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## **The geography of mortgage lending in London**

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Newly released mortgage data at the postcode level in Great Britain allows researchers to explore in more detail the kinds of lending and rationing practices explored in earlier studies by Boddy (1976) and Jones and Maclennan (1987). We now have access to complete postcode-level lending data for seven major lenders: Barclays, Clydesdale, HSBC, Lloyds, Nationwide, RBS and Santander. The total amount of outstanding mortgage debt covered in this first data release is £898.1bn, with £181.7bn of that in London (CML, 2013). The data for the seven separate lenders accounts for around 73% of the national mortgage market and covers the period up to the end of June 2013.

As a precursor to future analyses, this featured graphic makes a first attempt at mapping spatial patterns of mortgage lending in London. London is selected here since it brings into sharp focus the topic of ‘overheating’ housing markets within a national macroeconomic context (Muellbauer, 2012). The 1,050 postcode sectors of Greater London account for 20.5% of all outstanding mortgage debt identified in the first release of lending data (compared to about 13% of the population). These broad figures conceal significant spatial differences at the micro-scale, as revealed by the maps below, which show mortgage lending at the postcode sector level. Larger London postcode areas are identified by their one or two letter codes.

The SW (South West) postcode area of London is home to the postcode sector with the highest level of outstanding mortgage debt in Great Britain (SW11 6 - £649.4m). At the other end of the spectrum is rapidly gentrifying East London (E), where lending is noticeably lower. Even when we take account of the wide spectrum of underlying house prices, the variable geography of bank lending practices revealed in the maps is a topic worthy of further scrutiny. With subsequent quarterly data releases and the use of additional datasets on socio-economic status, it ought to be possible to explore issues of socio-spatial inequalities in mortgage finance in more detail.

## References

Boddy, M. (1976). The structure of mortgage finance: building societies and the British social formation. *Transactions of the institute of British Geographers*, 58-71.

CML [Council of Mortgage Lenders] (2013) *Outstanding residential mortgage lending by postcode sector*, available at: <http://www.cml.org.uk/cml/statistics/postcode>, CML, London.

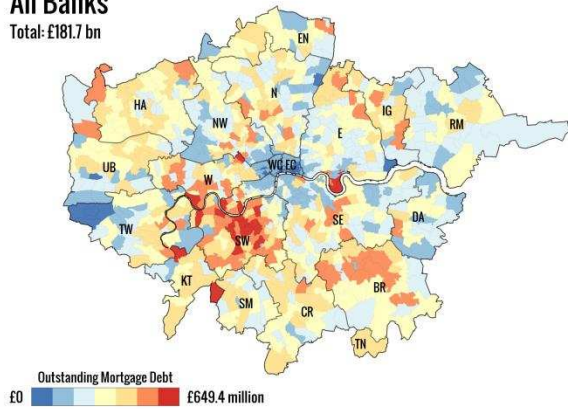
Jones, C., & Maclennan, D. (1987). Building societies and credit rationing: an empirical examination of redlining. *Urban Studies*, 24(3), 205-216.

Muellbauer, J. (2012) *When is a housing market overheated enough to threaten stability?*, University of Oxford, Department of Economics, Discussion Paper Series.

