



Broker Barometer 2020

**Proudly
different.**

Foreword

Property Investment Market optimistic despite Covid-related uncertainty

Shawbrook's annual Broker Barometer highlights the key concerns of the broker community, revealing a largely positive outlook.

1. Positive outlook post Covid-19

Despite the intermediary community showing concern for the UK economy following the global pandemic, confidence in the lending environment and business growth remains high. Approximately two thirds of BTL, Commercial, Bridging ('commercial') intermediaries (63%) and second charge intermediaries (66%) stated that they are confident about the lending environment as coronavirus restrictions ease. When asked about their businesses, 42% of commercial intermediaries and 45% of second charge intermediaries said they were confident about business growth.

It is encouraging to see that despite the difficulties faced over the past few months, 17% of commercial intermediaries and 25% of second charge intermediaries reported an increase or no change in business volumes to date. And even though we continue to navigate through a period of uncertainty, 39% of all brokers surveyed believe that property investors would look to increase their portfolio in response to the pandemic, highlighting their optimism and appetite to take advantage of opportunity.

2. Lending restrictions a cause for concern

The brokers surveyed reported that lending restrictions was one of the top three challenges they expect to face going forward. The market has seen many lenders tighten criteria in response to the coronavirus crisis, so this is not surprising and highlights the need for lenders to evolve to continue supporting the property investment market. It also emphasises the value of the intermediary community and how it is now more important than ever for clients to rely on their brokers to guide them through these more turbulent times.

Other challenges that commercial intermediaries predict for the future are '*valuation issues*' and '*dealing with a backlog of surveys and valuations*'. Again, this is to be expected given the restrictions resulting from the lockdown. Second charge brokers reported that '*getting to grips with new product criteria*', '*the transition back to working in an office*' and '*lead generation*' were their next biggest challenges.

Only 9% of intermediaries envisage that Brexit will be a top challenge as we move on from the pandemic, compared to previous barometer results in September 2019 where this was voted the number one challenge (58%).

Despite highlighting some concerns for the future, the results from this year's Broker Barometer are positive and demonstrate the optimism and resiliency of the intermediary community. A focus on relationships, building innovative new product solutions supported by cutting edge technology, and listening to the market will all become increasingly important over the coming months.

We would encourage our broker partners to reach out to the Shawbrook team to talk through any of these issues, and we look forward to taking some more steps forward together.

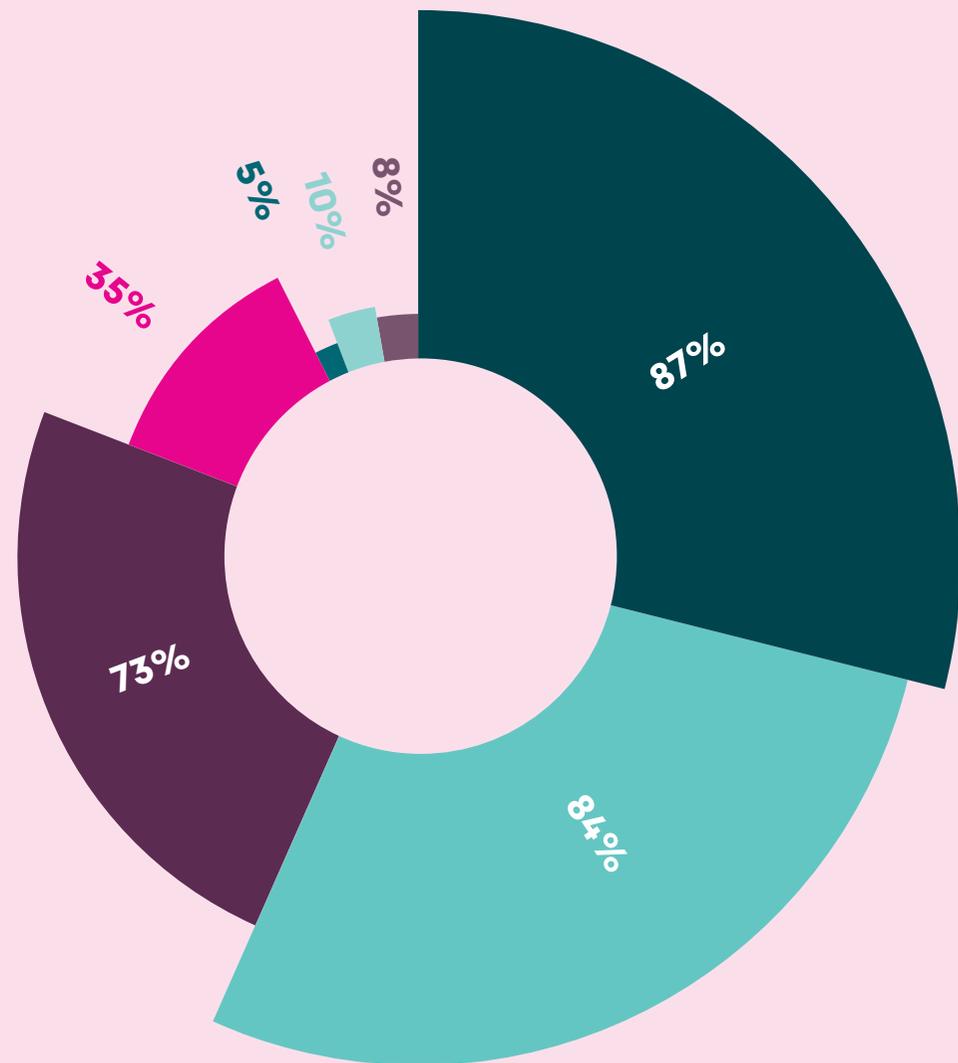
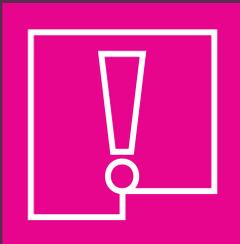


