

Commentary by Andrew Hosford, Head of Voltaire Bridging

Bridging Finance: Evolving its versatility to establish stability



Andrew is head of Voltaire Bridging. Andrew has developed key relationships with a select number of quality short term lenders. Most recently, Andrew has been working on transactions in prime locations throughout London and the South East.

Over the past 3 years bridging finance has gone from strength to strength with what seemed like a new lender coming to the market every week. Unfortunately some of the less established lenders have fallen by the wayside, as well as a few of the larger well known lenders too. What has been left is a diverse mix of lenders based

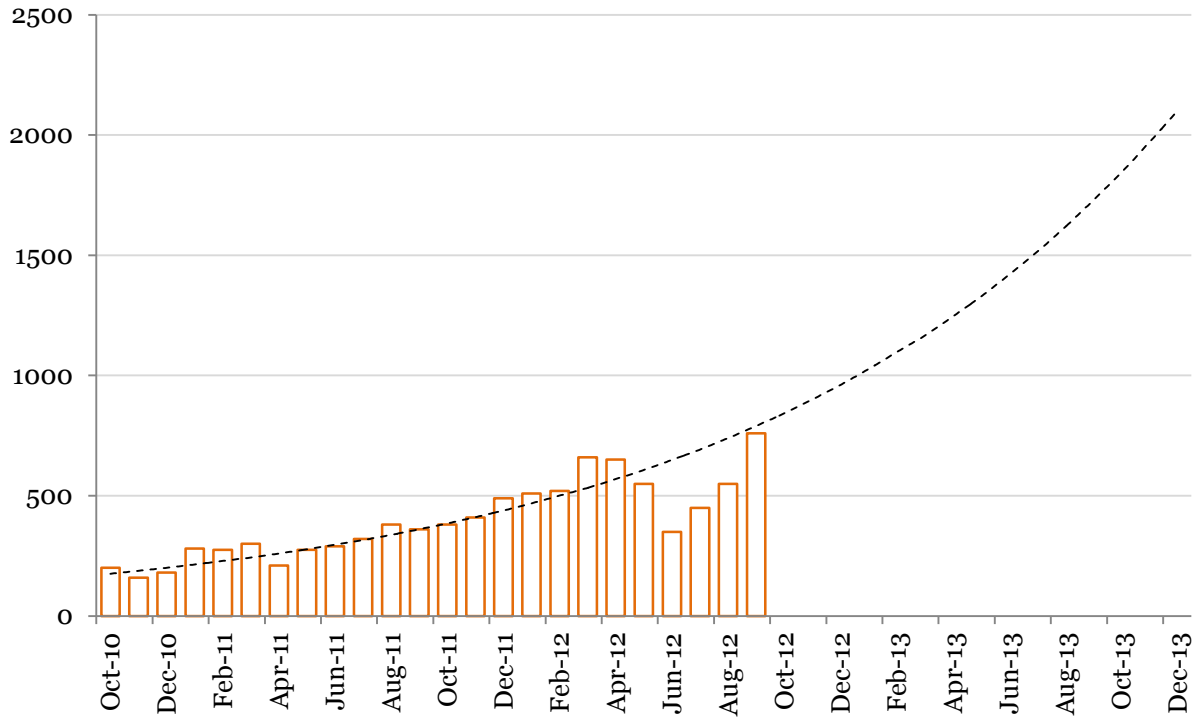
all around the country offering a range of products from straightforward short term loans with a residential or commercial property as security, to auction finance, equity release and now term loans.

The lenders remaining in the market all boast that business is good and they are hitting or exceeding their targets, with a number of lenders placing over £10m a month. Needless to say bridging lenders are very busy and I'm constantly excited about using the various different products on offer to help Voltaire Bridging clients in the most appropriate way.

