q4	Q1 2019	Q2	Q3	Q4
<b>Flows</b>						
Gross advances	73.5	72.9	63.4	66.1	73.3	73.4
New commitments	73.0	67.9	63.7	73.4	73.8	70.6
<b>Amounts outstanding</b>	1,420.2	1,443.5	1,452.1	1,466.6	1,485.5	1,499.1

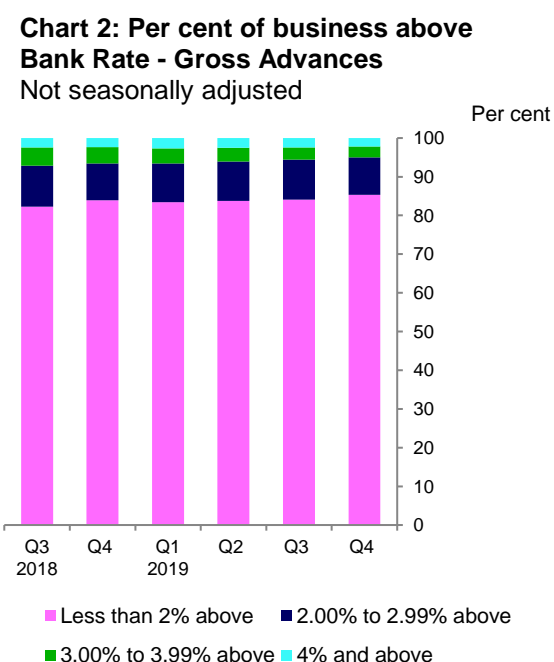
\*This data covers regulated mortgage lending, and non-regulated mortgage lending by firms which undertake regulated mortgage lending or administration of regulated mortgages.

## Graphical Analysis:

- The value of gross mortgage advances was £73.4 billion in 2019 Q4, broadly unchanged in comparison to 2018 Q4 (**Table A and Chart 1**).<sup>2</sup>
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 4.0% higher than a year earlier, at £70.6 billion.<sup>3</sup>



- The distribution of interest rates relative to Bank Rate for gross mortgage advances has remained broadly unchanged since 2018 Q4 (**Chart 2**).
- The share of mortgages advanced with interest rates 3% or more above Bank Rate has decreased further to 5.0%, and continues to be at its lowest since 2008 Q3.<sup>4</sup>
- The share of advances with interest rates over 2%, but less than 3%, above Bank Rate has decreased to 9.7%, and the share of advances with interest rates less than 2% above Bank Rate increased by 1.2 pp since the previous quarter, to 85.3%.<sup>5, 6</sup>

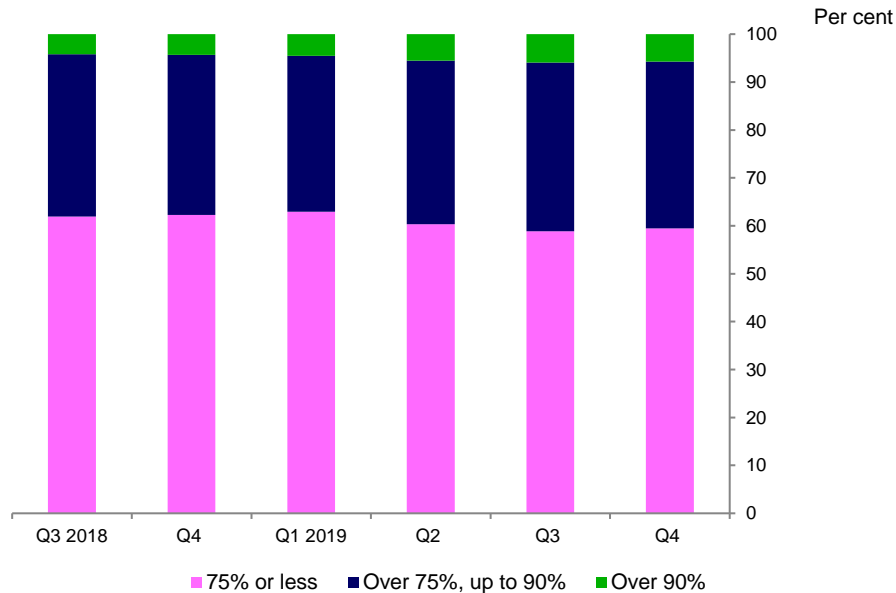


Next release – 9 June 2020. Release available online at [www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2019/2019-q4](http://www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2019/2019-q4) and [www.fca.org.uk/firms/mortgage-lending-statistics](http://www.fca.org.uk/firms/mortgage-lending-statistics).

