



BUILDSTORE
MORTGAGE SERVICES

HOMEBUILDING FINANCE FROM BUILDSTORE

WITH YOU EVERY STEP OF THE WAY



FOR SMART HOMEBUILDERS
buildstore.co.uk



WELCOME TO BUILDSTORE

BuildStore is the UK's leading mortgage brokerage specialising in mortgages and finance, designed specifically for homebuilding projects.

When it comes to finding a mortgage for your homebuilding project, it's not as easy as dropping into your high street bank or hitting the comparison websites to find, what appears to be, the most competitive deal. Also, most mortgage brokers will only handle one or two enquiries of this type a year, if any, and an in-depth knowledge of construction is not a prerequisite for the role of a traditional mortgage broker.

You'll need a more specialist approach.

At BuildStore, we fully understand the complex and specialist nature of homebuilding finance. We have built solid relationships with lenders that no one else has, and have created over 40 exclusive mortgages, designed specifically to solve the common issues faced by individual homebuilders.

These unique funding solutions really set us apart from other mortgage brokers, and they're the reason we can help many customers, who otherwise would not have the chance to build their dream home.



BuildStore has helped more than 25,000 people successfully build their own homes. Or, to put it another way, we could now fill a medium sized town with BuildStore projects.



THE BUILDSTORE DIFFERENCE

If you approach a traditional mortgage adviser to arrange your homebuilding finance, it's fair to say they are unlikely to have the experience or expertise necessary, to confidently recommend the right borrowing solution for your build project.

Similarly, while there are mortgage products available directly from a handful of lenders, it's usually a very limited product range, which may not suit your individual project.

In both instances, you will get a mortgage for the total loan amount you're looking for, but neither broker or lender will pay much attention (if any) to your build costs, and whether your mortgage releases will match your cost and payment schedule.

For a successful project, your stage payments must be matched carefully to your build costs, or you can very quickly run into serious cashflow problems that can jeopardise your build.

It's for precisely this reason, BuildStore's highly qualified project managers will prepare and thoroughly check that your project costs are accurate and realistic, and our expert mortgage advisers will recommend a mortgage tailored to suit your build and payment schedule to successfully complete your home.

HOW MUCH CAN YOU BORROW?

It depends on your financial circumstances and how much you can afford. As with any mortgage, lenders will assess your income and outgoings to calculate how much they are willing to lend you.

With a standard self build mortgage you can typically borrow up to 75% of your project costs, while with BuildStore's higher lending percentages you could borrow up to 95%, or 100% if you already own your plot, with a maximum of up to 85% of the expected end value of your home.



BuildStore's dedicated support team is with you throughout your mortgage application, during the build and beyond – offering support and guidance, and dealing with any issues that may arise to ensure a smooth and stress-free project.



SOLID FINANCIAL FOUNDATIONS

Stage payment mortgages are specifically designed to suit the needs of homebuilders. They differ from traditional mortgages as they release funds in stages – in arrears or in advance. Depending on your individual circumstances, your stage payments will either be guaranteed based on your costs, or rely on an uplift in value at each stage. BuildStore offers a range of solutions for every project type and our products offer unique benefits you won't find elsewhere.

SOLID FINANCIAL FOUNDATIONS

COST BASED STAGE PAYMENTS

BuildStore's unique cost based mortgages offer guaranteed stage payments based on your build costs, either before or after each stage of works, depending on your payment schedule, and irrespective of lender interim valuation figures. This gives you complete certainty in your budget, and peace of mind knowing you'll have the cash you need, when it's needed.



KEY FEATURES

- Borrow up to 95% of your plot and build costs
- Guaranteed stage payments in arrears or advance
- A mortgage tailored to suit your individual payment schedule
- Interest only payments available during the build to keep costs to a minimum
- Interest only payable on funds as they're drawn down
- Access to a range of exclusive mortgages and lenders

KEY BENEFITS

- Stay in your current home until your new home is complete
- Avoid potential delays onsite, with the money to pay your bills on time
- Access the best deals on materials as a cash buyer
- Avoid delays caused by a valuer visiting the site before mortgage funds are released
- Control over your budget and peace of mind

VALUATION BASED STAGE PAYMENTS

A valuation based mortgage releases funds upfront to purchase your plot, and then after each stage of works are complete. With BuildStore, you can borrow up to 85% of your project costs (compared to 75% for most other lenders) and your stage releases are reliant on a valuation taking place which shows an uplift in value throughout the build.

