

Haydock unveils plans to increase lending

▶ A specialist property finance lender has said it plans to increase its development finance lending year on year by 40%.

Haydock Finance's property division has set itself a target of lending £3.5 million per month this year bringing the total up to £40 million compared with last year's figure of £30 million.

Steve Gildea, division director of property finance and formerly

head of risk at Davenham, said: "Our funding lines are secure until 2013 and we are looking to lend to new people over the next two years."

The lender offers 100% of the development finance costs of a project and can lend up to £3 million per deal. It believes it can plug a gap in the market now that many larger lenders are only to lending to existing customers. "When the market tightens

up there is more opportunity for specialist lenders such as ourselves who take a pragmatic approach," said Gildea.

He said the company offers developers of finished projects refinance from a bank loan where the lender would look to offer finance for 75% of the value of the units.

Haydock also offers bridging to developers pending refinance to a larger development funder.

"We aren't a profit share development finance lender. We offer purely finance but we have expertise on building within the organisation."

Haydock's property finance division was set up 18 months ago and now employs a team of nine staff. It has a sister company, Deck Development, which Gildea said gave the lender insight and access to expertise over the practical element of a development.

The lender is funded from a mixture of private finance and funds from the Bank of Scotland.