

# WHAT TO CONSIDER WHEN PLANNING, DESIGNING & FINANCING YOUR HOMEBUILDING PROJECT



Tom McSherry  
National Relationship Manager



## AGENDA

- Set your budget
- Work out your costs
- Design, construction & impact on finance options
- Establish your cashflow
- Stage payment mortgages
- The key to a successful project
- Your BuildStore journey
- Why BuildStore?
- Summary



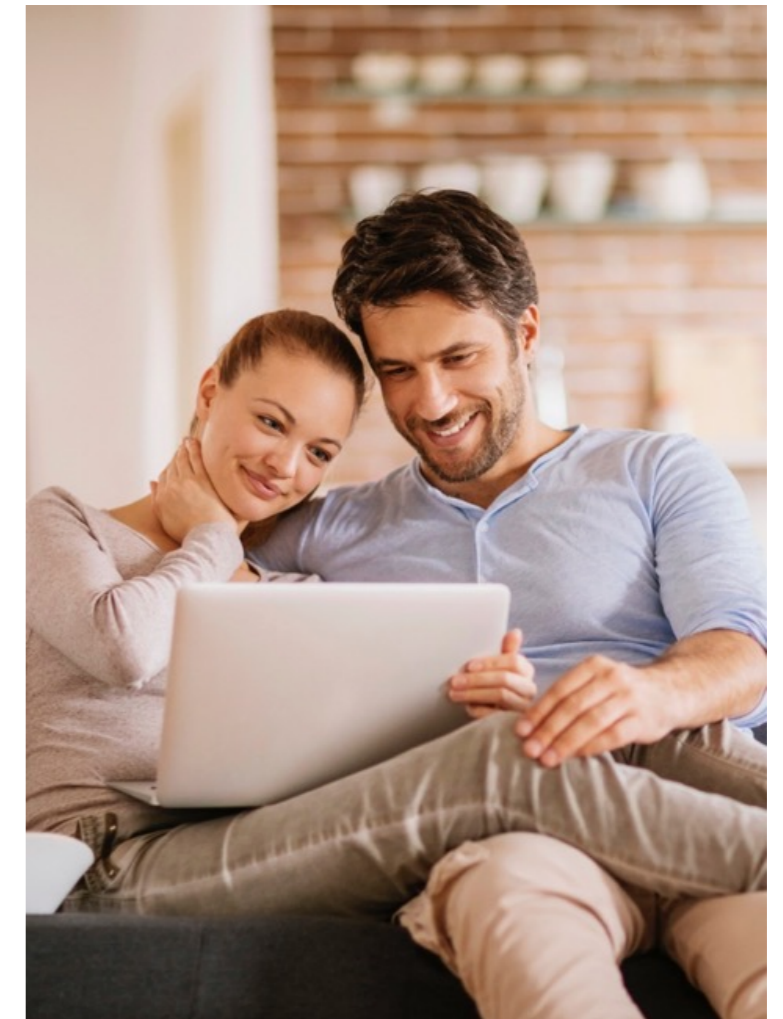
## BUDGET

Start by knowing how you're going to fund your build and how much you have to spend.

Liquid Savings + Borrowed Funds = Total Budget

### How much can you borrow?

- Typically 75% - 95% of your plot and build costs with a stage payment mortgage
- Dependent on your financial circumstances (*income, outgoings, employment status, credit score etc*).



## COSTS

Everyday is a pay away day!

- Land/project purchase
- Fees
- Build costs (*materials & labour*)
- Unexpected expenses (*contingency*)
- Ongoing living costs (*mortgage/rent*)



And, if the right funds aren't available at the right stages of the build, delays are inevitable and often expensive

## DESIGN, CONSTRUCTION & IMPACT ON FINANCE OPTIONS

Be aware of the external pallet and how this can affect lenders – check with us if unsure.

Ensure you can afford to include these elements:

- Zinc, steel, sedum roofs, flat roofs
- Lightweight render
- Timber cladding



## CASHFLOW

### Traditional mortgage priorities

- Low interest rate
- Minimal fees

Total loan amount

**When building your own home, it's not just about how much you can borrow, but when that money is available**

- Funds available throughout the build to complete each stage
- Build system / payment terms & invoices
- Expert advice
- At BuildStore, we will recommend a mortgage tailored to suit your finances, build & payment schedule



# STAGE PAYMENT MORTGAGE TYPES



## Valuation-based stage payments in arrears

- Money agreed in stage payment subject to valuation in arrears.
- Up to 85% of the cost of your plot and build.
- No guarantee of how much you will receive at each stage of the build
- When is it useful?

## Cost-based stage payments in arrears

- Up to 95% of the cost of your plot and build.
- Funds are paid into your account after each stage of the build is completed.
- Guaranteed stage payments based on your costs.
- This prevents the risk of a low point valuation.

## Cost-based stage payments in advance

- Up to 95% of the cost of your plot and build
- Funds are paid into your account at the beginning of each stage
- Guaranteed stage payments based on your costs
- Ideal when working with offsite manufacturers requiring payment upfront.

## STAGE PAYMENT MORTGAGES

### Which mortgage is right for you?

- Depends on your individual circumstances, project and cashflow requirements

### Keep your options open and consult a specialist mortgage adviser

- Access to a wide range of lenders and products
- They can confidently recommend a mortgage to suit you

### Other borrowing options

- Release equity from your current home
- Bridging loan\* (12-month term)



*\*Bridging Finance is offered through BuildStore Development Finance, a trading style of BuildLoan Limited.*



## THE KEY TO A SUCCESSFUL PROJECT

**Organise your finances at the outset to ensure you have the money you need as the project progresses – cashflow is key**

- The right money
- The right time
- The right place



## YOUR BUILDSTORE JOURNEY

At BuildStore we're with you from start to finish offering support and guidance



### **INITIAL ADVICE**

To recommend a tailored  
borrowing solution  
for your project



### **MORTGAGE APPLICATION**

To secure a mortgage offer



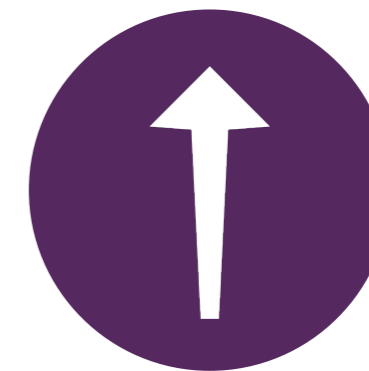
### **DURING THE BUILD**

To facilitate your  
mortgage releases



### **AFTER THE BUILD**

To switch onto  
a traditional  
mortgage rate



### **GOING FORWARD**

We will regularly review  
your mortgage

# WORKING WITH A MORTGAGE SPECIALIST





## SUMMARY

- Cashflow is the most important factor – having money when you need it throughout your project is key
- Plan your homebuilding project around your budget
- Make sure you know the costs
- Going direct to a lender restricts your options
- Site insurance and structural warranty
- BuildStore specialist advisers have years of experience in selfbuild, custom build, home improvement, renovation and extension projects and can help you make an informed decision



**T: +44(0)345 223 4888**

**E: [enquiries@buildstore.co.uk](mailto:enquiries@buildstore.co.uk)**

**W: [www.buildstore.co.uk](http://www.buildstore.co.uk)**

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For self and custom build mortgages we charge a fee of £395. £95 is payable on application and £300 on offer. For all other mortgages a separate fee policy applies.*