This can cause problems because there is a risk of the property being devalued during the build – particularly during the foundations stage. Also, most lenders will hold a retention of 5-10% of your loan until the build is complete – which is tricky in the latter build stages where you have electricians, joiners and plumbers onsite who need to be paid daily in cash.

Having said that, if you have sufficient savings or already own your plot and can remortgage to provide the funds to start works, valuation based payments could work for you.



KEY FEATURES

- Borrow up to 85% of your plot and build costs
- Stage payments in arrears or advance subject to valuation
- Interest only payments available during the build
- Only pay interest on the money you draw down
- Access to a range of exclusive mortgages and lenders



WHICH MORTGAGE IS RIGHT FOR YOU

Cost based or valuation based stage payments? Funds released in advance or arrears? You are building a bespoke home and just as no two projects are the same, there's no one-size-fits-all funding solution. The right mortgage for you will depend on your individual circumstances, build and payment schedule. At BuildStore, our expert mortgage advisers will recommend and tailor your mortgage to suit your individual payment terms and project costs.

THE CASH YOU NEED, WHEN IT'S NEEDED

There are many factors to consider when building your own home - none more important than your cashflow.

The lowest rate, minimal fees and the total loan amount may be uppermost in your mind for a house purchase, but when it comes to building your own home, the single most important factor is your cashflow, and ensuring sufficient funds are available at the right time during your build.

The interest rate is less important because interest only payments can be arranged during the build, and you only pay interest on the funds you drawdown at any one stage - keeping your monthly payments affordable. When your build is complete, you can switch onto one of your lender's lower rate residential mortgages.

With a loan amount of £250,000 your monthly mortgage payments for an interest only self build mortgage would be less than that of a traditional repayment mortgage.

During the Build
4.5% = £937 per month
(interest only during the build)

Build Complete
1.7% = £1023 per month
(traditional repayment mortgage)

At BuildStore, we will thoroughly check your build costs and prepare a tailored cashflow for you that forms your payment schedule, so that you know you have the necessary funds available at each stage, and there are no nasty surprises.

If you choose an off-site manufactured construction type, such as timber frame, you may need to pay for the structure in full before it leaves the factory - so you'll need access to your funds in the early stages of the build.



OTHER BORROWING OPTIONS

A stage payment mortgage isn't the only funding option available for your homebuilding project, there are other borrowing options available that may be more suited to you.

If you have enough equity in your current home or own it outright, you could remortgage or secure a bridging loan to pay for the plot, fund your build costs or both. Then when your new home is finished, you can sell your old one to pay off the loan. This way you can stay in your current home during the build and avoid the upheaval of moving, living onsite or renting during the build.



Purchasing a plot at auction?

You'll need to pay a 10% deposit upfront, and complete the purchase usually within 28 days. A bridging loan could deliver within these timescales.

BUYING TO SELL OR LET

A short term secured development loan would be a suitable borrowing option. Similarly, a bridging loan against an existing property could be used to purchase the property and complete the necessary works. On completion of works, you'll repay the loan by refinancing or selling your existing or new property.

EXPERT ADVICE

With so many different funding options on offer and a number of factors to consider, it's important to consult a BuildStore adviser who can recommend the right solution for you and your project.



BuildStore also has a dedicated short term funding team (BuildStore Development Finance*) with construction expertise, that can arrange competitive development finance and bridging loans.



*Development finance and bridging loans are performed by BuildLoan Limited. BuildStore Development Finance is a trading style of BuildLoan Limited.

CASE STUDY: CHARLES & GEORGINA SERAFINI

First time self builders Charles and Georgina Serafini built a home with retirement in mind, and carried out much of the work themselves.

The couple did a lot of research into self building - reading specialist self build books and magazines and of course watching the countless TV shows. After their visit to the National Self Build & Renovation Centre in Swindon, they were sure they would self build and set out to arrange their finances and find a plot.

They approached BuildStore for a self build mortgage, as they knew they needed a mortgage broker who was used to dealing with self builds and could recommend the right borrowing option for their project. They found our services and advice to be “very helpful indeed” and would recommend us to other self builders!

