

INDUSTRY INSIGHTS

Self-Build boosted by new interest in home offices

As we continue to navigate through the current pandemic many aspects of life are changing as the 'new normal' is embraced. But what is the new normal? Working from home is one example and has created a whole set of opportunities for the mortgage industry.

SELF BUILD – RENEWED INTEREST

Despite home viewings grinding to a halt for a time and the traditional mortgage market slowing during the height of the pandemic, some surprising areas of the market have surged. At Harpenden Building Society we've seen an unprecedented increase in self-build mortgage enquiries particularly relating to the development of home offices.

Any glance at the news over the past few months has featured headlines about the workforce adapting and embracing a culture of home working. A recent commentary I read from Savills estate agents stated: "according to research carried out by Lloyds Bank, two in five workers say that when looking for a new home, suitable work space is a factor."

The demand for self-build mortgages to fulfil this need isn't surprising. As a nation inspired by TV shows like 'Grand Designs' it's a great option for those wishing to facilitate a particularly 'personalised' new build or enhance an existing property to create the working environment they really want.



THE BACKGROUND

Widespread working from home or 'Agile working' as it's sometimes known, rapidly became common place right from the beginning of the pandemic. IT teams were working around the clock to ensure technology allowed the wheels of commerce to keep moving and were largely successful in doing so.

Other firms were accustomed to working like this having already adopted the latest digital options on offer. Statistics from the Office of Communications (OFCOM) indicate that superfast broadband coverage reached 95% of residential homes in the UK as far back as 2019 – an essential to home working during the pandemic and beyond.

THE WORK PLACE GOING FORWARD

According to Office of National Statistics figures published in April 2020, nearly 50% of UK adults were working from home at this point during lockdown - a substantial percentage considering many jobs have to be conducted on site. So is home working here to stay? I think so, to some degree anyway. Firms up and down the country are already consulting with their staff to assess the possibility of increased home working post COVID-19.

The advantages are plain to see for both employee and employer. The benefits to staff include: no commute; less interruption from colleagues, flexibility and better use of time to name a few and of course keeping away from the virus. Scanning recent commentary, employers cite benefits like a reduction in office costs, as well as improved productivity rates from happier workers and longer retention of staff.

HOME OFFICE DEVELOPMENT

So how are we making the transition? Some already have the perfect working environment arranged with a dedicated area set up using the latest tech. Others are less prepared balancing a laptop on the kitchen counter having previously never heard of Zoom; Slack; Trello or the like!

The mass array of digital tools available for video meetings, project management and similar, make home working work, but what about the working area itself? A basic office function can be easily set up for a temporary measure but for those considering a permanent option and creating a new dedicated space, finance is often needed. As a result and as previously stated, we're finding mortgage enquiries are on the rise for this type of development.

A conversation with a local builder Matt Martin based in Harpenden, where our building society is head quartered backed our recent experiences. He told us: "Enquiries for new work over the last few months has seen increased talk about building home offices - 20% of enquiries received relate to this, it's certainly a popular option right now." For mortgage brokers this creates a significant opportunity too.

SELF-BUILD MORTGAGES

Some may go down a standard mortgage route to expand living space and home office development but others are looking at self-build solutions and need a mortgage provider experienced in this area like ourselves.

Self-build is a growing segment of the market with its potential to save costs and create a more personalised outcome. Although the pandemic delayed planning and construction briefly, we continue to be on hand to support customers with our expertise and solutions in this specialist area of financing.

Like all of our mortgage products we undertake personal underwriting taking an individual approach to assessing each mortgage application, however complex. If you are looking at a self-build option for a customer, whether it's for a home office extension or a complete new self-build housing project - reach out to Harpenden. As a specialist lender we can guide you through the opportunities that lie ahead.

Be ready for those 'home office' mortgage enquiries, they are coming!



Craig Middleton

Craig Middleton, Mortgage Sales & Distribution 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.