



Statistical release

Published on 9 June 2020 at 09:30

Mortgage Lenders and Administrators Statistics: 2020 Q1

These statistics are for 2020 Q1, and therefore will be only partially affected by the impact of COVID-19 and the related policy measures.

Key findings

- The outstanding value of all residential mortgages loans was £1,509 billion at the end of 2020 Q1, 3.9% higher than a year earlier (**Table A**)¹.
- The value of gross mortgage advances in 2020 Q1 was £65.8 billion, 3.8% higher than in 2019 Q1 (**Table A and Chart 1**).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 6.1% higher than a year earlier, at £67.6 billion (**Table A and Chart 1**).
- The share of gross advances with interest rates less than 2% above Bank Rate was 73.2% in 2020 Q1, 10.2 percentage points (pp) lower than a year ago. The decrease was driven by the 65bp cut in Bank Rate in March rather than any significant change in mortgage interest rates (**Chart 2**).^a
- The share of mortgages advanced in 2020 Q1 with loan to value (LTV) ratios exceeding 90% was 5.2%, 0.7pp 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 14.0%, unchanged from 2019 Q1 (**Chart 5**).
- The value of outstanding balances with some arrears increased by 1.8% over the quarter to £13.7 billion, and now accounts for 0.91% of outstanding mortgage balances (**Chart 6**).

Table A: Residential loans to individuals, flows and balances

*Regulated and non-regulated mortgages**

£ billions

Not seasonally adjusted

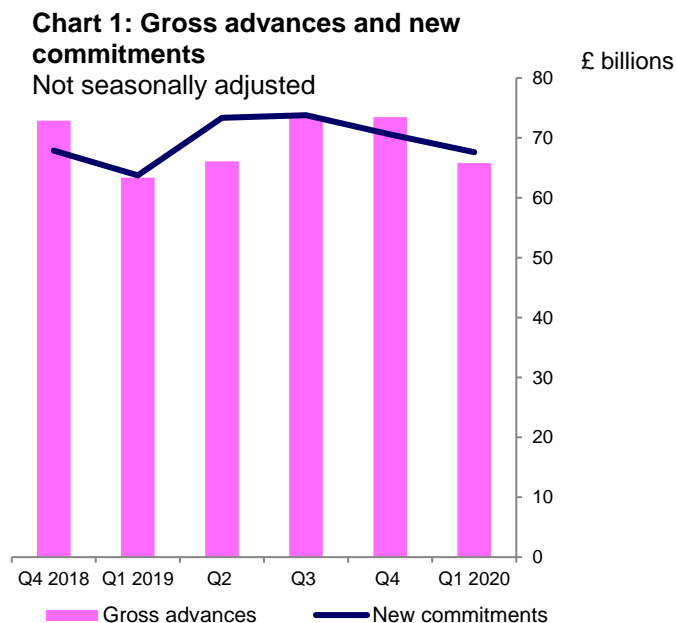
	Q4 2018	Q1 2019	Q2	Q3	Q4	Q1 2020
Flows						
Gross advances	72.9	63.4	66.1	73.3	73.4	65.8
New commitments	67.9	63.7	73.4	73.8	70.6	67.6
Amounts outstanding	1,443.8	1,451.8	1,466.3	1,485.4	1,498.8	1,509.1

