

## INDUSTRY INSIGHTS

# Navigating a Self-Build project during a Global Pandemic

The Coronavirus has, without exception, changed the lives of everyone in our country in one way or another. At this time, everyone is focusing on the health and wellbeing of family, friends and communities, and managing financial pressures and uncertainty. However, when the lockdown is lifted, attention will start to drift towards rebuilding and adapting to a different environment.

## ECONOMIC IMPLICATIONS

The pandemic has presented challenges beyond most people's comprehension. While the Treasury and the Government have put in place unprecedented support packages, there are still difficult days ahead for the country, whether due to ill-health or financial problems.

As a Building Society, our place in the community is to enable all our members to remain in control of their financial health. However, we can't completely predict how the future will pan out for the mortgage industry. Many customers will take the opportunity for mortgage payment holidays while they juggle a variety of pressures. In April, it was reported by many news outlets that one in nine people are taking a mortgage holiday<sup>1</sup>. People moving home are likely to be delayed, and the knock-on effect may be felt for some time after isolation has ended.

## SELF-BUILDERS

One industry that has been challenged by the current situation, yet continues despite the pressures, is construction. Many self-builders are mid-way through their project, but our brokers continue to support them whatever stage they are at. People need advice and don't want to lose the hope of their unique homes. We have been providing guidance to brokers and customers since the lockdown.



## THE BEGINNING OF THE PROJECT

For some customers at the start of their self-build project, unable to work and with extra time on their hands, the situation has offered an opportunity to get stuck in and push things forward. While this makes sense, the reality is there are many unknowns.

If customers were hoping to begin their project now that spring has sprung, our advice is to be patient. Even if building firms are able to work, they will still be reliant on valuers visiting the site to give lenders the detail required to release funds. Not only this, but utilities and suppliers need to be available to provide essential services. The best advice we can give is to wait until you can be more certain about your project. Perhaps use this extra time, due to saving on any usual travel and leisure activities, to top up your personal savings. This will put you in a better position and help you make a more confident start to your self-build.



If you have any further questions on what customers should do during their self-build projects, please get in touch with us.

## BUILDING DURING ISOLATION

For customers whose projects are in full swing, a variety of problems may have presented themselves. This could be due to fewer builders being present on site, suppliers unable to deliver, or trouble with cashflow, which may need to be subsidised by customers drawing on their contingency funds during this very difficult time.

Taking stock or sourcing different suppliers might be a way to bridge the gap. This is a time of real unknowns for us all and patience is crucial while we navigate through the situation. Customers should keep in touch with lenders, builders and suppliers to see what their plans are likely to be for the weeks ahead. It's also wise to use this time to review the existing plans. Many self-builders rarely get the time to plan at the level of detail they would like but now is the opportunity to take more control and double check costs and project plans. Are there some elements of the build that can be done by the self-builder rather than a contractor? Is there time to re-negotiate quotes or look for other suppliers?

## THE FUTURE

We are confident that in time, the self-build market will be back in business. This January, The Royal Institution of Chartered Surveyors released its Residential Market Survey2. The overwhelming sentiment was one of positivity; buyer enquiries, agreed sales and new instructions are all increasing.

Self-build is a growing segment of the market, and although the pandemic has paused the activity for many, we will continue to support customers with our expertise and solutions so that homes may be built. In the meantime, we can be very flexible and the best way to deal with any challenging times is to keep in touch. We can review agreed timeframes, but forbearance may be required by all involved.

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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.