Emma Cox
Sales Director,
Property Finance Division,
Shawbrook Bank

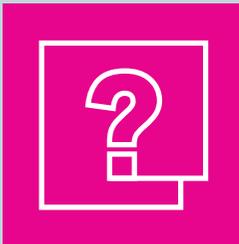
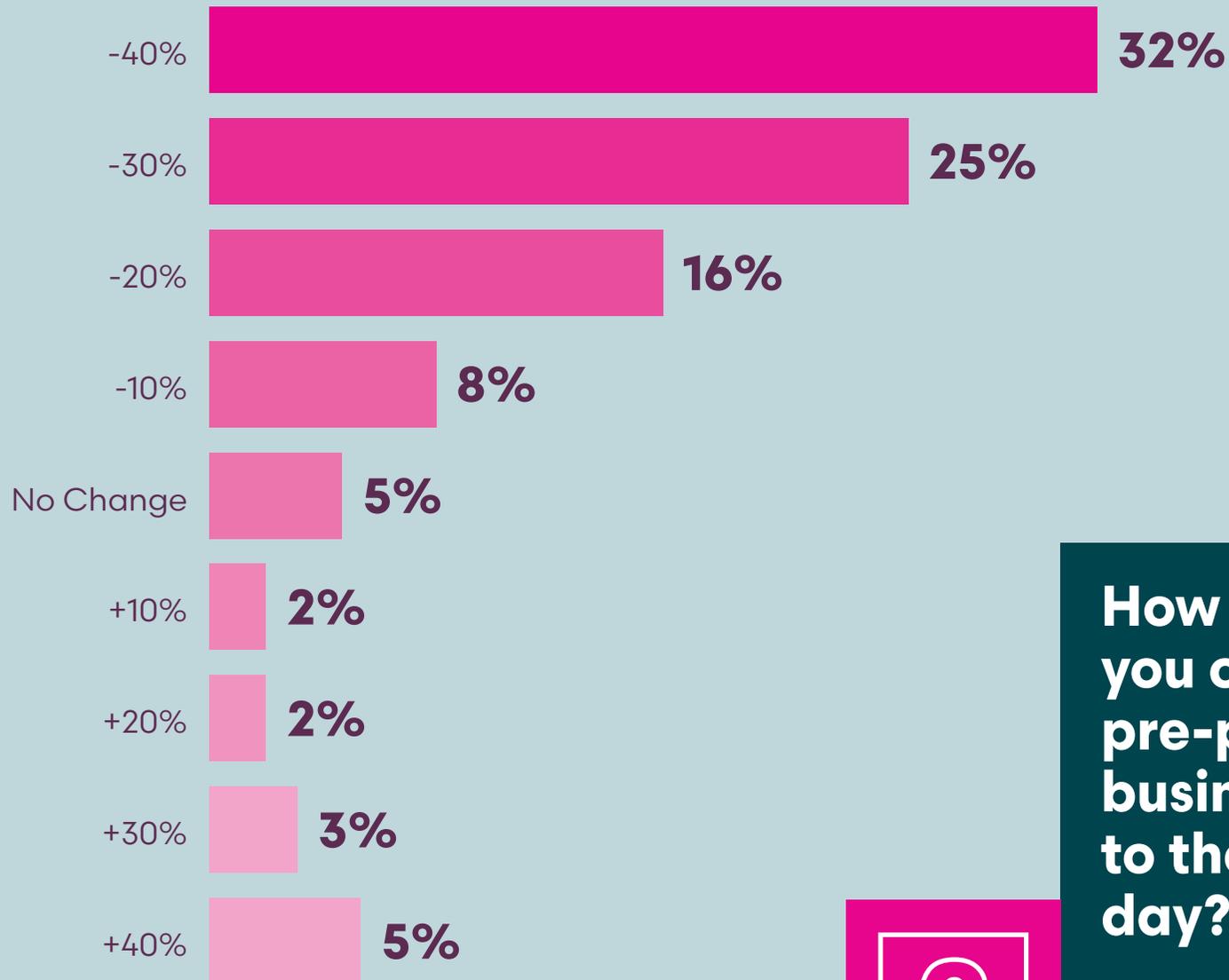


BTL, Commercial & Bridging

What have been the three biggest challenges for your business since the coronavirus outbreak?



- Physical viewings, surveys and valuations being prohibited
- Tightened mortgage lending criteria
- Transactions being put on hold
- Navigating product and criteria changes
- Technology and working remotely
- Furloughing employees
- Other

