



Repossessions and mortgage arrears: statistics

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Social & General Statistics

This Note details trends in housing repossessions and mortgage arrears.

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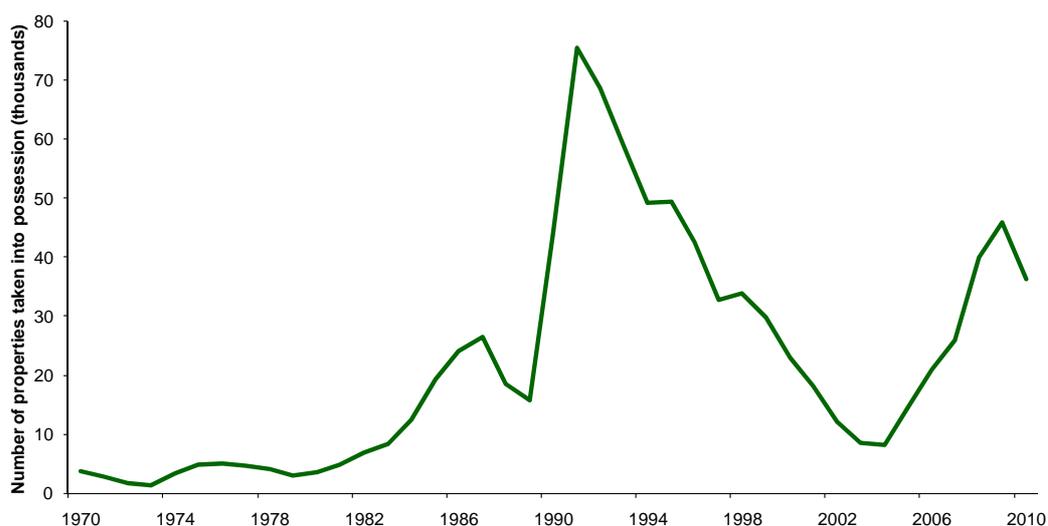
A. Repossessions

1. Council of Mortgage Lenders data

Figures on the number of properties taken into possession by mortgage lenders are published biannually by the Council of Mortgage Lenders (CML)¹. Table 1 and Chart 1 detail the trend in annual possessions data since 1970:

- Possessions averaged approximately 3,400 per year between 1970 and 1980;
- They rose steadily to 26,000 in 1987 before falling to 16,000 by 1989;
- There was an almost fivefold increase between 1989 and 1991 to 76,000;
- The number fell consistently from 1991 to 2004; dropping to 8,000 in 2004, the lowest number since 1982.
- Possessions began to increase from 2005 onwards, rising to 46,000 in 2009.
- The number of possessions fell by 21% in 2010, down to 36,300.

**Chart 1: Properties taken into possession by mortgage lenders
UK 1970 to 2010**



The CML figures are not available at a sub-national level.

2. County court data

Trends in repossessions can also be represented by county court mortgage possession data. These figures do not show the actual number of repossessions but instead show the number of court actions for possession entered by mortgage lenders and the number of possession orders granted by courts.

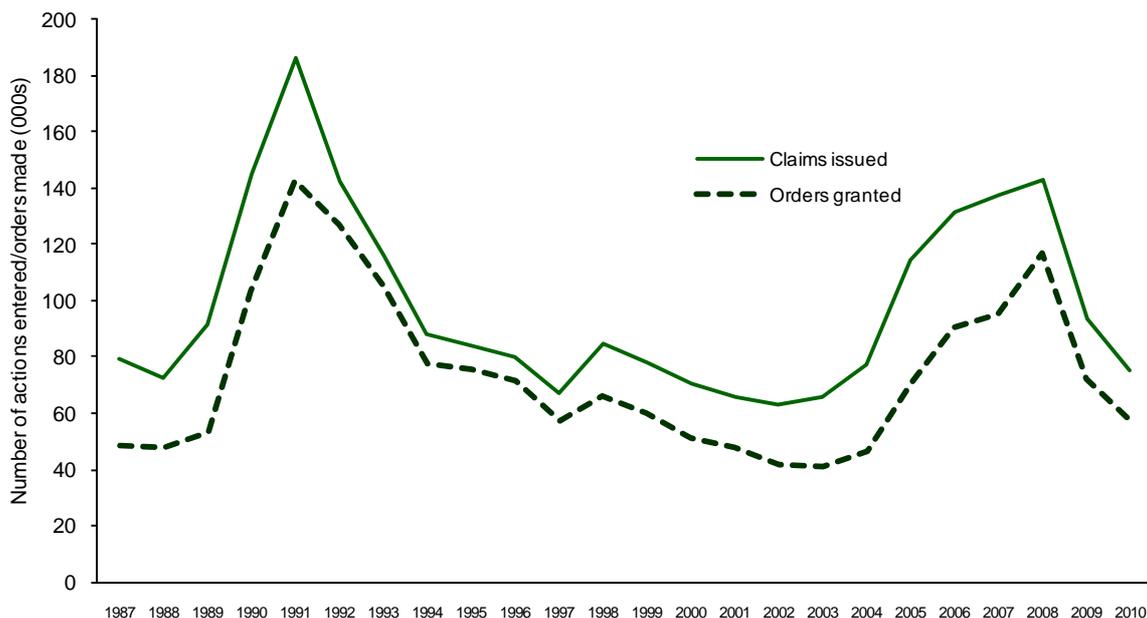
¹ From the second half of 1990 onwards, the CML figures have been provided by a sample of the UK's largest lenders, and there have been slight breaks in the series since this point because of additional institutions joining the CML. Although the sample size has varied from one period to the next it has typically represented 85% or more of total mortgage business

