

Year-to-year mortgage volume in Britain has dropped by 60 percent

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In February, the year-to-year volume of mortgage loans in Great Britain has dropped by 60% to the amount of 9.9 billion pounds (GBP) which is the least volume since February 2001. The British the Council of Mortgage Lenders (CML) informed about it yesterday. "15% drop in comparison with January level amounting to GBP 11.7 billions is much higher than the average 3 or 4% drop which is typical for this time of the year," stated the CML. However, February data are in compliance with the Council's estimate, which expects the total volume of mortgage loans in 2009 to reach the level of GBP 145 bil. According to Howard Archer, Global Insight analyst, the drop of prices of houses in Britain by 15% during 2009 and by another 5% in the first half of the next year may be expected before they stabilise. "The prices would drop by approx. 35% under their highest level in 2007," said Mr. Archer.

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