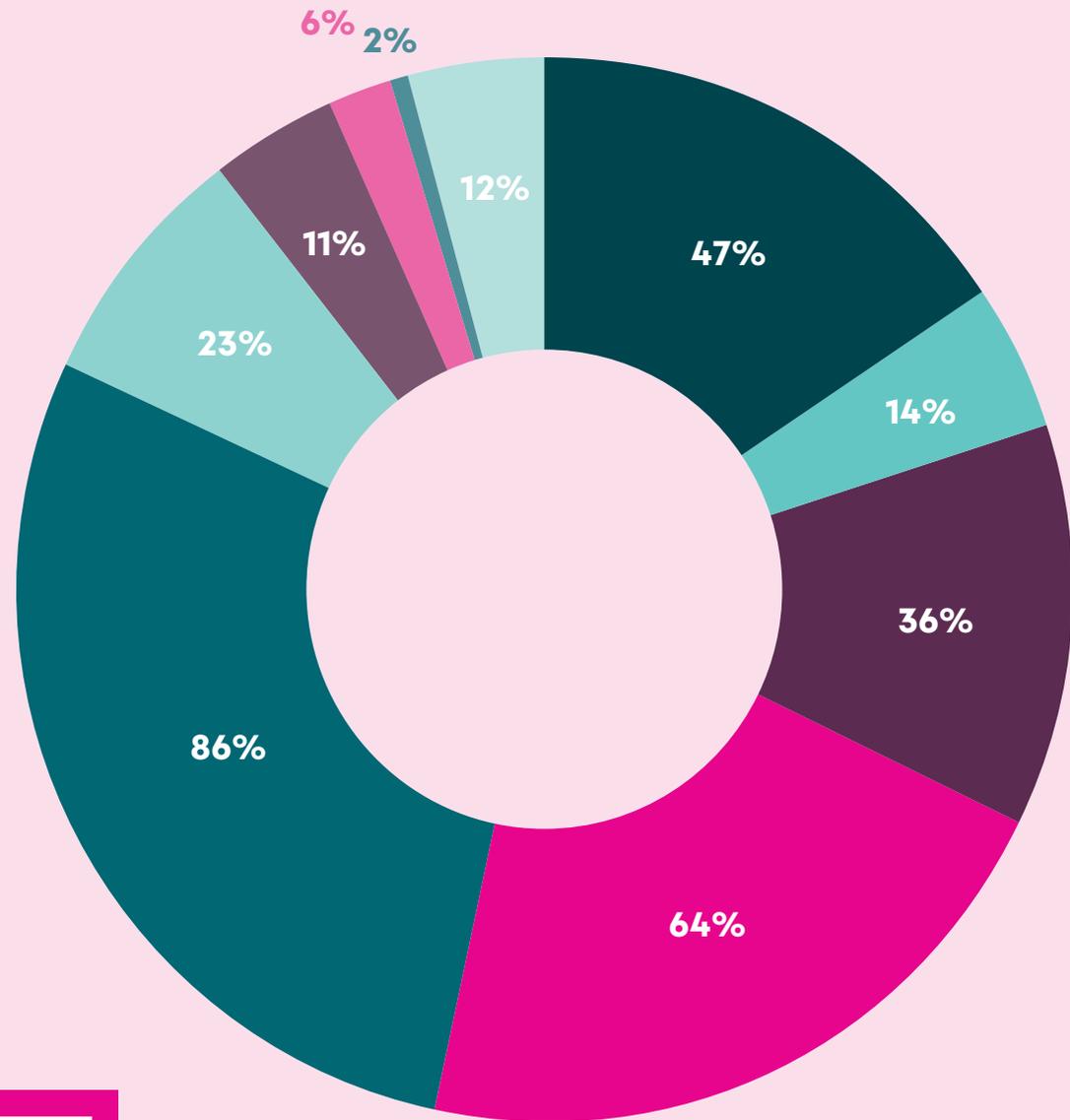


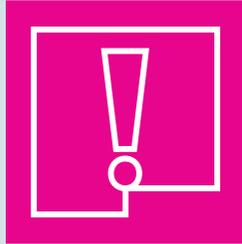
How would you compare pre-pandemic business volumes to the present day?

Thinking ahead to a time when the pandemic is over, what do you think will be the biggest challenges facing your business?

