



Help to Buy sparks big surge in mortgage activity

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The early launch of the Help to Buy mortgage guarantee prompted a surge of activity from lenders and borrowers across the market during October, according to the Mortgage Advice Bureau (MAB).

According to MAB, product numbers swelled by 907 – the biggest monthly increase since April 2011. Two- and three-year fixed rates and two-year tracker rates all reached record lows.

Using data from more than 500 brokers and 800 estate agents, MAB says purchase applications were up by 19% in the month and 59% year-on-year. It does not, however, report on approvals.

The average Loan to Value being applied for was 72.2%.

The greatest monthly increases in buyer activity occurred in the south-west (up 50%) and the north (47%). In London there were 24% more mortgage applications from home buyers in October than September.

Brian Murphy, head of lending at MAB, said: “The Help to Buy mortgage guarantee is still in its infancy and it’s reasonable to assume the best deals for consumers are yet to come.”