Soon a plot came along with outline planning permission, only three miles from their existing home - it was the right location, size and price. Charles notes that “being fairly close to our existing home made the project much easier to manage.”

After deciding on a timber frame structure Charles focused on getting the best price for works and got quotes from 2 or 3 different suppliers and tradesmen. The couple were also very hands on during the build, which Charles notes was “extremely satisfying and saved money in the process.”

As project manager, Charles was also in charge of managing the project itself and the budget - which involved very detailed spreadsheets of timings & costs. Charles remembers that “this was the most important part of the whole project and needed careful planning.”

Overall Mr and Mrs Serafini had great fun building their own home and would consider doing it all again, though they are so pleased with their home that they don't think they would, unless it was for their son or daughter.”



TOP TIPS

- Don't rush to buy the first plot you see, take your time to look for one you really want
- Try to find good local tradesmen and use them to find others
- Obtain fixed price quotes for as much work as possible
- Use spreadsheets to plan and manage your build and budget
- Keep all material receipts to allow you to reclaim VAT at the end of the build

LOCATION

Wales

PROJECT

Self Build

CONSTRUCTION

Timber Frame

PLOT COST

£145,000

BUILD COST

£130,000





CASE STUDY: RICHARD & ZOE BERRY

Richard Berry and his partner Zoe decided to convert an old church as they couldn't find a house available in the area they loved that suited their circumstances.

After finding the conversion opportunity advertised on a commercial property website, the couple approached an architect friend of a friend, who was able to look at the church and talk through how the conversion would be possible.

Although Richard had no prior self building or renovating experience, he is a civil engineer and has designed listed building conversions for clients in the past and so could understand the technical aspects of building in addition to the applications for planning approval and listed building consent.

The project itself was managed by a dedicated Site Manager on a day to day basis and who Richard describes as "brilliant!" and "working with him was a pleasure as he spent his time on site problem solving while being very patient and reassuring us."

In terms of the highs onsite, Richard found joy in the significant milestones of the project, for example the windows being fitted as "it changed the look of the building and we felt like we were really getting somewhere."

The couple helped out from time to time on the build with Richard doing a bit of the structural design. They would have loved to have been more hands on with the project though as they were working full-time they left it to the professionals!

When it came to the finance side of things, Richard notes that they "approached a number of companies and BuildStore was the only one who understood what we were trying to do and were able to provide competitive finance for us."

"Overall, the project was a learning experience and we had a great time but it was hard work! In terms of building again, we have ended up with a house that we love and I can't imagine moving and starting up again though you never know..."

The couple would definitely recommend BuildStore's services as we were "very helpful throughout and kept up with the progress of the build and always there to discuss any issues."

LOCATION

Edinburgh

PROJECT

Church Renovation

CONSTRUCTION

Brick and Block

PLOT COST

£185,000

BUILD COST

£225,000

CASE STUDY: CHRIS BIRKOS & KIRSTIE POTTIER

After refurbishing a flat, Chris Birakos and his partner Kirstie Pottier were on the hunt for a bigger project. The couple started their search online and collected the various self build magazines, which gave them lots of inspiration to get going.

The couple found their plot by chance through a local estate agent marketing email – “it was love at first sight.” As it stood the site was a row of five garages and had detailed planning permission in place to knock down the existing structure and build a contemporary new build property. After meeting with the seller, Chris and Kirstie submitted a conditional offer which was accepted two weeks later.

Shortly after their initial research into how to fund their project, the couple approached BuildStore and note that they received “genuine, honest and useful advice.”

“We would definitely recommend BuildStore to other self builders – they were very professional throughout the project and we always felt our best interests were being looked after.”

The couple managed the build themselves and were involved with all aspects from start to finish. They worked with an experienced main contractor to deliver a watertight shell, and then another skilled craftsman who completed the external cladding.

Kirstie is a qualified accountant and so understood the importance of keeping a close eye on their budget and finances. They used basic spreadsheets to keep track on their spending but looking back Chris admits that they were so focused on getting the perfect home that they took their eye off the budget towards the end of the project – “we wouldn’t make this mistake again.”

Even though their project was quite complex Chris and Kirstie would “absolutely self build again” – possibly looking for a simpler build. There was a lot of work involved and it was stressful at times but “it was absolutely worth it in the end.”