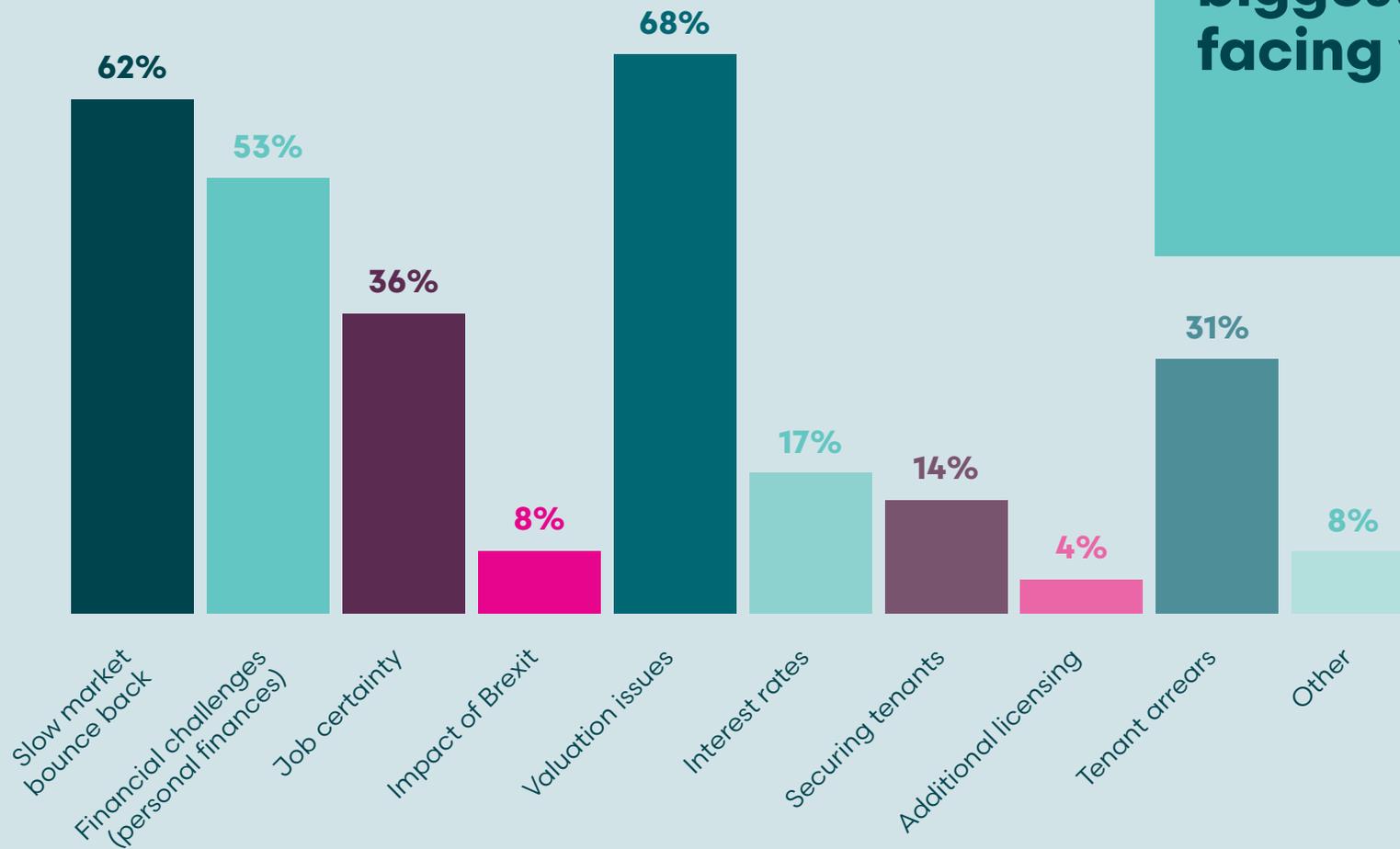


- Backlog of survey and valuation work
- Transition back to working in an office
- Getting to grips with new product criteria
- Valuation issues
- Lending restrictions
- Lead generation
- Client window shopping
- Brexit
- Broker competition
- Other



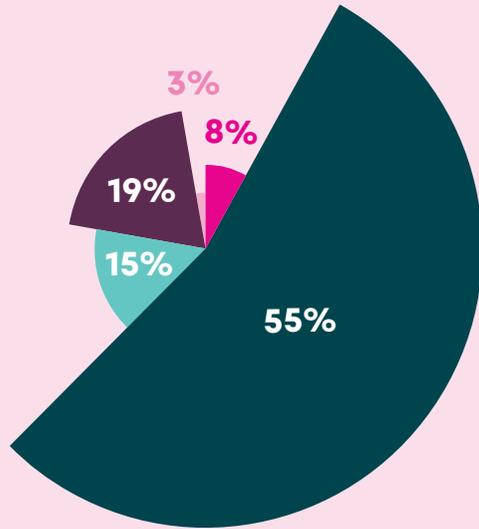


Thinking ahead to a time when the pandemic is over, what do you think will be the biggest issues facing your clients?

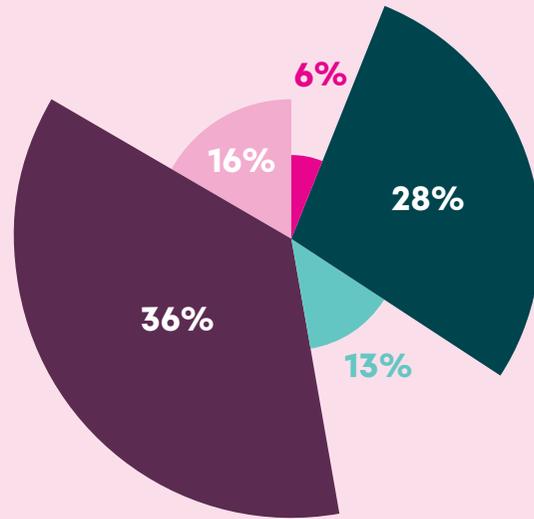




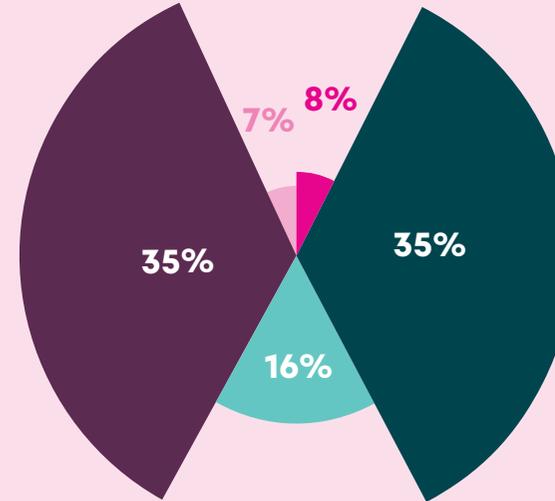
The lending environment



The UK economy post-coronavirus



Business growth



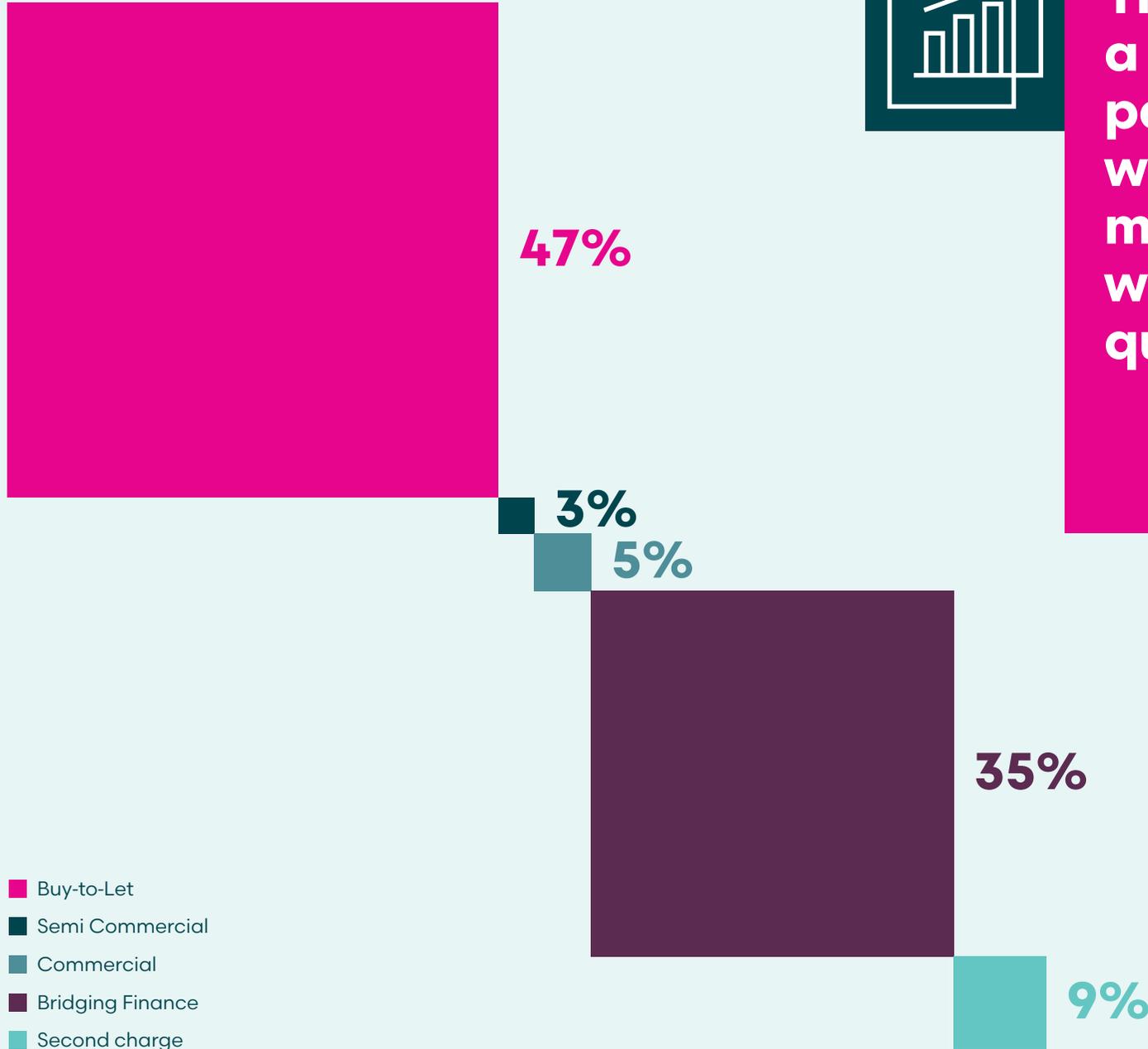
- Very concerned
- Fairly concerned
- Indifferent
- Fairly confident
- Very confident