# Outstanding mortgage debt in London, as of end June 2013

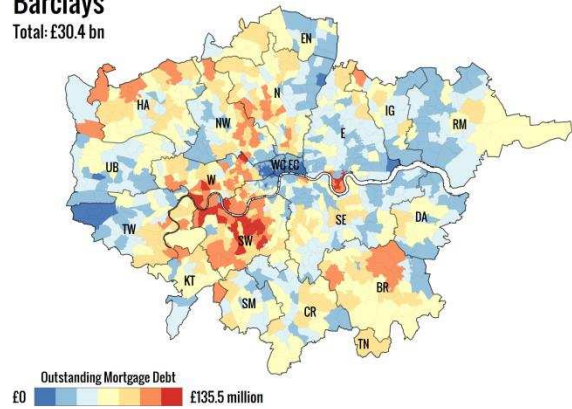
## All Banks

Total: £181.7 bn



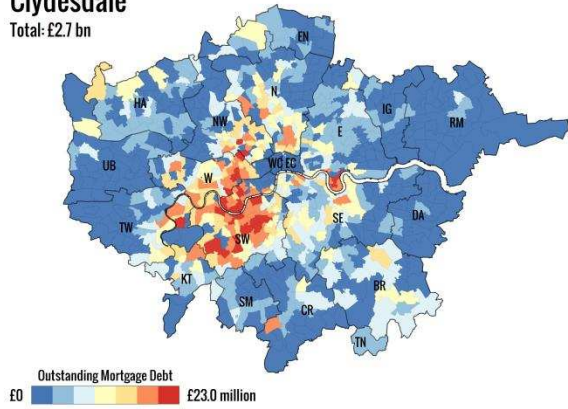
## Barclays

Total: £30.4 bn



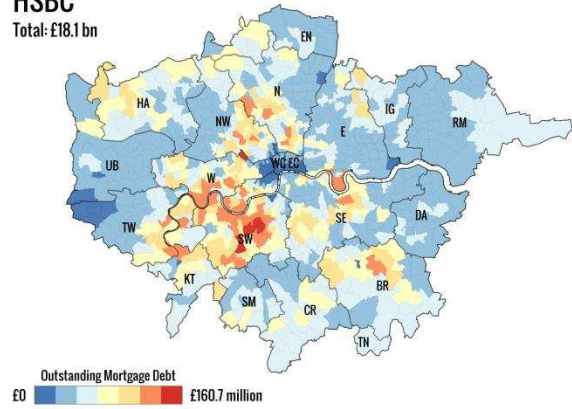
## Clydesdale

Total: £2.7 bn



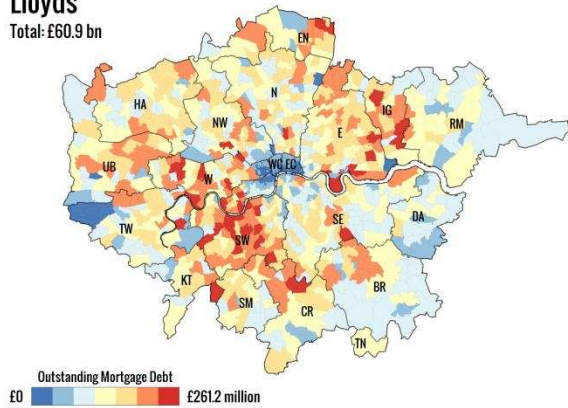
## HSBC

Total: £18.1 bn



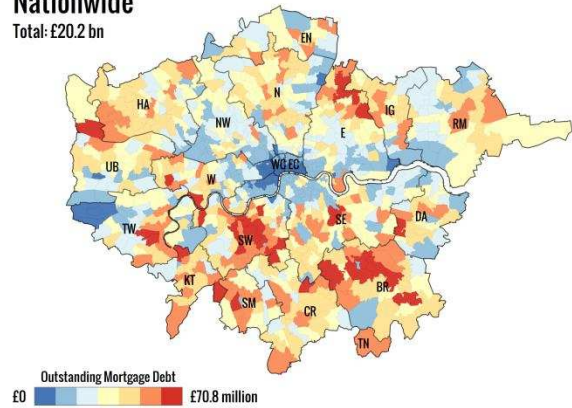
## Lloyds

Total: £60.9 bn



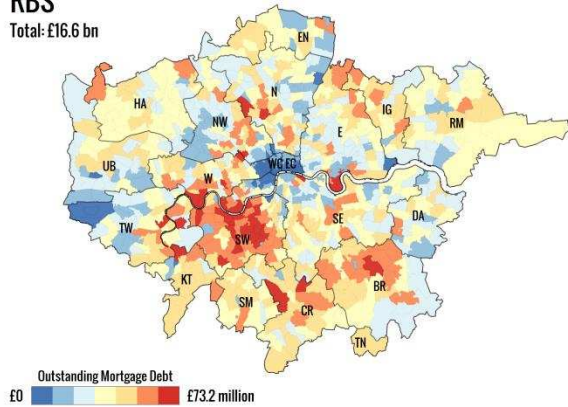
## Nationwide

Total: £20.2 bn



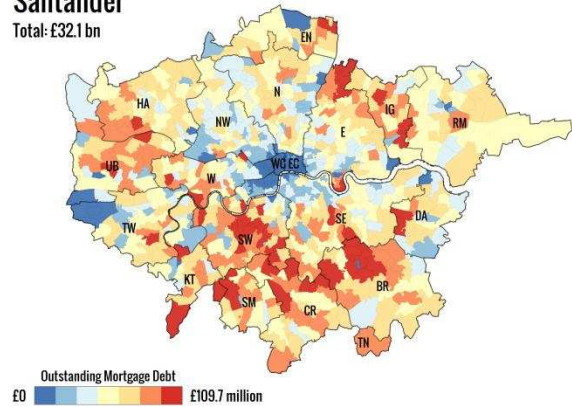
## RBS

Total: £16.6 bn



## Santander

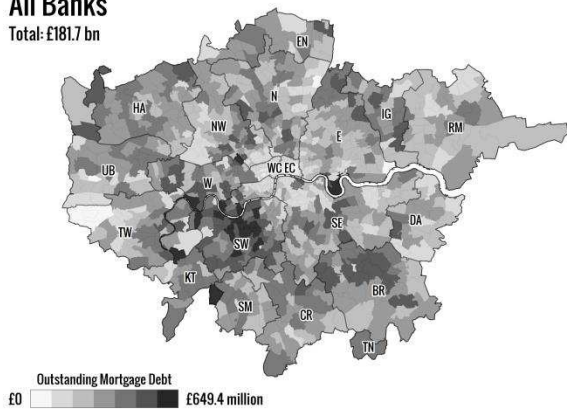