The fact that a possession order is granted does not inevitably mean that possession will occur. The order must be followed by the issue and execution of a warrant for possession and mortgage lenders do not always follow through with this. Also, properties may be given up voluntarily without resort to court.

Chart 2 details trends in mortgage possession claims issued and orders made in England and Wales since 1987. The chart shows a similar pattern to the CML data until 2008. However, in 2009 while CML data shows a continued increase in repossessions the Ministry of Justice data began to show a decline in mortgage possession claims issued and orders granted. This decline continued in 2010.

- The number of mortgage possession claims issued peaked in 1991 at 186,600;
- This is more than two and a half times the 1988 level of 72,700;
- Between 2003 and 2008 claims issued and orders granted showed year on year increases.
- In 2009 both claims issued and orders granted declined.
- This decline continued in 2010, with claims issued falling by 19% on 2009 levels, from 93,463 to 75,431. Over the same period orders granted decreased by 21%, from 72,174 to 56,968.

Chart 2: Mortgage possession claims issued and orders granted: England & Wales 1987-2010



Mortgage possession action data for individual county courts and local authorities in England and Wales is available from the [Ministry of Justice²](http://www.justice.gov.uk/publications/mortgatelandlordpossession.htm) website.

² <http://www.justice.gov.uk/publications/mortgatelandlordpossession.htm>

B. Mortgage arrears

1. Council of Mortgage Lenders data

Table 2 details the number of mortgages in arrears by number of months in arrears and by arrears as a proportion of the outstanding balance. The number of mortgages in arrears had increased substantially in 2009, returning to similar levels to those observed in 1997. In 2010 the number in areas showed some signs of decline.

In 2010 the proportion of mortgages over twelve months fell slightly to 0.55%, compared to 0.60% in 2009. However, the proportion of mortgages in arrears equivalent to 10.0% or over of the outstanding balance was unchanged in 2010, still at the 2009 level of 0.24%.

2. DCLG data

The DCLG's *Survey of English Housing* includes questions relating to difficulties with meeting mortgage payments. The most recent data available is for 2007/08

Table 3 shows the percentage of property owners buying with a mortgage in England identifying problems with mortgage payments since 1993/94. This proportion has fallen over the period from 20% to 15%, but it has been rising in recent years. 1% of owners buying with a mortgage were in arrears in 2007/08, while a further 13% said they were experiencing difficulties but were not in arrears.