Thinking ahead to a time when the pandemic is over, how confident are you about the following?



Thinking ahead to a time when the pandemic is over, which area of the market do you think will recover the quickest?

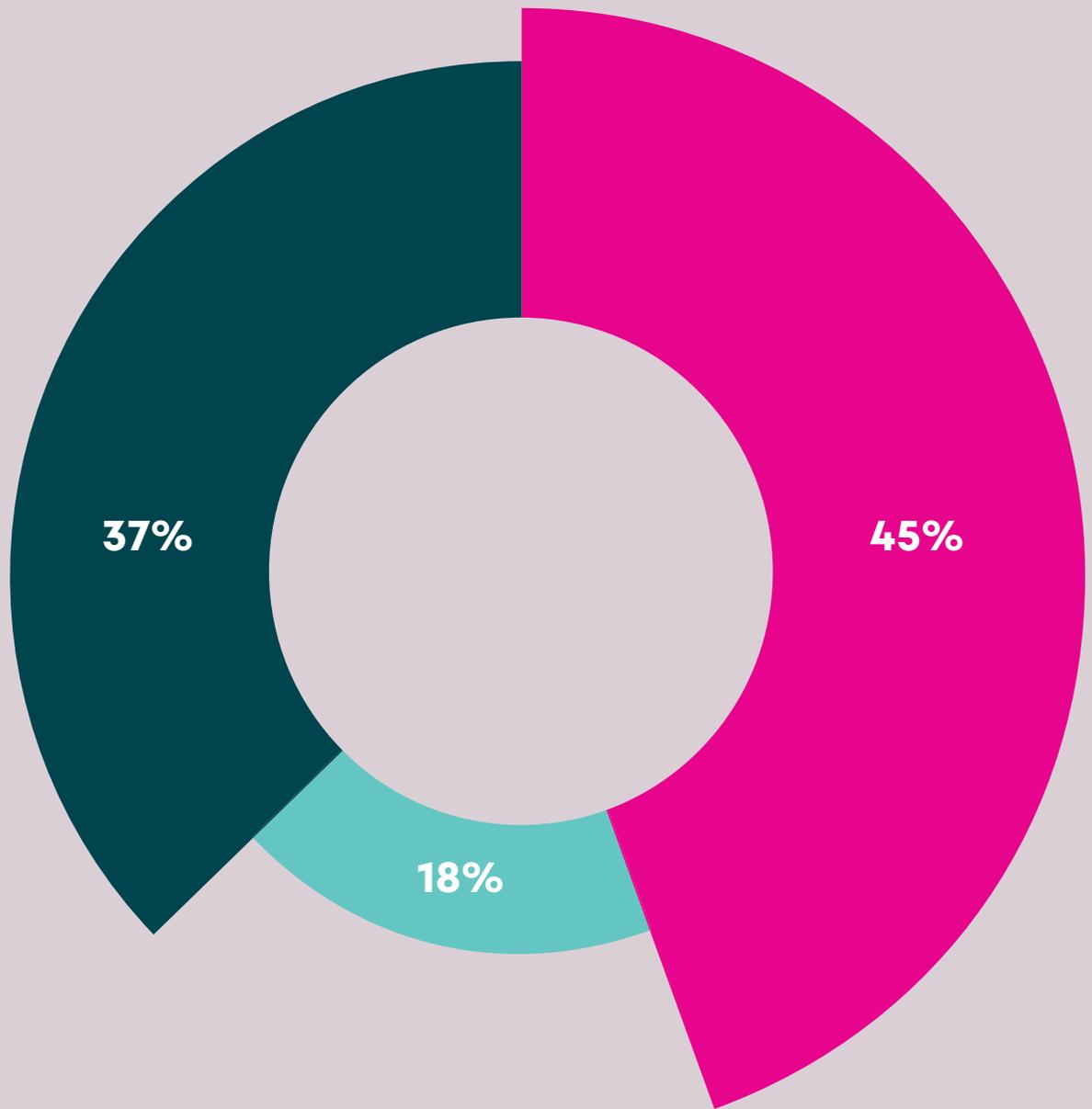


- Buy-to-Let
- Semi Commercial
- Commercial
- Bridging Finance
- Second charge



