Shawbrook Bank

Broker Barometer 2021

Proudly different.

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Foreword

Emma Cox
Sales Director,
Property Finance Division,
Shawbrook Bank

Property Investment Market remains optimistic in the face of continued Covid-related uncertainty.

Shawbrook's 2020 Broker Barometer looks at the primary concerns of the broker community, revealing a largely positive outlook for 2021.

1. Broker optimism continues...

Despite on-going uncertainty as we continue to navigate the challenges of the pandemic, brokers remain optimistic when looking at the year ahead. Over two thirds (67%) of commercial brokers said they were confident about the UK lending environment this year, whilst 60% state they felt confident about the growth of their business.

Second charge brokers reveal a more cautious view, with only 30% feeling confident about the lending environment and 19% about business growth.

Confidence in the UK economy has grown across both commercial and second charge brokers since our last Barometer six months ago, with 44% of commercial brokers and 50% of second charge brokers showing confidence in this area for 2021 – a 10% increase across both.

It's encouraging to see that since the height of the first lockdown, 58% of commercial brokers and 66% of second charge brokers have seen an increase in business volumes of more than 20%. This strong bounce back is likely to be a key factor in their optimistic view of the year ahead.

2. Lending restrictions remain a key concern

Brokers reported that 'lending restrictions' remain their top concern for 2021, with 'valuation issues', 'Covid restrictions' and 'product availability' also ranked highly for anticipated challenges.

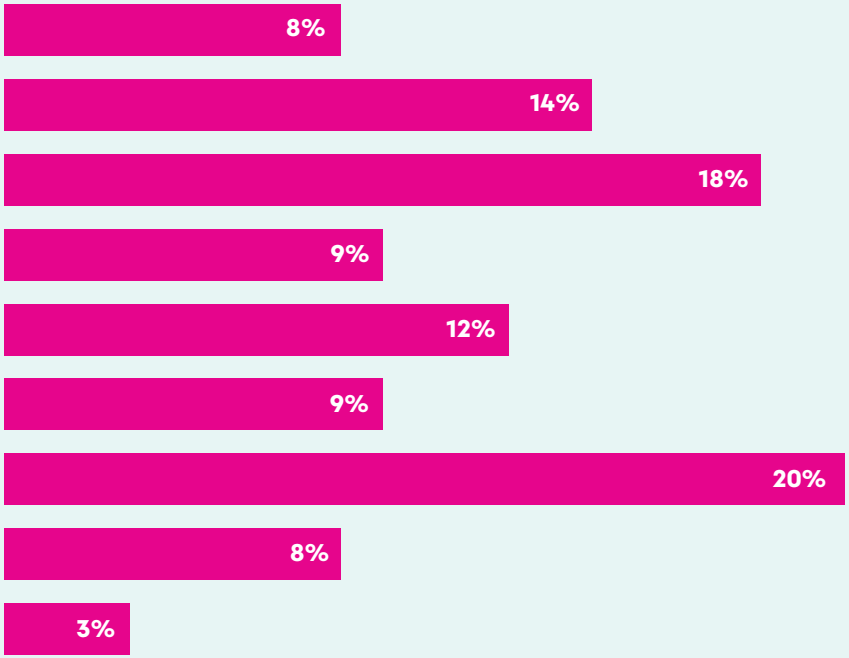
Whilst it's great to see such positivity among our broker community, we're very aware of the challenges they face this year and as we head further into lockdown 3.0, it is crucial that lenders continue to support and work closely with their broker partners.

This is very much front of mind for Shawbrook and we plan to continue investing in our business with product and technological enhancements, supported by a robust appetite to lend across all our markets.

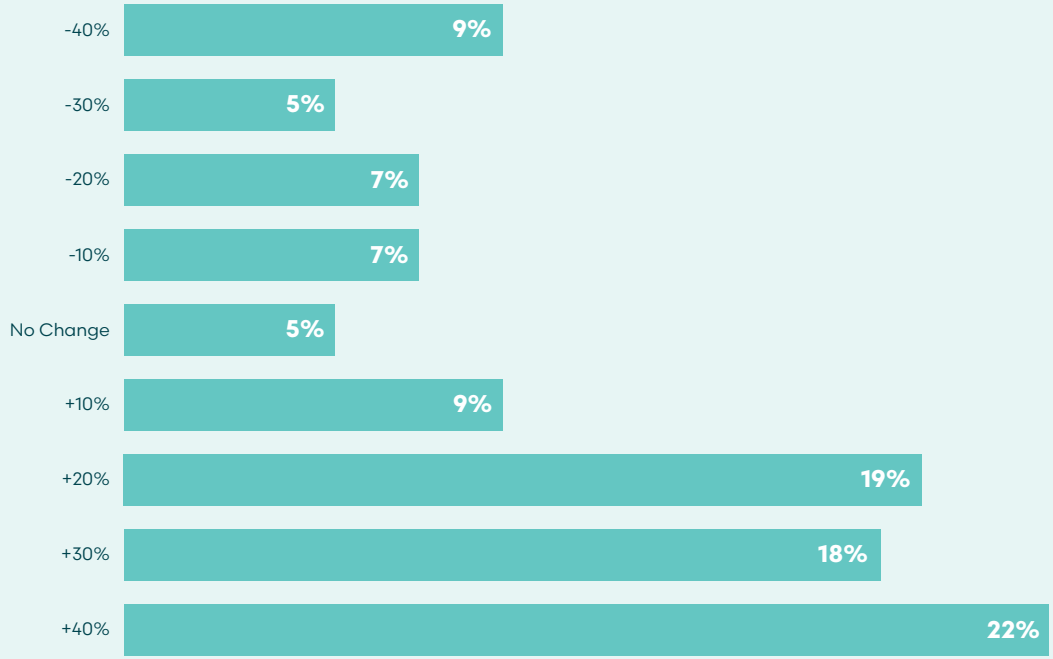
We encourage you to reach out to your Regional Development Manager to discuss any of these issues and we look forward to supporting you throughout 2021.

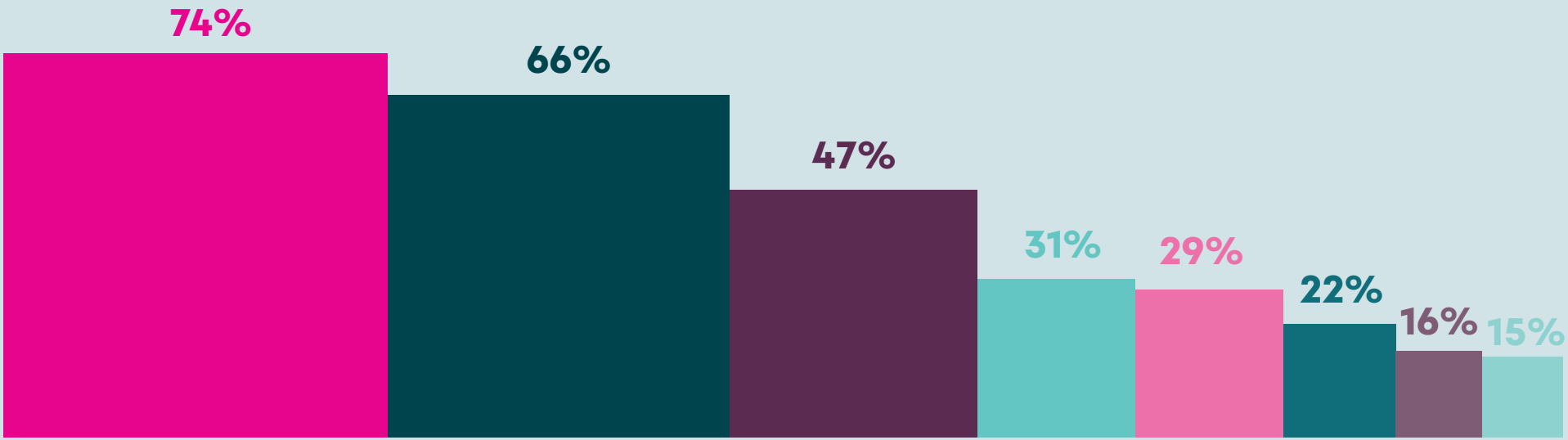
BTL, Commercial & Bridging

How would you compare business volumes from the start of 2020 to the present day?



How would you compare business volumes from April 2020 (during the height of the UK lockdown 1.0) to the present day?





