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The **UK's Mortgage Freedom Day** is calculated as the date when the average new borrower – covering both first-time buyers and home movers taking out a mortgage in Q4 2015 – will have paid off their annual mortgage payments. It is calculated on the basis that all their earnings from the 1st January are devoted to mortgage payments until these annual payments have been paid in full. **Rental Freedom Day** is calculated using annual rental payments as a percentage of average disposable earnings. A detailed explanation behind this calculation is in Editors' Notes.

19 APRIL IS UK MORTGAGE FREEDOM DAY

Rental Freedom Day comes 16 days later

Halifax research shows that today, 19 April, is this year's UK Mortgage Freedom Day – the day when new borrowers¹ will have earned enough to pay off the annual cost of their mortgage².

Based on the average annual mortgage repayment cost of £7,584 and the average net annual income of £26,023³, Halifax has calculated that homeowners with a mortgage will have today earned enough on average to cover their mortgage payments for the rest of 2016.

Mortgage Freedom Day this year occurs just a day later than in 2015 (18 April), and is the result of average annual mortgage repayment edging up by £17 during the year. Rental⁴ Freedom Day, on the other hand, comes 16 days later on the 5th May – again a day later than in 2015.

Londoners have the longest wait

There is a wide variation in Mortgage Freedom Day across the country, with home owners in Scotland and Northern Ireland achieving this on 12th March, followed by Yorkshire and the Humber (25th), the North West (26th) and the North (27th). Mortgage Freedom Day for Londoners doesn't arrive until 26th June - three months later than in northern England. **(See Tables 1 and 2)**

Rental Freedom Day across the country

Regionally, the North was the first to achieve Rental Freedom Day (5th April) this year, just ahead of Yorkshire and the Humber (9th April) and the East Midlands (13th April). Tenants in London have to wait until 13th July. **(See Table 3)**

Craig McKinlay, Mortgage Director, Halifax, commented:

"For most homeowners, mortgage payments are the biggest outgoing every month; knowing they've earned enough to pay off their mortgage for another year should be a reassuring thought. On the other hand, those who rent will need to work a further couple of weeks to have earned enough to cover their annual rental cost."

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Mortgage Freedom Day comes early in Scotland

At local authority district level, new borrowers in West Dunbartonshire recorded the earliest Mortgage Freedom Day in 2016, on 21st February. Eight of the ten earliest Mortgage Freedom Days this year take place in Scotland, including Inverclyde and East Ayrshire (both 23rd February) and North Lanarkshire (25th February). The remaining two local areas are Copeland in Cumbria (27th February) and Blaenau Gwent (2nd March). **(See Table 4)**

Home owners in South Bucks have to wait until the autumn for Mortgage Freedom Day (12th September), followed by Hammersmith and Fulham (21st August), Brent in North West London (19th August) and Ealing (8th August). **(See Table 5)**

Table 1 National Mortgage Freedom Days - 2016

Nation	Mortgage Freedom Day
Scotland	12 March 2016
Northern Ireland	12 March 2016
Wales	01 April 2016
England	29 April 2016
UK	19 April 2016

Source: Halifax

Table 2: Mortgage Freedom Days by Region - 2016

Region	Mortgage Freedom Day
Yorkshire and the Humber	25 March 2016
North West	26 March 2016
North	27 March 2016
East Midlands	07 April 2016
West Midlands	13 April 2016
East Anglia	16 April 2016
South West	04 May 2016
South East	26 May 2016
London	26 June 2016

Source: Halifax

Table 3 Rent Freedom Days - 2016

Region	Rent Freedom Day
North	05 April 2016
Yorkshire and the Humber	09 April 2016
North West	01 May 2016
East Midlands	13 April 2016

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West Midlands	21 April 2016
East Anglia	22 April 2016
South West	22 May 2016
South East	16 May 2016
London	13 July 2016
UK	5 May 2016

Source: BM and Halifax

Table 4 Earliest Mortgage Freedom Days by Local Authority - 2016

Local Authority	Region	Mortgage Freedom Day
West Dunbartonshire	Scotland	21 February 2016
Inverclyde	Scotland	23 February 2016
East Ayrshire	Scotland	23 February 2016
North Lanarkshire	Scotland	25 February 2016
Copeland	North West	27 February 2016
South Lanarkshire	Scotland	27 February 2016
Renfrewshire	Scotland	29 February 2016
Clackmannanshire	Scotland	01 March 2016
Blaenau Gwent	Wales	02 March 2016
South Ayrshire	Scotland	02 March 2016

Table 5 Latest Mortgage Freedom Days by Local Authority - 2016

Local Authority	Region	Mortgage Freedom Day
South Bucks	South East	12 September 2016
Hammersmith and Fulham	London	21 August 2016
Brent	London	19 August 2016
Ealing	London	08 August 2016
Haringey	London	07 August 2016
Hackney	London	07 August 2016
Camden	London	06 August 2016
Cambridge	East	01 August 2016
Harrow	London	01 August 2016
Three Rivers	East	31 July 2016

Source: Halifax

ENDS

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Editors' Notes:

¹ Refers to homeowners with new mortgages

² Average mortgage payments for a new borrower - including both first time buyers and home movers - are calculated based on average house prices and mortgage rates applicable to the period of calculation. The national average loan to value over the period from 1983 to 2015 of 70% has been applied to the average house price to calculate the average new mortgage in all cases. The mortgage payments include both capital and interest payments.

Mortgage payments are then calculated as a percentage of average disposable earnings (i.e. after deduction of income tax and employee's National Insurance contributions). For UK this figure is 29.1% (Quarter 4 2015), which, applied to 366 days, means that in theory after 109 days – 19th April- homeowners will have earned enough to pay off the annual cost of their mortgage.

³ All workers' full time average earnings less income tax and NICs – Office of National Statistics and Halifax estimates.

⁴ The Rental Freedom Day is calculated using annual rental payments as a percentage of average disposable earnings. For UK this figure is 34% (12 months to December 2015), which, applied to 366 days, means that in theory after 126 days – 4th May – renters will have earned enough to pay off the annual rental costs. Average rental payments are based on rental data from Birmingham Midshires (BM). UK figures are an average of the regional rental data and are based on new loans only. Rental payments refer to the average for a three bedroom house over 12 months to December 2015.

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