

Leeds Building Society generates profit boost amid record £5bn mortgage lending

Record mortgage lending and savings growth has boosted performance at Leeds Building Society, which has warned of inaction on tackling the UK's housing crisis.

The historic mutual, which operates 50 branches, saw gross mortgage lending rise from £4.4bn to £5bn in 2022 as annual net savings inflows climbed from £1bn to £2.2bn during the year. It meant pre-tax operating profits rose to £220.5m.

In its annual results, the society said it was now the hardest time to afford a home in its 148-year history and pointed directly to the upheaval caused by the Government's mini Budget as having caused other lenders to temporarily pull out of the market – a move that meant its own lending to first time buyers grew and accounted for 3.4% of the market, around three times its normal share.

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Richard Fearon, Leeds Building Society CEO, said: "Our continued support for the housing market enabled us to surpass all previous lending records. We really delivered on helping to put home ownership within reach of more people with total mortgage lending of £5bn. We continued to offer strong support for customers less well served by the wider market despite the extremely volatile conditions we were operating in. Approximately one in three of all our mortgages went to first time buyers – helped by our decision to withdraw from lending on second homes to bolster our support for those yet to get on the property ladder.

“We are again backing our values with actions by extending our suspension of all mortgage arrears fees until at least the beginning of 2024. Our mutual status, which makes us ultimately answerable to our customers, enables us to go further in supporting our members when they need it most.”

He added: “The past couple of years have been challenging for everyone and we face into what could be prolonged economic headwinds. It is now the hardest time to afford a home since our founding year in 1875, a sad reflection of decades of inaction to tackle the UK’s housing crisis. But we will continue to find ways we can help and put homeownership within reach of more people, just as we have for almost 150 years.”

Last year Leeds Building Society stopped lending on second homes – saying it was not compatible with its purpose to help people on to the property ladder. Earlier this week Leeds’ director of mortgage distribution, Martese Carton, called the number of empty properties across the country “a national disgrace” as the society published analysis showing there were more than 676,000 empty homes in England.

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