

UNDER EMBARGO UNTIL 00:01 HRS FRIDAY 13TH JANUARY 2012

MORE FIRST TIME BUYERS IN 2011 THANKS TO GROWTH IN HIGH LTV LENDING

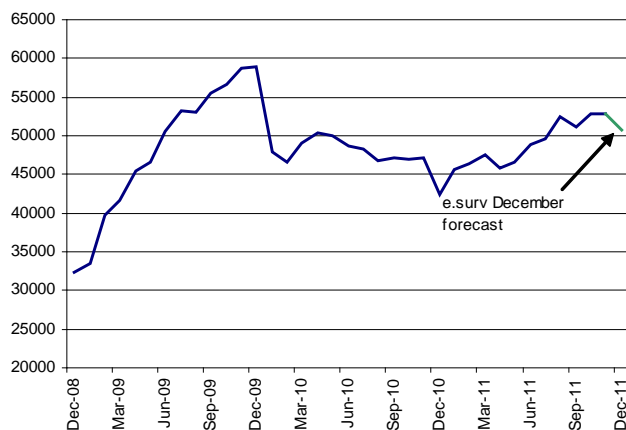
- **32% more loans with a deposit of 15% or under in 2011 than 2010**
- **Loans for house purchase 3.4% higher in 2011 than 2010**
- **Purchase approvals up 19% year-on-year in December**
- **Lending conditions in December loosest since August 2007**

First time buyer numbers increased markedly in 2011 as banks upped their high loan-to-value lending and loosened qualifying criteria on higher LTV mortgages, according to the latest Mortgage Monitor from e.surv chartered surveyors.

There were 32% more loans with a deposit of 15% or under in 2011 than in 2010, as lending conditions for first time buyers improved. There were 57,301 loans with a deposit of 15% or under in 2011, up from 43,379 in 2010, reflecting the fact more low income buyers were able to get mortgages.

There were 12,343 approvals for purchase of property worth £125,000 or under in December (typical first timer stock), up from 9,873 in December 2010. The average loan-to-value on first time buyer property rose to 69% in December, increasing from 66% in December 2010, as more buyers were able to access higher LTV mortgages.

Volume of Mortgage Approvals for House Purchase (seasonally adjusted)



Lending conditions have now eased to their most accessible level since August 2007. In December, the average deposit fell to 38%, down from 41% in December 2010, and fell slightly from November. In 2011 as a whole, the average deposit on a loan fell back from 43% in 2010 to 39%.

In the overall market, loans for home purchase were 3.4% higher in 2011 than 2010. There were 590,733 purchase approvals in 2011, 19,203 more than in 2010.

LTV RATIO (for home purchases)



In December, loans for house purchases were up 19% year-on-year, rising from 42,448 in December 2010 to 50,836. Loans for purchases below £250,000 accounted for almost three-quarters of all loans, compared to around two-thirds in 2009, suggesting wealthier buyers are starting to represent a less disproportionate share of the market.

On a monthly basis, purchase approvals fell 4%, reflecting the traditional winter downturn.

Richard Sexton, director of e.surv, said, "The market has defied the wider problems that afflicted the economy in the latter half of last year. The improvement in 2011 is modest, but when taken against the backdrop of the eurozone crisis and turgid economic growth, it's clear the market demonstrated real staying power last year. Banks have made a concerted effort to increase the amount they lend to first time buyers, which is reflected in the big jump in higher loan-to-value lending. They are also supplementing this with more lending to buy-to-let investors.

But it's important to keep things in perspective. The gains over 2011 shouldn't be taken as a portent of a return to the sunnier climes of the pre-2008 market. 2012 will be a difficult year. Banks will pass the increased cost of funding themselves onto the consumer, and will likely focus on hoarding capital rather than new lending. A flat market looks like the best we can hope for."

- Ends -

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 for the whole of the UK, 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.

Notes to Editors

Press contacts

Adam Jones, The Wriglesworth Consultancy

a.jones@wriglesworth.com, 020 7427 1403

Monica Daniel, Marketing Manager, Surveying and Corporate Services

monica.daniel@slps.co.uk. 01392 355555

About e.surv

e.surv is a firm of 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.slps.co.uk