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

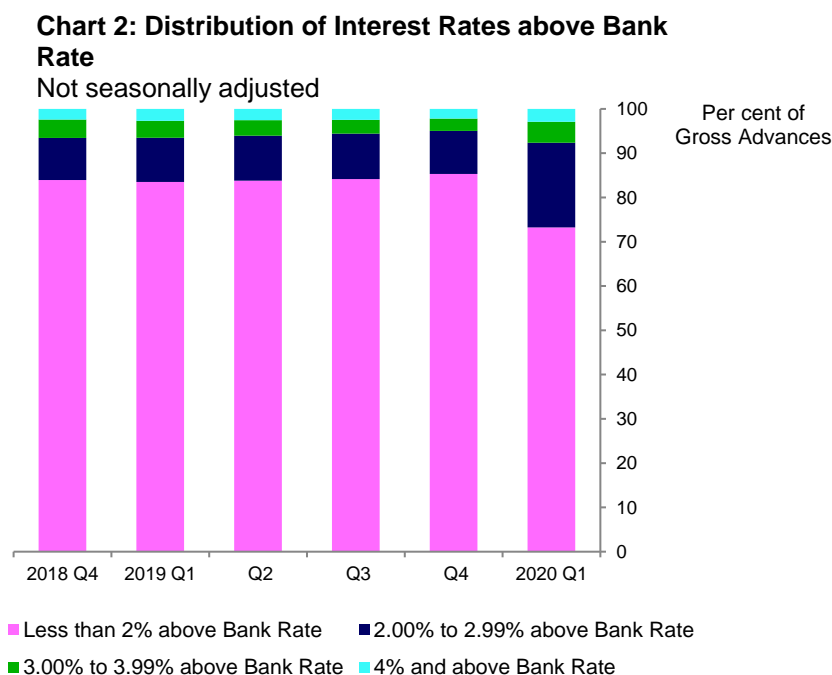
^a See [here](#) for the Bank's data on Effective Interest Rates.

Graphical Analysis:

- The value of gross mortgage advances was £65.8 billion in 2020 Q1, 3.8% higher than in 2019 Q1 (**Table A and Chart 1**).²
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 6.1% higher than a year earlier, at £67.6 billion.³



- The distribution of interest rates relative to Bank Rate for gross mortgage advances changed significantly in Q1 following the 65bp reduction in Bank Rate in March (**Chart 2**).
- The share of advances with interest rates less than 2% above Bank Rate fell by 12.1pp on the quarter, to 73.2%.⁴
- Offsetting this, the share of advances with interest rates 2% or more, but less than 3%, above Bank Rate jumped 9.4pp to 19.1%. And the share of mortgages advanced with interest rates 3% or more above Bank Rate increased to 7.6%, the highest level since 2018 Q2.^{5,6}



Next release – 8 September 2020. Release available online at www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2020/2020-q1 and www.fca.org.uk/firms/mortgage-lending-statistics.

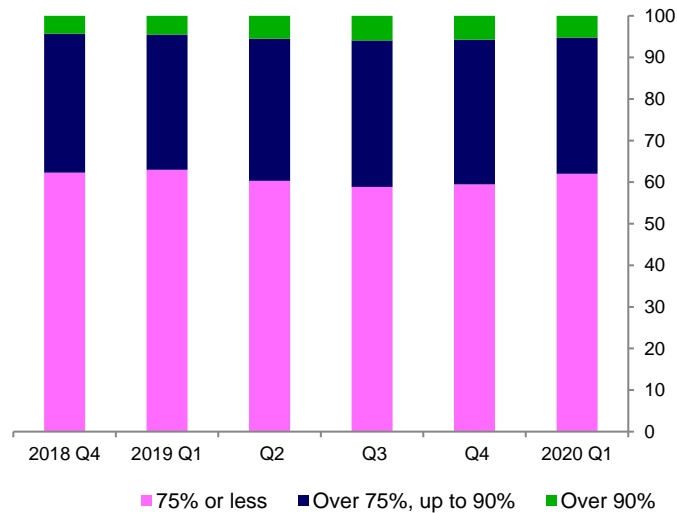
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- The share of mortgages advanced in Q1 with loan to value (LTV) ratios exceeding 75% fell on the quarter to 38.0%, but remain 1.0pp higher than a year earlier (**Chart 3**).⁷
- The share of gross mortgage lending in Q1 with LTV ratios exceeding 90% also decreased on the quarter, by 0.5pp, to 5.2%.⁸
- The share of mortgages advanced with LTVs over 95% was 0.3%, 0.1pp higher than the same period in the previous year.⁹