TOP TIPS

- Don’t underestimate the importance of the design stage
- Seek out bargains, for example ex-display items, end of line tiles, old stock carpets
- Use mood boards for your design details and finishes
- Make sure everyone involved with the project is on the same page

LOCATION

Bristol

PROJECT

Contemporary Self Build

CONSTRUCTION

Brick and Block

PLOT COST

£87,000

BUILD COST

£300,000





CASE STUDY: DAMON & FELICITY BALL

As an architect, Damon Ball dreamed of building his own home and spotted a plot online while on holiday with his wife Felicity - it was in the perfect location and within their price range.

The rest of their holiday was spent discussing the plot and they agreed that when they returned home they would put their current home on the market and put an offer in on the land. Things moved quickly when their property sold within two days and the offer on the plot was accepted shortly after.

As the couple now owned the plot, they arranged a self build mortgage with BuildStore to fund the build costs in full. Damon describes BuildStore as being very helpful - "they took all of the stress out of the financial side of things away... the service was excellent!"

The build took around 12 months to complete and came in on budget of £1000 per sq m. Damon took on the role of Project Manager and was extremely hands on with the project despite still working full time. He did a lot of the interior fit-out himself and had friends and family in various trades who offered lower rates.

When budgeting, Damon would advise aspiring self builders to use an architect who can design a home within your budget, go out to tender with sub-contractors to obtain competitive pricing, and appoint a qualified project manager.

Damon and Felicity have settled into their new three bedroom family home well and have made provisions for the future, as there is room for extending the house to the rear should they need more space as their family grows.

Having said that, Damon can definitely see himself building again in the future, at least once more! Even though it could be stressful while working full time, it was something that Damon "thoroughly enjoyed from start to finish and wouldn't hesitate to do again".



TOP TIPS

- Find a good architect as early as possible
- Appoint a qualified project manager to oversee works
- Get a full set of detailed construction drawings before starting works
- Go out to tender with sub contractors to get a good price

LOCATION

Oxfordshire

PROJECT

Self Build

CONSTRUCTION

Brick and Block

PLOT COST

£146,000

BUILD COST

£145,700

PROTECT YOURSELF AND YOUR FAMILY

Building your own home is a major undertaking – don't risk leaving your mortgage, income or family unprotected. We work with leading insurers to provide exactly the cover you need to give you peace of mind throughout your project.

DURING THE BUILD

During the build, you will have some very significant financial commitments, not least of which may be mortgages on both your current house and your self build project. But what would happen if your income stopped due to sickness, accident or unemployment? How long would you be able to cover your monthly outgoings? It's a sobering thought.

That's where BuildStore Mortgage Services comes in. We can arrange cover so that even if your income stops, your mortgage payments will still be met.

AFTER THE BUILD

Once your project is finished, you'll still need to ensure that if anything happens to you, your family will be able to remain in the home you have built for them – so it makes good sense to talk through your requirements with one of our expert advisers.

We'll look at your individual circumstances and needs and offer advice absolutely tailored to your specific requirements – and products that will deliver maximum value should the worst happen.



WE OFFER ADVICE ON:

- Life insurance
- Critical illness cover
- Accident, sickness and unemployment cover
- Mortgage protection
- Income and family protection





BUILDSTORE
MORTGAGE SERVICES

CALL, CLICK OR VISIT

CALL

Our homebuilding experts are available to answer any questions you have about your finance requirements.

0345 223 4888

CLICK

Our website is packed with all of the information, advice, hints and tips you need to start your homebuilding journey.

[buildstore.co.uk](https://www.buildstore.co.uk)

VISIT

Drop in or book a face to face appointment with a BuildStore adviser at our head office or at The National Self Build & Renovation Centre in Swindon.

BuildStore Mortgage Services
8 Houstoun Interchange Business Park
Livingston, EH54 5DW

The National Self Build & Renovation Centre
Lydiard Fields, Great Western Way
Swindon, SN5 8UB

Your home may be repossessed if you do not keep up repayments on your mortgage.

For self and custom build mortgages, we charge a fee of £295. £95 is payable on application and £200 on offer. For all other mortgages a separate fee policy applies.

Images courtesy of NHouse (Cover) Elliott Architects (IFC) CODA Studios (pg 7) Scenario Architecture (pg 8) Peter Morris Architects (pg 8) Base Architects (pg 9) Arco 2 (pg 9) Facit Homes (IBC)

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