

Bridging Finance on the Rise: How Brokers Can Leverage Short-Term Lending Solutions

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At Greenfield Bridging, Business Development Managers are mandated to make quick decisions (as qualified underwriters) and have a unique perspective on the growing importance of bridging finance. This combination of client engagement and lending decision-making offers valuable insights into why bridging finance is seeing such rapid expansion. According to the latest figures, bridging loan completions surged to a record **£1.74 billion¹ in Q2 this year**, reflecting a **15.4% increase** over the previous quarter. These numbers demonstrate how vital short-term lending has become.

This article will explore the drivers behind this growth, when bridging finance is suitable, and how brokers can use it to meet clients' evolving needs.

1. What's Driving the Surge in Bridging Finance?

One of the main factors behind the surge in bridging finance is the shifting market dynamics. Although they are gradually decreasing, interest rates are still elevated compared to pre-pandemic levels, shortening the gap between bridging rates and traditional mortgage rates; the property market has also slowed (with a lengthening property completion time of 154 days²). Bridging loans have become a valuable tool to fill this gap, offering clients quick and flexible access to funds for urgent transactions.

Bridging finance allows clients to bypass delays in the mortgage process, helping them secure opportunities without the risk of deals falling through due to timing

issues. In a market where speed is often the key to success, the faster completion times of bridging loans have made them an indispensable option.

2. Bridging Finance Beyond Property Transactions

While bridging finance is most commonly associated with property transactions, it has broader applications that brokers should know. The **BDLA** recently reported **£335.5 million¹** in non-bridging development loans, showing that short-term finance is utilised in diverse situations.

At Greenfield Bridging, bridging loans are seen as a flexible solution for many scenarios, including:

- **Seizing Investment Opportunities:** Clients can take advantage of quick purchases, such as property auctions or renovations, where time is critical.
- **Business Cash Flow Solutions:** Bridging finance can help businesses cover short-term expenses, whether purchasing stock, securing new premises, or addressing cash flow gaps.

Bridging loans' versatility makes them useful tools for brokers in a variety of client situations beyond property investment.

3. Bridging for Complex Client Scenarios

Bridging can also be very valuable in complex client scenarios. Recently, we helped a limited company that had converted a large commercial property into flats and sold most of the units. However, the company needed immediate funding to finish another development project that was running low on cash. Additionally, an existing loan was nearing the end of its term and needed to be refinanced.

We provided a loan against five newly created flats at **75% loan-to-value (LTV)**, enabling the company to proceed. The plan involved selling two flats and refinancing the remaining three as long-term investments. Ultimately, bridging

finance can offer crucial flexibility for clients who need fast solutions that traditional lenders cannot always provide.

4. Key Considerations for Brokers When Using Bridging Finance

When recommending bridging finance, brokers can take the usual approach to carefully evaluate the client's risk profile and specific circumstances. Different lenders have varying risk appetites and associated rates. Some may focus on low-risk deals with competitive rates (like Greenfield Bridging), while others may be open to higher-risk clients but at a premium.

We have some clear parameters, such as avoiding loans against land (whether it has planning permission or not). However, in cases involving mortgage arrears, we assess each situation individually. For instance, a client with substantial arrears and a large loan request might be considered high risk, while a client with smaller arrears and a lower loan-to-value ratio may still be a viable option.

By understanding the client's specific financial situation upfront and stating this on the original call to a bridging finance provider, brokers can help ensure the client is matched with the most appropriate lender for their needs.

5. Streamlining the Bridging Loan Process

Being upfront is also about terms and speed. Brokers should provide detailed information about the client's needs and projects upfront to ensure a smooth process. At Greenfield Bridging, the more information provided from the outset, the quicker and more accurate terms can be tailored to the client's requirements.

For example, if the loan is for property improvements, having accurate quotes for the work - whether a small kitchen refit or a more substantial extension - enables us to assess the project appropriately. Preparation helps reduce delays and ensures the client receives a suitable offer promptly.



Partnering with our mandated BDMs gives you direct access to fast, committed terms for bridging loan cases - ensuring your clients receive swift and reliable funding at competitive rates. With streamlined processes and quick turnaround times, we can help secure favourable terms that meet tight deadlines for property purchases, refinancing, or urgent capital requirements. Let's work together to deliver a seamless experience that prioritises speed, transparency, and client satisfaction in every case. Call **0121 233 1188** for more information.

Sources:

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