

BRIDGING & COMMERCIAL
MAGAZINE

2023 Media Pack

WHY THE GREEN FINANCE MARKET NEEDS TO BE COMMERCIALISED



+ Aspen launches semi-commercial bridge-to-let while unveiling new rate card p24

For more than a decade. Bridging & Commercial has been the go-to resource for specialist finance news, features and updates. Our flagship website has thrived throughout various economic and political changes and remains the reliable home of the exclusive and breaking news for the discerning intermediary.

In January 2019, we published our very first issue of Bridging & Commercial Magazine in all its printed glory.

We promised to challenge the boundaries of what a trade publication can be, to elevate conversation from anecdotal to thoroughly researched and interrogated, to showcase individuals and companies in ways never seen before; and to give you a reason to once again pore over a magazine- from cover to cover.

In our fifth year, we feel that we've delivered on these promises and more. Our unwavering attention to detail, both aesthetic and journalistic, got us shortlisted in the 2020 Property Press Awards and earned us an early loyal following - one which grew 11% in 2022 and is expected to increase steadily in 2023 and beyond through new partnerships.

The sector has trusted us with its most delicate and controversial subject matters, safe in the knowledge that we give these important topics the respect and treatment they deserve. Not ones to shy away from digging deep, we've brought many a theme into the light with the help and support of industry experts and you, the reader.

We want this magazine to continue to reflect our nuanced, interesting market and its people, providing a true reflection of everything there is to celebrate, work towards and stand together for.