C. Statistical appendix

1. Repossessions: UK 1970 - 2010

	Number mortgages at end period	Properties taken into possession in period	
		number	% mortgages
1970	4,171,000	3,760	0.09
1971	4,506,000	2,800	0.06
1972	4,770,000	1,760	0.04
1973	4,862,000	1,220	0.03
1974	4,910,000	3,290	0.07
1975	5,076,000	4,870	0.10
1976	5,322,000	4,950	0.09
1977	5,582,000	4,680	0.08
1978	5,896,000	4,130	0.07
1979	6,058,000	2,910	0.05
1980	6,210,000	3,480	0.06
1981	6,336,000	4,870	0.08
1982	6,518,000	6,900	0.11
1983	6,846,000	8,400	0.12
1984	7,313,000	12,400	0.17
1985	7,717,000	19,300	0.25
1986	8,138,000	24,100	0.30
1987	8,283,000	26,400	0.32
1988	8,564,000	18,500	0.22
1989	9,125,000	15,800	0.17
1990	9,415,000	43,900	0.47
1991	9,815,000	75,500	0.77
1992	9,922,000	68,600	0.69
1993	10,137,000	58,600	0.58
1994	10,410,000	49,200	0.47
1995	10,521,000	49,400	0.47
1996	10,637,000	42,600	0.40
1997	10,738,000	32,800	0.31
1998	10,821,000	33,900	0.31
1999	10,987,000	29,900	0.27
2000	11,177,000	22,900	0.20
2001	11,251,000	18,200	0.16
2002	11,368,000	12,000	0.11
2003	11,452,000	8,500	0.07
2004	11,515,000	8,200	0.07
2005	11,608,000	14,500	0.12
2006	11,746,000	21,000	0.18
2007	11,852,000	25,900	0.22
2008	11,667,000	40,000	0.34
2009	11,389,000	46,000	0.42
2010	11,365,000	36,300	0.32

Source: Council of Mortgage Lenders <http://www.cml.org.uk/cml/statistics>

- Notes:
1. Figures from the second half of 1990 have been provided by a sample of the UK's largest lenders. Although the sample size has varied from one period to the next it has typically represented 85 per cent or more of total mortgage business. The figures have been grossed-up to represent all CML members. There are slight breaks in the series from the second half of 1990 onwards, because of additional institutions joining the CML.
 2. Minor technical revisions have been made to the figures from 1997 onwards.
 3. Earlier figures, based on statistics provided by the largest building societies, have been grossed-up to be broadly comparable with the data now collected from the wider range of institutions in CML membership.
 4. Figures relate to calendar periods.
 5. Properties taken into possession include those voluntarily surrendered.
 6. Changes in the mortgage rate have the effect of changing monthly repayments and hence changing the number of months in arrear which a given amount represents. A given amount of arrears represents a higher number of monthly payments the lower the level of mortgage rates. This distorts the trends shown by the number of months arrears data.

