

Communities, Equality and Local Government Committee

Action Point from CELG(4) - 24 - 13: 26 September 2013

At the Communities, Equality and Local Government Committee meeting on 26 September, the Committee received evidence from Council of Mortgage Lenders, as part of its inquiry into barriers to home building in Wales. They agreed to provide the following information:

On the point about **mortgage affordability**, here is data from our September press release showing mortgage payments as a proportion of income:

First-time buyers, lending and affordability

	Number of loans	Value of loans £m	Average loan to value	Average income multiple	Proportion of income spent on interest payments	Proportion of income spent on capital and interest payments
July 2013	25,300	3,500	82%	3.31	11.8%	19.2%
Change from June 2013	5.4%	6.1%	80%	3.33	12.1%	19.3%
Change from July 2012	40.6%	45.8%	81%	3.24	13.7%	20.0%

Home movers, lending and affordability

	Number of loans	Value of loans £m	Average loan to value	Average income multiple	Proportion of income spent on interest payments	Proportion of income spent on capital and interest payments
July 2013	32,000	5,600	70%	2.92	8.8%	18.3%
Change from June 2013	11.9%	16.7%	70%	2.91	9.0%	18.2%
Change from July 2012	9.2%	12.0%	69%	2.89	10.2%	19.3%

On the point about **lending to the social housing sector**, definitive data for Wales is available in the [2012 global accounts](#) published by Community Housing Cymru. They show the following in the Private Finance Summary (Appendix A1):

Name of Lender	2012 Amount of Loan Facility £m	2012 Loan Drawn Down £m	2012 Undrawn Facility £m	2011 Undrawn Facility £m	2010 Undrawn Facility £m
Bank of Ireland	5.1	5.1	-	0.2	0.2
Barclays Bank	572.8	292.9	279.9	310.9	175.3

Plc					
Cooperative	43.0	43.0	-	4.7	4.2
Dexia	99.7	99.5	0.2	0.2	0.2
European Investment Bank	62.5	20.0	42.5	47.5	47.5
Fresh PLC	3.2	3.2	-	-	-
Handelsbanken	7.0	6.6	0.4	0.4	0.4
HBOS (Halifax) Plc	131.2	100.1	31.1	42.1	26.3
Housing Securities	28.8	28.8	-	-	-
Lloyds TSB	256.6	167.7	88.9	112.7	136.6
Nationwide	442.4	344.4	98.0	122.5	84.8
Orchardbrook	29.1	29.1	-	0.2	0.3
Principality	195.2	170.0	25.2	39.0	30.9
RBS Group (inc Nat West)	507.9	282.8	225.1	252.2	146.2
Santander	220.8	133.3	87.5	68.3	26.1
Tai Cymru	8.3	8.3	-	-	-
The Housing Finance Corporation	156.6	141.5	15.1	15.0	0.2
Yorkshire Building Society	15.0	1.0	14.0	15.0	15.0
Other	6.1	1.0	5.1	-	-
Total	2,791.3	1,878.3	913.0	1,030.9	694.2

On the point about **student loans**, I can confirm that we have not undertaken any specific research on this but that if we do in future, we will ensure the Committee is made aware of it, as Paul Smee said.