- Lending restrictions
- Valuation issues
- Covid-19 restrictions
- Transactions being put on hold
- Product availability
- Brexit uncertainty
- Other
- Client window shopping

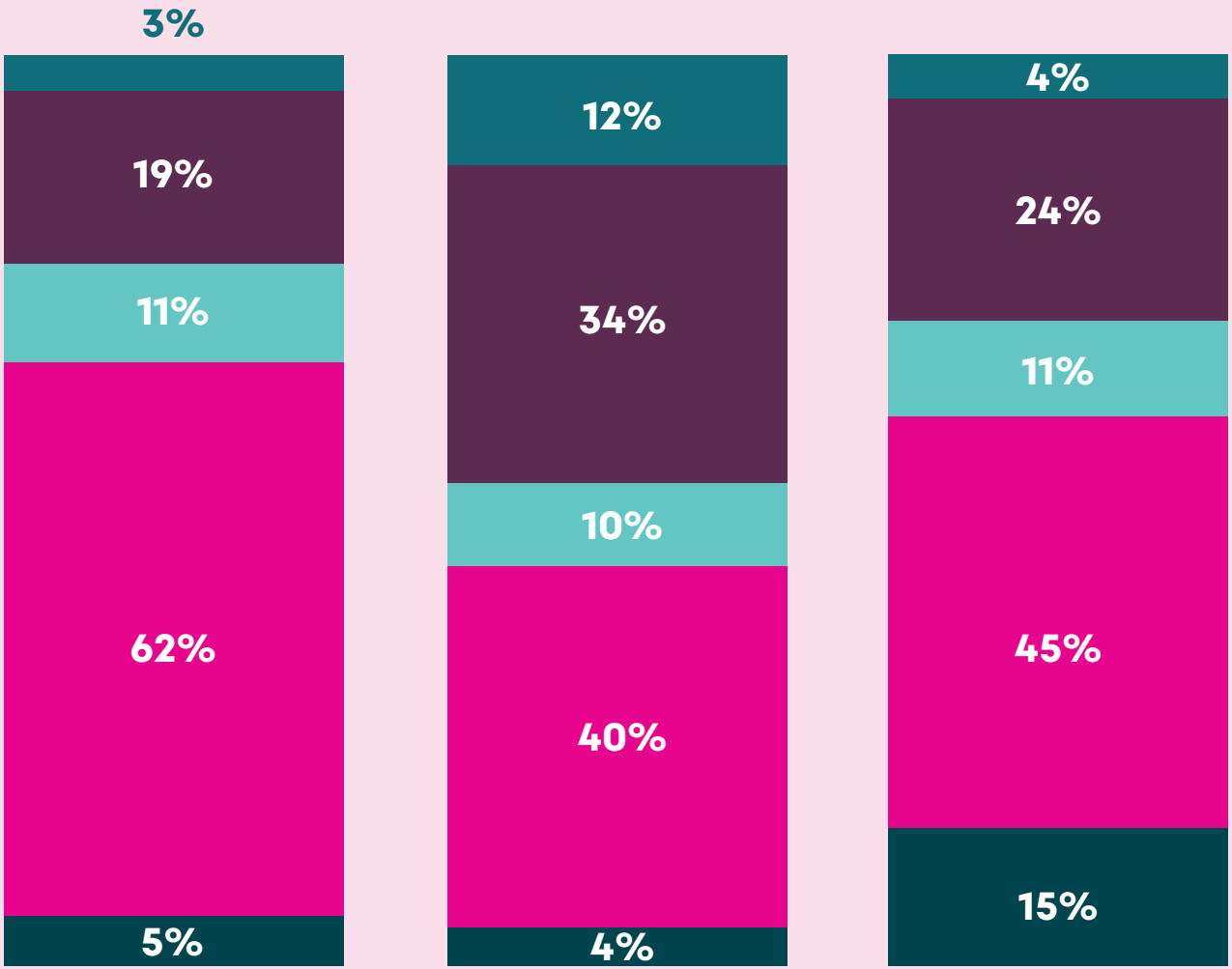
3

What do you anticipate as the three biggest challenges to your business in 2021?

The lending environment

The UK economy

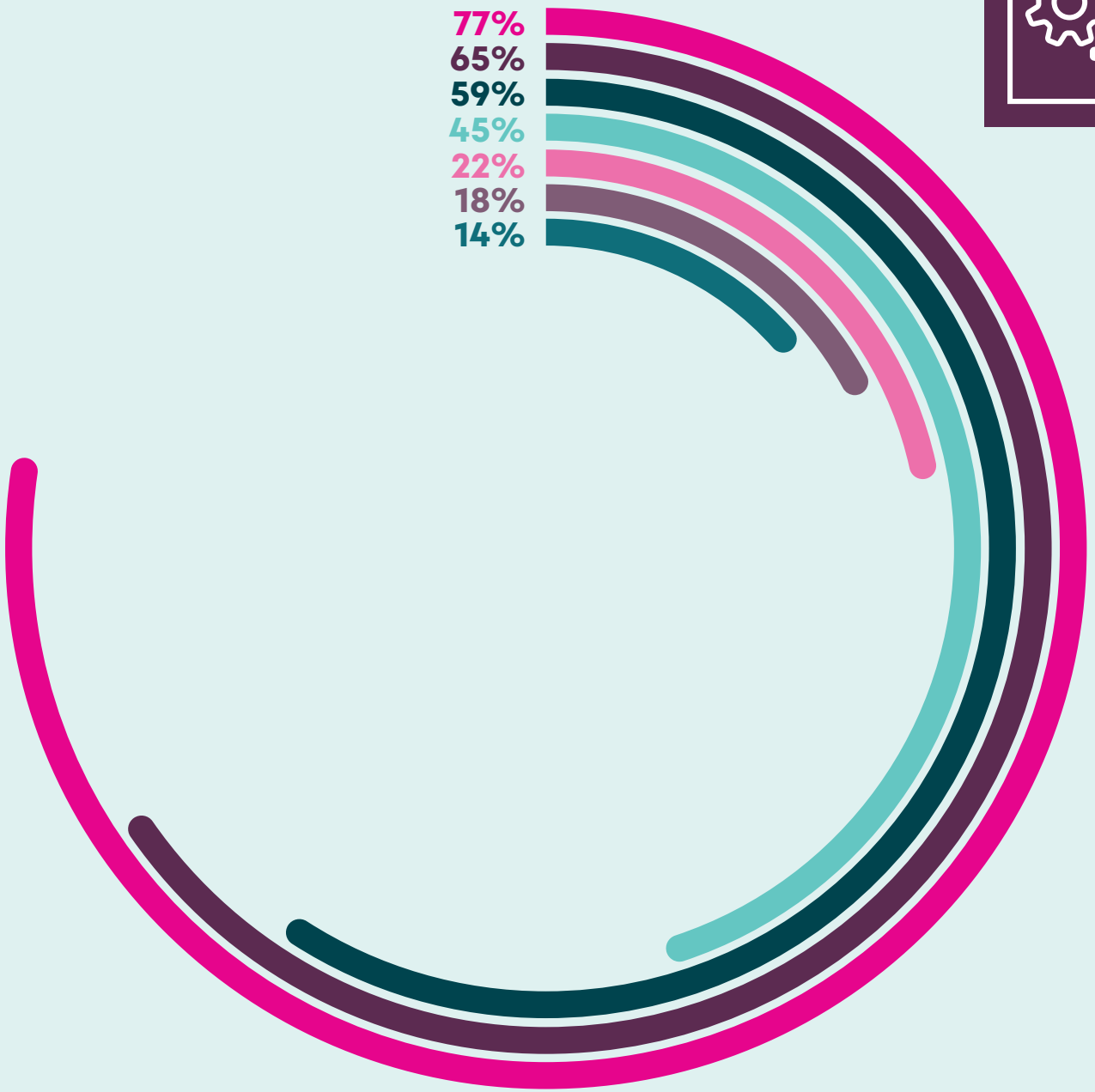
Business growth



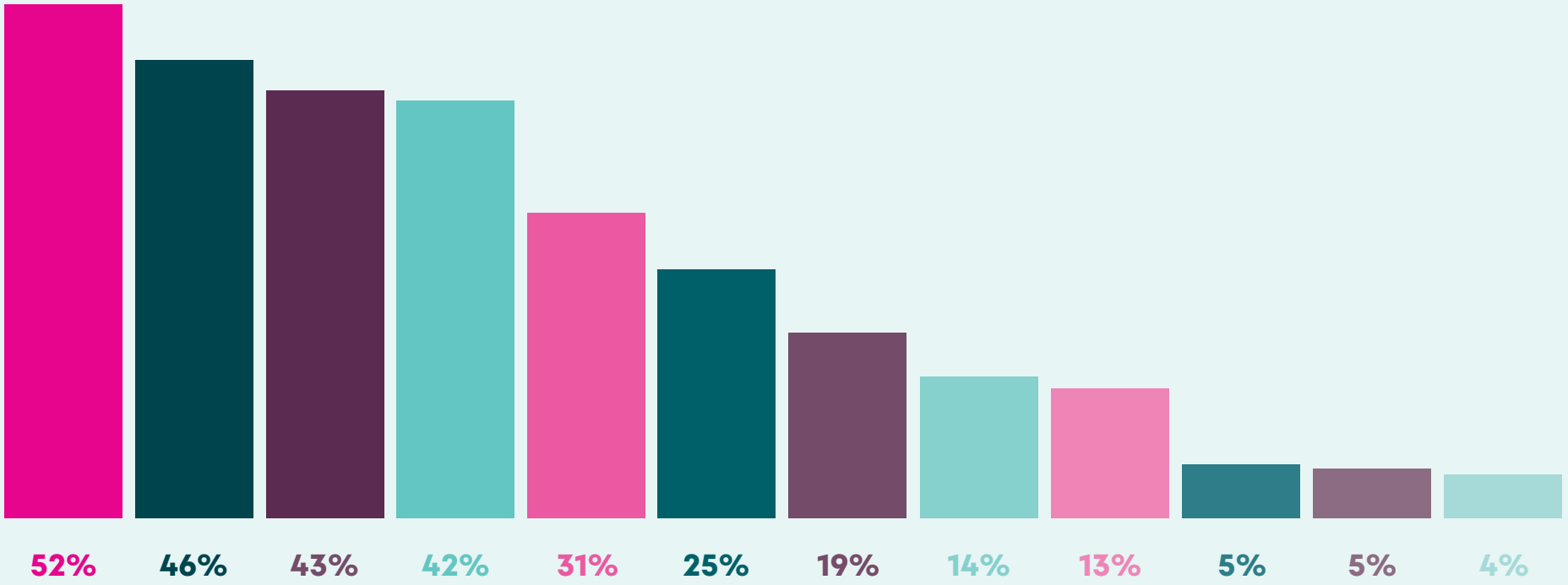
- Very concerned
- Fairly concerned
- Indifferent
- Fairly confident
- Very confident

Thinking about the year ahead, how confident are you about the following?