Chart 3: Gross advances by loan to value (LTV) ratios

Not seasonally adjusted

Per cent



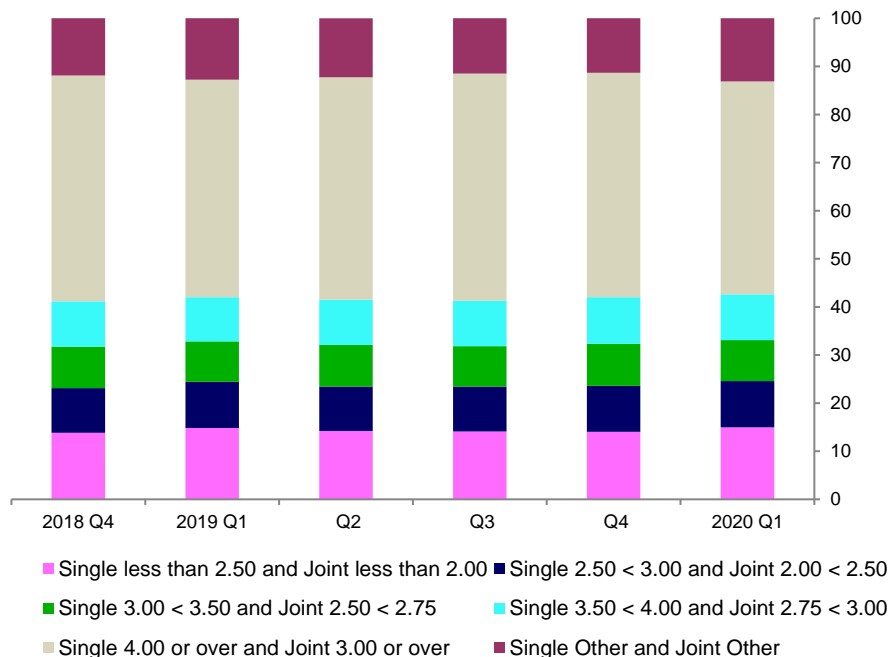
The proportion of lending to borrowers with a high loan to income (LTI) ratio fell by 2.4pp on the quarter to 44.2% (**Chart 4**).¹⁰ Borrowers with high LTI are defined here as:

- Borrowers with single income who had a LTI ratio of 4 or above. These loans accounted for 10.9% of gross mortgage lending in Q1 2020, 0.4pp less than in the previous quarter.¹¹
- Borrowers with a joint income who had a LTI of 3 or above. These loans accounted for 33.3% of gross mortgage lending in Q1 2020, a 2.0pp decrease compared to the previous quarter.¹²

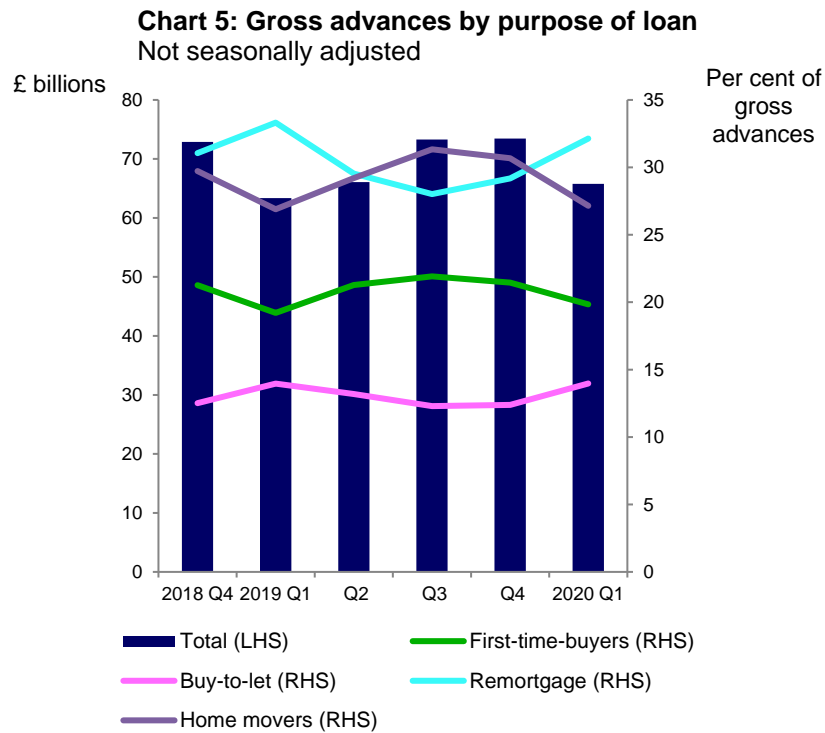
Chart 4: Gross advances by income multiple