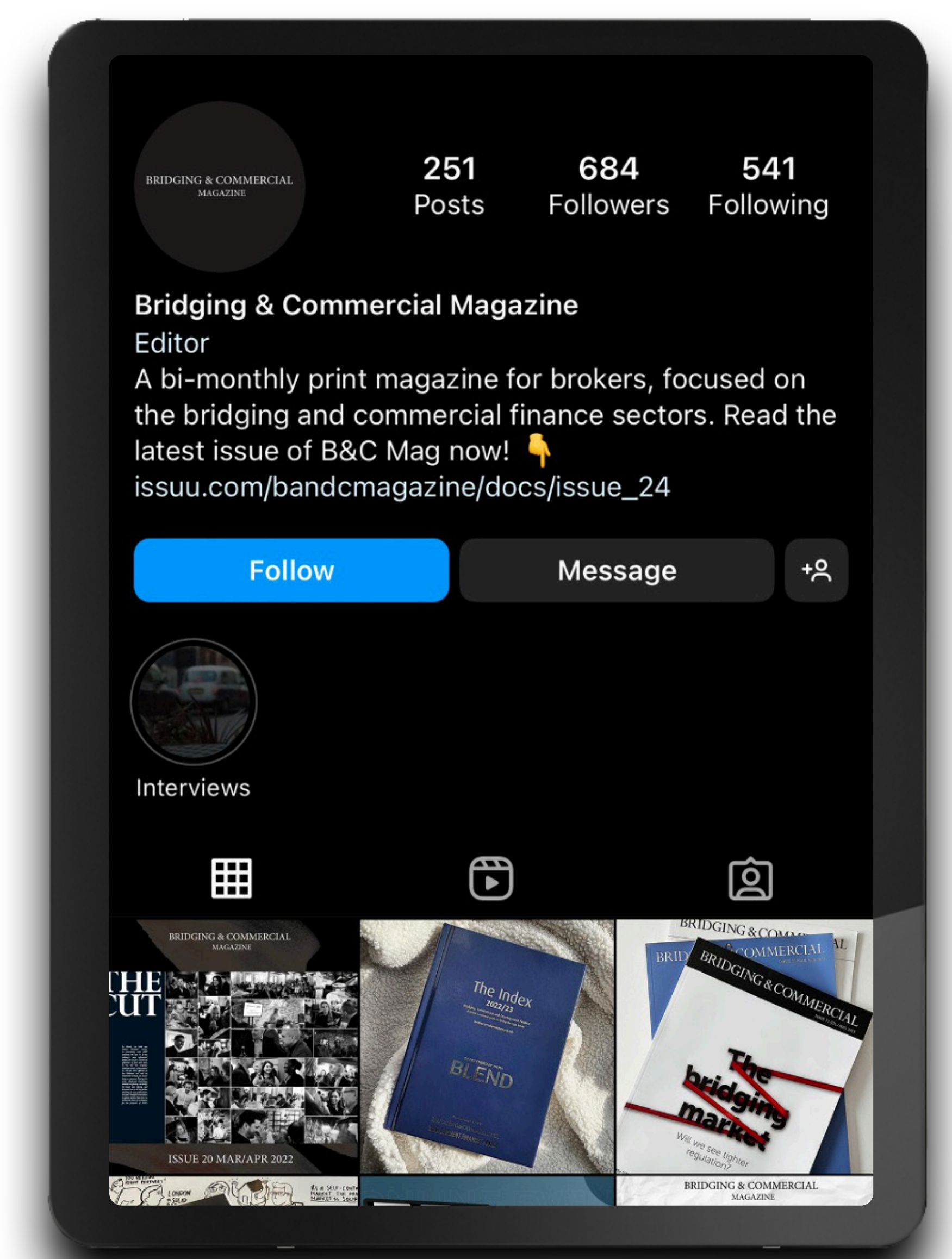
The Bridging & Commercial Universe



PRINT



DIGITAL

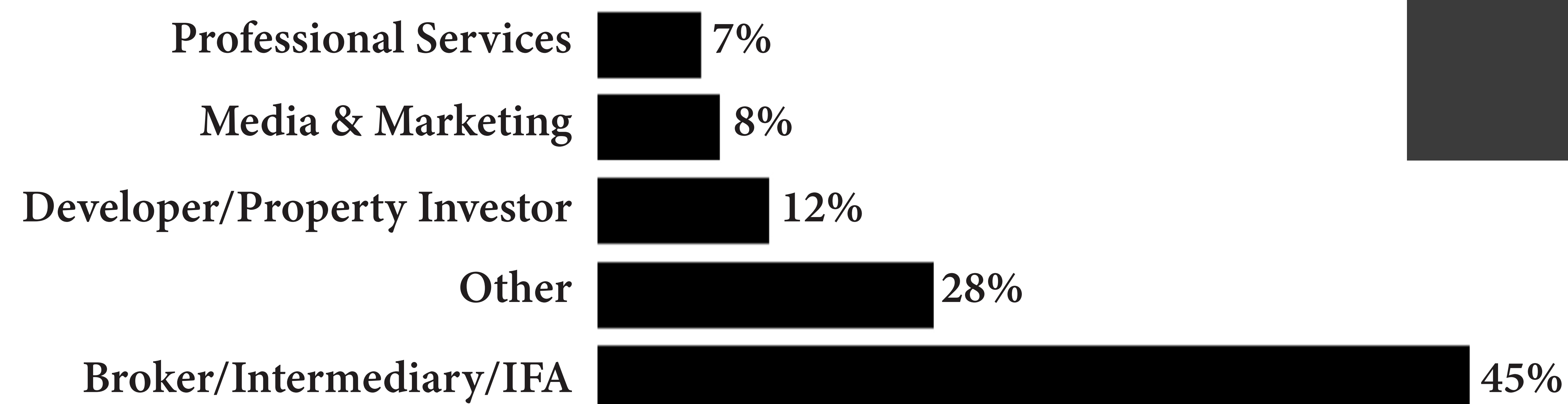


SOCIAL

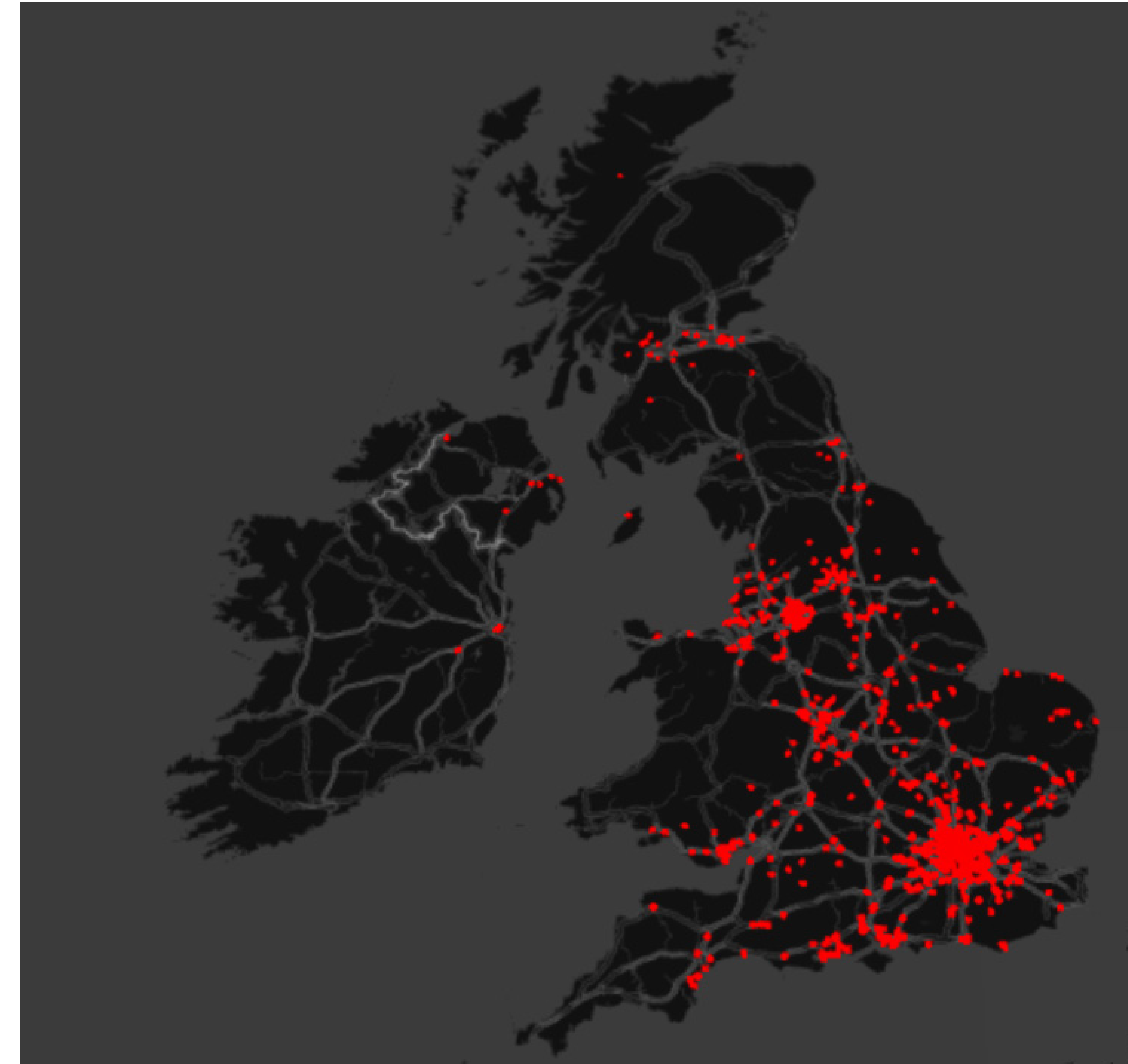
Reach

- Published six times per year
- Circulation is 2,200 per issue on average
- The digital version of the magazine gets approximately 3,000 reads in its month of release
- We promote the digital magazine via email marketing to a database of over 7,000
- The magazine is shared via our B&C social media channels (Twitter, LinkedIn and Instagram), encompassing 8,693 followers
- A proportion of the magazines are distributed at industry events and exhibitions (when possible)

What fields are our readers in?



Where are our readers based?



Editorial Guidelines

We are committed to providing our loyal readership with objective and original news stories that offer not only a deep insight into the markets we report on, but something educational that intermediaries can learn from and which helps build their knowledge. Our audience should understand that our decisions are not influenced by outside interests and trust us to be fair, responsible and impartial. We are dedicated to achieving the highest standards of accuracy when looking to establish the truths of stories. Our editorial values apply to all our content, whether created by us or industry contributors.

Each issue of the Bridging & Commercial Magazine will be written and edited exclusively by our dedicated in-house editorial team and talented freelancers, to ensure it adheres to our house style and values. As a rule, we do not accept contributed content, unless it is for our separate sponsored supplements and marked advertorials. Instead, we personally seek out relevant and knowledgeable professionals to give an expert perspective on specific areas of the market to help us with our article research. As a result, we have full editorial control of the Bridging & Commercial Magazine. We endeavour to provide original and informative stories and features, all backed by either our own research, industry sentiment or official sources. We will avoid publishing quotes in our interviews as facts, which are based on rumour or information from other news outlets that cannot be substantiated.

Forward Features

We often get asked if we have a forward features list; however, we have decided to take the same stance as we do on bridgingandcommercial.co.uk by coming up with our timely feature ideas on an issue-by-issue basis. Our position on this is that we are known for capturing the exact mood of the bridging and commercial finance sectors, which can ultimately change at any moment owing to — among other possible circumstances — unforeseen political, economic, regulatory and business-related changes. Our editorial team canvasses the market ahead of every magazine edition to find out what the most pertinent issues are for us to be reporting on. However, we have outlined the overarching theme for each issue in 2022, and welcome ideas throughout the year from all relevant companies and individuals within them which are a perfect fit for these topics.

Production Schedule

Issue	Theme	Booking deadline	Copy deadline	Release date
Jan/Feb 2023	Power List 2023	6th Jan	13th Jan	17th Feb
Mar/Apr 2023	Trends & Data	10th Mar	17th Mar	20th Apr
May/June 2023	Innovation & Technology	12th May	19th May	22nd Jun
July/Aug 2023	Planning & Refurbishment	10th Jul	17th Jul	17th Aug
Sept/Oct 2023	ESG	8th Sept	15th Sept	19th Oct
Nov/Dec 2023	Interview Special	3rd Nov	10th Nov	14th Dec