What do you anticipate as the three biggest operational challenges in 2021?



- Navigating the product landscape
- Growing the business
- Retaining competitive advantage
- Lead generation
- Digital adoption
- Other
- Transitioning back to working in an office



What do you anticipate as the three biggest challenges to face your clients in 2021?

- Valuation issues
- Financial challenges (personal finances)
- Slow market bounce back
- Job certainty
- Falling property prices
- Impact of Brexit
- Tenant arrears
- Interest rates
- Securing tenants
- Additional licensing
- Other
- Vacant properties

29%
Buy-to-Let

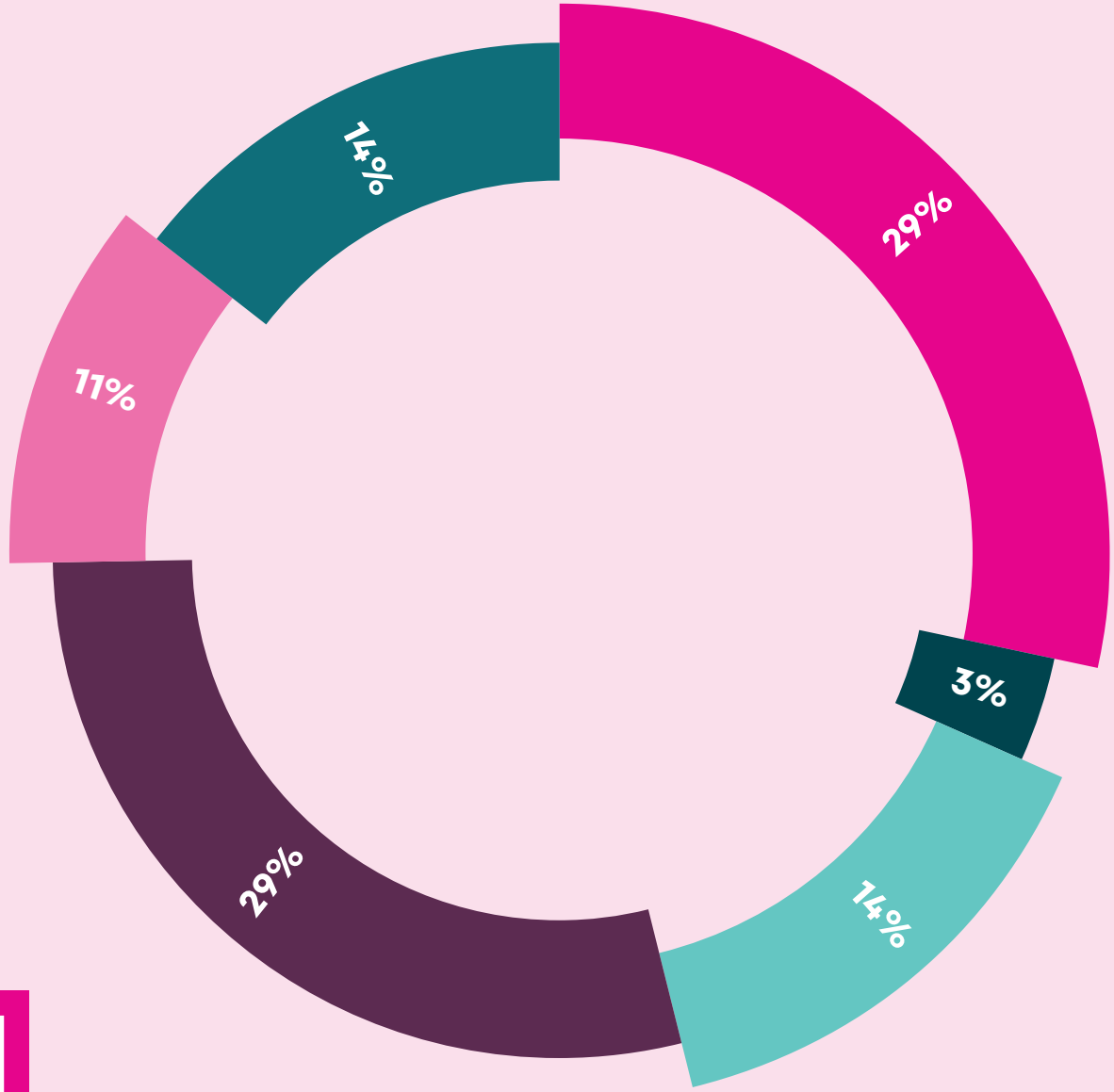
29%
Bridging