© Bank of England and FCA. For requests on copyright please email [dsd\\_editor@bankofengland.co.uk](mailto:dsd_editor@bankofengland.co.uk) and [MLARStatistics@fca.org.uk](mailto:MLARStatistics@fca.org.uk) (020 7066 1000).

- The share of mortgages advanced in Q4 with loan to value ratios (LTV) ratios exceeding 75% decreased marginally on the quarter to 40.5%, but remains 2.8pp higher than a year earlier (**Chart 3**).<sup>7</sup>
- The share of gross mortgage lending in Q4 with LTV ratios exceeding 90% also decreased marginally on the quarter, to 5.7%.<sup>8</sup>
- The share of mortgages advanced with LTVs over 95% was 0.3%, 0.1pp higher than the same period in the previous year.<sup>9</sup>

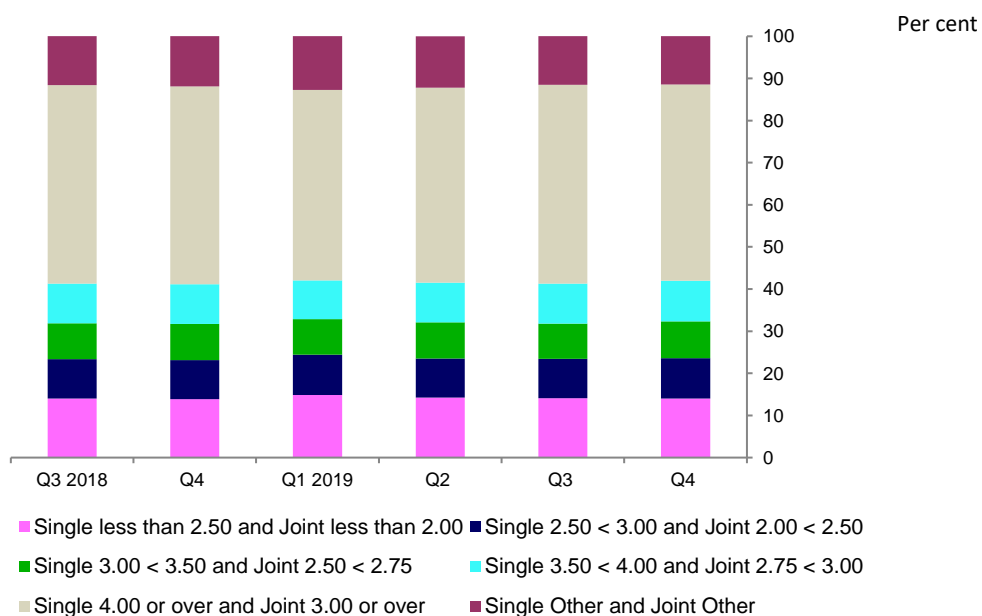
**Chart 3: Gross advances by loan to value (LTV) ratios**  
Not seasonally adjusted



The proportion of lending to borrowers with a high loan to income (LTI) ratio fell by 0.6pp on the quarter to 46.6% (**Chart 4**).<sup>10</sup> Borrowers with high LTI are defined here as:

- Borrowers with single income who had a LTI ratio of 4 or above. These loans accounted for 11.3% of gross mortgage lending in Q4 2019, 0.5pp more than in the previous quarter.<sup>11</sup>
- Borrowers with a joint income who had a LTI of 3 or above. These loans accounted for 35.3% of gross mortgage lending in Q4 2019, a 1.2pp decrease compared to the previous quarter.<sup>12</sup>