Breaking the Latest News & Exclusive Features



News

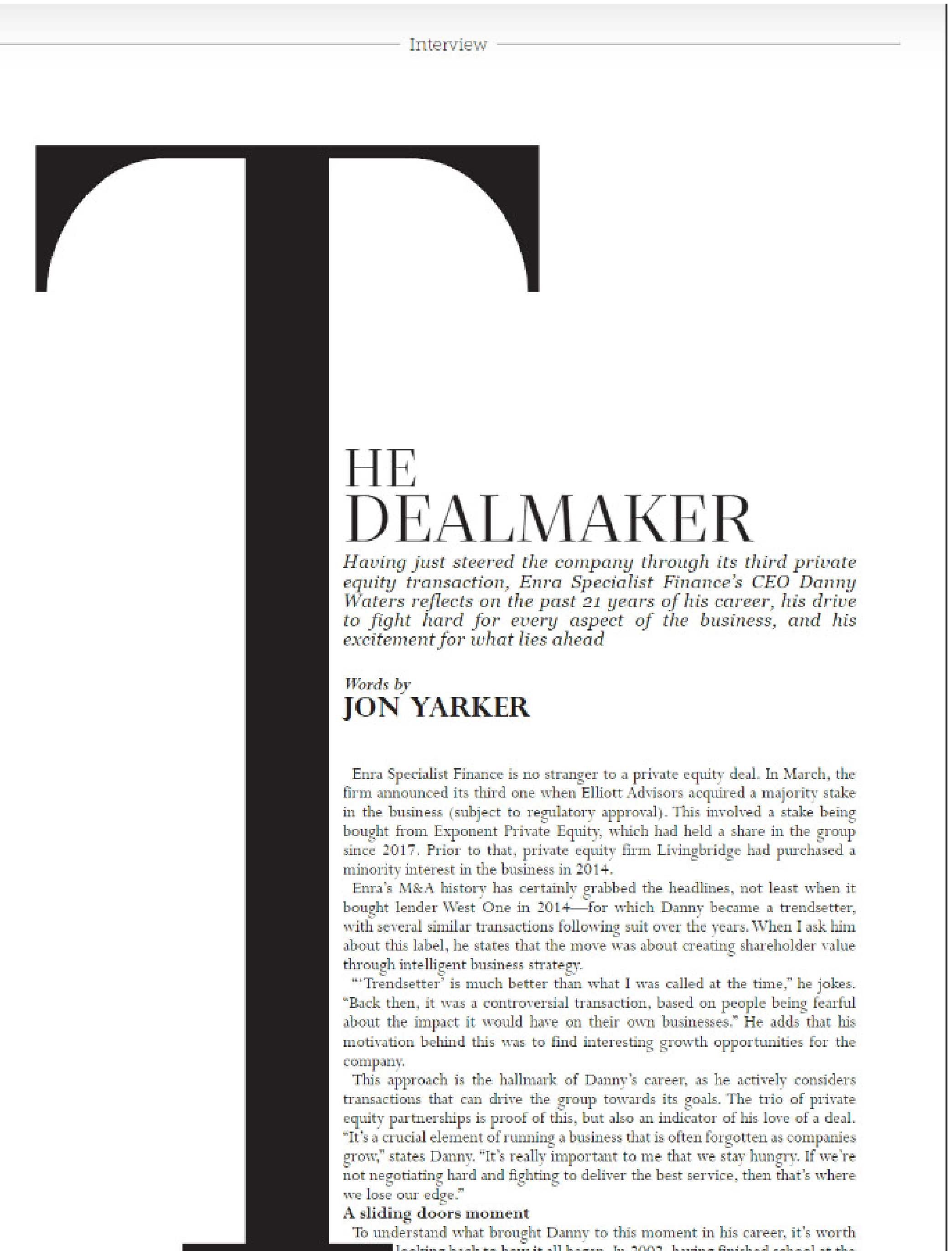
A NEW BANK ENTERS THE BRIDGING MARKET

Words by BETH FISHER

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Danny Waters



May/June 2022

What They Say

“Bridging & Commercial is a must-read publication for those involved in specialist finance markets—from lenders to brokers, surveyors to lawyers. The quality of the publication is undoubted, and the editorial team tackle an incredibly wide range of the most topical challenges and opportunities facing the industry. A particular highlight has been the contribution made to the debate on ESG and how we can best attract new talent into the industry. Quite simply, the Bridging & Commercial team have their finger firmly on the pulse, yet are always prepared to challenge the status quo.”

Nick Baker, chief commercial officer at Allica Bank

“It occurs to me that since its launch in 2019, Bridging & Commercial has become the specialist finance industry’s must-read journal. At a time when social media and news bulletins offer instant headlines and often self-gratifying claims and statements, I know I am one of many in the bridging sector who likes to take time out to read the magazine—simply because its content always contains more depth and substance. The contents in each edition have built a consistent look over the past four years, which has trained us readers to know what to expect but, at the same time, the editorial team seems to do a great job at keeping the topics relevant to the moment and focus on some of the thorny, sometimes uncomfortable issues which rarely get airtime in the more superficial media channels. The subject matter is clearly well researched and understood, which comes through in the features and interviews where we can all enjoy getting into the detail and reading the real nub of the matter. Personally, I enjoy the Zeitgeist. It’s where I read with interest because it often discusses topics which, as an old timer myself, I have seen come and go in my 40-odd-year career—maybe in a different shape or with different dynamics, but very often similar issues, just different times and new people discussing it. Just for good measure and excellent marketing, the magazine also has a stylish and modern look about it with its design and photography showcasing many of the industry characters in a way which gives Hello and Cosmopolitan a run for their money. Our industry is full of characters, so a glamour shot here and there is always easy on the eye and a bit of fun.”

Colin Sanders, CEO at Tuscan Capital Limited

“I have always found the magazine to be insightful and interesting, with pertinent and timely commentary on the ever-changing property market. The magazine is a most useful informant of criteria changes from the lending market, with specifics often quoted in articles. The magazine’s profile in the property lending market ensures up-to-date narrative regarding the dynamic shifting sands of lending criteria.”

Martin Simons, managing director at the Pilcher Group

“I have always been a huge fan of Bridging & Commercial and felt what it offered was exactly what I needed and couldn’t think how it could improve the offering—until there was the creation of the magazine which has an eternal shelf life and a real value that isn’t just a live newsfeed. It is very well thought out and has well-constructed content. The journalistic focus is second to none, and I cannot think of a more valued publication that’s on offer within the mortgage sector. The vision, perception and understanding of what a mortgage intermediary would require that would give them an informed and educated view has been excellently delivered, and the magazine only goes from strength to strength. Everyone within the B&C team should be personally very proud of the individual and overall team contribution for delivering the highest standard of journalistic reporting and educational content.”

Roger Morris, director of mortgage sales and distribution at Tandem Bank

“The magazine and its associated platforms make bridging news extremely accessible, which is one of its main attractions. Likewise, it publishes a range of updates—from comments on property market trends to fresh faces in the business. Bridging & Commercial keeps content both relevant and varied which is always a bonus and, more importantly, looks a lot at the more pressing issues within the sector, notably female leaders within the market. Our team enjoys reading about the new faces joining the sector, and the focus on the growing representation within the market is always great to read. All in all, the varied and frequent updates from Bridging & Commercial continue to contribute to our insight into the current issues that the market contends with, as well as providing us with exciting and progressive updates on the sector.”

Adam Hattersley, director at Fieldfisher

“I like to read Bridging & Commercial for the quality of its editorial. The writing is unbiased and incorporates comments from a range of lenders, brokers and other industry professionals to report on a story—not sell a product. I do particularly like their Power Lists and the focus on people that the magazine takes.”

Leah Brunski, senior marketing manager at MFS

“Since working closely with the team at Bridging & Commercial, we have found their knowledge, expertise and enthusiasm for the specialist finance market unrivalled—and this shows in their excellent magazine and online content. They always strive to break the latest industry news and explore the key topics and challenges the industry faces on a day-to-day basis, opening up interesting and creative dialogue with their industry peers and loyal readership.”

Nick Wilcox, founding director at Valorem Partners

"LENDERS ARE ONLY SEEING WHAT WE ARE PRESENTING TO THEM ... SO, WE CAN'T BLAME THEM FOR NOT COMING OUT WITH THESE PRODUCTS IF WE'RE NOT DOING OUR JOB"



Words by
TOM HIGGINS

More than five million homes and businesses are at risk of flooding and coastal erosion in England alone, according to the Environment Agency, making it the most serious and costly natural hazard faced by the UK.

A record £5.2bn is set to be spent on flood defences before 2027, yet the number of homes in danger of flooding is set to rise, with the Environment Agency anticipating an increase of up to 50% in the number of houses built on flood plains over the next 50 years.

This problematic scene is being played out against the backdrop of climate change, which raises specific concerns for insurers and other parties within the lending market. More extreme rainfall is anticipated in the UK and overseas, forcing the insurance industry to balance the needs of a growing population with the consequences of climate change.

THREE-PRONGED PROBLEM

“Climate change is undoubtedly creating increased flood risk for the UK property market,” says Sam Howard, co-chief executive and co-founder of Magnet Capital, pointing to instances of flash floods “devastating parts of the country in the last year”.