14%
Semi-commercial Investment

14%
Second Charge Mortgages

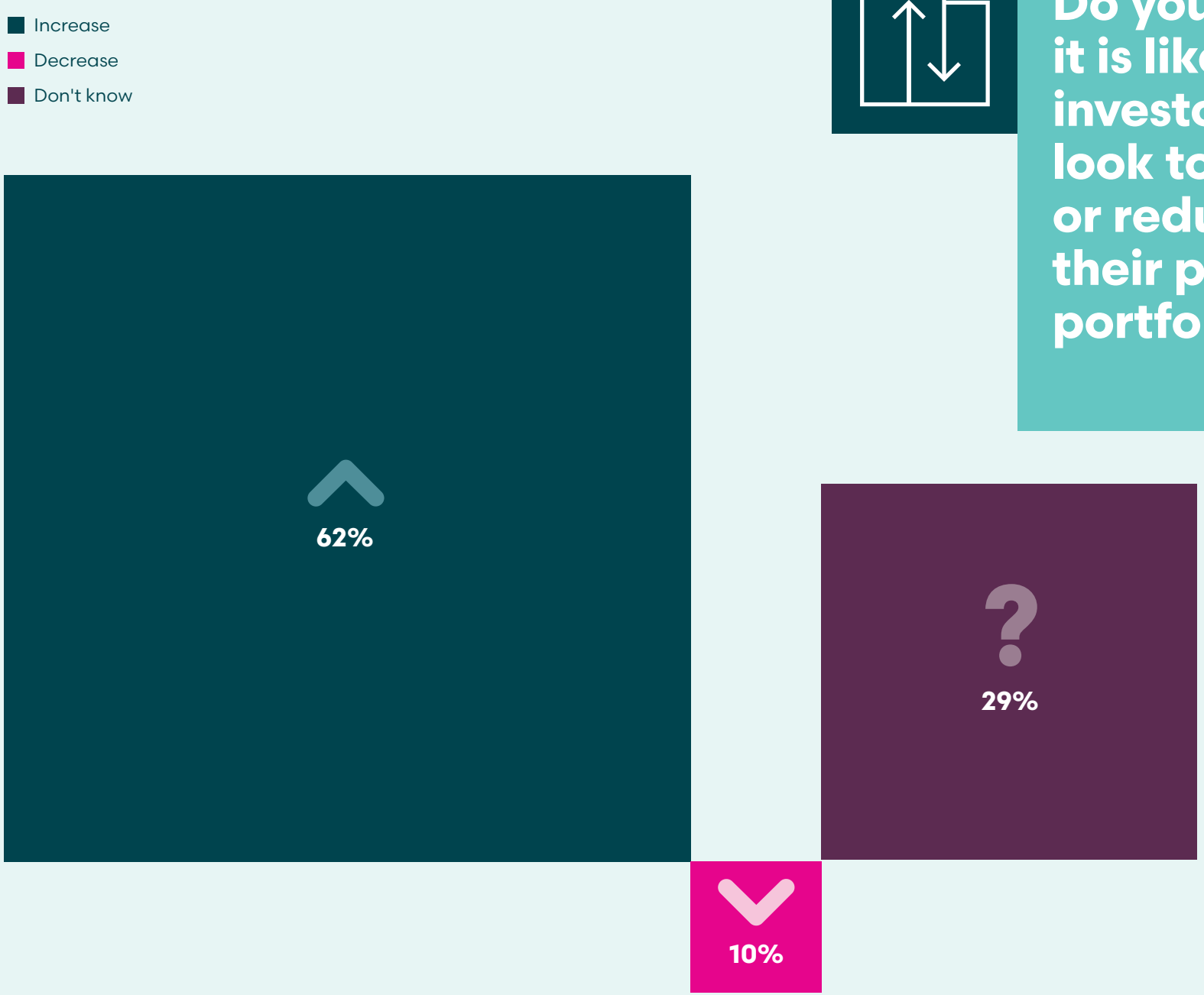
11%
Residential

3%
Commercial Investment



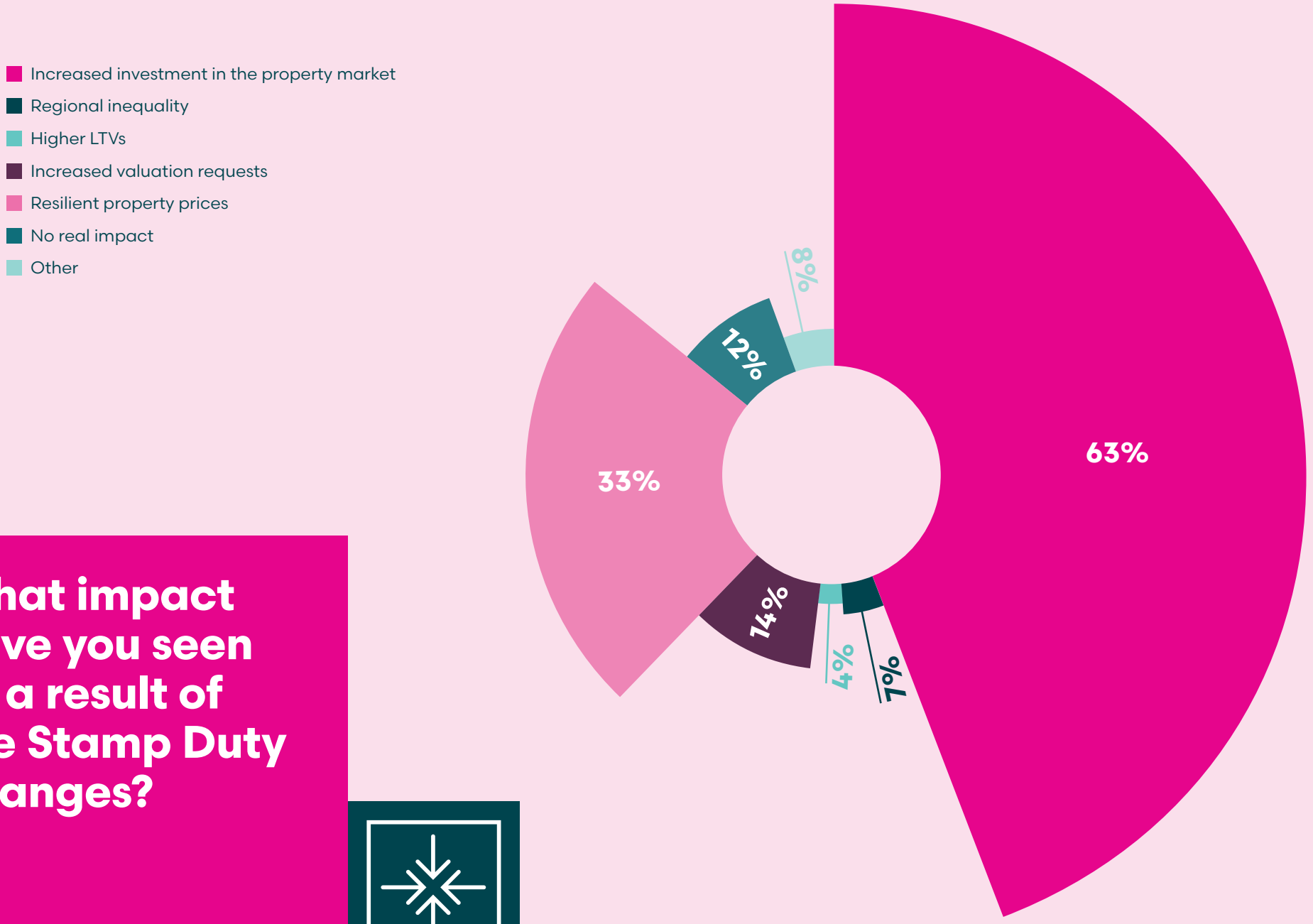
Which area of the property market do you think will experience the strongest growth in 2021?

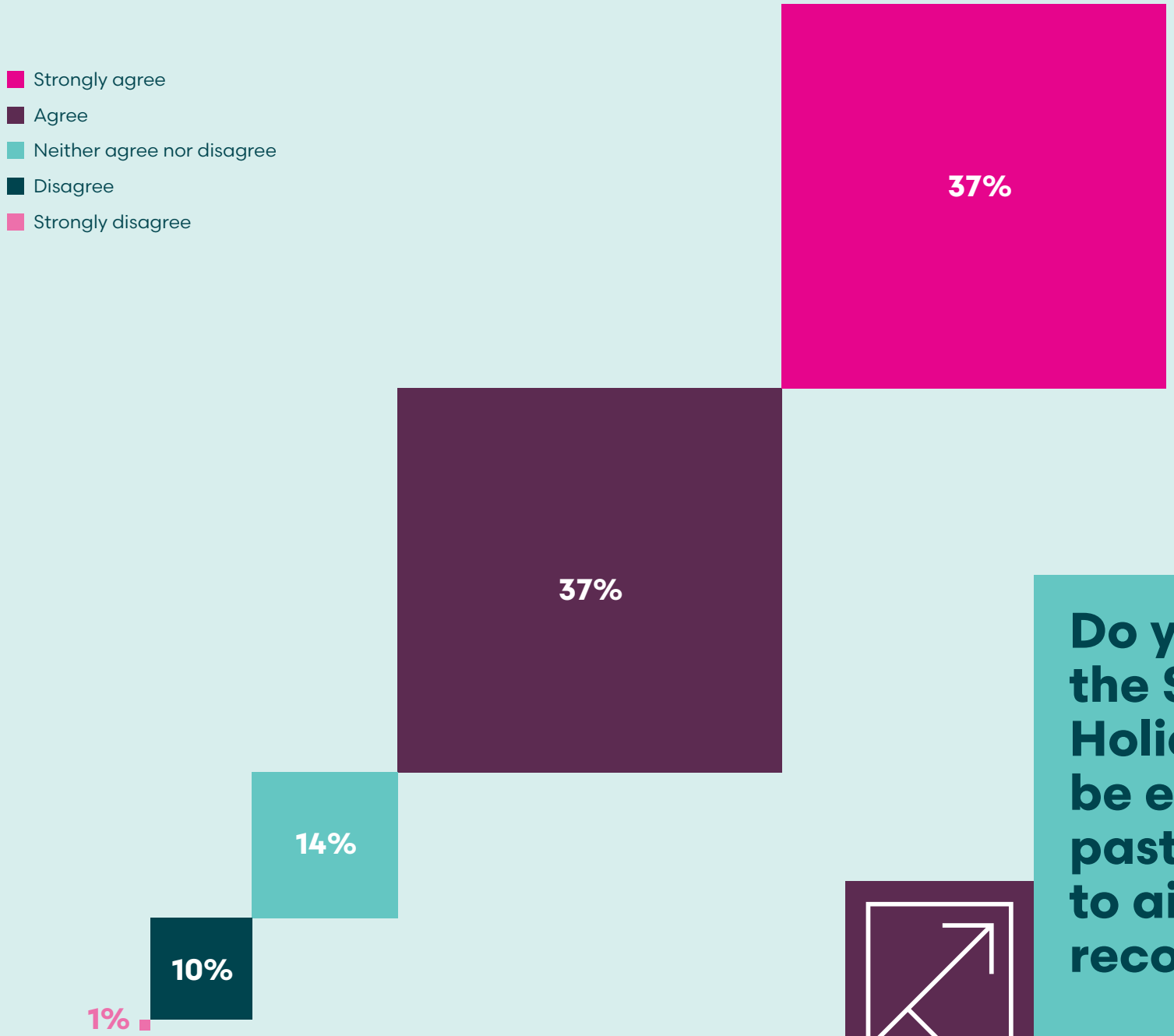
Do you think it is likely that investors will look to increase or reduce their property portfolio in 2021?



Did you support the Stamp Duty Holiday being introduced in July 2020?

What impact have you seen as a result of the Stamp Duty changes?





Do you think that the Stamp Duty Holiday should be extended past March 2021 to aid market recovery?