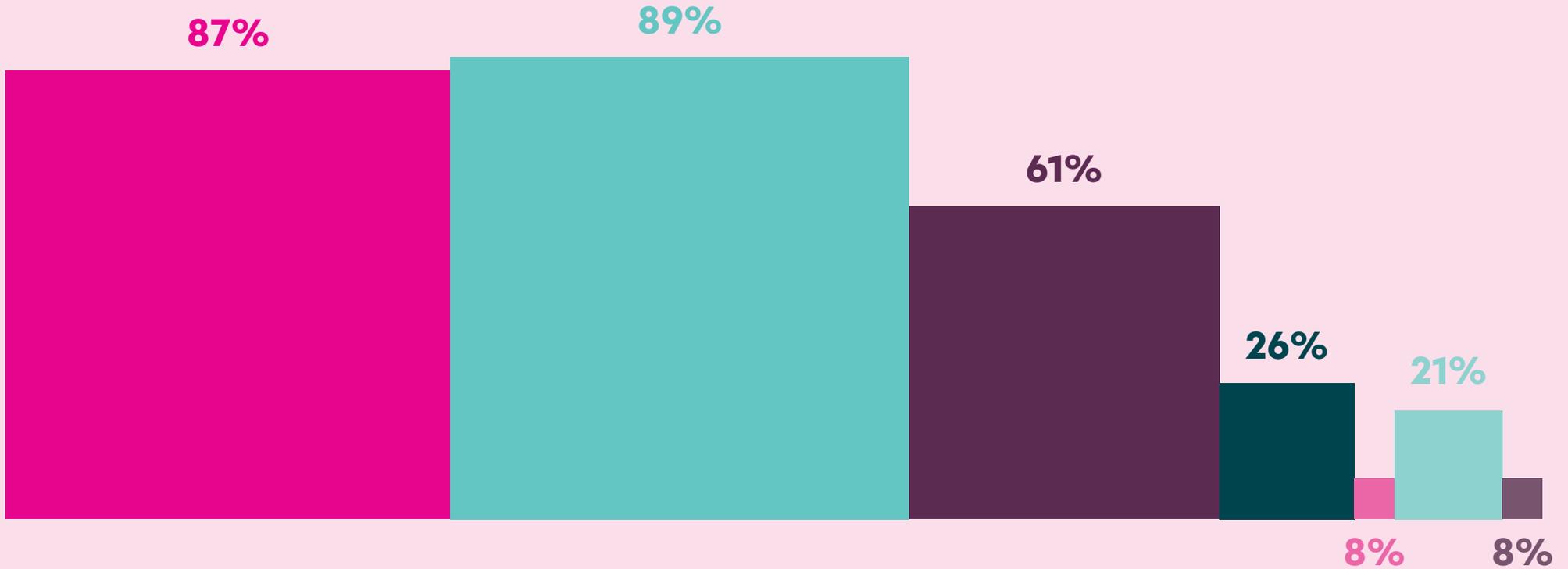
- Increase
- Decrease
- Don't know

Do you think it is likely that investors and/or landlords will look to increase or reduce their portfolio in response to the coronavirus pandemic?





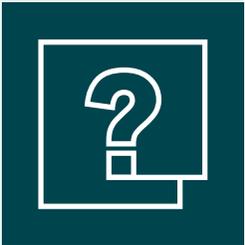
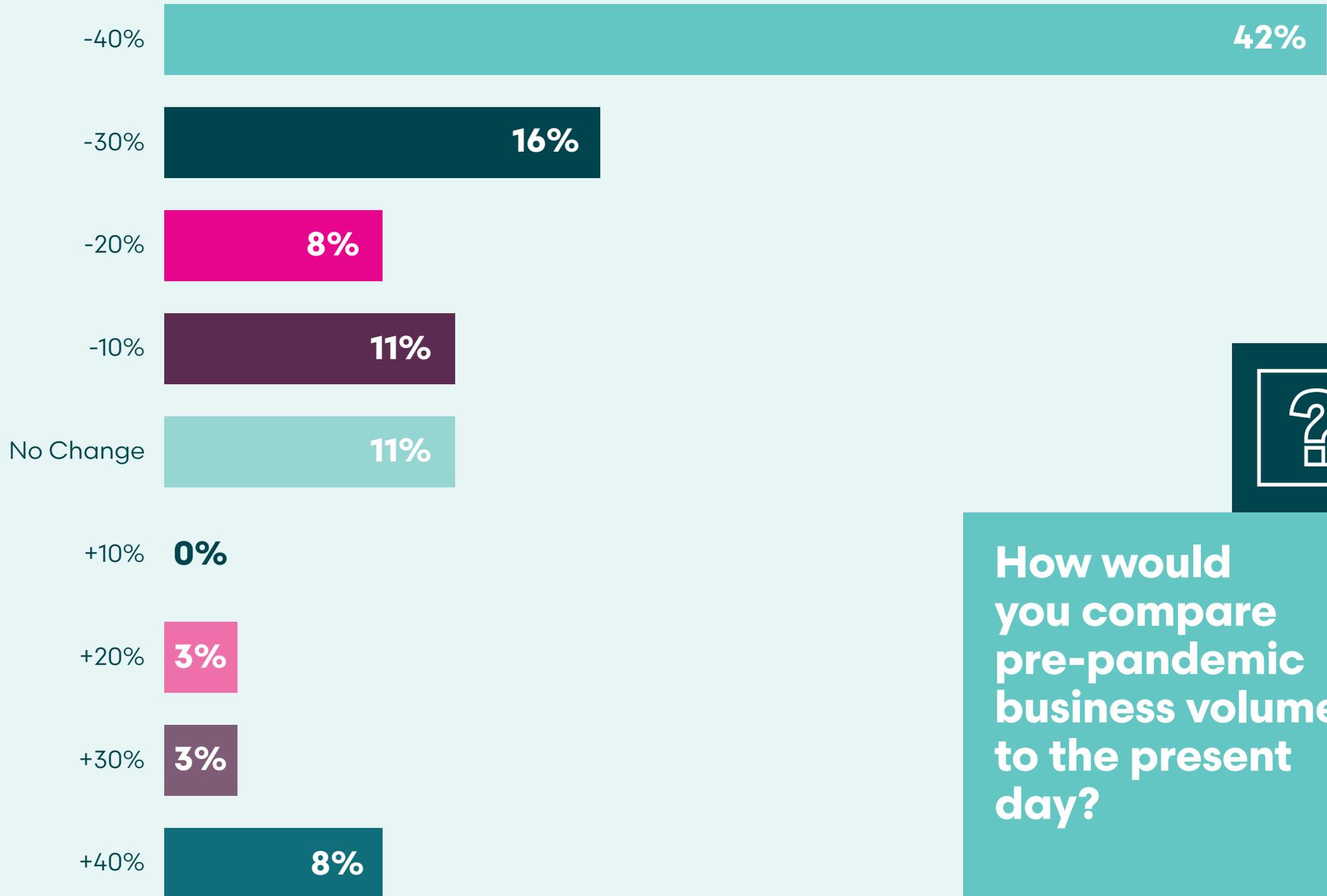
Second charge



