

# Development finance hotter than bridging market

News

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Almost half of the brokers operating in the specialist lending space think development finance is now hotter than the bridging loan market, according to a poll undertaken by TAB.

The short-term property finance lender polled the views of brokers in the industry at an event to mark the opening of their new HQ in Hertfordshire.

While two in every five brokers (38 per cent) told TAB they thought the bridging loan market was still hotter, nearly half (46 per cent) told the lender that the development finance market was hotter. One in seven (15 per cent) of the bridging introducer polled weren't sure.

**Duncan Kreeger, founder and CEO of TAB, said:** *"The bridging market has been buoyant since 2005 but it took off in the wake of the credit crunch in 2007/8. Since then it's been white-hot. We're now just beginning to see the development finance space take over. We are seeing more and more interest from brokers looking for fast, short to medium term access to capital on behalf of clients who need to finance the construction, conversion and refurbishments of property projects."*

A record number of planning applications for extensions and home improvements were approved last year. According to the latest official planning statistics, in the 12 months to the end of last September, 247,500 consents were granted in England, 36 per cent higher than the number signed off in the year before - and a fifth above the pre-pandemic norm.

The data confirmed the post-lockdown boom that builders' merchants and tradespeople have been reporting for 18 months.

TAB says their lending data supports what brokers are saying. In 2021, bridging loans represented 80 per cent of the value of the lending enquiries. In 2022, this has dropped to 64 per cent. Similarly, development finance accounted for 13 per cent of the enquiries in 2021 - compared to 31 per cent since the start of 2022.

TAB's [property development finance](#) is a funding solution for up to 24 months for projects based in London and the home counties. The loans are designed to unlock capital to assist with ground-up developments, conversions, heavy and light refurbishments and finish and exit property projects.

The specialist lender offers loans up to 65 per cent of the gross development value of a project, including the cost of borrowing - the maximum loan to cost can be up to 100 per cent for the

appropriate project. The maximum loan size is £10,000,000.

**Eli Korman, TAB's head of development finance said,** *"Our experience means we can be flexible with our development finance valuations and consider projects that more traditional lenders would not. We pride ourselves on trust and transparency."*

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- [Mortgage Strategy](#)
- [Mortgage Solutions](#)
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