



COUNCIL of MORTGAGE  
LENDERS

## Remortgaging hits lowest level for five years, says CML

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New data published today by the Council of Mortgage Lenders shows that levels of remortgaging have reached their lowest figure for five years. Figures for September show that remortgaging accounted for 30% of the market by value - the lowest figure since August 2001 and down from 42% in September last year. Figures for the third quarter of this year reflect this trend, with remortgaging accounting for just 31% of the market, compared to 39% in the third quarter of last year.

The sharp drop in the popularity of remortgaging over recent months probably reflects the fact that lenders are managing to retain more customers for longer by reducing the incentive to remortgage to other lenders.

The number of people taking out fixed-rate deals has also shown a sharp fall. While fixed rates maintained a 59% share of the market in September - unchanged from August - in the third quarter of this year they accounted for 60% of all loans, compared to 70% in the second quarter. The fall in the take-up of fixed rates reflects their pricing becoming less attractive compared to variable rates. The average interest rate on a fixed-rate mortgage reached 5.24% in September, up from 5.18% in August.

The number of loans to first-time buyers fell to 31,100 in September, from 35,200 in August. This is down from 34,700 in the same month last year. Loans to home movers followed the same trend, falling from 66,100 loans in August to 56,700 loans. This is down slightly from the 57,300 loans to home movers in September 2005.

Commenting on today's data, CML Director General Michael Coogan said:

"The downward trends in remortgaging illustrate how lenders are reacting to competitive conditions, and offering attractive retention products and policies to their customers."

"Today's figures show that slowly but surely the market is cooling as we approach the end of the year in an environment of higher interest rates."

### 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 11.6 million mortgages in the UK, with loans worth over £1 trillion.

2. Our next gross lending press release will be published on **Monday 20 November** and will include data up to and including **October 2006**.

### Documents

- [ML7: Distribution of property valuations](#)
- [ML6: Methods of repayment](#)
- [ML1: Gross mortgage lending by type of advance](#)
- [ML3: Home movers, lending and affordability](#)
- [ML2: First-time buyers, lending and affordability](#)
- [ML5: Fixed and variable rate lending, house purchases and remortgages](#)
- [ML4: All loans for house purchase, lending and affordability](#)

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