



**PARAGON MORTGAGES PRESS RELEASE
16 FEBRUARY 2016**

FIRST-TIME BUYERS OUTNUMBER BUY-TO-LET LANDLORDS BY 3 TO 1

Data released today by the Council of Mortgage Lenders (CML) shows lending to first-time buyers continues to outnumber buy-to-let purchases by three to one.

Lending to buy-to-let investors in 2015 totalled £37.9 billion, however, in 2015 only 41% of buy-to-let mortgages were for house purchase, a total value of £15.6 billion.

Compared with first-time buyer activity, which is back to pre-crisis levels, loans for purchases totalled £46.7 billion – the highest level of activity since 2007.

John Heron, Managing Director of Paragon Mortgages, said: "A common accusation levelled at buy-to-let landlords is that they have an unfair advantage over home-buyers. The data released today would suggest this is not the case, with buy-to-let purchases making up only 11.6% of all purchases. First-time buyers accounted for three times as many transactions as buy-to-let purchasers.

"Total lending for buy-to-let whilst up 28% by volume on 2014, remains lower than it was in 2006, with remortgages accounting for 58% of all lending. In 2015 lending for new purchases was only marginally higher than it was in 2003.

"The information from the CML also indicates strong credit quality in buy-to-let lending, with average loan to values moving lower, affordability strengthening and arrears at the lowest levels since before the financial crisis.

"Despite claims of over-heating, effectively the sector is still recovering from the financial crisis and if we could draw the attention of Government and policy makers to any one argument this would be it."

ENDS

For further information contact:

Victoria Lisowski

PR Manager

Tel: 0121 712 2563

Follow us on Twitter @PagPressTeam

NOTES TO EDITORS

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

Paragon Mortgages introduced its first product aimed at the professional property investor in 1995 and is a member of the Council of Mortgage Lenders (CML), the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA).

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.