



# Mortgage approvals rise

by Geoff Percival

Just under 1,700 mortgages were approved by Irish lenders in October, representing a monthly increase of 10.3% in the homeloan approval rate.

On a year-on-year basis, mortgage approvals were up by 27% last month.

The data — published yesterday by the Irish Banking Federation (IBF) — shows the vast majority of the lending was for house purchases; with 1,565 loans granted for this purpose.

The remaining 112 approved loans were spread across re-mortgages and top-up mortgages. The approval rates in the latter categories were down, while approvals for purchase were up by over 37%, according to the data.

The average mortgage approval value — for house purchases — was down 3%, year-on-year, to €174,677.

IBF director of public affairs, Felix O'Regan said the figures provide "an important lead indicator" of future activity.

"The significant uplift it shows in the level of mortgage approvals is further welcome evidence of renewed activity, coming as it does on the heels of figures we published earlier

this month, which confirmed the first year-on-year increase since 2006 in the number of new mortgages actually drawn down.

"Since the majority of approvals usually lead to draw downs, the level of approvals in October suggests that the drawdown figures for the fourth quarter — when published in the new year — could show some further growth in the market," he said.

However, he noted the approval data for November and December will need to be seen before a more definitive judgment on whether a third consecutive quarter of sustained growth in the market is real.

Davy Stockbrokers said the upturn in approvals is "encouraging", but "lending remains at subdued levels".

Trevor Grant, of the Association of Expert Mortgage Advisers, meanwhile, said the rise in activity has been helped by an increase in the number of institutions lending again, but added banks could still be more flexible in how they deal with applicants.

He noted the potential effect of the abolition of mortgage interest relief for first-time buyers at the end of next month.