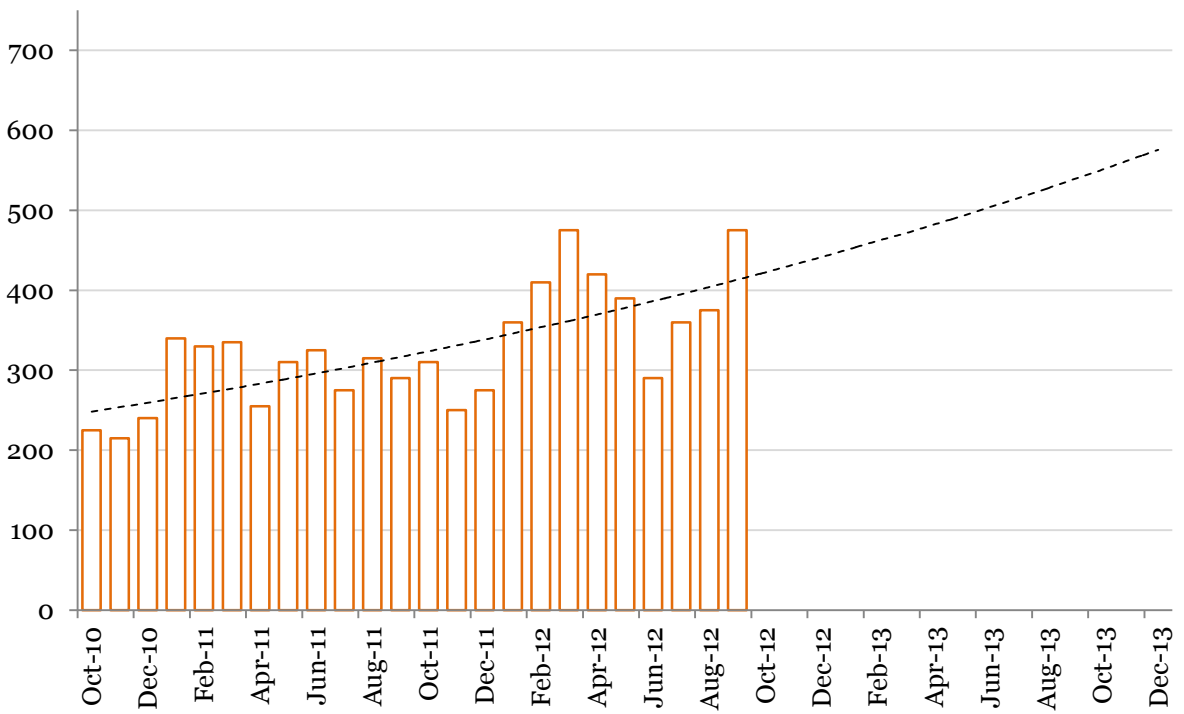
Many used to share the opinion throughout the real estate industry that short term and bridging finance was something to be wary of. However the bridging marketplace has transformed during the last 2 years to offer highly useful solutions in more specialised lending circumstances. The flexibility and range of products now available has allowed us to assist our clients in a number of ways:

- Pressure to complete a purchase
- Planning gains
- Equity release
- Auction finance
- Refinancing expiring bank facilities

The bridging market is growing and irrespective of any traditional lenders coming back into the market with varying levels of substance, bridging is thriving. These illustrations demonstrate both the total amount of money being advanced by bridging lenders increasing as well as the average loan size growing quarter on quarter:



2013 Anticipated UK Bridging – Gross Lending (£M)



2013 Anticipated UK Bridging – Average Loan Size (£000)



Although the process of arranging a bridge is more straightforward than arranging debt with a more traditional lender, it is important to be certain that the deal is right for the client. The exit for the bridge must always be clear, whether it is from the sale of the property or from a refinance and clearly this is for the benefit of both the borrower and the lender. Paying 1-2% per month is generally only acceptable with a clear exit in mind. I believe for a number of reasons that we can expect to see the bridging industry grow and remain successful for the foreseeable future. Whilst raising debt from more traditional lenders remains uncertain, bridging will of course remain popular. However even once the levels of appetite amongst the High Street truly start to free up I'm confident that due in a large part to the speed at which bridging finance allows purchasers or those refinancing to transact, it will continue to find place in the market for many years to come.

Voltaire Bridging was created to provide our customers and introducer relationships with a dedicated bridging finance offering.

For further information contact Andrew on:

0207 182 1741
andrew@voltairebridging.com