The problem, he notes, is rooted in three

A County Councils Network survey found two-thirds of councils feel that the pressure on their local infrastructure, including roads, health centres, schools and public services, is excessive because of new housing developments. This can only increase, with an additional 3.9 million people expected to be living in the UK by mid-2045.

To meet the demand in England alone, 340,000 new homes must be built every year until 2031, according to the National Housing Federation, including 145,000 affordable homes.

The Lords Built Environment Committee’s inquiry into meeting housing demand found that targets would not be met unless local barriers, including skills shortages, resources for local planning authorities and support for social housing providers, were addressed.

While many UK councils, such as those on the flood-prone east coast, do not have

More homes are going to be built in areas prone to flooding, but is the insurance industry ready and able to cope?

The rising tide of

competing tensions: the need to build residential property, local authorities under pressure to hit targets for new homes, and the government not investing enough in building flood defences.

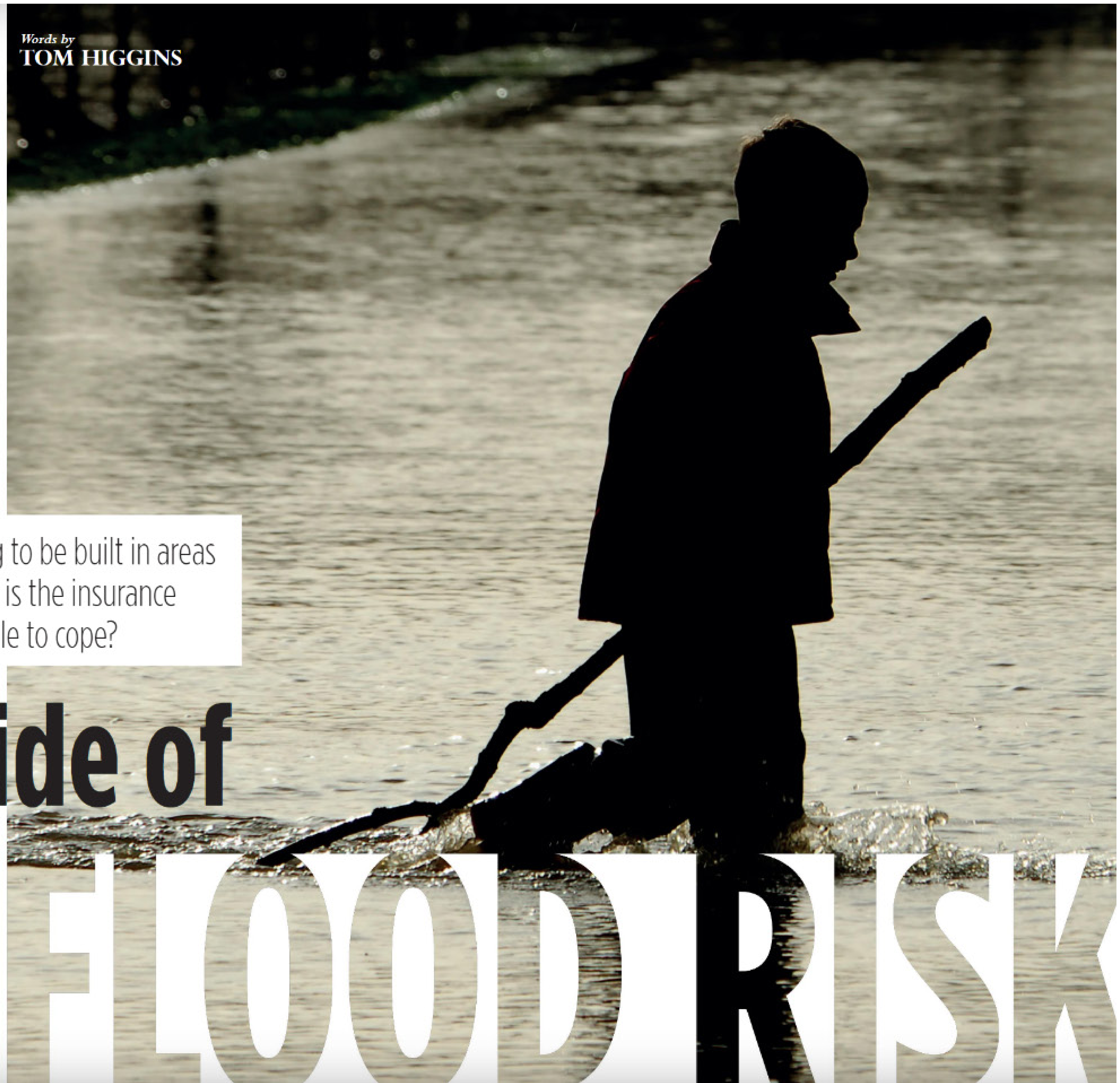
The result of these combined factors is simple: “We will see more new homes being built in zones with a high risk of flooding.”

The need for new homes comes with seemingly endless headwinds.

much choice when it comes to building on floodplains, others do. Yet local authorities are still turning to land that is at risk.

Two factors in particular drive this: cost and policy. Land on floodplains is generally cheaper to acquire and, owing to its flat nature, requires less groundwork to make it suitable for development.

For local authorities, increasingly scarce resources are forcing them to make savings wherever possible.



FLOOD RISK

WHEN IT COMES TO PROPERTY FUNDING, THERE IS ONE METHOD THAT USUALLY GETS OVERLOOKED—INVESTING THROUGH AN SSAS PENSION SCHEME. IN A BID TO CHANGE THIS, FINANZE HAS LAUNCHED AN EXCLUSIVE PRODUCT USING THIS VEHICLE, IN PARTNERSHIP WITH ELYSIUM BRIDGING

When sourcing project finance, developers and housebuilders generally opt for a traditional senior debt and/or mezzanine loan. However, there is one method that tends to fall off the radar—investing through a small self-administered scheme (SSAS). For those who may not know, this is a type of employment pension structure that a limited company can establish for up to 11 members over the age of 18, in order to gain more control over how their pensions are invested. They generally comprise directors and other senior executive staff, but can also include family. Each SSAS is authorised with HMRC, granting it the same favourable tax treatment as any other registered UK pension scheme.

In addition to using the funds to further invest in the members' company—for instance, by purchasing its trading premises and leasing them back to the firm—the scheme can borrow money up to 50% of its net asset value, calculated as the cash within the SSAS; all investments (including the value of any properties owned and third-party loans) minus the value of any loanbacks to the sponsoring employer and existing scheme borrowing, divided by two, to provide additional liquidity for investment purposes.

While an SSAS can be a valuable investment tool, it does have its Achilles'



How the next **BIG IDEA** in development finance started on a train...

