



## Mortgage Monitor

e.surv are part of the LSL Property Services plc Group

October 2015

# Highest October house purchase lending for seven years

- **October 2015 sees 72,409 house purchase approvals, the highest figure for the month in seven years and up 21.9% from October 2014**
- **House purchase approval levels continue to grow, setting a new 22 month record high since January 2014**
- **Small deposit lending falters slightly from September to 11,947, but records new post-recession October high**

October 2015 has seen the highest October lending levels for the past seven years with approvals rising on both a monthly and annual basis, according to the latest Mortgage Monitor from e.surv, the UK's largest chartered surveyor.

Overall house purchase lending approvals reached 72,409 in October. This represents a new 22 month record, with the highest total seen since 75,691 approvals in any month since January 2014, and the most in any October since 2008.

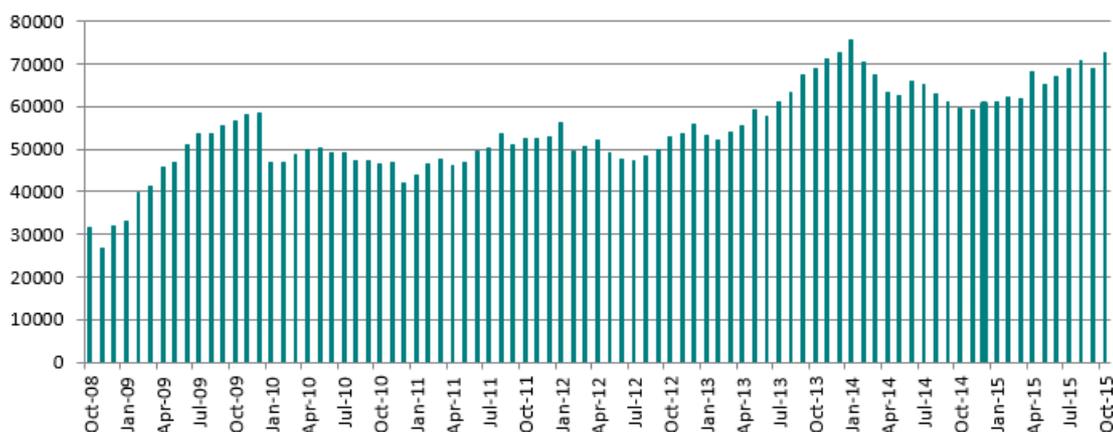
On a monthly basis, the number of house purchase approvals has increased by 5.1% from September 2015, which saw 68,874 approvals – taking annual growth to 21.9% since October 2014's total of 59,392.

Richard Sexton, director of e.surv chartered surveyors, comments: *“Autumn has already beaten summer lending levels, with the housing market slowdown seen after MMR now firmly in the shadows. Lenders aren't shying away from supporting buyers and appear confident that lending volumes will grow in 2016.*

*“Interest rate rises look set to be a topic of conversation as we approach the end of the year. With the latest forecasts predicting rates will remain lower for longer, the great deals on offer look likely to stay on the market and further delays mean more time for both borrowers and lenders to prepare for future increases.*

*“The increasing number of approvals has been driven by the improving prospects of mortgage borrowers, who continue to benefit from low inflation rates and rising wages – giving them more confidence to apply for mortgage finance. It's this appetite which is contributing to a flourishing mortgage lending environment.”*

**Loans for house purchase since October 2008  
(seasonally adjusted)**



## Small-deposit lending also hits best October in seven years

Small-deposit lending (to buyers with a deposit worth 15% or less of their property's total value) has decreased by 4.2% from 12,466 in September, but has grown substantially (+31.2%) year-on-year from 9,103 in October 2014 to reach 11,947 approvals this month.

