



# PROPERTY

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## Lack of houses for sale will hamper mortgage lending, says IBF

A LACK of houses available for sale - will hamper mortgage lending this year.

That's according to the Irish Banking Federation (IBF) whose latest report also points to arrears on current mortgages as being another factor hampering the growth in new mortgages in 2014.

Lending values for the year are expected to match the figure for 2013, at just over €3 billion.

The latest figures from the IBF Mortgage Approvals Report, published by the Irish Banking Federation (IBF), show that 1,762 mortgages to the value of €317 million were approved by lenders here during the month of December.

This brings to 18,520 the total number of mortgage approvals during 2013, which represents an increase of 4.1% compared to 2012. The vast majority of these - 17,058 - were for house purchase, in itself representing an increase of 6.1% over the previous year.

The following are the key elements of the report:

- \* A total of 1,762 mortgages were approved in December, of which 1,639 (93%) were for house purchase.

- \* The number of mortgages approved increased by 3% from December 2012 to December 2013 but fell by 2.2% on a monthly basis between November and December 2013.

- \* The value of mortgages approved in December was €317 million of which €305 million (96%) was for house purchase.

The value of mortgage approvals increased by 10.1% from December 2012 to December 2013 but fell by 1.2% on a monthly basis between November and December 2013.

"The picture for 2013 shows growth in both volume and value in the level of mortgage approvals over 2012 and this upward trend is welcome," said IBF chief executive.

"With November traditionally the peak month for mortgage activity, the month-on-month decline in approvals between November and December is to be expected.

"Banks are well positioned to lend to customers who meet the criteria for a mortgage - the key consideration being the borrower's capacity to repay."

Meanwhile, however, Trevor Grant, chairman of the Association of Expert Mortgage Advisers, said they believed the mortgage market should actually exceed €3bn in 2014 - if it weren't for the lack of supply, particularly in large urban areas.

"Based on the demographics, the optimum size for Ireland's mortgage market is now between €8bn and €10bn," said Mr Grant.