Words by
ANDREEA DULGHERU

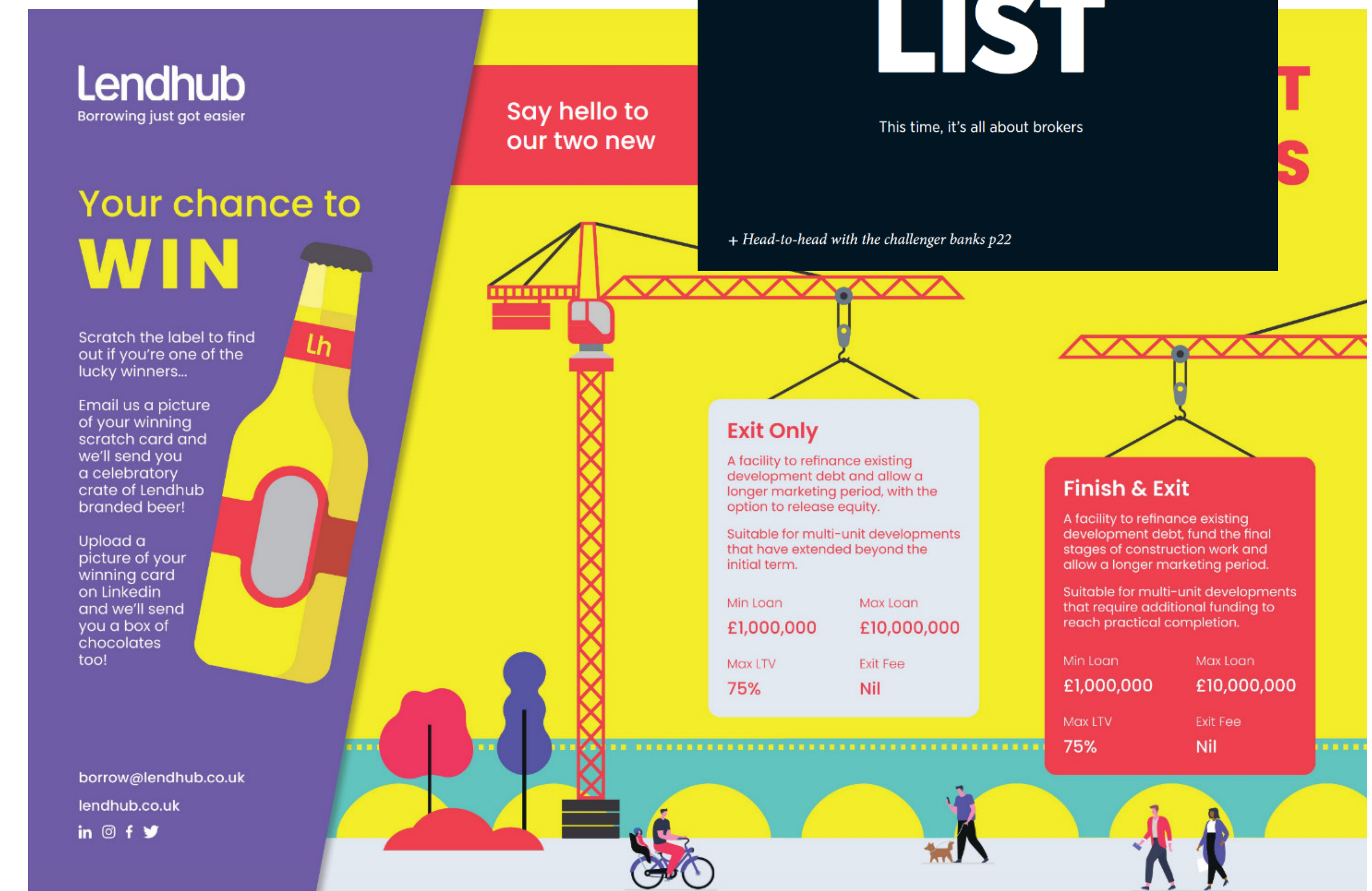
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All prices exclude VAT



Supplements & Special Publications

Each issue of the magazine will be accompanied by an educational supplement or similar, delivered in partnership with some of the industry's most prevalent thought leaders. These shorter publications will aim to lift the lid on topics previously explored or introduced on the B&C website, or via our sister publication, *Development Finance Today*.

We have paved the way in these niche areas and it seems only right that we expand our print offering to cover the burning issues that exist in this part of the market, too.

We are open to collaborating on different ideas that are of industry-wide importance. Ideally, these takeaway booklets will provide the perfect amount of intense insight into a particular product, both informing and improving readers' confidence in these areas.

The broker's guide to better bridging

HOW TO SUBMIT THE PERFECT BRIDGING CASE

Avoid these five potential pitfalls:

1. mistakes on the application forms—double check names, addresses and all figures
2. failure to provide all the documentation—if we ask for it, we can't progress without it
3. neglecting to inform us of an issue or problem—tell us upfront and we'll try to deal with it
4. costings not being realistic—these need to be detailed and have a contingency on top
5. no schedule of works—we need accurate timelines to see the project can be completed and loan redeemed on time

Here's how:

- » **give us the big picture—and the detail**
One of the biggest problems we come across is a lack of clarity on the project. Lenders want a clear transfer of knowledge about the project from the broker to us. Make sure we understand all aspects of the deal. There's a reason you are using a specialist lender; be upfront about what it is.
- » **gather the documentation early**
We don't ask for a lot of documents, but the quicker you can send them to us the better. Ask your customer for them at, or even before, the first meeting, to give them time to gather what's needed.
- » **Get it right first time**
The biggest cause of delay we encounter is due to incorrectly packaged cases. But don't worry, it's not complicated.
At Roma, we'll hold your hand through the whole process with a dedicated point of contact.
We've also made our processing quicker than ever before, with our RomaFLOW process for standard bridging cases.
It isn't just about being faster, but about offering certainty of funding, too.
Cases are fully mandated and ready to fund on instruction of the solicitor. This is guaranteed, providing no major problems are revealed during the legal process.
We wanted to give you, the borrower and other stakeholders in the project certainty over the mortgage decision early in the process. It gives you peace of mind and enables the investor to start planning their project with confidence.
- » **get the costings right**
Inadequate appraisals are likely to cause delays, especially in the current environment with rocketing prices. The lender needs to see realistic and comprehensive figures for the project. At Roma, we are also looking for at least a 10% contingency built in to cover unexpected issues and further price hikes.
- » **be candid about any problems**
We know brokers might be worried about mentioning something that they think could

Get your customer's application through first time with these top submission tips, says Roma's Lorraine Hart, head of credit, and Lisa Toner, completions and processing manager

Rates are important, but securing funding makes all the difference in moving property finance. Having the finance in place or break a deal.

by brokers are so because you find the following solutions that owners may not be able to access.

pending a little extra time perfectly package their can boost the chances of lication going straight

2022 **SME Market Outlook**

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SPECIALIST LENDING 2.0

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Our editorial team will work to your brief to put the advertorial article together to ensure it offers maximum editorial impact in line with your brand.

Encouraging energy efficiency: the new refurb BTL

Precise Mortgages introduced a new range of refurbishment BTL mortgages this summer, including two options charged at preferential interest rates to reward clients carrying out energy-efficient upgrades. Colin Barrett, group mortgage proposition director, walks us through the products and explains why the lender has chosen to go down this route



How does your new refurbishment BTL proposition work?
The offering is very simple, providing lenders a range of financing options for landlords looking to refurbish property, along with lower interest rates as an incentive for improving their energy efficiency. These loans offer the flexibility of bridging finance with the option to roll into a long-term mortgage.

example fund the installation of a new kitchen or bathroom, but we have also introduced an energy-efficient refurbishment option, charged at a lower interest rate, for an upgrade that includes an element of energy efficiency—such as putting in additional insulation. Finally, there is the EPC C+ refurbishment option, which is designed to fund the

important for us to establish that an appetite for such deals existed. About 12 months ago, we started running a series of landlord surveys, which indicated that there was indeed demand out there for mortgages that reward investors when they

How has take-up of these products been so far?
We have been delighted with the response to the launch of the new range—numbers have been significantly higher than forecast overall. But, to date, there has been more interest in the standard product and less in the energy efficiency and EPC C+ loans than we had anticipated. There has been roughly a 50/50 split between the standard and the other two combined, when we were expecting more landlords to opt for the energy efficiency loan—not least because it is relatively easy to qualify for but also because it's cheaper. This tells us we have further to go on the education piece while acknowledging that energy efficiency options won't necessarily suit every one of a broker's landlord customers.

Why did you include the standard option? Why not simply give borrowers the choice between two products to encourage energy efficiency?
It was and remains very important to us not to exclude groups of landlords and/or properties from our lending. The last thing we want to do is become complicit in creating a class of sub-prime properties out there. One outside risk of the current EPC framework under consideration is that more landlords may turn away from older properties and buy just new builds, forcing first-time buyers into older, less energy-efficient properties. As standards tighten, those first-time buyers could potentially become trapped in these properties a few years down the line if lenders can't or won't lend on them. That is just one imagined scenario, but something as an industry we need to be mindful and realistic about. So, as lenders, we need to encourage and facilitate borrowing that supports energy-efficient improvements but not impose these products on all borrowers.