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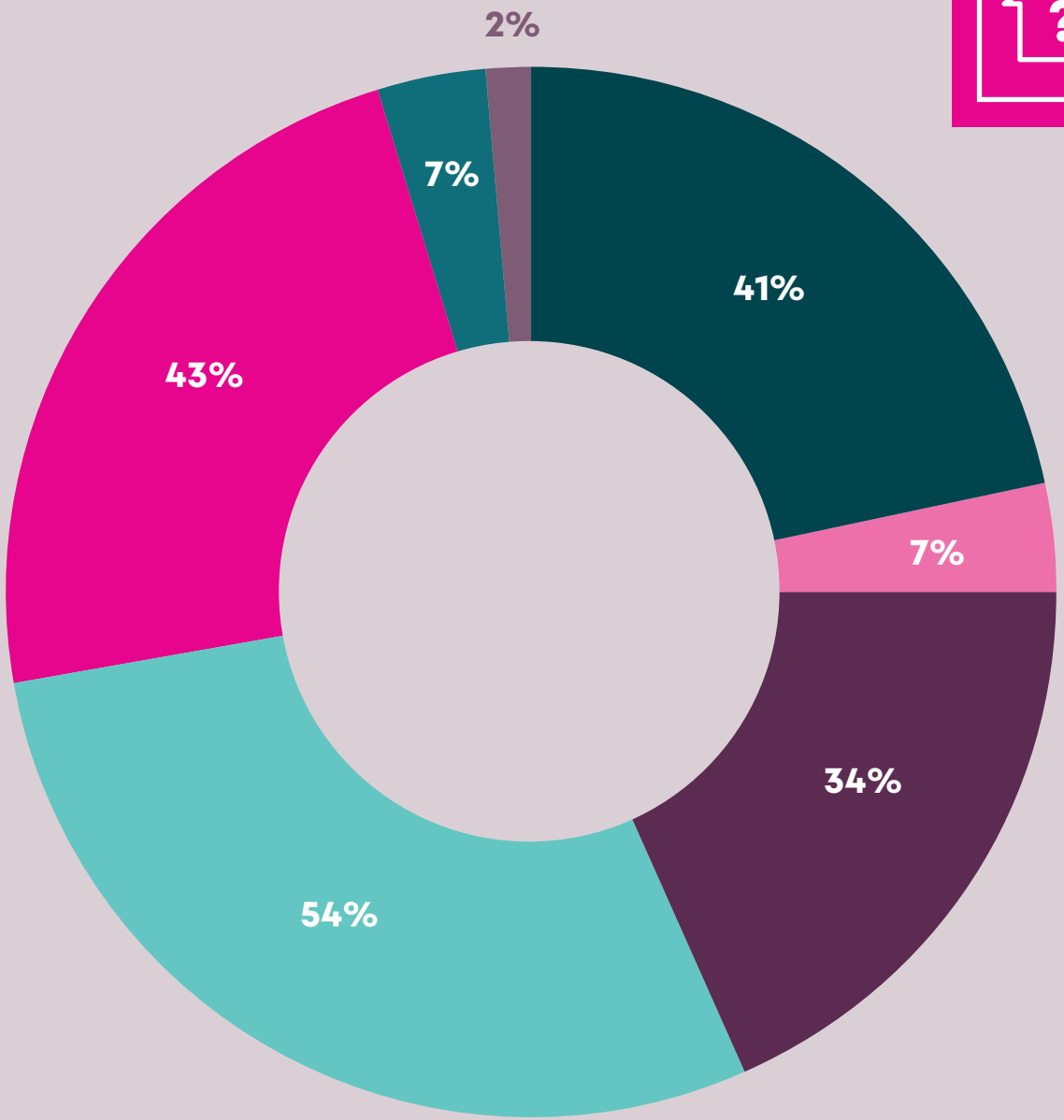
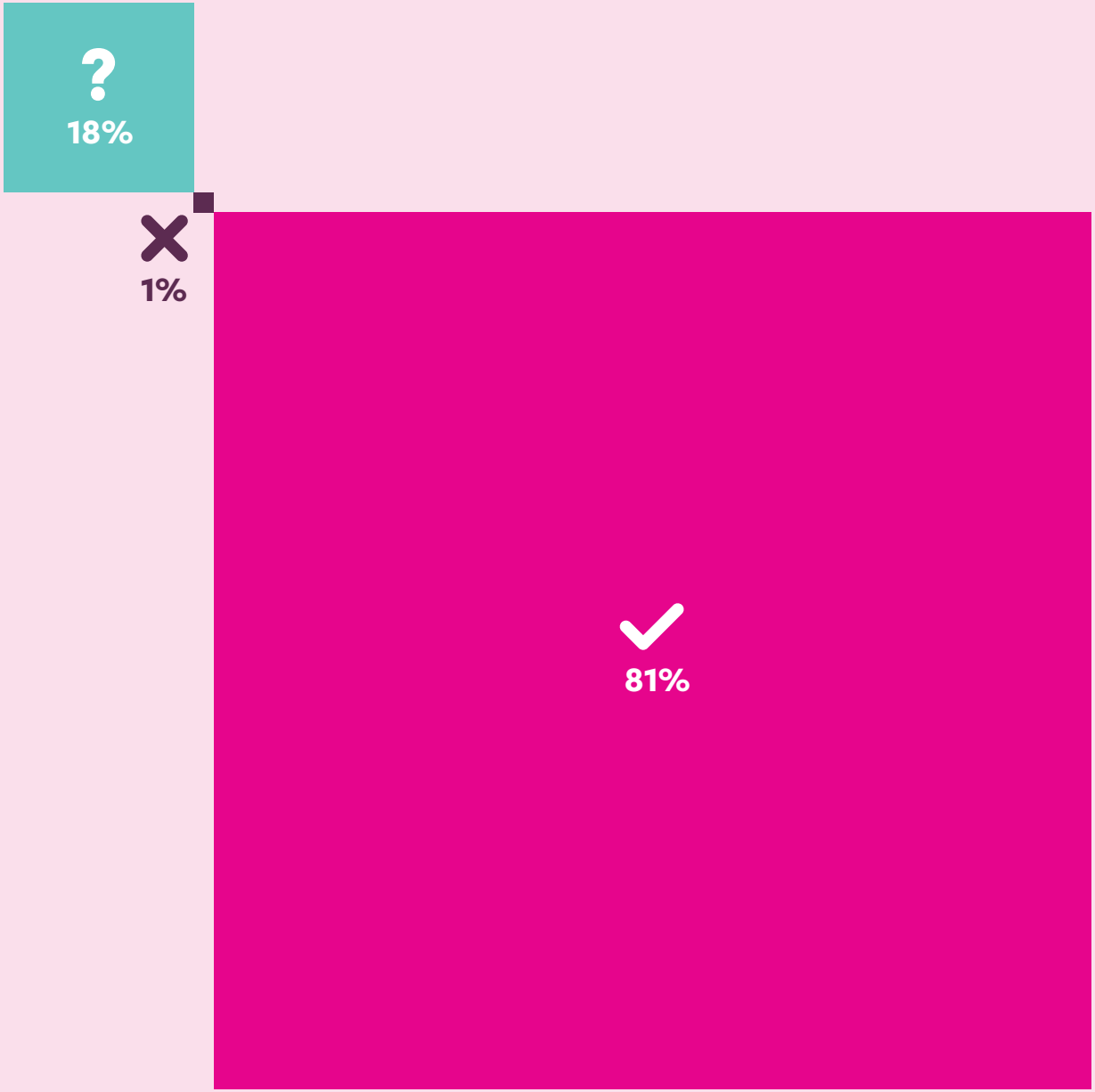


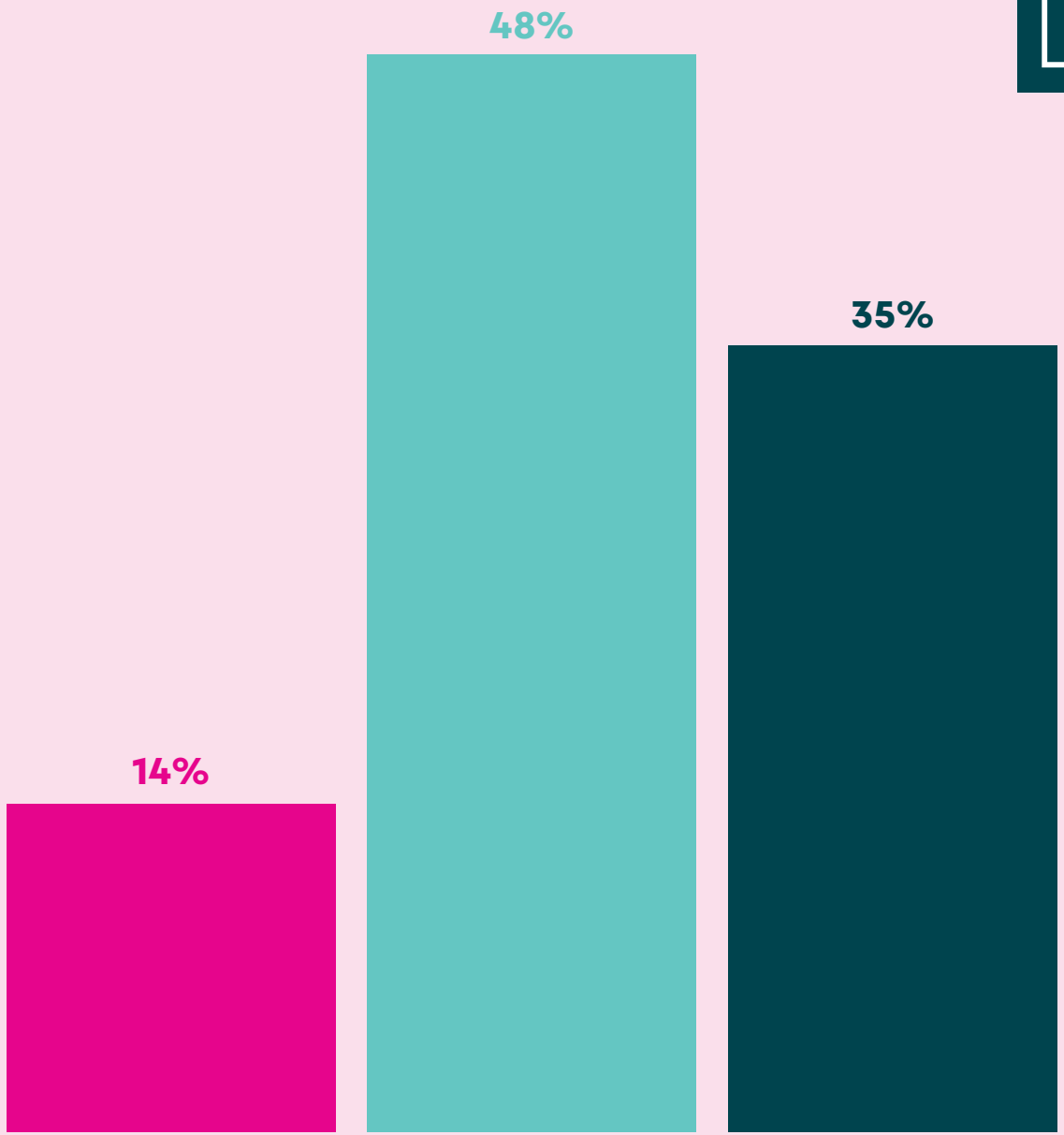
- Reduced investment in the market
- Rising property prices
- Falling property prices
- Transactions not completing by the deadline
- Backlog of work in Jan-March 2021
- No real impact
- Other

Do you feel that you and your business are prepared for Brexit?



