



Industry insights

Self-build, the choice is yours.

For recent generations 'choice' has become far more commonplace. Whether it's a small everyday purchase or a big lifestyle acquisition, there are now numerous options. When it comes to home ownership, a 'self-build' project takes choice to a new level enabling customers to develop a completely bespoke property meeting their exact needs. So what business development opportunities does this create for mortgage brokers?

21ST CENTURY CHOICE

In relation to modern day living we've never had so much choice. Going back to my childhood a trip to the supermarket was a very different experience compared to today. If you were lucky there would be two options of a staple food type, a branded and own label version – now the choice is mesmerising: original; low sugar; flavoured; economy; own label; big brand and on it goes!

The development of choice crosses into most aspects of consumerism not just in grocery shopping. When considering bigger ticket items like buying a car there has been a huge development in the alternatives offered. One of Henry Ford's famous quotes about the Model T was, "Any customer can have a car painted any colour that he wants, so long as it is black." A century later there seems to be unlimited options in model and colour, allowing us to accessorise to our hearts desire. But how has 'choice' progressed when it comes to acquiring a property?

CREATING A FOREVER HOME

The ultimate, bespoke purchase for many is the acquisition of a dream property containing features that exactly meet the customer's personal requirements. There has been a steady shift towards this way of thinking with the pandemic noticeably accelerating this process.

As people have been spending more time living, working and socialising at home, a new trend in 'self-build' has emerged facilitating the specific requirements customers now desire, whether it be office space; a cinema room; an extended kitchen becoming the focal point of the property; bi-fold doors extending the inside, outside; additional guest rooms or maybe extra parking.

Gone are the limitations associated with buying a new build, off-plan property where you might be only allowed to choose the kitchen or bathroom fixtures and fittings. Gone, too, is the need to 'compromise' when having to accommodate the layout of an established property. Self-build is one answer to overcome these restrictions and create the dream, forever home, just as you want it.



DEMAND FOR SELF-BUILD MORTGAGES

Like ourselves, you too may have experienced an upturn in enquiries from would-be 'self-builders' wanting to finance and build a property development or partner with a professional building contractor to deliver the project.

Self-build mortgages by their nature are a lot more complicated than traditional products. We understand the complexities of self-build financing having operated in this space for many years. Whether you are a broker new to this growing opportunity or one looking to develop your market share, we are here to help.

As a specialist lender the Harpenden team continues to be on hand to support our broker partners and their customers with expertise and solutions in this niche area. We want to say 'yes'! As with all of our mortgage products we undertake personal underwriting, taking an individual approach to assessing each mortgage application, however involved, with the aim of providing a positive outcome.

To meet the increased demand for self-build mortgages, lenders are introducing new enhanced products to market. Our latest offering includes improved rates and features such as: 3.69% - for loans £75,000 - £999,999; 4.19% - for loans £1,000,000 - £2,000,000; flexible construction types including modern methods of construction (valuer comments dependent) and self-build retention releases not linked to stages.

It's an independent self-build product designed to meet modern day requirements. The product is ERC free; if the plot/site is already owned unencumbered we can release an initial tranche of the funds against this towards the initial build phase; the product is available for different types of projects including ground-up builds, knock-down and rebuild, conversions and back garden builds; up to 3 properties can appear on the same development (provided that the majority will be for owner occupation); we allow property with an annexe being built and we offer a residential mortgage refinance option at the end of the self-build.

SPECIALIST LENDERS ARE HERE TO HELP

If you are looking at a self-build option for a customer, whether it's breathing new life into an existing property or embarking on a completely new, self-build housing project – we believe it's important to partner with a specialist lender. Your customers will be journeying with you in a potentially high reward situation but there are likely to be times of pressure in the process too.

Expert financing guidance for your customers throughout the project will help them complete the build in the best and most efficient way possible.

Partnering with an experienced, specialist lender will pay dividends for you and your customers.



Graeme Aitken

Graeme Aitken – Business Development Manager,
Harpenden Building Society



We individually assess and approach applications.



We offer a manual underwriting process, no credit score involved.



A flexible view on merits of all cases - we're very accommodating.



We provide clear, fair and transparent charges for all cases.



Many types of income are considered when assessing affordability.