What are the benefits a lender such as Precise Mortgages can bring to brokers and their customers compared to other funders?
We are not new to this part of the market. Precise has been successfully offering refurbishment BTL loans for four years. So this latest range, with its focus on environmentally friendly property upgrades, modifies and builds on very well-established foundations. We know what we are doing from the experienced underwriter dedicated to each case to the BDM guiding the whole process. This means brokers and their clients can be assured not just of our expertise, but

also of our consistency of service and communication, which are key to making a project run smoothly. We have great relationships with the valuers and conveyancers involved who we tend to jump on each case immediately. The same valuer carries out the bridging and BTL elements, enhancing that reliability of service. The conveyancing fees are discounted, which is good news for the client, and we pay two pre-emption fees—one on each part of the deal—which is good news for the broker.

How important is the role of mortgage lenders in the fight against climate change?
I believe that any effort to steer the industry towards improving the housing stock of the UK is to be advocated for and, as borrower demand for environmentally facing products increases, we have a duty to meet that demand.

For more information, contact your local BDM: www.precisemortgages.co.uk/ContactUs/SalesTeam

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STREAMLINING COMMUNICATION

Why having an experienced team around you is key



Why is previous knowledge of lending throughout the cycles so important in today's economy? As more traditional and less well-funded lenders retrench from the development lending space, we are witnessing a growing liquidity gap in the market, which offers an opportunity for those experienced, specialist lenders, who are

How have the roles of development lenders and brokers changed over the past 18 months, and do you expect them to further evolve? Against a backdrop of higher material, energy and construction costs, rising interest rates and overall economic uncertainty, lenders have had to act more like equity investors. Lending is a relatively

The speed and severity of interest rate rises—from 0.25% at the end of 2021 to 3% today—has required lenders to draw on all their experience in order to correctly price new facilities.

Why did you decide to launch your software platform Hilltop Credit Stream?
Hilltop Credit Stream, our innovative estate credit acquisition software, was us to underwrite deals faster. It manages information all in one form. It blends technology with clear communication and collaboration. In order to scale our business both in the UK and Europe, we needed to create a streamlined way to process and gather necessary information. By using a lot of integrations to our platform, we can access market data quickly and carry out due diligence efficiently. The platform also allows us to include deal collaborators, it's like everyone working around the table in real time. Once a credit paper is produced and a deal closed, Hilltop Credit Stream also manages drawdowns through its portfolio management tools.

How does Hilltop Credit Stream help developers communicate more efficiently with everyone in the transaction chain? Our innovative platform is designed to help borrowers access capital efficiently and allow cross-collaboration between us, borrower and collaborator. The advantage of using this technology is that it provides direct dialogue throughout the whole loan process. Borrowers simply sign up online and complete the three-stage application form—which can take as little as 48 hours to complete—for development loans of between £5m-100m. Hilltop Credit Stream was built for an active development team: lawyers, brokers, executives, and underwriters. The platform also streamlines the loan application. High inflation is forcing many residential schemes to be delayed. Political and economic uncertainty, coupled with rising mortgage rates, are putting downward pressure on the UK housing market—demand in October fell at the fastest pace since the start of the Covid-19 pandemic. However, demand and the need for new homes remains at an all-time high in the UK and across major cities in Europe. The structural demand/supply imbalance is still there. In the residential for rent sector, we're seeing more private landlords exiting the market due to the impact of higher rates and ongoing regulatory and tax changes, which creates an opportunity for institutional investors looking to increase their exposure to what is a growing asset class. For lenders, the increased cost of funding has forced a number to completely scale back their activity, or pivot towards offering longer-term products.

What advice would you give to a developer and their broker if something goes wrong? Immediately report the issues. As lenders, we can only help if we know the problem. Unwinding bad decisions later makes it difficult and costly. Second, keep us updated at every stage of delivery. It's much easier to solve an issue when we're aware of the timeline of a development and its milestones.

What market opportunities and challenges are you expecting in 2023? I see a growing opportunity for more creative capital. Markets will be more nuanced, risk will be different, but great investment opportunities still exist for experienced, but disciplined lenders. As we head into a recession and cost of living crisis, I expect the focus to shift from Build to Sell to Build to Rent, especially regional multi-family schemes that provide people with genuinely affordable accommodation. I also see a huge opportunity for fintech to speed up and filter through many more deals in a shorter space of time. Housing delivery is still critical, and the speed of financing from lenders such as Hilltop Credit Partners can help small- and medium-sized developments get off the ground.

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Meet MSB



msb

We catch up with the partners across the property, finance and litigation departments at MSB Solicitors—a full-service law firm based in the North West—to hear about their experiences, growth plans and thoughts on the market

As a firm, how have you emerged from the pandemic? Brad Armstrong: Although everyone has undoubtedly faced difficulties through Covid-19, the period has been a positive one for MSB. As a firm, we have experienced significant growth. Revenues have increased and we have welcomed over 70 new team members to the business across our various departments. Our secured finance team has contributed to this success and growth. Prior to the pandemic, we made vital strategic decisions. We added quality and experience to the company and invested significant time and resource into developing our case management systems. This paid off and we were able to service our existing clients without issue, all while attracting some new key clients. This momentum has continued, and we have emerged thriving.

What have the past six months looked like for the team at MSB? Jack Mellicott: In March, we were delighted to open our Manchester Office in Spinningfields. This was an exciting opportunity for our team and very much the next stage in our strategic plan. The expansion has enabled us to connect with new clients and significant technical experience to allow us to handle complex transactions in the timescales required in this market. In recent months, we have added a team of property finance paralegals who provide administrative support to our lawyers and help in the rapid progression of transactions. We also have a dedicated post-completions team that handles all registrations internally, and provides support to the portfolio management and collections department.

We have spent considerable time developing our case management system to enable us to accurately track the progress of our cases and report to lenders on their pipelines. We have developed ways to integrate this with our clients' CRM software, enabling real-time updates to underwriting and sales teams. Through automation, we're now able to receive instructions from our lenders 24 hours a day; our system will issue initial documentation and allow that transaction to progress within minutes—regardless of the time of day or night that we are instructed.

What recent trends have you experienced in the market? JIM: If you look across the sector, volumes of applications are consistently up. If the borrower is a company, then lenders need to understand not just who the directors are, but also the shareholders and any party who has significant control. They will not necessarily be the same entities. Once this is understood, a decision can be made on who the lender will require guarantees from and whether a business can show the requisite commercial benefit to give a cross-company guarantee. Many borrowers will already have granted a debenture over their company, which may change future property acquisitions or have a negative pledge which prevents further charges. A lender needs to recognise the best way to deal with this so that its security works. Finance providers often take the view that obtaining title to a property is a legal issue after a finance offer has been accepted. However, it's important for a lender to understand the security they are valuing already given to other lenders, and the security the provider is taking. If the borrower is a company, then lenders need to understand not just who the directors are, but also the shareholders and any party who has significant control. They will not necessarily be the same entities. Once this is understood, a decision can be made on who the lender will require

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What difficulties are you currently seeing in the development market and, in your experience, how can they be mitigated? High inflation is forcing many residential schemes to be delayed. Political and economic uncertainty, coupled with rising mortgage rates, are putting downward pressure on the UK housing market—demand in October fell at the fastest pace since the start of the Covid-19 pandemic. However, demand and the need for new homes remains at an all-time high in the UK and across major cities in Europe. The structural demand/supply imbalance is still there. In the residential for rent sector, we're seeing more private landlords exiting the market due to the impact of higher rates and ongoing regulatory and tax changes, which creates an opportunity for institutional investors looking to increase their exposure to what is a growing asset class. For lenders, the increased cost of funding has forced a number to completely scale back their activity, or pivot towards offering longer-term products.