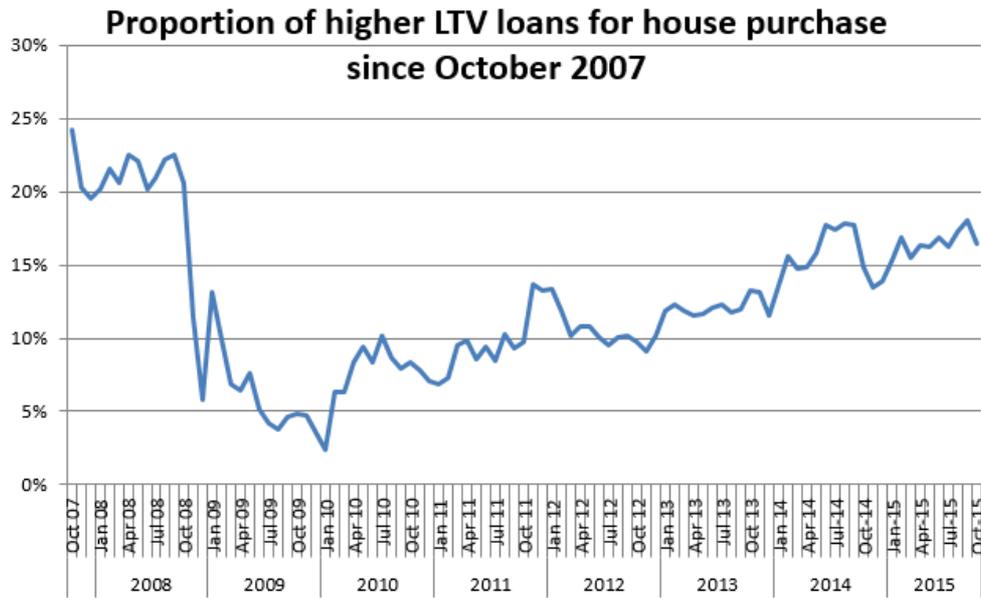
This total is the highest figure of small-deposit lending approvals seen in the month since October 2008, which saw only 6,540 approvals.

Small-deposit loans also totalled 16.5% of overall house purchase lending in October 2015, slightly down when compared to 18.1% of approvals in September. This proportion set a post-recession record for October small deposit lending, charting a significant improvement across the previous seven years.

This picture follows the latest First Time Buyer Opinion Barometer from Your Move and Reeds Rains, which reveals first-time buyer sales for September 2015 totalled 24,800 – decreasing 9.8% month-on-month from 27,500 transactions in August.

Richard Sexton, a director of e.surv chartered surveyors, comments: "October still remained a positive month for first-time buyers, despite a slight dip in lending to them. The good news is that it is still a great time to buy for first-timers, looking to the future. The government is delivering on promises to help first-time borrowers get on the ladder – with December's upcoming Help to Buy ISA Scheme the latest Government scheme.

"The recovering economy is helping first-time buyers to save and it is encouraging to see high lending levels throughout October. However, increased mortgage lending can only do so much and when it comes to buying, yet again supply remains an unsolved issue. Affordable housing for first-time buyers needs to be a priority – across the entire country."



## Regional snapshot: Northern Ireland overtakes the Midlands for small-deposit lending

October has experienced a small decline in lending to those with deposits worth 15% or less of their property's total value in most UK regions, with Northern Ireland the only location to see a proportional increase and the Midlands the only region in England to withstand a fall.

Region	Proportion of small-deposit loans (October 2015)	Proportion of small-deposit loans (September 2015)
Yorkshire	26%	29%
Northwest	24%	26%
Northern Ireland	23%	21%
Midlands	21%	21%
UK Average	17%	18%
Eastern	15%	17%
South/South Wales	14%	17%
Scotland	12%	15%
South East	12%	14%
London	7%	8%

Northern Ireland witnessed a 2% monthly increase in the proportion of small-deposit loans granted, rising to 23% in October 2015 from 21% in September to overtake the Midlands.

In England, Yorkshire and the Northwest remain the best locations for small-deposit borrowers to secure a loan. In Yorkshire, small-deposit loans make up over a quarter of all house purchase approval lending, at 26% in October 2015. Despite, seeing a monthly fall of 3% from September, the region still retains its top position. The Midlands managed to withstand the country-wide fall and small-deposit loans continue to make up 21% of total lending.

London continues to be a difficult place to secure a large mortgage. Just 7% of October's total house purchase

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approval lending was to small-deposit borrowers and this shows little sign of improving. Despite only dropping 1% from September, the region found itself in last position.

## LOANS FOR HOUSE PURCHASE - seasonally adjusted

Month	Number	Monthly change	Annual change
May	65,144	-4.5%	4.3%
June	67,004	2.9%	1.6%
July	68,717	2.6%	5.3%
August	70,664	2.8%	12.3%
September	68,874	-2.5%	12.7%
October	72,409	5.1%	21.9%

– ENDS –

## Notes to Editors

### Methodology

e.surv analyses detailed data on over one million mortgage valuations the firm carried out between August 2006 and today. Each month, the researchers analyse tens of thousands of valuations and use these trends to extrapolate from the Bank of England's mortgage data to publish mortgage approval numbers for the whole of the UK, weeks before the BBA, CML and Bank of England.

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### About e.surv

e.surv is one of the UK's largest valuation providers, directly employing surveyors across the UK, supported by a network of consultant valuers. The business is the largest distributor and manager of valuation instructions in the UK and is appointed as Panel Manager for more than 20 mortgage lenders and other entities with interests in residential property. The business also provides a number of private survey products direct to the home-buying public. e.surv is a subsidiary of LSL Property Services plc. For further information, see [www.lslps.co.uk](http://www.lslps.co.uk).

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