

Industry insights

Building your dream home.

Self-build is a popular option in a post pandemic era.

As we navigate new ways of living through these Covid times, there's lots for lenders, mortgage brokers and their customers to consider. We're in a very different world compared to just a couple of years ago, so what's changed when it comes to housing and the way we finance property?

NEW LEVELS OF MORTGAGE ENQUIRIES

As a specialist lender we've seen unprecedented interest in certain mortgage products. Self-build is one.

In conversations the Harpenden team are having with many brokers, two distinct themes regularly come up amongst more general enquiries. Customers wanting to create a dream, bespoke home is one ongoing topic following the recent lockdowns. Achieving this in the most cost effective way, is the second. A self-build mortgage is a strong option to accommodate both requirements.

CREATING A DREAM HOME IN THE PERFECT LOCATION

Lockdown life has given us plenty of time to assess how and where we live and to consider what our dream home option would look like. TV shows like 'Grand Designs', shown on an almost daily basis during the pandemic, have also provided further inspiration to all.

Since early 2020 there has been a shift in what is considered to be a desirable location to live, thousands have been moving away from densely populated areas where Covid-19 can be more easily transmitted. Earlier this year a report from PwC stated that London's population would fall by more than 300,000 in 2021, the first such decline in more than 30 years as people literally, to name another popular property show, 'Escape to the Country', as they look to create a better life in a post pandemic Britain.

Gregory Stanworth, Managing Director at Greenacre Financial Services, an independent mortgage services company, takes up the story:

"We've seen a noticeable increase in customers wanting to move out of a city environment and to enjoy all that is good about rural living. Not only has the preferred location changed but so too has the property spec.

Gone are the days when you had to report in-person to the office 5 days a week. As a result, the home office, enabled by high speed internet connections, is becoming a 'must have' for many as has larger entertaining space; a nursery; gym and even a wine cellar! Modern living is becoming far more self-contained and ideal for leading a full life in a healthier, rural setting where land for property development can often be acquired cheaper than in city centre locations."

Gregory adds: "The mortgage applications we administer for our customers not only accommodate more rural locations now but often include requests to fund a complete reconfiguration of existing properties to accommodate the latest, 21st Century living. Interiors are being redesigned and made more open plan to fulfil a modern need with outside space being utilised more effectively too. If such wide scale reconfiguration isn't possible within an existing property then it's not uncommon for dated, 'unsuitable' homes to be demolished and for a new property to be built on a prime site.

A self-build project lends itself to personalising the build as described and explains to some degree the interest in self-build financing."



SAVINGS WITH SELF-BUILD MORTGAGES

Building properties of this nature doesn't come cheap. Delivering projects like this in the most cost effective way has never been more important in these uncertain, Covid times. As reported by the National Custom & Self Build Association, those choosing a self-build option are able to save between 20-40% by building their own homes, in comparison to purchasing a comparable house on the open market. Such savings quite naturally create significant interest from those customers wishing to undertake a project as described, but can a self-build project be daunting for a novice? The answer in most cases is 'yes'!

Gregory continues: "We strive to offer every client, whether self-build or not, the highest quality service – it's an ethos that drives our company. In the context of a 'self-build' project, customers can quite naturally be fearful, it's a big undertaking and a steep learning curve throughout. As an experienced mortgage broker in this sector we're available for our customers throughout the financing process to answer any questions they may have. What is also important is to ensure we partner with a specialist lender who also has a strong track record in financing this type of project. Harpenden Building Society is one."

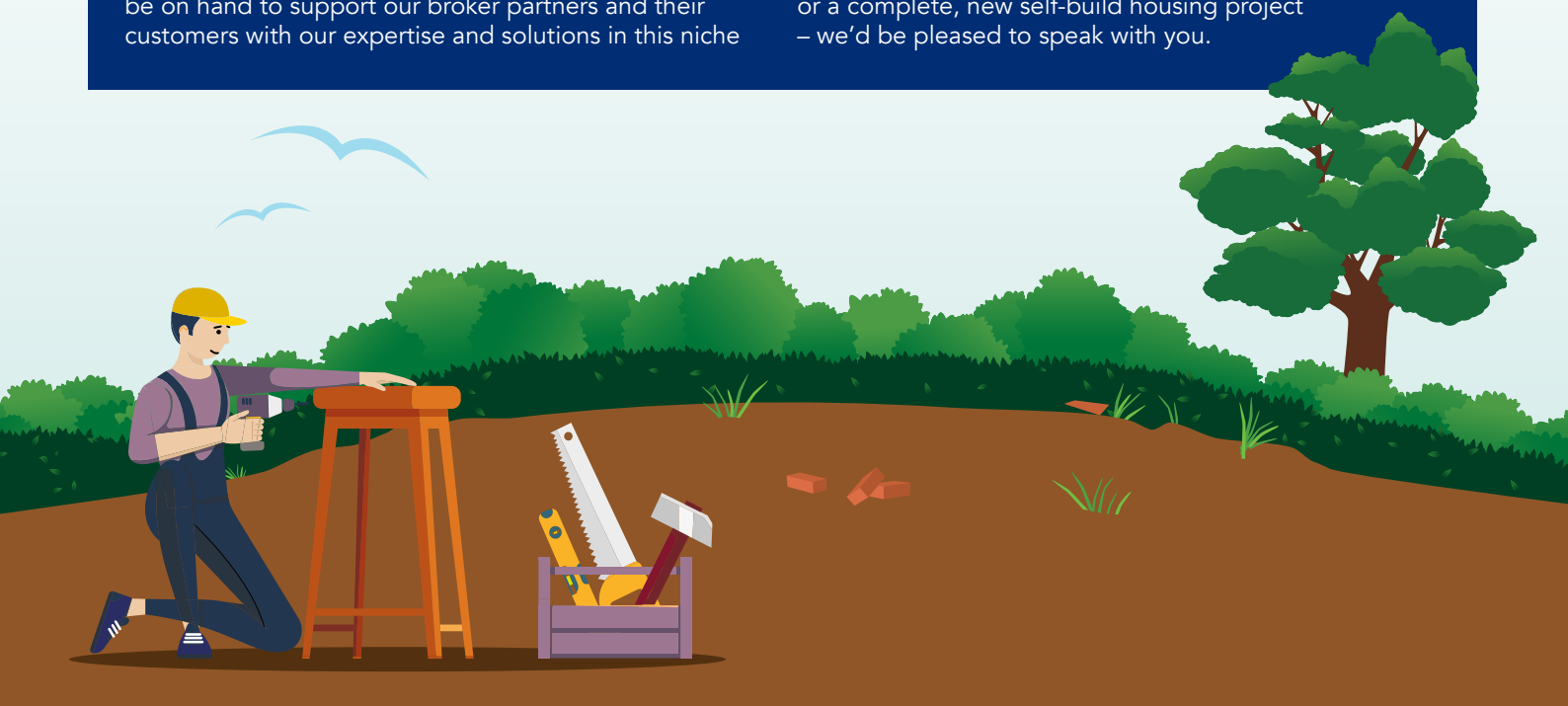
SELF-BUILD OPTIONS

Although some customers go down a standard mortgage route to expand living space, self-build solutions and the benefits they bring, are proving beneficial to a whole new customer segment wishing to create their dream property.

As a specialist lender the Harpenden team continue to be on hand to support our broker partners and their customers with our expertise and solutions in this niche

area of financing. As with 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 breathing new life into an existing property or a complete, new self-build housing project – we'd be pleased to speak with you.



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.