What has the feedback been like since its launch? The results have been exciting. We have managed to cut down time spent on each deal by less than half from application to drawdown of funds. Users like the simplicity and developers can access funds faster than the traditional process and control the timeline. Repeat borrowers can get access to funding in under four weeks

What do you believe should be at the forefront of a lender's mind when considering enforcing security? Mark Forman: First, it would be, "Have you explored every other solution with the defaulting borrower?" If the answer is yes, and either the defaulting borrower hasn't engaged, or any solution they have suggested isn't satisfactory, then enforcement would be the next step. Whether the lender wishes to maintain a relationship with the borrower moving forward may also influence its decision as to whether to pursue enforcement. Second, the finance provider should give consideration to the condition of the property market at the time, and the likelihood of the asset being in negative equity. I would advise clients to engage with local LPA receivers and estate agents to ascertain what price could realistically be achieved, and whether this would satisfy the debt arising from the default. However, the lender should be careful that its action doesn't lead to any perceived "waiver" of its rights under the facility agreement ■

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Section Sponsorship

Brands can now sponsor specific sections within our magazine. Aligning your brand with one of our sections allows you to advertise subtly alongside our editorial team's high quality content. For example, if you are a recruiter, you may look to sponsor our 'People' section.

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Sections that can be sponsored:

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- Series
- Data
- Sustainability
- Technology
- People

All priced at £3,000 + VAT per issue.

Keppel Bay Tower – Singapore's first commercial building to be certified as a Green Mark Platinum Zero Energy building and the first commercial development to be fully powered by renewable energy (Copyright: Keppel Land Limited/Keppel Corporation)

Adam Joseph Lewis Center for Environmental Studies, Oberlin College, Ohio – the first commercial building to be Verified Zero Energy by the New Buildings Institute (Source: Wikipedia public domain)

3. CANADA
Ranked second-highest in the US Green Building Council's latest top 10 countries and regions for LEED (Leadership in Energy and Environmental Design), Canada is continuing its trajectory towards a more sustainable construction sector. The nation knows that climate action starts at home—which is why, over the next seven years, the government will help more than 700,000 homeowners with up to C\$5,600 to boost their energy efficiency and reduce their energy bills via its Canada Greener Homes Grant. To make the deal even sweeter, proposals are being

4. SINGAPORE
Having started in 2005 with the first iteration of its sustainable construction plan, Singapore has culminated its green building journey with the all-encompassing Green Building Masterplan, published this year. Its goal? To hit the three 80s: have 80% of buildings green, ensure 80% of new developments are super low-energy, and achieve an 80% increase in energy efficiency from 2005 levels—all by 2030. The city-state's plan is structured in layers. The first is the increased minimum energy-efficiency requirements; existing buildings now need to be at least 40% more energy efficient than the 2005 baseline, while new builds and super-low energy homes must be 30% and 60% more energy-saving respectively. Then comes the Green Mark 2021 certification system, which aims to raise standards in energy

5. USA
After a tumultuous presidential election, the USA didn't wait long to announce its plans to tackle the climate crisis and make its building sector greener, leading to the CLEAN Future Act (CFA) bill introduced in March. It proposes to improve the energy efficiency of the entire sector, existing home to be wildfire resistant. Non-profit buildings often don't get as much attention as residential and commercial properties when it comes to improvements. The CFA is addressing this by introducing a funding scheme to award grants of up to \$200,000 to non-profit organisations—including hospitals,

1. GERMANY
Home of the well-known Passivhaus system—a voluntary standard for energy efficiency in buildings—Germany is no stranger to effective, sustainable construction methods, and has continued to transform its development industry through a variety of initiatives. After introducing tax reliefs for energy-efficient renovations at the beginning of 2020, which allowed citizens to deduct 20% of the costs up to €40,000 from their taxes, the German government launched the Federal Funding for Efficient Buildings in January this year as part of its broader 2030 Climate Action Programme. This allows anyone to borrow up to €150,000 for the construction or purchase of a new sustainable home, and up to €60,000 for individual improvements to existing properties. The scheme rewards highly efficient homes through repayment subsidies, which can cut a borrower's loan repayment from 15% and 50%, depending on the extent of the improvements—the more efficient a property is, the higher the repayment subsidy is. As of July, more than 150,000 applications have been received and €2.7bn approved for energy-efficient building renovations in the first half of 2021, €610m of which has already been paid out.

2. HONG KONG
With around 10,000 skyscrapers and high-rise buildings, Hong Kong is defined by its extensive vertical built environment—but it's also its downfall when it comes to sustainability. More than 50,000 buildings consume up to 90% of the city's electricity and account for 60% of its greenhouse gas emissions. To combat this, Hong Kong has been using every tool in the box to revolutionise its construction sector and promote green building. An extra HK\$1bn has been allocated to install additional small-scale renewable energy systems in government buildings and infrastructure, as well as \$150m pledged to conduct energy audits and install energy-saving appliances, free of charge, for NGOs submitted by the Social Welfare Department. Hong Kong's *piece de resistance*, however, is the Advancing Net Zero Ideas Competition launched in March. A sustainable version of The Apprentice, this calls on international industry stakeholders, designers, academics and technology experts to generate ideas and solutions to accelerate the sector's adoption and development of low-zero carbon design and technologies. The winner

Six ways we are building green—globally

Words by **ANDREEA DULGHERU**

Over the past year, we have seen the UK bring forth a variety of measures and support schemes to 'build back better' and cut carbon emissions—but we're not the only ones working hard to make the built environment more sustainable. We've looked across the globe to draw inspiration from what our neighbours and distant nations are doing to make this sector greener

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Get in touch for examples.

Zeitgeist

“THERE’S NOT A BIG ENOUGH DISCOUNT RIGHT NOW FOR US TO GIVE ADVICE TO BORROWERS TO TAKE THE FLOATING OPTION”

regulated market. “We offer regulated and unregulated bridging loans and, if we give some consideration to the FCA’s Treating Customers Fairly principles or its upcoming consumer duty [initiatives], trying to rationalise the benefit to a borrower of taking a floating rate when prices are only going to float upwards is difficult, because the benefit is all lender focused,” he says.

Another issue is that, in the structure of bridging lending, a lot of it is done on a retained-interest basis. “So, in a rising interest rate environment, will there be in effect margin calls from lenders asking borrowers to add more cash into the deal at any unknown point in the future?” ponders Michael. “Or, at the exit, is there going to be a call for more cash to make up the difference in the floating rate and between origination of the loan and the exit? These are risks that are difficult to quantify and sell to a client.”

Amadeus adds that the operational difficulty with floating rates is calculating interest over different periods, which introduces a degree of heavy administration on lenders’ platforms.

Price is, of course, one of the most important factors that makes a deal attractive. But, for Matt, it is not the be-all and end-all. “There are other things that go along with it, such as certainty of funding, efficiency of the execution process, and clear and direct communication with both the adviser and end client—these things are equally important,” he says.

Looking ahead

Strong demand from brokers and borrowers for fixed-rate loans is very likely to continue over the next few months. But there will possibly come a point as interest rates begin to settle that people take an educated gamble to ride the curve on a variable rate.

Glenhawk would consider introducing floating rates, only if this would add value for clients and if interest rates were fairly comparable. “[With floating rates], there is the opportunity for borrowers to benefit from a benign or falling interest rate environment as we move forward, as well as mitigating earlier rises in interest rates,” highlights Michael.

