



**PARAGON MORTGAGES PRESS RELEASE
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INTERMEDIARIES' CONFIDENCE BOOSTED BY INCREASING MORTGAGE BUSINESS

- Confidence index shows a steady increase over the past year
- Levels of mortgage business are up on Q3, particularly from first-time buyers
- Intermediaries' confident about prospects for the buy-to-let market for 2015

Buy-to-let lender Paragon Mortgages' latest intermediary research revealed that, in Q4 2014, intermediaries' showed greater confidence in the mortgage market going into 2015.

The specialist lender's quarterly Financial Advisers Confidence Tracking (FACT) survey, which tracks intermediaries' views on the performance of the mortgage market, showed a strong confidence index rating of 102.9 in Q4, which had increased from 101.5 in Q3 2014 and 96.3 from the same quarter last year. These index points are based on the average number of mortgages introduced since Q3 and intermediaries' average expected levels of business over the next three months.

During Q4 intermediary firms had written 5% more business than the previous quarter and 9% more than Q4 2013. In comparison however, the number of mortgages introduced by intermediaries individually remained the same (at eight) between Q3 and Q4 2014.

Intermediaries reported a slight (1%) increase in business from first-time buyers, from 18% of all mortgages introduced in Q3 to 19% in Q4. This is the highest proportion of first-time buyer business reported since Q4 2013, and reflects the steady increase seen in this borrower type since 2008.

Intermediaries also showed confidence in the buy-to-let market, with 41% expecting to do more buy-to-let mortgage business over the next 12 months compared with 2014.

Confidence was shown around key market factors, with 48% of intermediaries surveyed saying the availability of buy-to-let finance had improved since Q3, showing a 6% increase over the past three months, along with 35% reporting landlord demand as strong or very strong.

John Heron, Managing Director of Paragon Mortgages, said: "It is encouraging that confidence among intermediaries has increased since Q4, giving a strong platform for the mortgage market for 2015.

"The increased levels of business firms have been writing is a positive sign of growth, providing evidence of a busier market in Q4. This does not seem to be the case on an individual basis however, suggesting the process may be more complex post MMR with advisors working harder to take advantage of growth opportunities.

"Another good sign is the balance of intermediaries expecting buy-to-let lending to grow further over the coming year. This is likely to be driven by the competitive market and strong demand seen over 2014, which we anticipate to continue through 2015."

ENDS

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NOTES TO EDITORS

A panel of 206 intermediaries took part in Paragon Mortgages' Q4 2014 FACT survey.

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.