Not seasonally adjusted

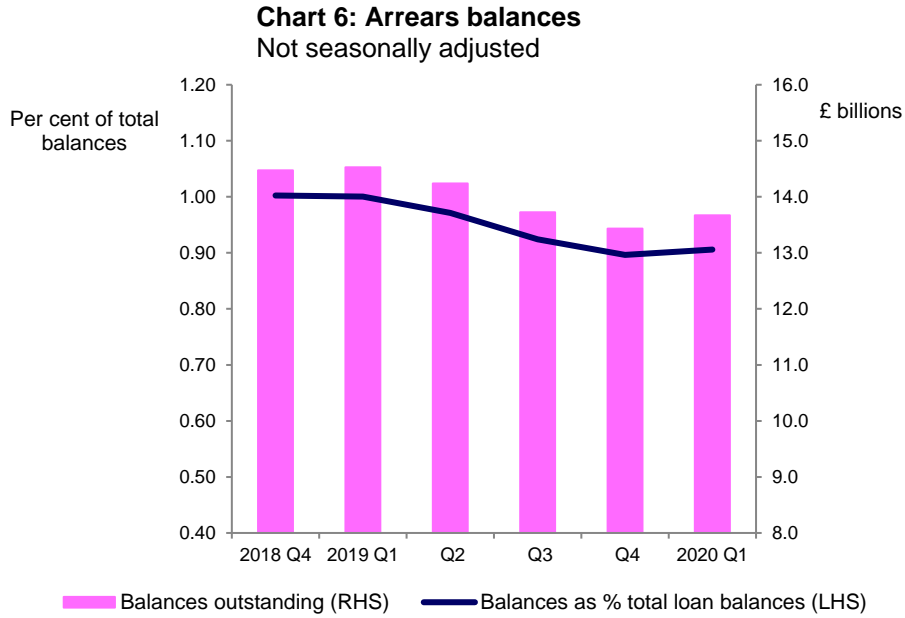
Per cent



- The share of gross mortgage advances for buy-to-let purposes (covering house purchase, remortgage and further advance) was 14.0% in 2020 Q1 (**Chart 5**), unchanged from the level seen in 2019 Q1. The share of advances to owner occupiers was 86.0%.^{13,14}
- Of the 86.0% of advances for owner occupiers, the share for remortgages was 32.1%, a decrease of 1.2pp since 2019 Q1. The share for house purchase was 47.0%, 0.9pp higher than 2019 Q1. Further advances and other mortgages (including lifetime mortgages) accounted for 6.9% of gross advances combined.^{15,16,17}
- Of the 47.0% of advances for house purchases by owner occupiers, lending to first-time buyers was 0.6pp higher than in 2019 Q1, at 19.8% of gross advances. The share advanced to home movers was 0.3pp higher than a year earlier, at 27.2%.^{18,19}



- 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) increased by 1.8% on the quarter, to £13.7 billion (**Chart 6**).²⁰
- The proportion of total loan balances with arrears increased to 0.91%.²¹



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