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Mortgage Lenders and Administrators Statistics: 2021 Q1

Key findings

- The outstanding value of all residential mortgage loans was £1,561.8 billion at the end of 2021 Q1, 3.6 % higher than a year earlier (**Table A**).¹
- The value of gross mortgage advances in 2021 Q1 was £83.3 billion, 26.5% higher than in 2020 Q1, and the highest level since 2007 Q4. (**Table A and Chart 1**).
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 15% higher than a year earlier, at £77.5 billion. (**Table A and Chart 1**).
- The share of gross advances with interest rates less than 2% above Bank Rate was 59.1% in 2021 Q1, 13.3 percentage points (pp) lower than a year ago (**Chart 2**).
- The share of mortgages advanced in 2021 Q1 with loan to value (LTV) ratios exceeding 90% was 1.1%, 4.1pp lower than a year earlier, and the lowest level since these statistics began in 2007 (**Chart 3**).
- The share for house purchase for owner occupation was 64.1%, up 17.3pp from 2020 Q1. The share of gross advances for remortgages for owner occupation was 18.0%, a decrease of 14.2pp since 2020 Q1, and the lowest since these statistics began in 2007. (**Chart 5**).
- The value of outstanding balances with some arrears increased by 5.1% over the quarter to £15 billion, and now accounts for 0.96% 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 2019	Q1 2020	Q2	Q3	Q4	Q1 2021
Flows						
Gross advances	73.5	65.8	44.1	62.5	76.6	83.3
New commitments	70.6	67.3	34.4	78.9	87.7	77.5
Amounts outstanding	1,496.9	1,507.7	1,513.8	1,526.0	1,541.4	1,561.8

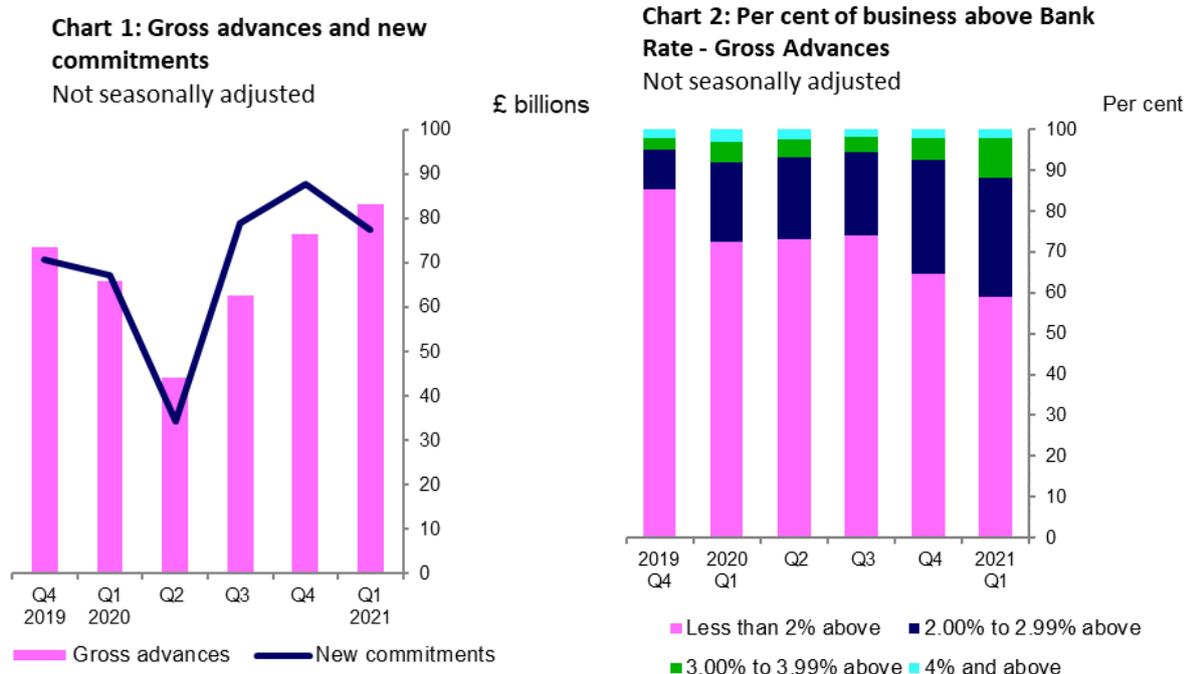
*This data covers regulated mortgage lending, and non-regulated mortgage lending by firms which undertake regulated mortgage lending or administration of regulated mortgages.