Yes No Not sure

What do you think will be the most challenging impact of Brexit on the property market?



- Reduced numbers of EU investors
- Nervous attitudes amongst investors
- Changes to laws and regulation

Second charge

How would you compare business volumes from the start of 2020 to the present day?

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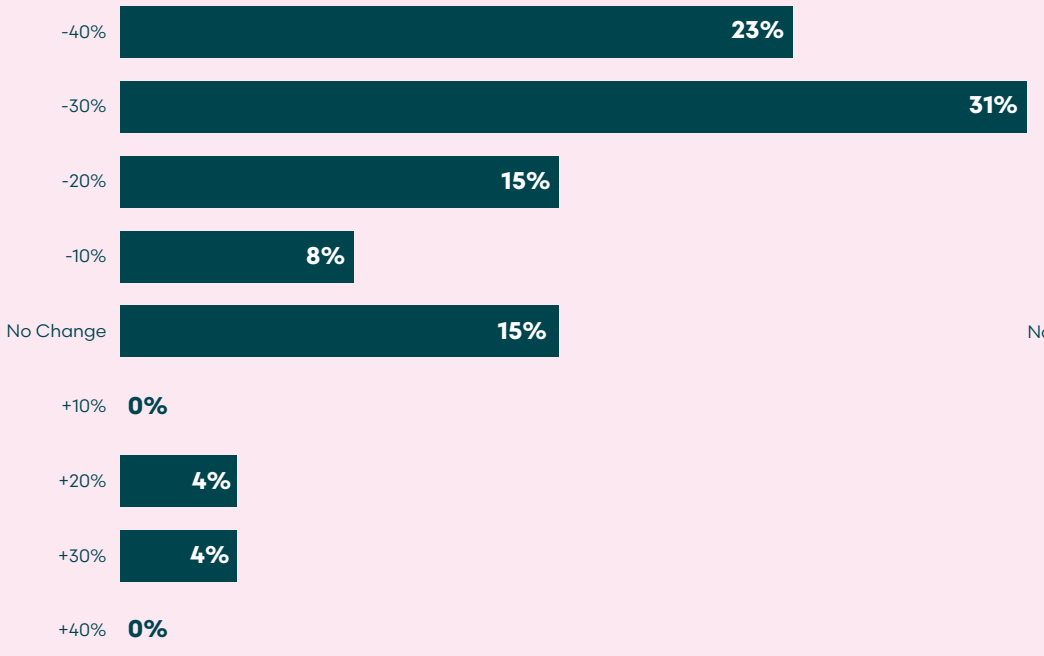

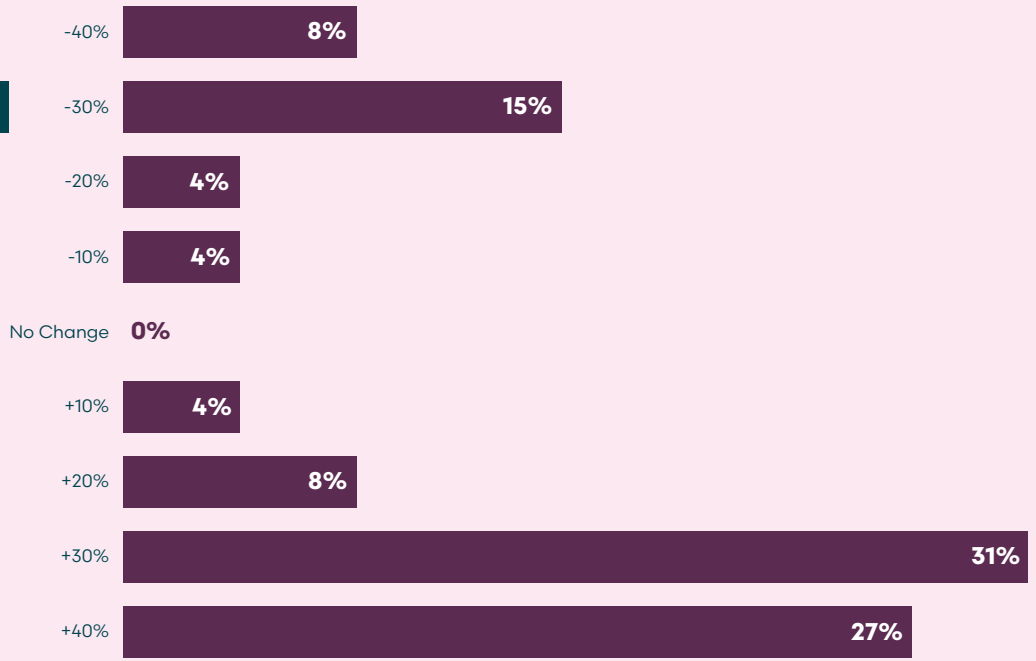

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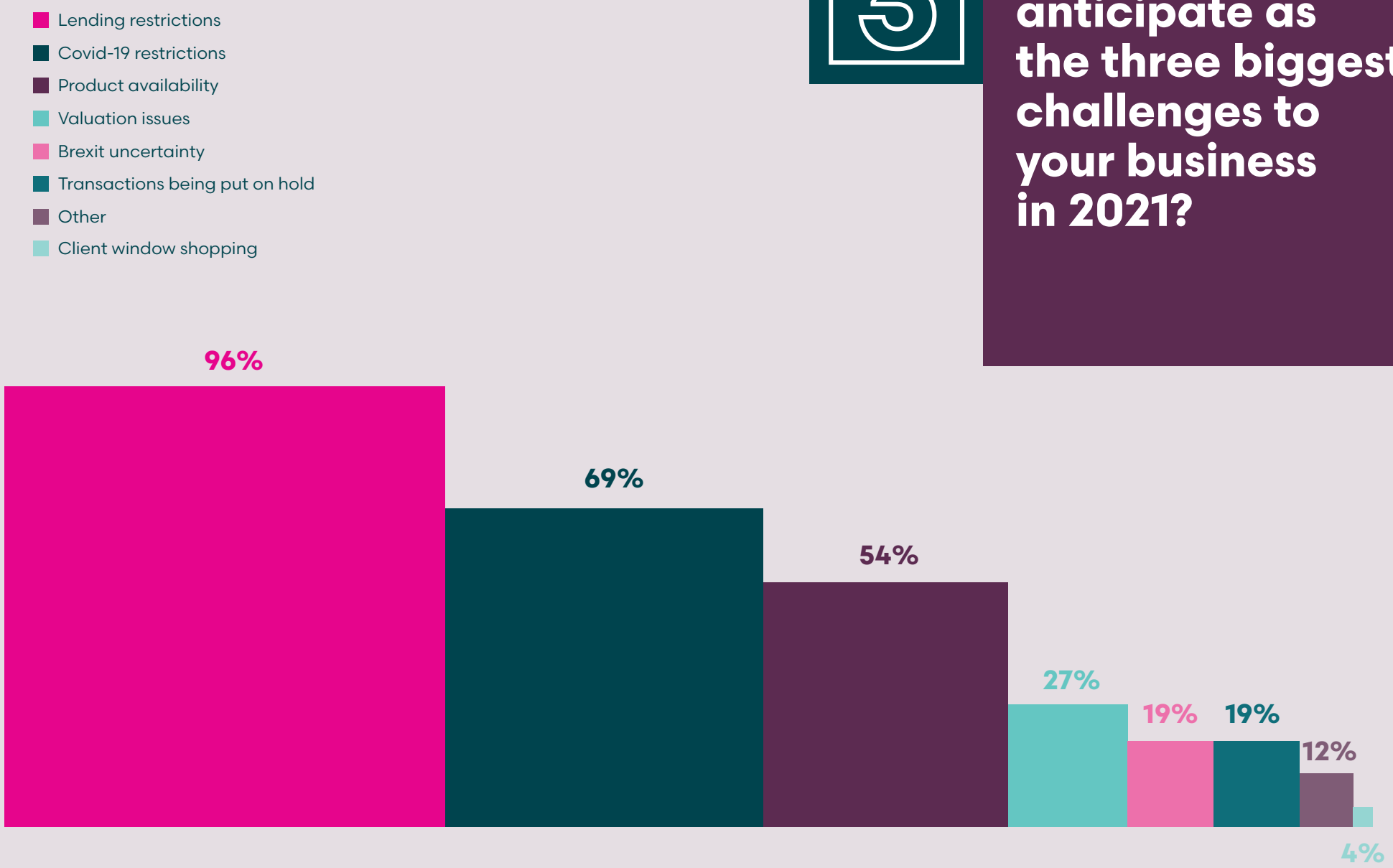
What do you anticipate as the three biggest challenges to your business in 2021?