Total: £32.1 bn



# Outstanding mortgage debt in London, as of end June 2013 (monochrome)

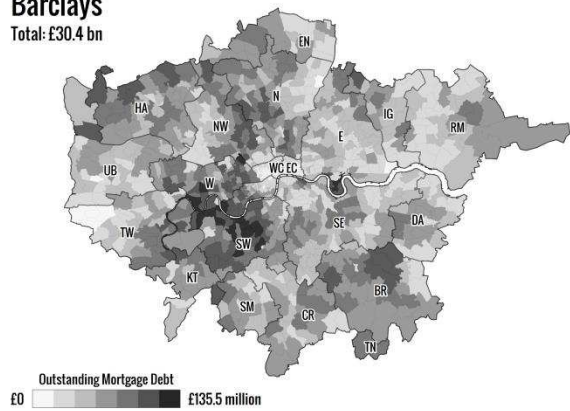
## All Banks

Total: £181.7 bn



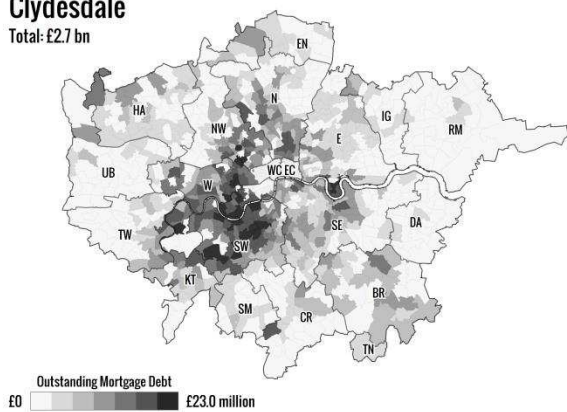
## Barclays

Total: £30.4 bn



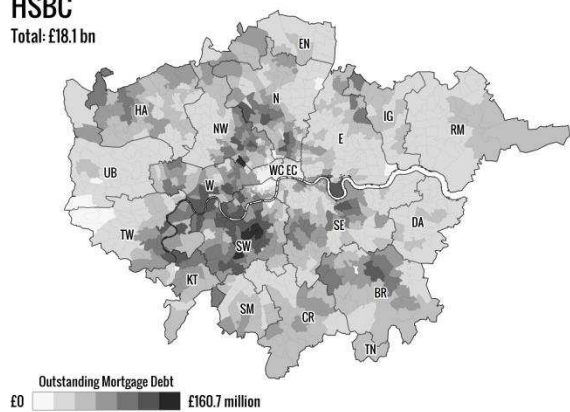
## Clydesdale

Total: £2.7 bn



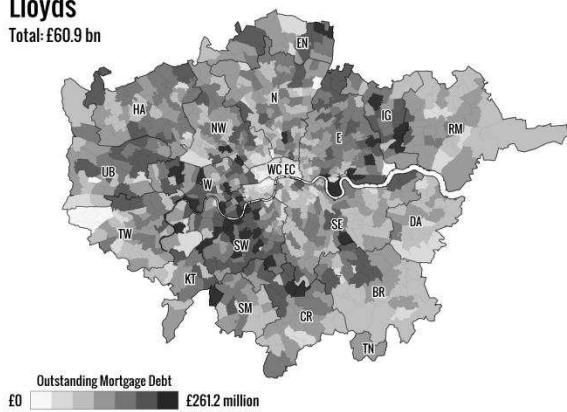
## HSBC

Total: £18.1 bn



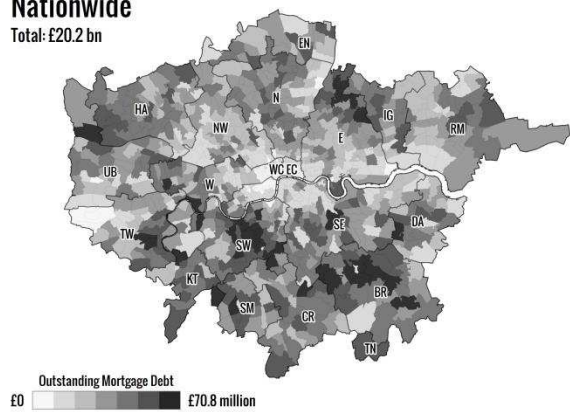
## Lloyds

Total: £60.9 bn



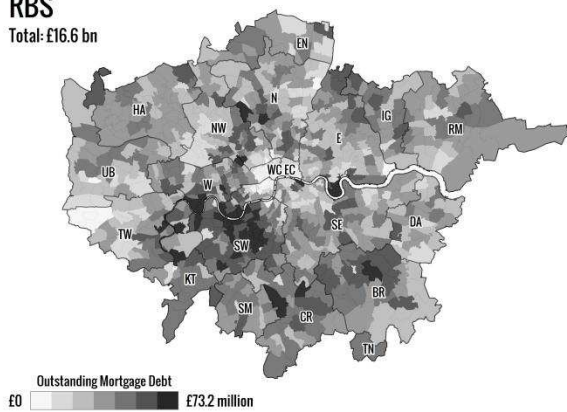
## Nationwide

Total: £20.2 bn



## RBS

Total: £16.6 bn



## Santander

Total: £32.1 bn