Next release – 14 September 2021. Release available online at <https://www.bankofengland.co.uk/statistics/mortgage-lenders-and-administrators/2021/2021-q1> and www.fca.org.uk/firms/mortgage-lending-statistics.

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Graphical Analysis:

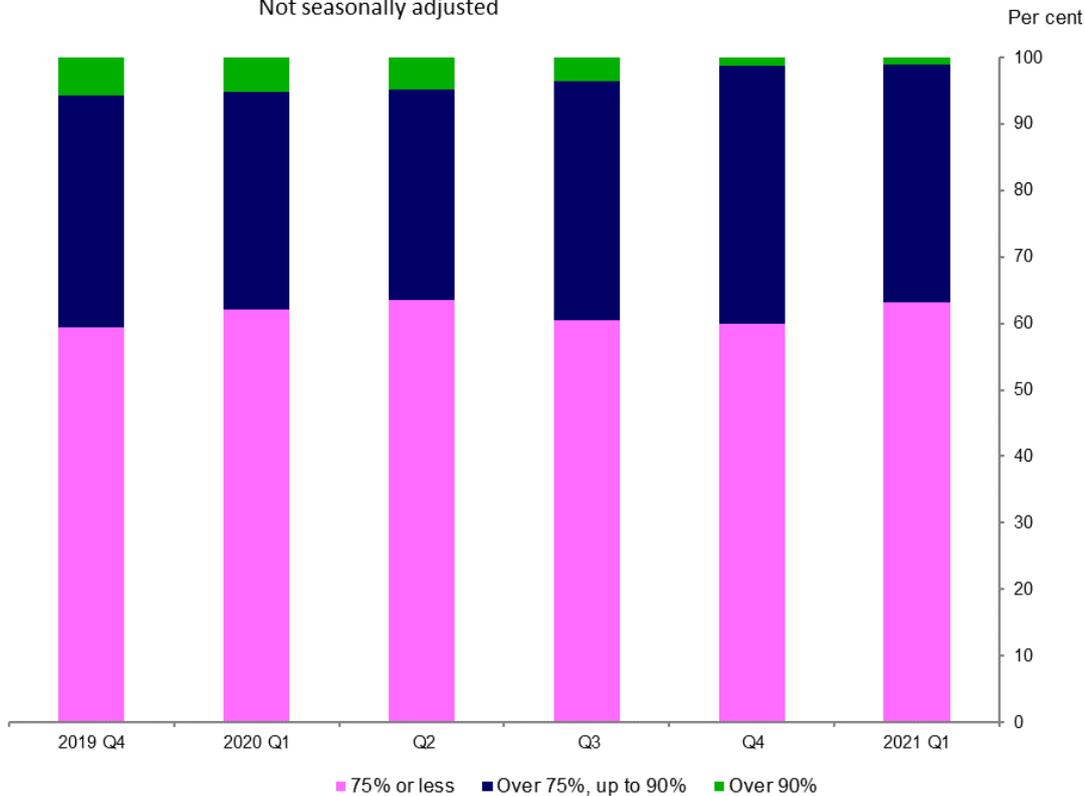
- The value of gross mortgage advances was £83.3 billion in 2021 Q1, 26.5% higher than in 2020 Q1, and the highest level since 2007 Q4 (**Table A and Chart 1**).²
- The value of new mortgage commitments (lending agreed to be advanced in the coming months) was 15% higher than a year earlier, at £77.5 billion.



