

UNDER EMBARGO UNTIL 00:01 HRS FRIDAY 13<sup>TH</sup> MAY 2011

## More first time buyers getting mortgages as LTV's reach three year peak

- More first time buyers getting onto property ladder as purchase volumes increase on cheapest properties. 79% of all approvals for properties under £250,000
- LTV's reach three year high. Average LTV of 61% highest since April 2008
- Mortgage approvals rise for the fourth consecutive month, up 1.8% in April
- High LTV loans grow three times faster than rest of the market

More first time buyers got onto the property ladder in April as result of slowly loosening lending criteria. Properties under £125,000 accounted for 27% of all mortgage approvals in April compared to only 20% in April 2010 and a twelve month average of 23.8%.

A year ago wealthier buyers represented a disproportionate share of the market. That has now begun to correct. In April 79% of all approvals were for homes under £250,000 – typical first time buyer property. This is up from 71% in April 2010.

Lenders are beginning to loosen their criteria, which has helped more first time buyers qualify for high LTV's. More high LTV mortgages are being offered, with the proportion of mortgage approvals in the high LTV brackets rising significantly compared to October 2010. Purchase volumes increased in the 85% to 90% LTV bracket at almost three times the pace of the rest of the market.

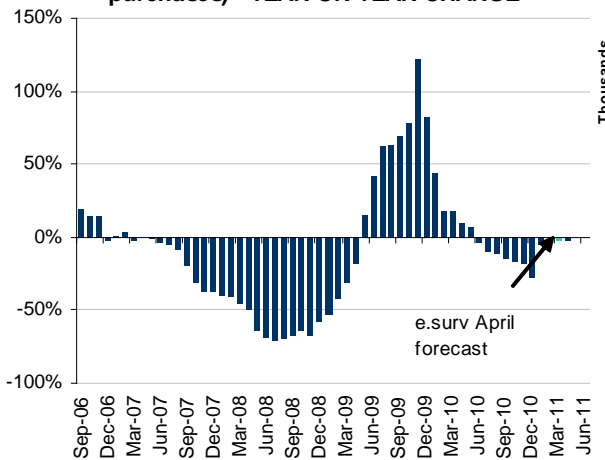
Loan to values are up across the market, reaching a three year high of 61% in April. But LTV's are increasing fastest at the lowest end of the market, aiding first time buyers. The average LTV for properties under £125,000 in April was 68%, compared to 64% in April last year.

**LTV RATIO (for home purchases)**

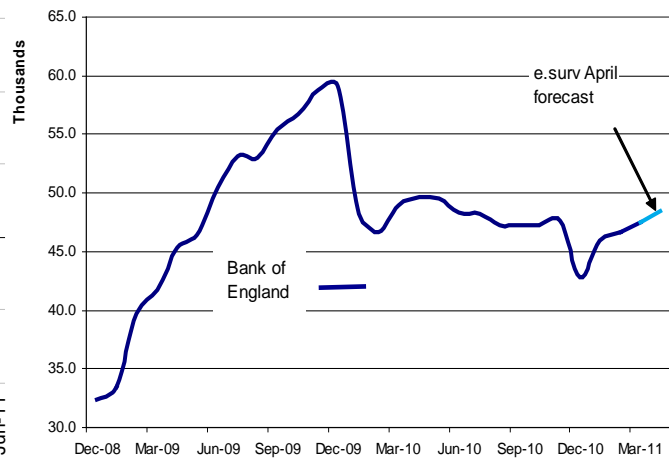


Total mortgage approvals rose 1.8% in April, up from 47,577 in March to 48,435. This is the fourth consecutive month of growth as the market continues its slow crawl back to health after a sluggish Christmas period. The annual decline slowed from 2.9% in March to 2.5% in April.

**MORTGAGE APPROVALS (for home purchases) - YEAR ON YEAR CHANGE**



**Volume of Mortgage Approvals for House Purchase (Seasonally adjusted)**



Richard Sexton, business development director of e.surv ([www.esurv.co.uk](http://www.esurv.co.uk)) said:

*“More first time buyers are getting onto the property ladder as they look to escape the record cost of renting and take advantage of loosening lending criteria. They are realising that with renting so expensive home-ownership is the more attractive option, especially with lenders now keener to offer fixed rate deals.*

*Lenders are looking to bring in new business after a remarkably sluggish winter period. They have tentatively offered high LTV products for some time, although their criteria have been so tight that few borrowers qualified.*

*This is slowly starting to change. First time buyers are the lifeblood of the market – their purchases unlock the rest of the property chain – so these signs of life at the bottom of the market will be welcomed by the higher echelons of the property ladder.*

*Yes, springtime is a traditionally vibrant period for the market, but the steady increase of approvals since January, especially at the lower end of the property chain, suggests the mortgage market is moving slowly in the right direction. It will be a hard slog, but the portents bode well.”*

- Ends -

## Notes to Editors

### Press contacts

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### About e.surv

e.surv are Chartered Surveyors, directly employing over 350 chartered surveyors and a similar number of consultants. The business is the largest distributor and manager of valuation instructions in the UK and is appointed as Panel Manager for more than 25 mortgage lenders and other entities with interests in Residential Property. The business also provides a number of Private Survey products direct to the Homebuying public.

e.surv is owned by LSL Property Services plc. For further information, see [www.lslps.co.uk](http://www.lslps.co.uk)

### Methodology

e.surv analysed 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 weeks before the BBA, CML and Bank of England. The typical margin of error on a monthly basis is 1% compared to the Bank of England final approvals data.