2. Mortgage arrears: UK 1970 – 2010

	Mortgages in arrears at end of period by length of arrears						Mortgages in arrears at end of period by percentage of balance							
	3-6 months in arrear		6-12 months in arrear		over 12 months in arrear		2.5%-5.0%		5.0%-7.5%		7.5%<10.0%		10.0% and over	
	number	%	number	%	number	%	number	%	number	%	number	%	number	%
1970	.	.	21,140	0.51	.	.	.	.	.	.	.	.	.	.
1971	.	.	17,600	0.39	.	.	.	.	.	.	.	.	.	.
1972	.	.	15,700	0.33	.	.	.	.	.	.	.	.	.	.
1973	.	.	12,700	0.26	.	.	.	.	.	.	.	.	.	.
1974	.	.	17,600	0.36	.	.	.	.	.	.	.	.	.	.
1975	.	.	16,800	0.33	.	.	.	.	.	.	.	.	.	.
1976	.	.	16,000	0.30	.	.	.	.	.	.	.	.	.	.
1977	.	.	16,200	0.29	.	.	.	.	.	.	.	.	.	.
1978	.	.	11,200	0.19	.	.	.	.	.	.	.	.	.	.
1979	.	.	9,700	0.16	.	.	.	.	.	.	.	.	.	.
1980	.	.	15,500	0.25	.	.	.	.	.	.	.	.	.	.
1981	.	.	21,500	0.34	.	.	.	.	.	.	.	.	.	.
1982	.	.	27,400	0.42	5,500	0.08	.	.	.	.	.	.	.	.
1983	.	.	29,400	0.43	7,500	0.11	.	.	.	.	.	.	.	.
1984	.	.	48,300	0.66	9,500	0.13	.	.	.	.	.	.	.	.
1985	.	.	57,100	0.74	13,100	0.17	.	.	.	.	.	.	.	.
1986	.	.	52,100	0.64	13,000	0.16	.	.	.	.	.	.	.	.
1987	.	.	55,500	0.67	15,000	0.18	.	.	.	.	.	.	.	.
1988	.	.	42,800	0.50	10,300	0.12	.	.	.	.	.	.	.	.
1989	.	.	66,800	0.73	13,800	0.15	.	.	.	.	.	.	.	.
1990	.	.	123,100	1.31	36,100	0.38	.	.	.	.	.	.	.	.
1991	.	.	183,600	1.87	91,700	0.93	.	.	.	.	.	.	.	.
1992	.	.	205,000	2.07	147,000	1.48	.	.	.	.	.	.	.	.
1993	.	.	164,600	1.62	151,800	1.50	.	.	107,600	1.06	69,800	0.69	166,000	1.64
1994	169,100	1.62	133,700	1.28	117,100	1.12	176,600	1.70	82,700	0.79	49,600	0.48	116,300	1.12
1995	177,900	1.69	126,700	1.20	85,200	0.81	174,400	1.66	79,900	0.76	45,500	0.43	97,900	0.93
1996	139,300	1.31	101,000	0.95	67,000	0.63	129,700	1.22	59,100	0.56	33,300	0.31	74,700	0.70
1997	117,800	1.10	73,800	0.69	45,200	0.42	117,800	1.10	49,400	0.46	26,300	0.24	60,400	0.56
1998	129,100	1.19	74,000	0.68	34,900	0.32	130,600	1.21	52,800	0.49	25,600	0.24	52,000	0.48
1999	96,700	0.88	57,100	0.52	29,500	0.27	104,600	0.95	42,000	0.38	20,300	0.18	41,600	0.38
2000	95,300	0.85	47,800	0.43	20,800	0.19	95,300	0.85	32,600	0.29	14,600	0.13	25,200	0.23
2001	81,400	0.72	43,200	0.38	19,700	0.18	79,200	0.70	27,500	0.24	11,800	0.10	21,700	0.19
2002	66,600	0.59	34,100	0.30	16,500	0.15	58,700	0.52	19,400	0.17	8,600	0.08	16,500	0.15
2003	55,800	0.49	31,000	0.27	12,600	0.11	52,400	0.46	18,100	0.16	7,900	0.07	14,500	0.13
2004	60,500	0.53	29,900	0.26	11,000	0.10	61,900	0.54	20,400	0.18	8,200	0.07	14,300	0.12
2005	69,400	0.60	38,600	0.33	15,000	0.13	68,700	0.59	23,600	0.20	10,100	0.09	16,900	0.15
2006	64,900	0.55	34,900	0.30	15,700	0.13	63,700	0.54	21,600	0.18	9,800	0.08	17,900	0.15
2007	71,700	0.60	40,500	0.34	15,300	0.13	72,400	0.61	25,600	0.22	11,200	0.09	18,600	0.16
2008	117,400	1.01	72,000	0.62	29,500	0.25	105,900	0.91	36,800	0.32	15,600	0.13	24,300	0.21
2009	111,800	0.97	88,700	0.81	67,900	0.60	106,000	0.93	43,700	0.38	19,000	0.17	27,300	0.24
2010	99,400	0.87	77,900	0.69	62,300	0.55	87,700	0.77	36,700	0.32	17,800	0.16	27,400	0.24

Source: Council of Mortgage Lenders <http://www.cml.org.uk/cml/statistics>

Notes: As for Table 1

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3 Owners buying with a mortgage experiencing problems with mortgage payments: England 1993/94 - 2007/08

	In arrears	Difficulties	Total with problems	No problems	Total
<i>thousands</i>					
1993/94	480	1,129	1,609	6,581	8,190
1994/95	355	1,115	1,470	6,750	8,220
1995/96	326	1,061	1,387	6,932	8,319
1996/97	268	1,013	1,282	7,001	8,283
1997/98	252	1,047	1,298	7,219	8,518
1998/99	236	1,135	1,371	7,134	8,504
1999/00	161	922	1,083	7,349	8,432
2000/01	163	986	1,148	7,536	8,685
2001/02	82	718	799	7,475	8,274
2002/03	77	685	763	7,562	8,325
2003/04	70	735	805	7,560	8,365
2004/05	64	857	921	7,205	8,126
2005/06	81	868	949	7,030	7,979
2006/07	61	902	964	6,942	7,906
2007/08	81	868	949	7,030	7,979
<i>percentage</i>					
1993/94	6	14	20	80	100
1994/95	4	14	18	82	100
1995/96	4	13	17	83	100
1996/97	3	12	16	84	100
1997/98	3	12	15	85	100
1998/99	3	13	16	84	100
1999/00	2	11	13	87	100
2000/01	2	11	13	87	100
2001/02	1	9	10	90	100
2002/03	1	8	9	91	100
2003/04	1	9	10	90	100
2004/05	1	11	11	89	100
2005/06	1	11	12	88	100
2006/07	1	11	12	88	100
2007/08	1	13	15	85	100

Source: Survey of English Housing, DCLG, Live Tables S314

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