



27th February 2013

EBS to lend at least €400m in mortgages in 2013

DKM Affordability Index showed housing affordability returning to levels last seen in the mid 1990s

EBS, today, (Wednesday, 27th February 2013) announced its intention to lend at least €400 million to customers seeking mortgage finance in the coming year. Confirmation of these plans comes with the publication of the latest EBS DKM Affordability Index which showed that affordability levels at the end of 2012 had returned to those of the mid 1990s.

The cost of funding a mortgage, nationally, at the end of 2012, for the average first time buyer (FTB) working couple stood at 11.7% of their joint disposable income. This figure increased to 14.1% of net income with the ending of the mortgage interest relief last month, but is still significantly lower than the 26.4% recorded at the peak of the boom in 2006.

In addition, the average FTB property price nationally was estimated at €134,051 in December 2012 or 3.69 times average earnings. The corresponding estimate for Dublin was €170,114 or 4.25 times average earnings for Dublin FTBs.

Director at DKM Economic Consultants, Annette Hughes, said: "The significant improvement in housing affordability continued throughout last year, with the proportion of net income required to fund a mortgage for the average FTB working couple remaining stable through 2012. However, with the ending of mortgage interest relief for first-time buyers in December, average mortgage repayments increased by c.19% in January 2013, causing an adjustment in affordability to 14.1% of net income. It is encouraging that FTBs who purchase a property in 2013 will be exempt from paying LPT until 2016. "

Speaking about EBS' mortgage lending commitment, EBS Head of Mortgages, Conal Clerkin said: "Further evidence of stabilisation in the market will encourage those wishing to purchase homes to seek mortgage approval and EBS is delighted to announce its intention to lend at least €400 million in the coming year. EBS is committed to supporting customers who wish to purchase a home and we will continue to take further steps to demonstrate this support throughout the year. Obtaining a mortgage can seem like a daunting prospect, however, our mortgage advisors, who have helped thousands of people buy their own homes over the years, will take customers through the process from start to finish, for first time buyers, movers or those planning to extend or refurbish their existing homes."

EBS is providing the following support for customers:

- Dedicated mortgage advisors in our 79 branches nationwide
- Mortgage information evenings for customers throughout the country
- Comprehensive mortgage guides, with information on preparing to buy to making an offer on a home
- A specific mortgage section on www.ebs.ie, providing support, advice and tools
- Money advisors to help those seeking to put a savings plan in place for a future purchase
- Competitive mortgage products at a Loan To Value (LTV) of up to 92%

The latest EBS DKM Affordability Index can be found [here](#) or at www.dkm.ie