- The share of advances with interest rates less than 2% above Bank Rate was 59.1%, 5.7pp lower than last quarter and 13.3pp lower than a year ago the and lowest since 2017 Q1 (**Chart 2**).⁴
- The share of advances with interest rates between 2% and 3% above Bank Rate increased over the quarter to 29% from 27.8%, and the share of advances with interest rates 3% or more above Bank Rate increased by 3.9pp to 11.9% from 2020 Q4.^{5,6}

- The share of advances with LTV ratios exceeding 90% decreased on the quarter, by 0.1pp, to 1.1%. This is 4.1pp lower than a year earlier and the lowest level since the statistics began in 2007(**Chart 3**).⁷ Within this, the share of mortgages advanced with LTVs over 95% was 0.1%, broadly unchanged over the recent quarters.⁹
- The share of mortgages advanced in Q1 with loan to value (LTV) ratios exceeding 75% decreased on the quarter to 35.7%. This is 2.9pp lower than a year earlier.⁸

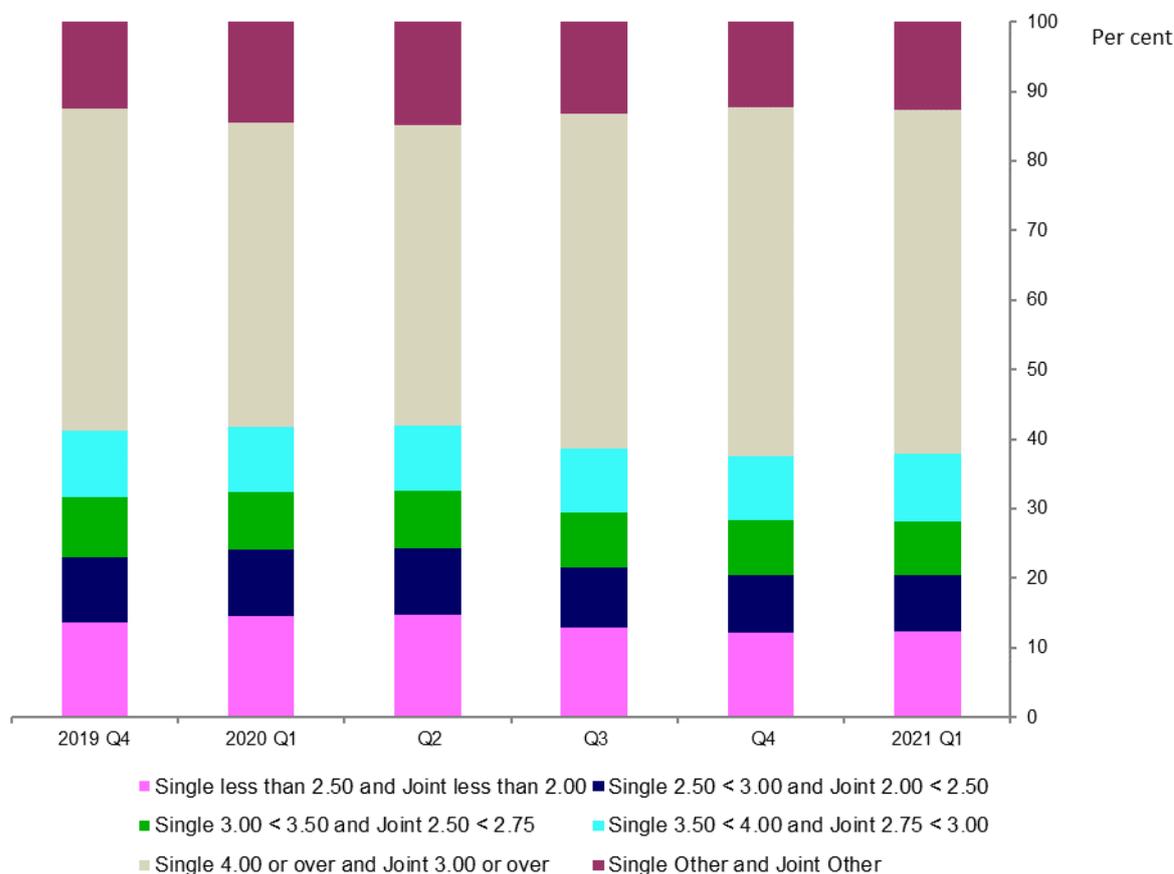
Chart 3: Gross advances by loan to value (LTV) ratios
Not seasonally adjusted



