

Greenfield Bridging Reports Record Year of Bridging Loans

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2024 has shaped up to be an exceptional year for the bridging loan market, and Greenfield Bridging echoes this with a record year in bridging finance. As the market demand increases, so does the need for more bridging experts, leading to the appointment of new team members at Greenfield Bridging's head office in Birmingham. It's great to see that a growing number of brokers are submitting bridging loan applications, viewing short-term finance as a vital tool in their arsenal as advisers.

Part of Greenfield Bridging's success is the launch of bridging loan rates from 0.69% per month, which has seen an influx of applications to support brokers' clients. In general, competitive rates across the market are now closing the gap between traditional mortgage rates and the cost of short-term borrowing – making bridging a more viable option.

Broader Bridging Needs

At Greenfield Bridging, the main reason for short-term loans is still chain breaks; however, downsizing is also a close second. Moving house or even purchasing property can be extremely protracted, costly, and stressful – making the costs of a bridging loan to save a sale in a chain break situation relative. Likewise, downsizing isn't always a retirement choice; it can be due to economic conditions squeezing people's purses and higher mortgage rates following previously record-low rates. As larger properties can sometimes take longer to sell, and cash is king in negotiation, short-term finance, as long as an exit strategy is in place, is sometimes a solution for securing a cheaper property.

The third, fourth, and fifth places are auction purchases, property refurbishment, and cash for business purposes. Bridging finance is a fast way to secure property, so it naturally lends itself to a situation where an investor needs to move quickly in the auction process. When it comes to refurbishment, it's often a situation where the developer has a clear strategy to sell the property and requires funding to get a project over the line and ready for sale. And finally, there is also a growing request for cash for business purposes, where funds are needed quickly to secure an opportunity.

What Does 2025 Hold for Bridging Finance?

Although it's challenging to predict the future, it's a sure bet that the specialist market will continue to grow in 2025, particularly the bridging sector. Some market commentators have put

a percentage of 25% on this growth, and Greenfield Bridging has seen a sharp increase in engagement from brokers enquiring about bridging.

The reputation of bridging loans has grown exponentially in recent years due to regulation and training, and the gap between traditional mortgage rates and bridging finance rates has closed. As bridging continues on this path and brokers become more comfortable discussing it as an option with clients, it will snowball.

Behind Underwriting a Bridging Loan

Ultimately, brokers are well-placed in the first stage to understand their client's needs and circumstances, as it's similar to a mortgage application. The most significant difference is that there needs to be a viable exit strategy within 12 months, and loan-to-value percentages play a larger part in short-term funding applications when assessing risk (especially if the client's credit history isn't squeaky clean).

One of the biggest advantages of bridging is that some lenders have business development managers who are also trained underwriters, like Andrew Franklyn at Greenfield Bridging. This allows pre-application questions to be answered and a decision made quickly. It makes the process much smoother for brokers and delivers better client service.

Brokers often have a close relationship with regular clients who depend on them to support investment opportunities or in a crisis where a sale might fall through—it's at this time that bridging loans are now an important tool in their arsenal.

In summary, bridging is going from strength to strength and is a vital tool in a broker's belt to support clients who often need money fast to save or purchase a property. If a broker hasn't explored bridging yet, they can get advice and support from a bridging lender like Greenfield Bridging, which only lends when it's right and makes a decision in one hour.