

## July fall in loans to buyers and remortgagors

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The number and value of mortgages taken out by both home-buyers and those remortgaging fell in July, according to the Council of Mortgage Lenders. But lending not accounted for by house purchase or remortgaging (primarily made up of further advances and buy-to-let) rose to its highest-ever value - £7.8 billion - and accounted for 23% of the total, its highest ever proportion.

There were 94,000 loans for house purchase totalling £14.8 billion in July, and 92,000 remortgage loans totalling £11.5 billion.

The number of loans to first-time buyers fell by 7% from June to 32,400, and the value fell by 4% to £4.4 billion. Affordability for first-time buyers continued to worsen, with the typical first-time buyer income multiple rising to a record 3.39 in July, up from 3.37 the previous month and 3.23 a year earlier. First-time buyers taking out loans in July typically committed 19.7% of their income to pay their mortgage interest.

Fixed rates maintained their popularity in July, accounting for 79% of house purchase and remortgage loans. But the appetite for fixed rates may be on the wane if people believe that rates have now peaked.

Michael Coogan, CML Director General, commented:

"A slight fall in lending between June and July has emerged for the third year in a row, so of course we cannot read too much into a single month's figures. But the long-anticipated slowdown in the housing and mortgage markets may now be beginning to materialise.

"Last week's MPC decision to hold rates was exactly as expected. Both market conditions and sentiment are coming off the boil, and affordability is ever more stretched, but consumers should not expect any immediate easing in the financial pressures they face."

### Notes to editors

1. The Council of Mortgage Lenders' members are banks, building societies and other lenders who together undertake around 98% of all residential mortgage lending in the UK. There are 11.7 million mortgages in the UK, with loans worth over £1.1 trillion.

2. Our next regulated mortgage survey press release will be on **Tuesday 9 October**.

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