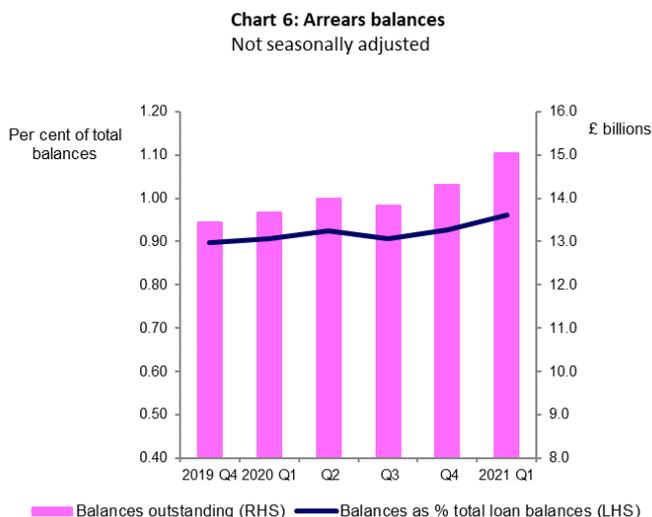
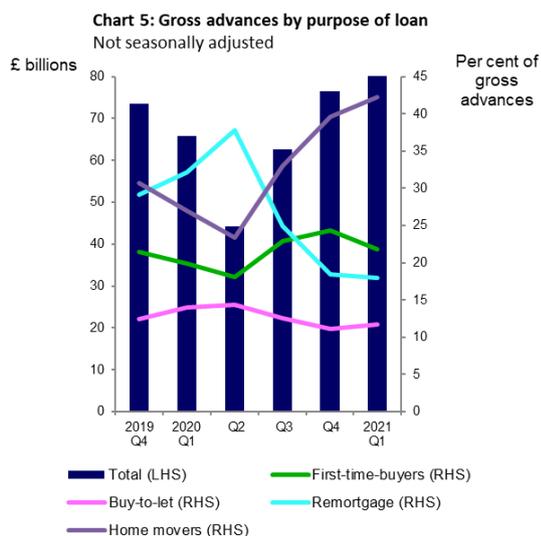
The proportion of lending to borrowers with a high loan to income (LTI) ratio decreased by 0.7pp on the quarter to 49.5%, but 5.8pp higher than a year earlier (**Chart 4**).¹⁰ Borrowers with high LTI are defined here as:

- Borrowers with single income who had a LTI ratio of 4 or above. These loans accounted for 11.4% of gross mortgage lending in Q1 2021, a 0.1pp increase compared to the previous quarter.¹¹
- Borrowers with a joint income who had a LTI of 3 or above. These loans accounted for 38.1% of gross mortgage lending in Q1 2021, a 0.8pp decrease compared to the previous quarter.¹²

**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 11.7% in 2021 Q1, a fall of 2.3pp from 2020 Q1 (**Chart 5**). The share of advances to owner occupiers was 88.3%.^{13,14}
- Of the 88.3% of advances for owner occupiers, the share for remortgages was 18.0%, a decrease of 14.2pp since 2020 Q1 and the lowest level since these statistics began in 2007. The share for house purchase was 64.1%, up 17.3pp from 2020 Q1. Further advances and other mortgages (including lifetime mortgages) accounted for 6.2% of gross advances in total.^{15,16,17}
- Of the 64.1% of advances for house purchases by owner occupiers, lending to first-time buyers was 2.0pp higher than in 2020 Q1, at 21.8% of gross advances. The share advanced to home movers increased by 15.3pp on a year earlier, to 42.3%, the highest share for home movers since these statistics began in 2007.^{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 5.1% on the quarter, to £15.0 billion. This is the highest since 2017 Q3 (**Chart 6**).²⁰
- The proportion of total loan balances with arrears increased on the quarter from 0.93% to 0.96%.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 Table 1.31 sub table C row 19 + row 20
- ⁸ 100% - Table 1.31 sub table C row 17
- 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