

Mortgage lending falls 44 per cent in a year, figures show

Contributed by Egypt News
Thursday, 20 November 2008

Mortgage lending increased by 7 per cent last month despite dropping by almost half in the past year, the Council of Mortgage Lenders has revealed

The CML revealed gross mortgage lending was £18.7billion in October, almost 7 per cent higher than the £17.5billion lent in September.

The increase is "a slight bounce back from a particular low" the previous month, it said.

However, mortgage lending is still down 44 per cent on the same month last year when the figure was £33.4billion.

Michael Coogan, director general of the CML, said: "While lending in October ticked up from a low figure in the preceding month, the outlook is one of continuing weakness for housing and mortgage markets in the coming months, despite the Bank rate cuts in October and November.

"Consumer confidence is now being affected by the worsening economic outlook. However, any recovery in lending is also being held back by the continuing shortage of mortgage funding."

Melanie Bien, of mortgage brokers Savills Private Finance, said: "Some good news at last - mortgage lending in October was stronger than in September but admittedly September was a particularly weak month. "

But she added: "Year-on-year, lending remains at incredibly depressed levels and this shows no signs of improving. The difficulty of obtaining mortgage finance remains and will continue to constrict the market."

EGYPT NEWS