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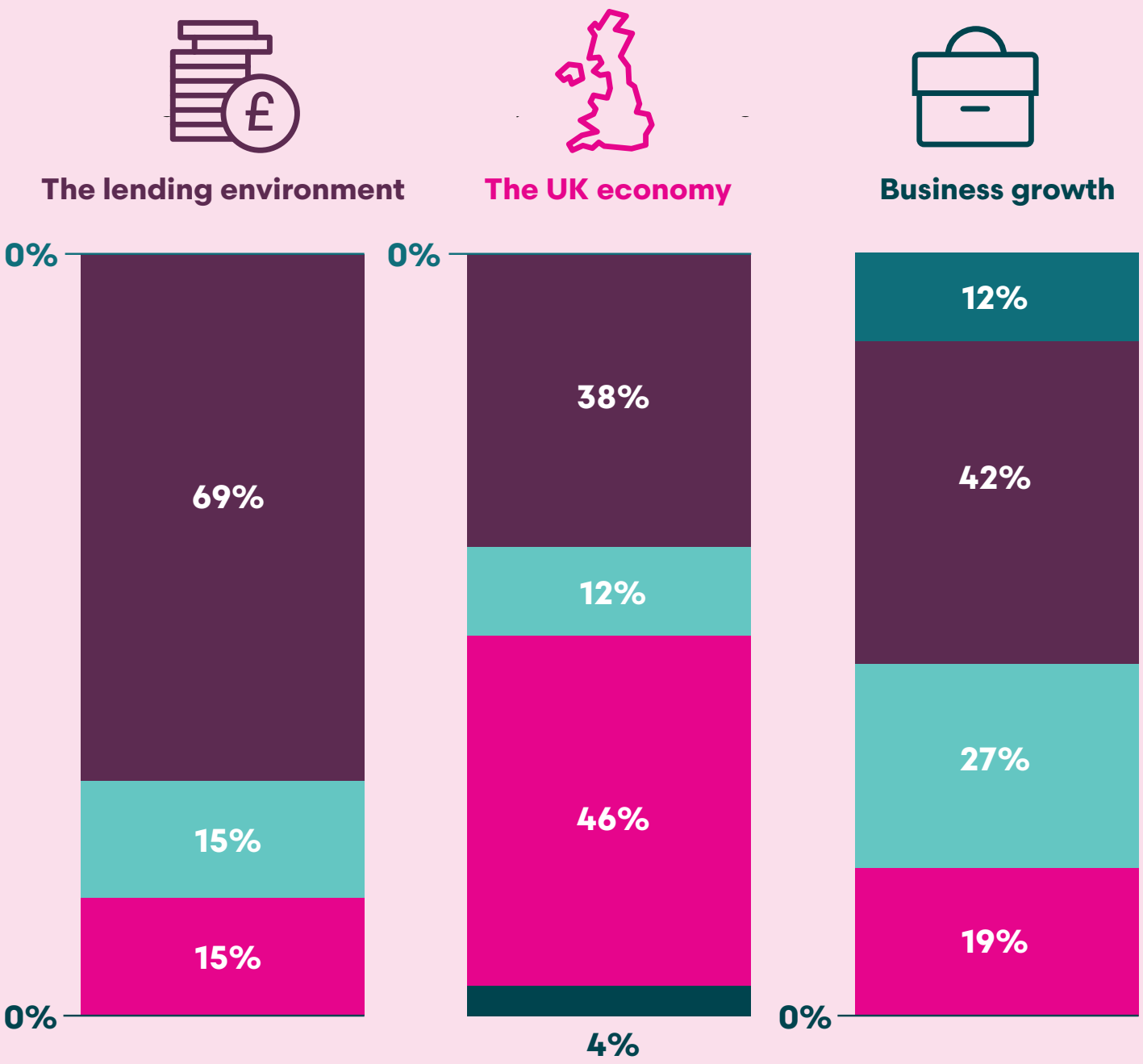

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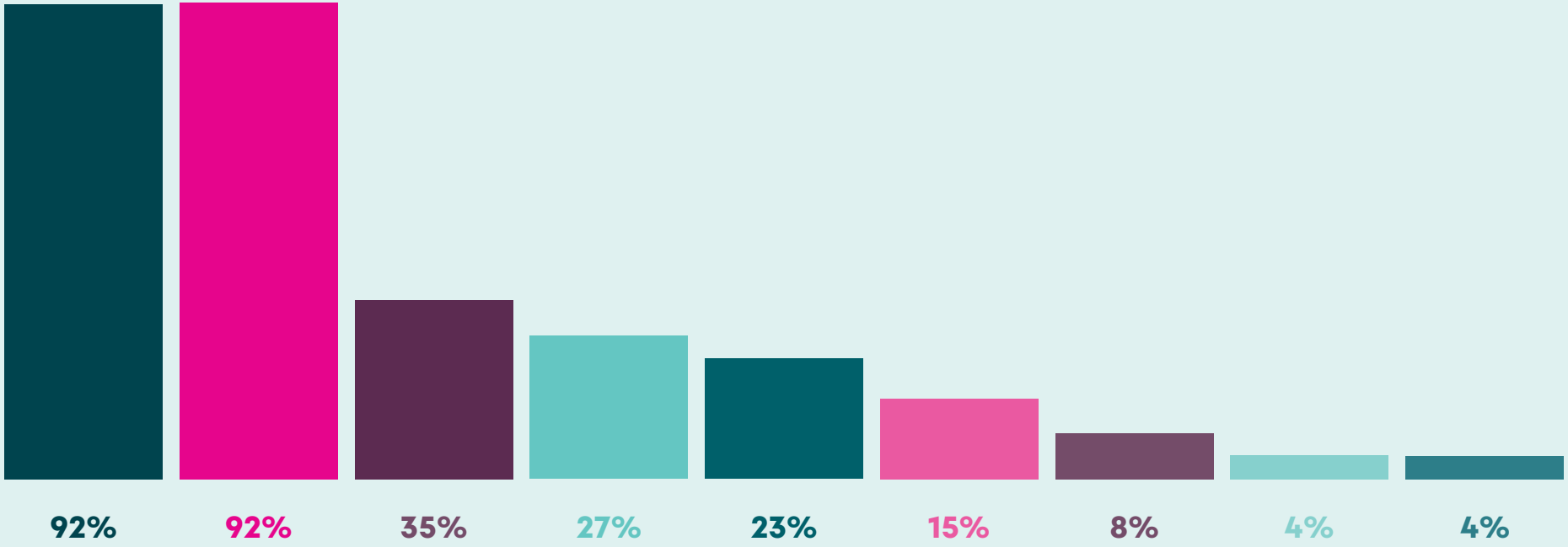
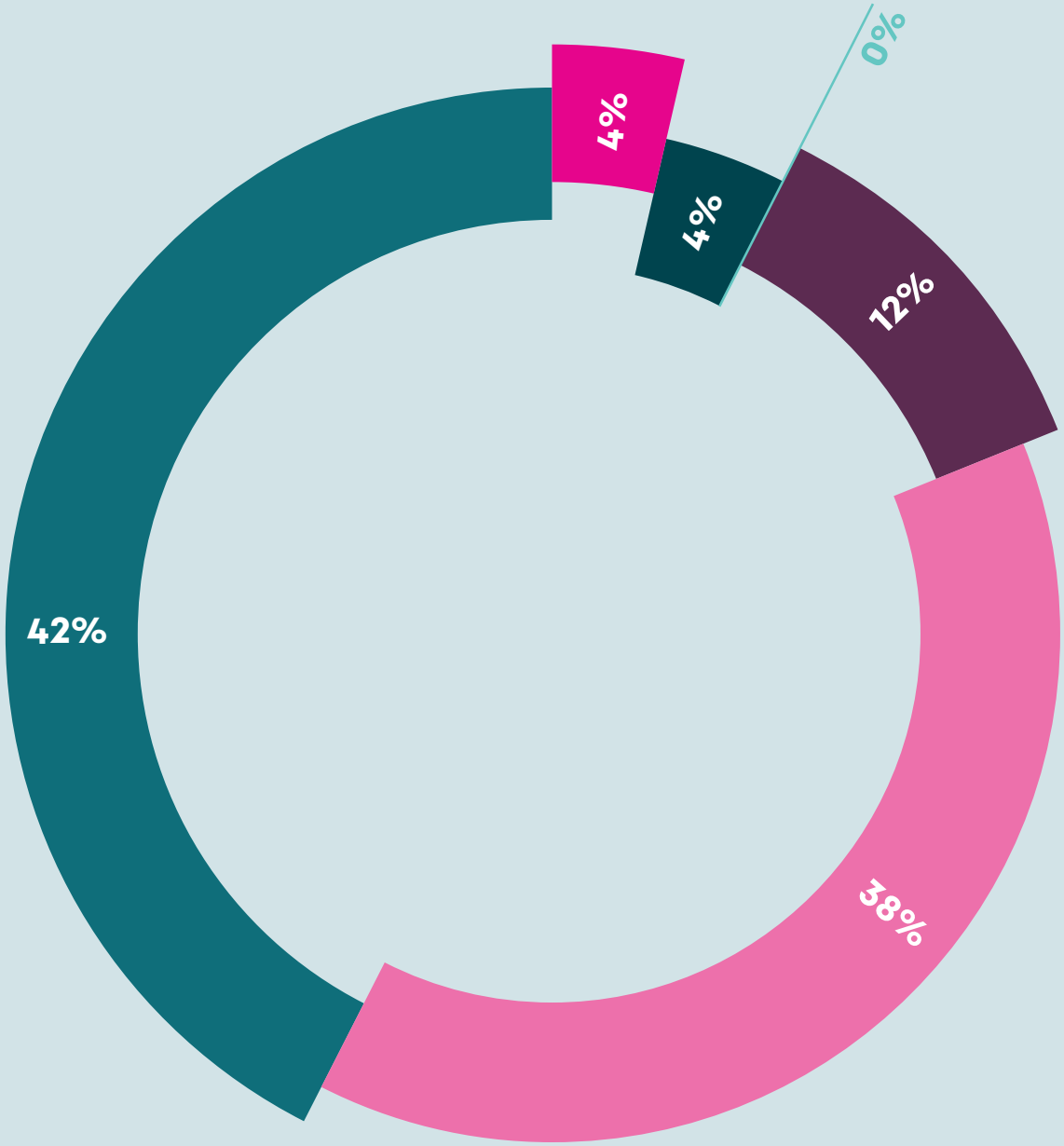


