



Development finance update:

Opportunity for the prepared developer

Despite continued economic uncertainty, the development finance market remains open for business — and for those with strong proposals and a clear track record, conditions are becoming more competitive.



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"We're seeing lenders reduce rates in some cases to attract a better calibre of developer or development," says **Matt Anderson, Director at BBA Finance**. "There's plenty of capital available — the key is presenting a robust, well-prepared proposition."

While availability of funding remains strong, developers are having to navigate a more complex environment. **Build costs, planning delays, and regulatory pressures** continue to impact timelines and margins. As Matt notes, "Despite the Government's rhetoric, the planning system is no more streamlined — in fact, anecdotal evidence suggests it's becoming even more cumbersome."

Lenders, too, are exercising greater caution. Many have lengthened their due diligence processes, requiring detailed costings, contingencies, and exit plans before releasing funds.

"It's clear lenders want certainty around build costs and achievable values," Matt adds. "They're expecting a healthy margin built in, especially as the resale market has softened slightly in certain areas."

However, rather than being a reason to pause, this environment represents an opportunity for **well-organised and credible developers**. Those who can demonstrate control over costs, realistic exit values, and professional delivery teams are in an increasingly strong position to secure funding on favourable terms.

"There's still appetite to lend," says Matt.
"The developers who are getting deals done right now are those who've adapted — who build in contingencies, prepare solid appraisals, and can communicate clearly with their finance partners."

While inflation remains stubborn and interest rates show no immediate sign of falling, the fundamentals of the market are stable. Demand for quality, well-priced new homes continues, and innovative solutions — including **housebuilders launching their own Help to Buy-style incentives** — are helping to keep sales moving.

In short, **finance is there for the taking** — but lenders are backing those who can demonstrate experience, resilience, and professionalism.



We see BBA Finance as part of our team. We always discuss potential projects with them to ensure that we optimise our funding arrangements."

A REGIONAL DEVELOPER

Key takeaways for developers

1

Finance remains available...

- and in some cases, rates are improving for strong developers.

2

Preparation & presentation are critical...

Robust cost plans and realistic GDVs are essential.

3

Timeframes are longer...

with lenders taking a more detailed look at proposals.

4

Opportunities exist...

for those who can show credibility, delivery capability, and adaptability.



Get in touch

We are a specialist commercial finance brokerage offering bespoke funding solutions for all your property needs.

We have been established for over 35 years and are based in our own offices in Marlborough, Wiltshire.



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