Bridging Finance for Investment Overtaking Chain Breaks

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A forecasted 25% increase in bridging finance over the next five years, in what is now over a £10bn industry in the UK, is undoubtedly music to the ears of brokers and lenders, and that's not all.

Whether you look at the latest Mintel report or BDLA statistics, they tell a story of change and positivity overall, which we all need as we start 2025. Two elements are of particular interest: loan applications (+6.7% in Q3) and a change in the main reason for a loan (24% investment).

Investment and Confidence

An increase in loan applications shows a general awareness of bridging finance as people begin to explore wider solutions to needing fast finance for varying reasons. It's good to see the efforts of all brokers and lenders being rewarded and clients getting the finance they need.

However, a jump to 24% of bridging being accessed for investment – pushing chain breaks down to 17% – is remarkable. Historically, bridging has been the go-to for deals falling out of bed, which will continue to be vital. However, loans for investment signal general confidence in bridging, the economic outlook, and how well brokers are serving clients.

Supporting Investors in 2025

A quarter of bridging loans now are for investment, demonstrating the value of the speed at which they can be delivered and the competitive rates now available to clients. The market's standard of service, regulation, and reputation have also increased vastly over the last decade. Investors are savvy and increasingly aware that bridging loans can be viable in certain circumstances or even essential to capitalise on opportunities. As mortgage rates settle at a higher level, clients also realise that bridging is more affordable and relative in terms of profit.

Investment encompasses many different circumstances, from purchase to renovation projects. As networks and brokers capitalise on the opportunity with investors, it's essential to understand that lenders have different criteria for development and improvement. There are also varying risk levels, service levels, and flexibility.

As bridging continues to grow, brokers and networks have an opportunity to flex their muscles with partnerships with bridging lenders that can balance speed with rates and service.

Greenfield Bridging provides a decision within one hour with access to BDMs who are trained underwriters – making them an ideal partner to support brokers with investment clients who need finance fast.

Sources:

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