



**PARAGON MORTGAGES PRESS RELEASE  
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**LENDING DOUBLES IN Q2 AS SPECIALIST EXPERTISE MOVES CENTRE STAGE**

- Lending in Q2 up 100.3% on Q1 at £371.0 million
- Total new buy-to-let lending in first half at £556.2 million
- Pipeline up 111.7% to £742.3 million (2016 H1: £350.6 million)
- Evidence of market shift to more complex lending with two thirds of pipeline now portfolio
- More than 1 in 4 cases limited company buy-to-let

Paragon Mortgages' parent company, the Paragon Group of Companies, has today released its first-half results for the six months ended 31 March 2017.

Underlying Group profits were £70.1 million for the first half compared with £69.4 million for the same period last year, with a strong contribution from the Group's mortgage lending operations.

After a quiet second half for buy-to-let last year following the distortion in the market caused by the increase in Stamp Duty Land Tax, new mortgage lending rebounded well in the first half, up 65% to £556.2 million (H2 2016: £337.4 million). Lending showed strong growth across the period as interest from portfolio landlords picked up with completions in Q2 increasing 100.3% to £371.0 million compared to £185.2m in Q1.

In addition, the pipeline of new buy-to-let business going into the second half more than doubled to £742.3 million (2016 H1: £350.6 million), highlighting the value of the specialist knowledge and products that Paragon provides to intermediaries and landlords as they navigate through the changing fiscal and policy landscape.

As expected, an increased proportion of applications were received from landlords with more specialist needs, with six out of ten pipeline applications (64.7%) coming from landlords with larger and more complex property portfolios and over a quarter of pipeline applications (26.5%) from landlords operating in limited company structures.

Outside of buy-to-let, the Group achieved strong growth in asset finance, where new lending increased by 84.7% to £106.6 million and in its other lending products, including car finance and development finance, where lending grew by 54.8% to £105.6 million.

**John Heron, Managing Director, Paragon Mortgages, said:** “The buy-to-let market is changing as a result of the developments in tax and regulatory policy towards the sector. We have seen greater polarisation in recent months in the market as professional landlords have shaped their investment strategies to mitigate the impact of these changes. With many years’ experience in delivering the more specialist products and services that these landlords require, Paragon is clearly in a strong position to benefit from this significant realignment in the market.”

**ENDS**

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**NOTES TO EDITORS**

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

Paragon Mortgages introduced its first product aimed at the professional property investor in 1995 and is a member of the Council of Mortgage Lenders (CML), the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA).

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority. Paragon Bank PLC is registered on the Financial Services Register under the firm reference number 604551.