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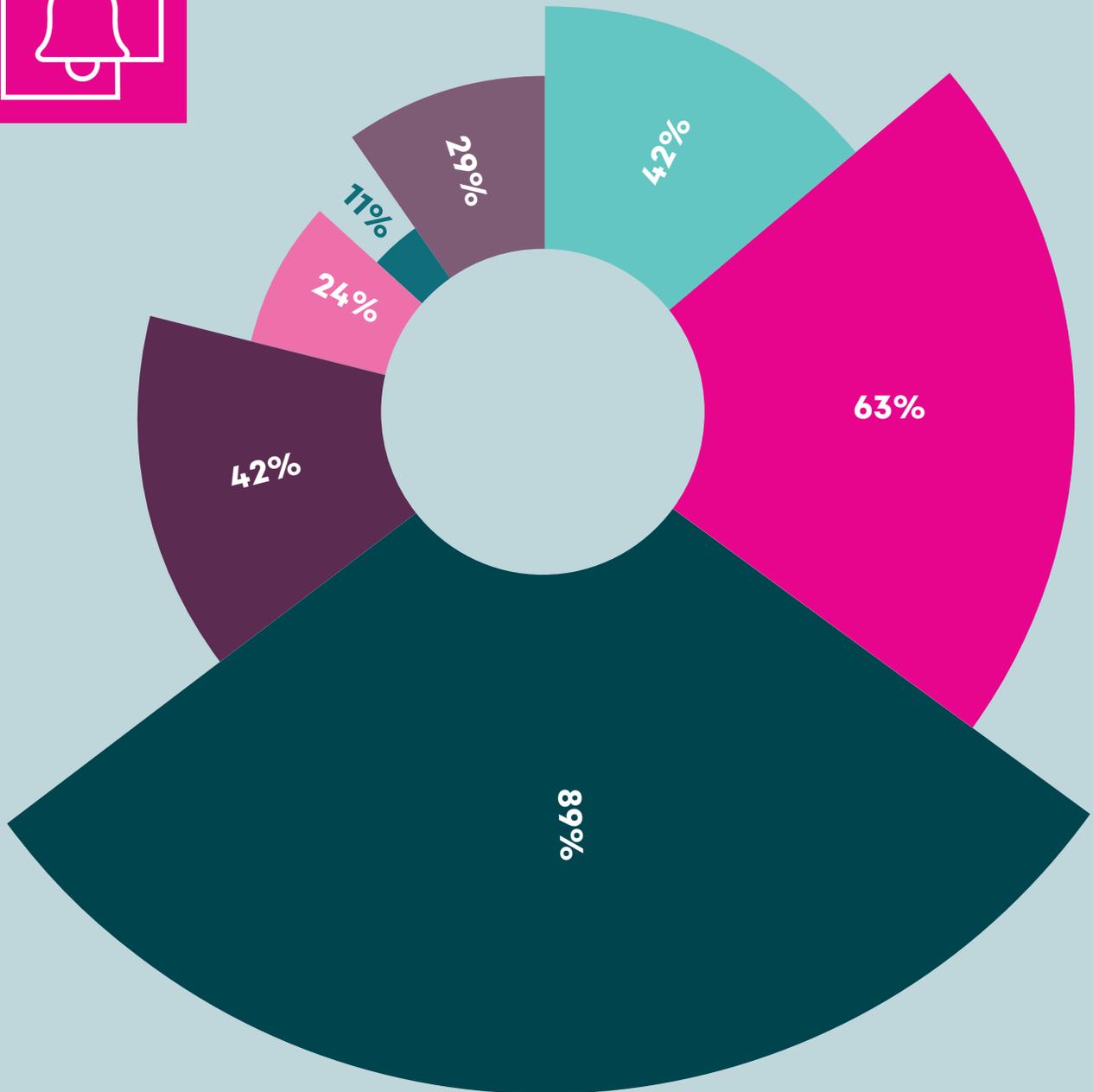


