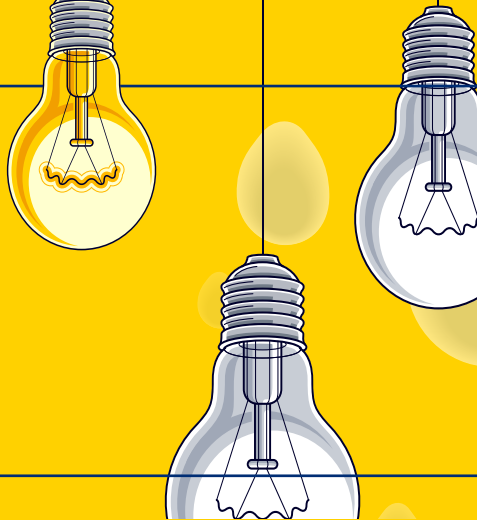


Industry insights

Living the dream

2022 – the year of the self-build



So how was your Christmas and New Year? Were you squeezed around the dinner table dreaming of a spacious, open plan dining area; thinking of the convenience of more bedrooms to accommodate guests for these big occasions; did you dream of more entertaining space for get-togethers post covid; a roaring open fire or hot tub to enjoy during these winter months? If so, I'm sure you weren't alone in visualising the perfect property, but is it possible to find that dream home with everything on your wish list?

An existing property or a conventional new build may be unable to fulfil your every wish so what other options are there? A self-build project could be the answer creating a bespoke dwelling meeting every need. It's for this reason that I predict 2022 will be the year of the self-build, creating multiple opportunities for brokers and here's why.

HOME SWEET HOME

One major outcome of the pandemic has been the increased importance we place on our homes and what they provide. Holidays, short breaks, leisure pursuits and days out have all been curtailed by Covid-19, which has been keeping us at home more and likely to affect our lifestyles for years to come. Homes have increasingly become a sanctuary, a place to work, entertain and to live life more fully. Creating a dream home has never been more important.



WHY MAKE DO

With life increasingly revolving around our properties, the importance of where they are located and what they offer makes it arguably more difficult than ever to discover a forever home. At Harpenden we're finding more and more mortgage customers are making dreams become reality by building their own bespoke property to fit their exact needs. The word 'compromise' is often used in relation to a house search but not so with a self-build property – anything is possible!

LEAVING A LEGACY

As well as creating a home with everything that's desired, a self-build dwelling can use the latest building techniques, environmental improvements and future proof the property for years to come. Environmental considerations that may have been secondary in the past are now a rising priority with many brokers we speak with and are of course becoming law. Solar panelling; improved insulation and glazing; water efficiencies; heat pumps rather than boilers; parking spaces with charging facilities; composting and re-cycling areas can be introduced in one hit rather than gradually over time, creating a meaningful legacy.

SELF-BUILD OPTIONS

The benefits of undertaking a self-build project are plain to see and there is the potential to save costs too. (According to the National Custom and Self-Build Association, self-builders can typically save 20-40% on self-build compared to investing in a new home) plus the opportunity to create a more personalised property.

To achieve the best outcome it's important for self-builders to partner with experienced professionals in what is often a complex opportunity, from working with builders and legal experts, to name a few. We're on hand to support brokers' customers as they seek to acquire support in the specialist area of financing.

Like all of our mortgage products, we undertake personal underwriting and take 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 an extension or a complete new self-build housing project – reach out to a specialist lender who can guide you through the opportunities that lie ahead.

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.

A specialist lender like Harpenden will be able to support brokers with a range of mortgage options to fulfil customer self-build projects – the signs I'm seeing indicate that 2022 will see increased financing opportunities in this area, watch this space!

A TIME TO PLAN

Christmas and new year are one of the few times of the year when normal life pauses for a moment. This and other holiday periods often give more head space and opportunity to think. It's the perfect time for would-be mortgage customers to hatch their self-build plans, dream big and start to scope out their build. As a broker, be prepared, those self-build enquiries are coming!

Potential self-builders up and down the land are wanting to transform their living space or create a new dream property to their exact specifications. 2021 was a busy year for mortgage brokers facilitating self-build options for their customers, I predict the next 12 months will be even busier.



We individually assess and approach applications.



We offer a manual underwriting process.



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.