



**PARAGON MORTGAGES PRESS RELEASE**  
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**FINANCIAL ADVISORS REPORT GROWING BUSINESS LEVELS**

- Overall mortgage business increasing
- Confidence among financial advisors at highest since 2008
- Remortgage and buy-to-let levels up in Q4 2015

Paragon Mortgages' latest Financial Advisor Confidence Tracking (FACT) Index reveals a mortgage market growing in Q4 2015, with confidence among financial advisors at the highest levels seen since the onset of the financial crisis.

Q4 2015 saw a sharp increase in the average number of mortgages being introduced per financial advisors office, from 22.7 to 25.2 – an 11% increase that puts current business volumes at their highest since 2008. Average mortgage volumes per advisor also increased from an average of eight mortgages per month, to 8.3.

The overall mix of business being processed by financial advisors also remained largely stable in Q4 2015. There was however, an increase in the volume of remortgage business from 33% to 35%.

Q4 also saw the preference for fixed rate products grow for the fourth consecutive quarter with mortgage advisers recommending a fixed rate product to more than eight out of every ten customers, reflecting a prudent and cautious approach despite concerns easing over an imminent increase in base rates. Of these products nearly half (48.1%) were fixed for two years, while around a third (33.1%) were fixed for five years.

Despite the strength of the market and high levels of confidence overall, financial advisers are cautious about the outlook, with policy changes around buy-to-let driving some negative sentiment.

John Heron, Director of Mortgages at Paragon, said: "The latest in our long-running FACT series paints a positive picture of the mortgage market with business volumes up across the board and an overall

confidence score the highest it has been since 2008. Looking forward an overwhelming majority of financial advisers expect business to either grow or remain stable over the coming quarter.

“Advisers have also seen strong growth in buy-to-let in recent months but it is no surprise that they expect the market to cool a little going forward given the policies being adopted by the government.”

**Average number of mortgages introduced by financial advisors office per month**

|                | <u>June 2015</u> | <u>December 2015</u> |
|----------------|------------------|----------------------|
| <u>None</u>    | 3                | 2                    |
| <u>1</u>       | 2                | 2                    |
| <u>2-5</u>     | 14               | 16                   |
| <u>6-15</u>    | 33               | 29                   |
| <u>16-40</u>   | 31               | 31                   |
| <u>40+</u>     | 17               | 22                   |
| <u>Average</u> | 22.7             | 25.2                 |

**Average number of mortgages introduced by individual financial advisors per month**

|                | <u>Sept 2015</u> | <u>December 2015</u> |
|----------------|------------------|----------------------|
| <u>1 – 5</u>   | 42               | 41                   |
| <u>6 – 10</u>  | 33               | 34                   |
| <u>11 – 15</u> | 17               | 14                   |
| <u>16 – 20</u> | 5                | 7                    |
| <u>20+</u>     | 3                | 4                    |
| <u>Average</u> | 8                | 8.3                  |

**2015 Q4 Business Mix**

|                         | <u>Sept 2015</u> | <u>December 2015</u> |
|-------------------------|------------------|----------------------|
| <u>Remortgage</u>       | 33.1             | 35.2                 |
| <u>First time buyer</u> | 18.6             | 18.1                 |
| <u>Next time buyer</u>  | 24.6             | 22.9                 |
| <u>Buy-to-let</u>       | 22.7             | 23.2                 |

**ENDS**

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**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.

Paragon Mortgages quarterly FACT Report is based on interviews with a sample of approximately 200 financial advisors and has been tracking sentiment since 1995.