KENSINGTON AFFORDABILITY TRACKER (K.A.T)

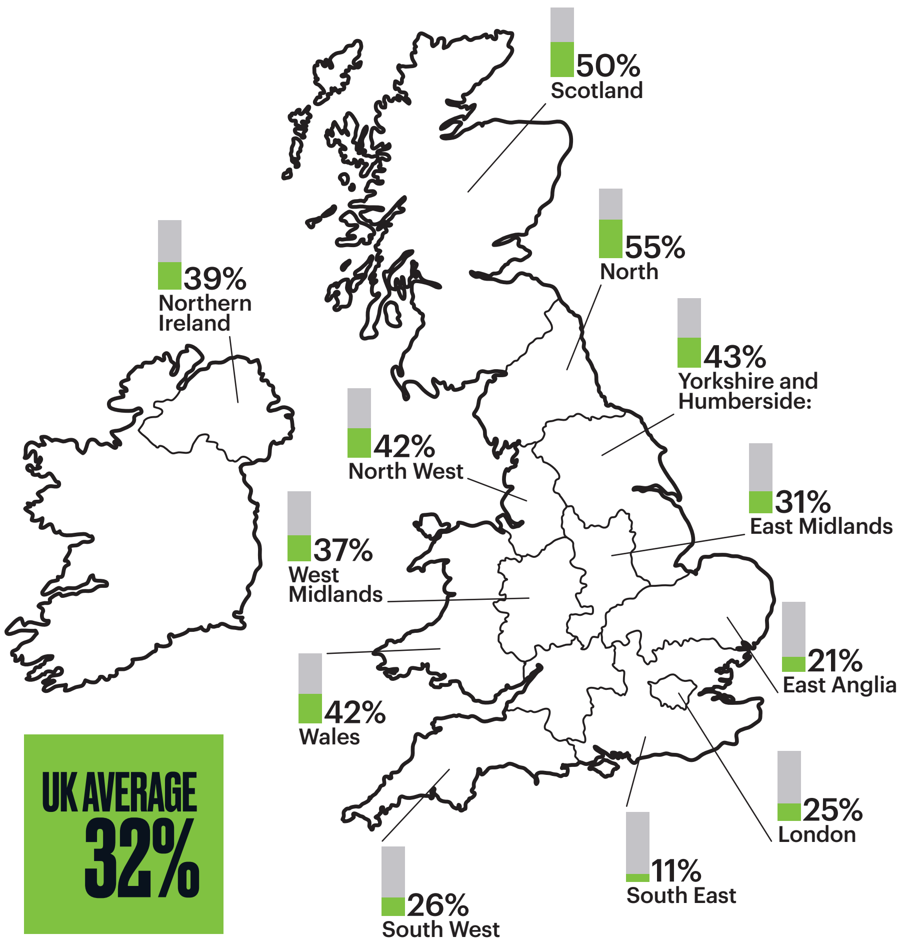
Q1 2019

Kensington

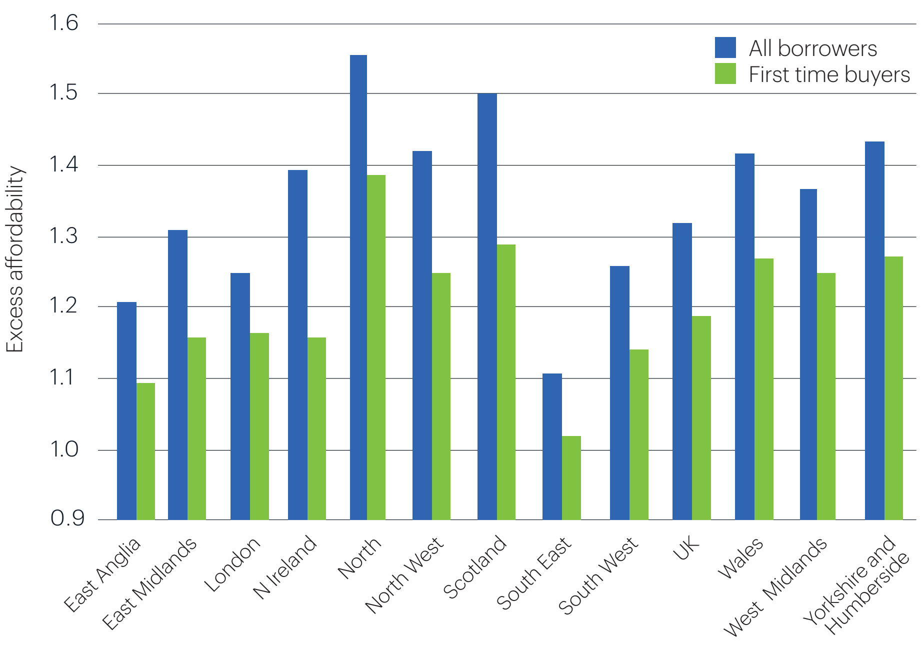
The Kensington Affordability Tracker, calculates the borrowing power of a family, after taking account of bills, transport costs and other household living expenses. It tracks the difference between the amount a homeowner could have borrowed after applying standard stress modelling to ensure customer affordability, compared to the amount that was loaned. The percentages shown represent the relative difference between those two numbers, which represents a view of true disposable income and borrowing power.

- The average British mortgage borrower that took out a loan in Q1 2019 had the borrowing power to take on a loan that was 32% larger.
- Homeowners living in the south east have less financial headroom, once the mortgage is accounted for.
- Borrowers in the north had more capacity to borrow, despite having lower overall gross incomes.
- First-time buyers are more financially-stretched out of the groups measured – particularly those in the south east. This comes in spite of the south east having higher than average salaries.

Excess Affordability by Region



First Time Buyer Affordability by Region



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