“So there’s a fair trade-off between lenders and borrowers in those scenarios, and we may move into that [space] after Q1 2023. If we consider where yield curves and interest rates may go, perhaps there may be an opportunity for us to do something with a longer-term product on a floating rate.” ■



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The path to a sustainable rental market

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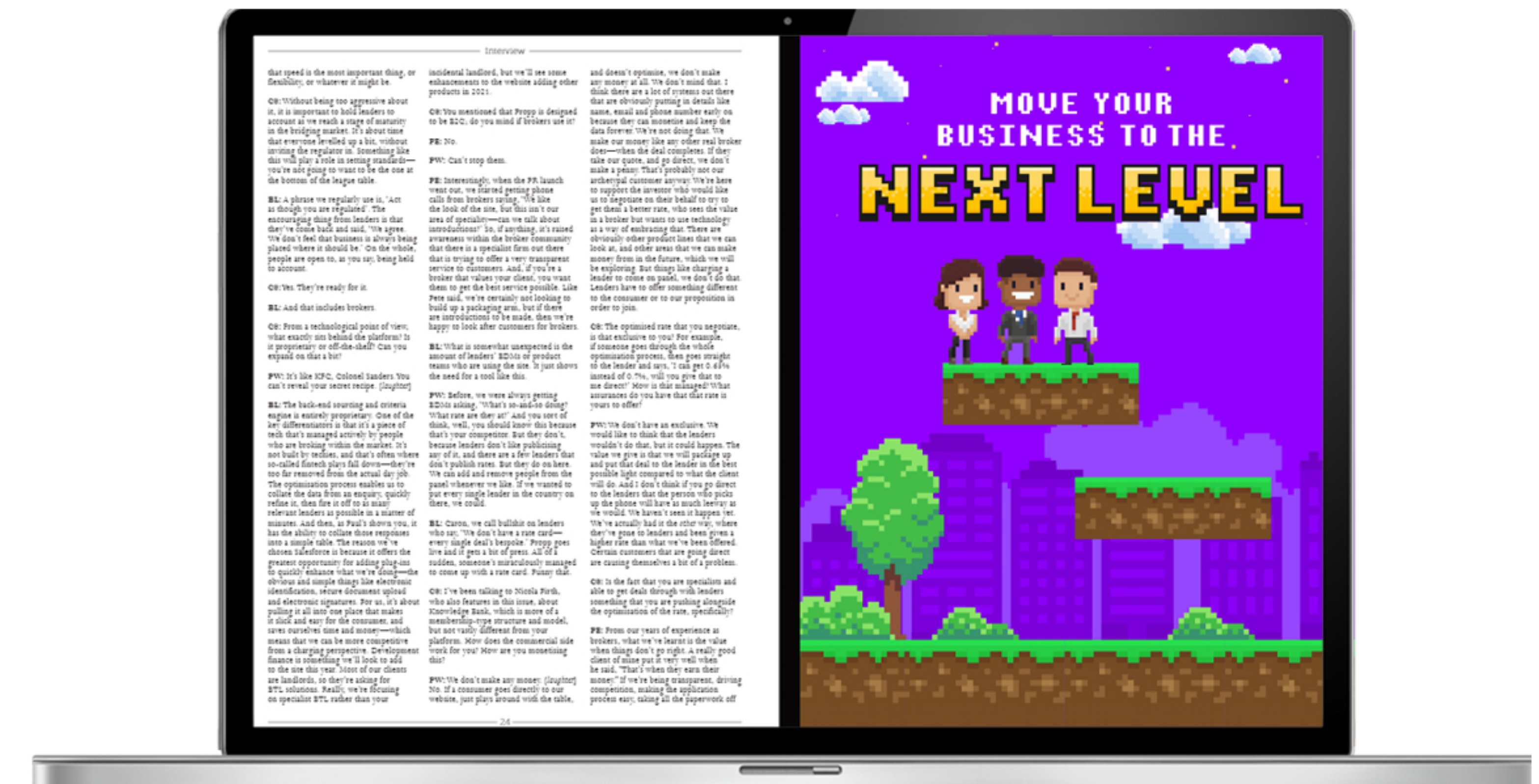
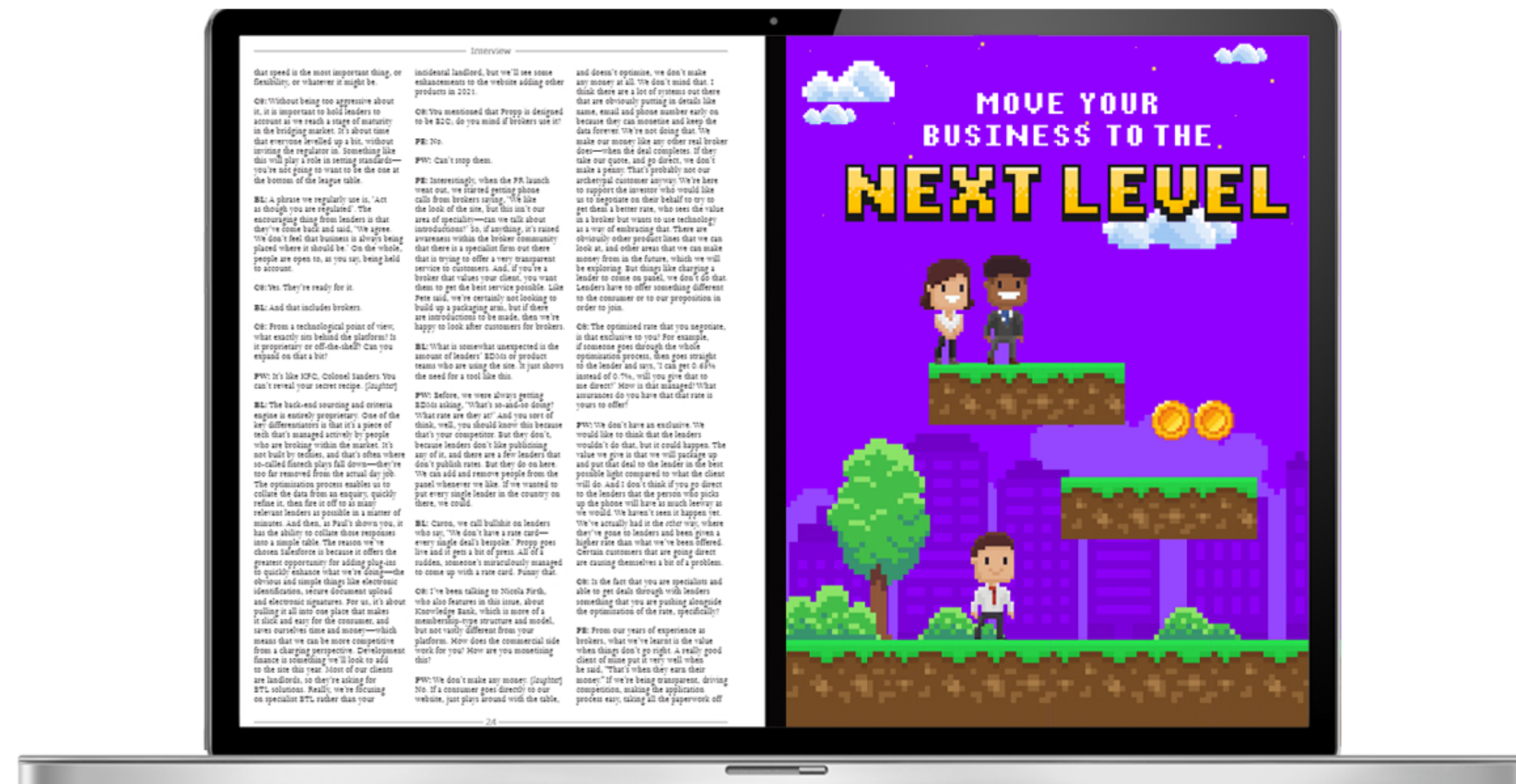


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This works especially well for big launches/announcements, events, rebrands and milestones. Talk to us so that we can help you make your ideas a reality.



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