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- Other

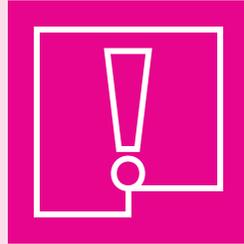


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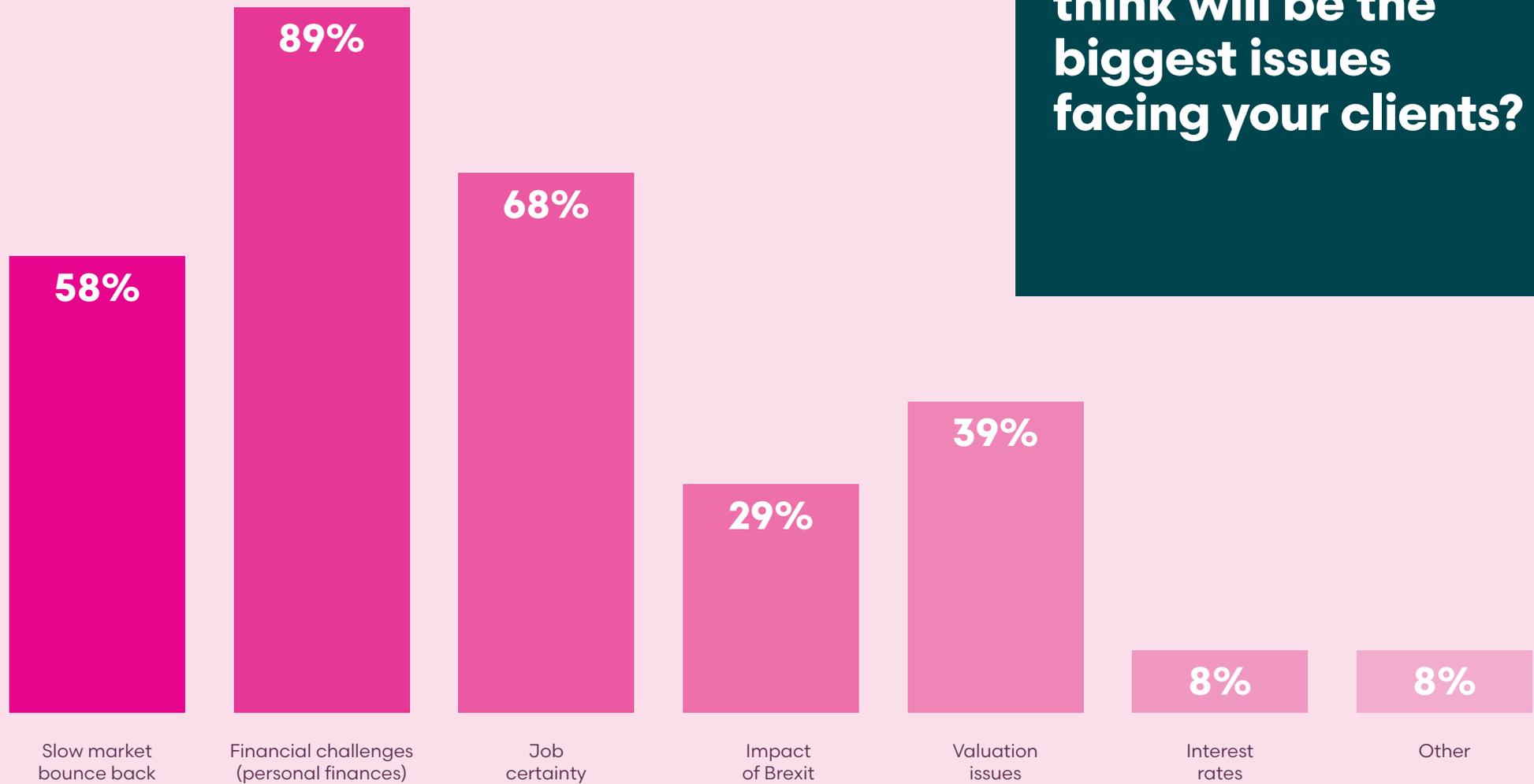
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- Lead generation
- Brexit
- Broker competition
- Other



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Thinking ahead to a time when the pandemic is over, how confident are you about the following?

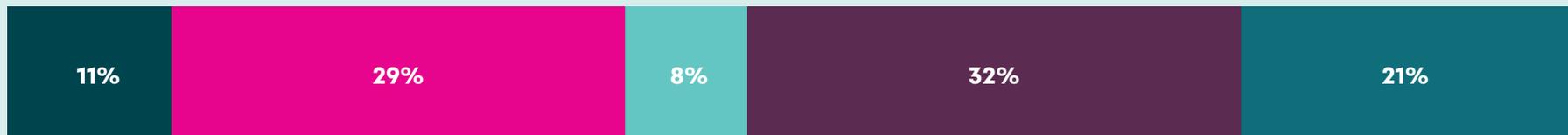


Very confident Fairly confident Indifferent Fairly concerned Very concerned

The lending environment



The UK economy post coronavirus



Business growth





Thinking ahead to a time when the pandemic is over, which area of the market do you think will recover the quickest?

13%

11%

68%

8%



13%

Second charge



68%

Residential



11%

Buy-to-Let



8%

Bridging Finance



Do you think it is likely that investors and/or landlords will look to increase or reduce their portfolio in response to the coronavirus pandemic?

34%



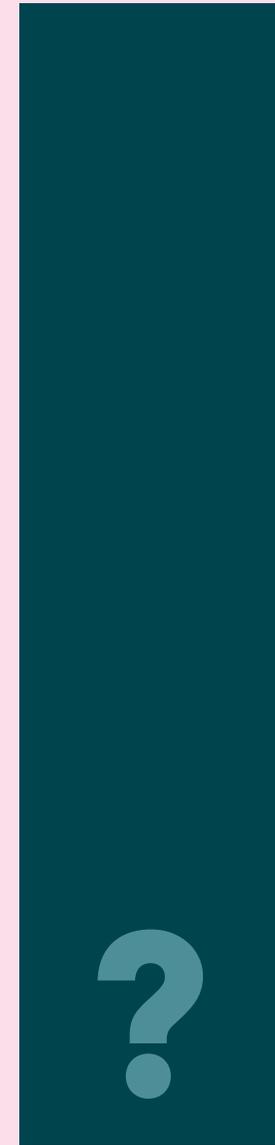
Increase

11%



Decrease

55%



Don't know