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

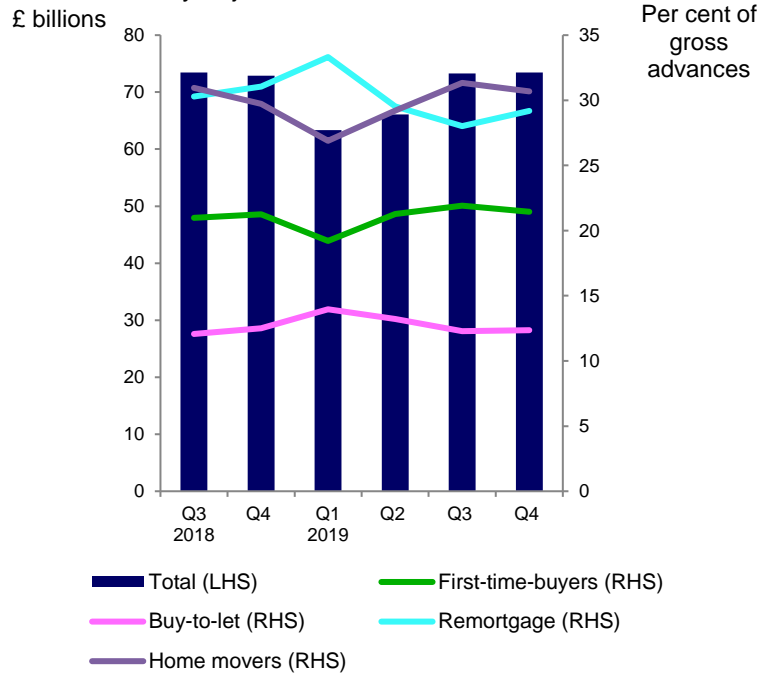


Next release – 9 June 2020. Release available online at [www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2019/2019-q4](http://www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2019/2019-q4) and [www.fca.org.uk/firms/mortgage-lending-statistics](http://www.fca.org.uk/firms/mortgage-lending-statistics).

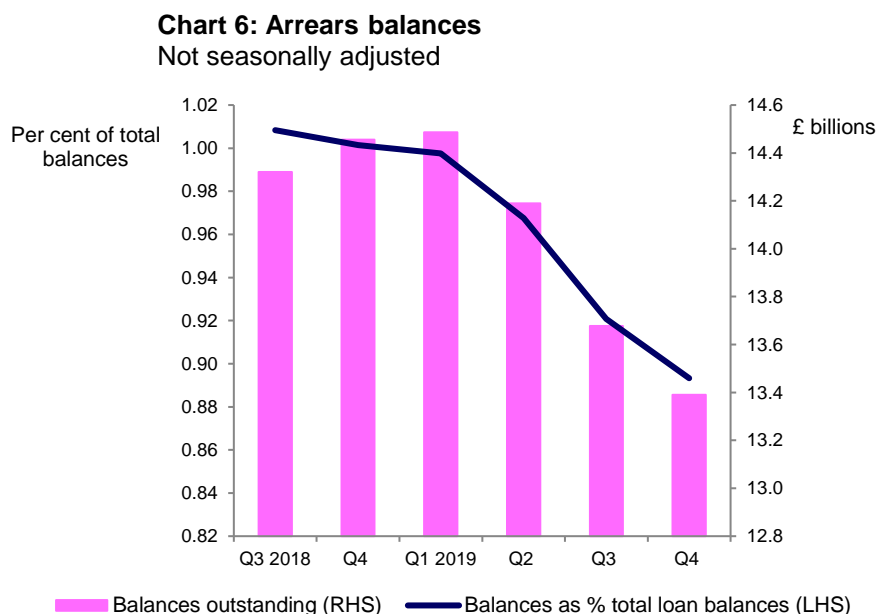
© Bank of England and FCA. For requests on copyright please email [dsd\\_editor@bankofengland.co.uk](mailto:dsd_editor@bankofengland.co.uk) and [MLARStatistics@fca.org.uk](mailto:MLARStatistics@fca.org.uk) (020 7066 1000).

- The share of gross mortgage advances for buy-to-let purposes (covering house purchase, remortgage and further advance) was 12.4% in Q4 2019 (**Chart 5**), which is broadly unchanged from the level seen in 2018 Q4. The share of advances to owner occupiers was 87.6%.<sup>13,14</sup>
- Of the 87.6% of advances for owner occupation, the share for remortgages was 29.2%, a decrease of 1.9pp since 2018 Q4. The share for house purchase was 52.1%, 1.1pp higher than 2018 Q4. Further advances and other mortgages (including lifetime mortgages) accounted for 6.3% of gross advances combined.<sup>15,16,17</sup>
- Of the 52.1% of advances for house purchases by owner occupiers, lending to first-time buyers was 0.2pp higher than in 2018 Q4, at 21.5% of gross advances. The share advanced to home movers was 1.0pp higher than a year earlier, at 30.7%.<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 2.1% on the quarter, to £13.4 billion (**Chart 6**).<sup>20</sup>
- The proportion of total loan balances with arrears has continued to decline on the quarter, reaching 0.89%. This is lowest value since the series began in Q1 2007.<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 \(XLSX\)](#)".

- <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