What do you anticipate as the three biggest challenges to face your clients in 2021?



42% Second Charge Mortgages

38% Residential

12% Bridging

4% Commercial Investment

4% Buy-to-Let

0% Semi-commercial Investmen

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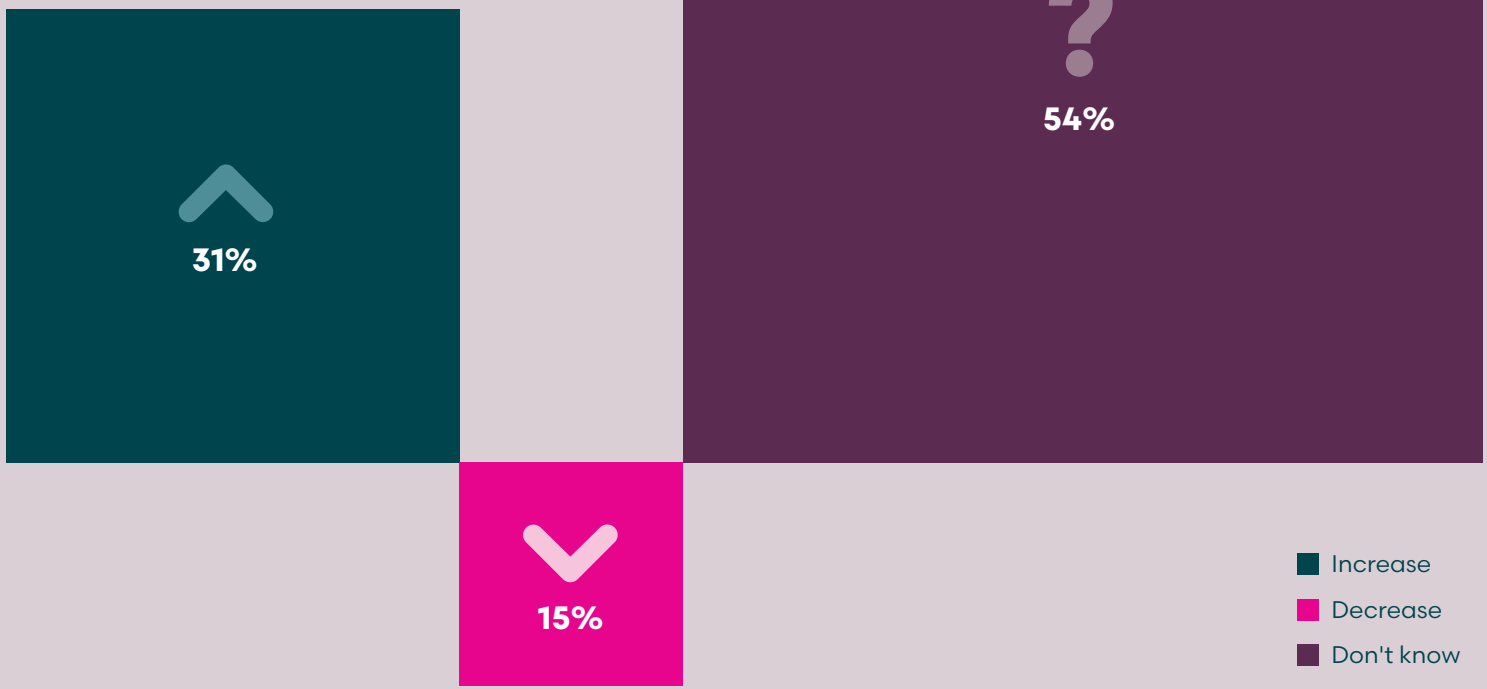

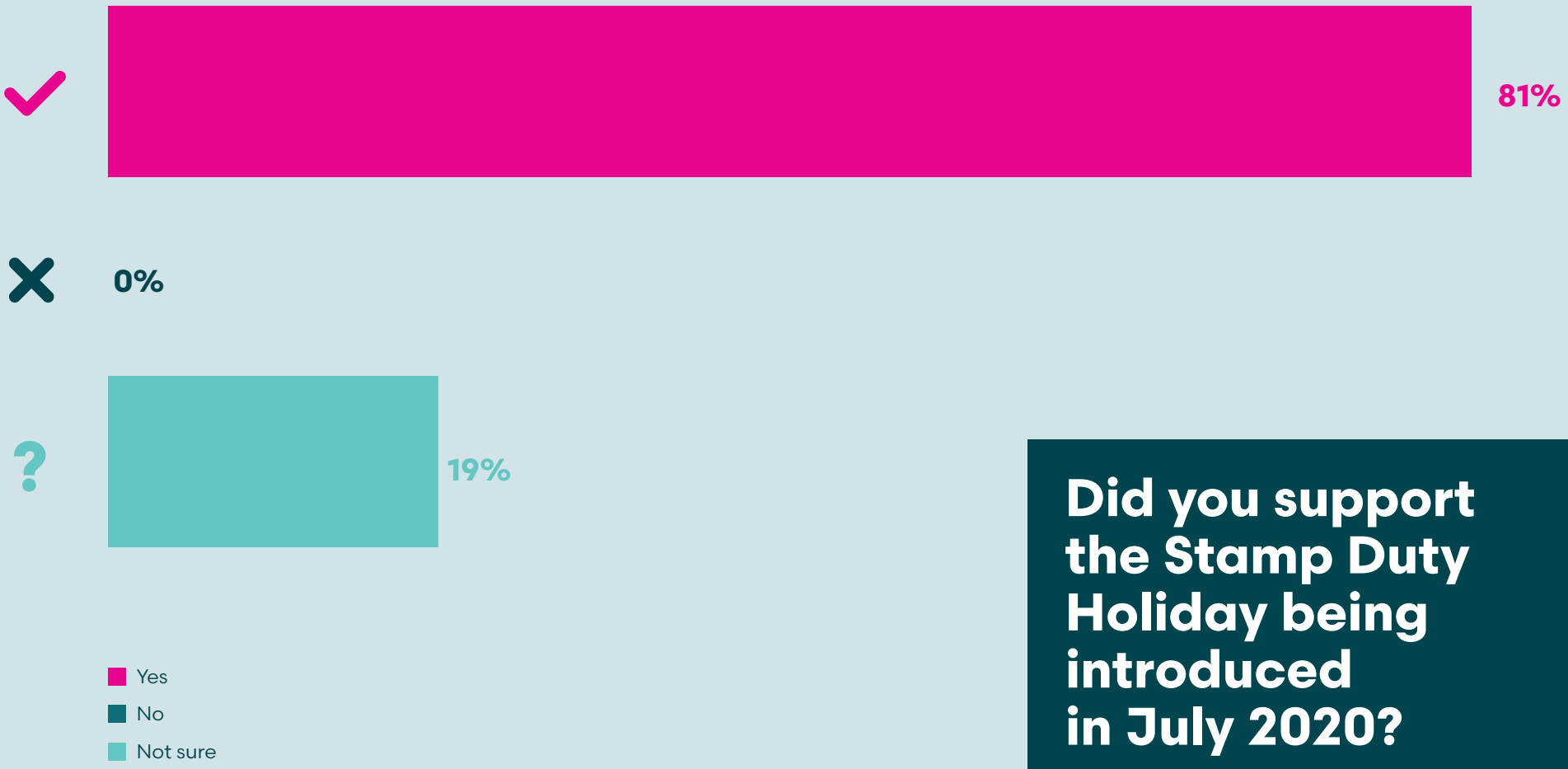

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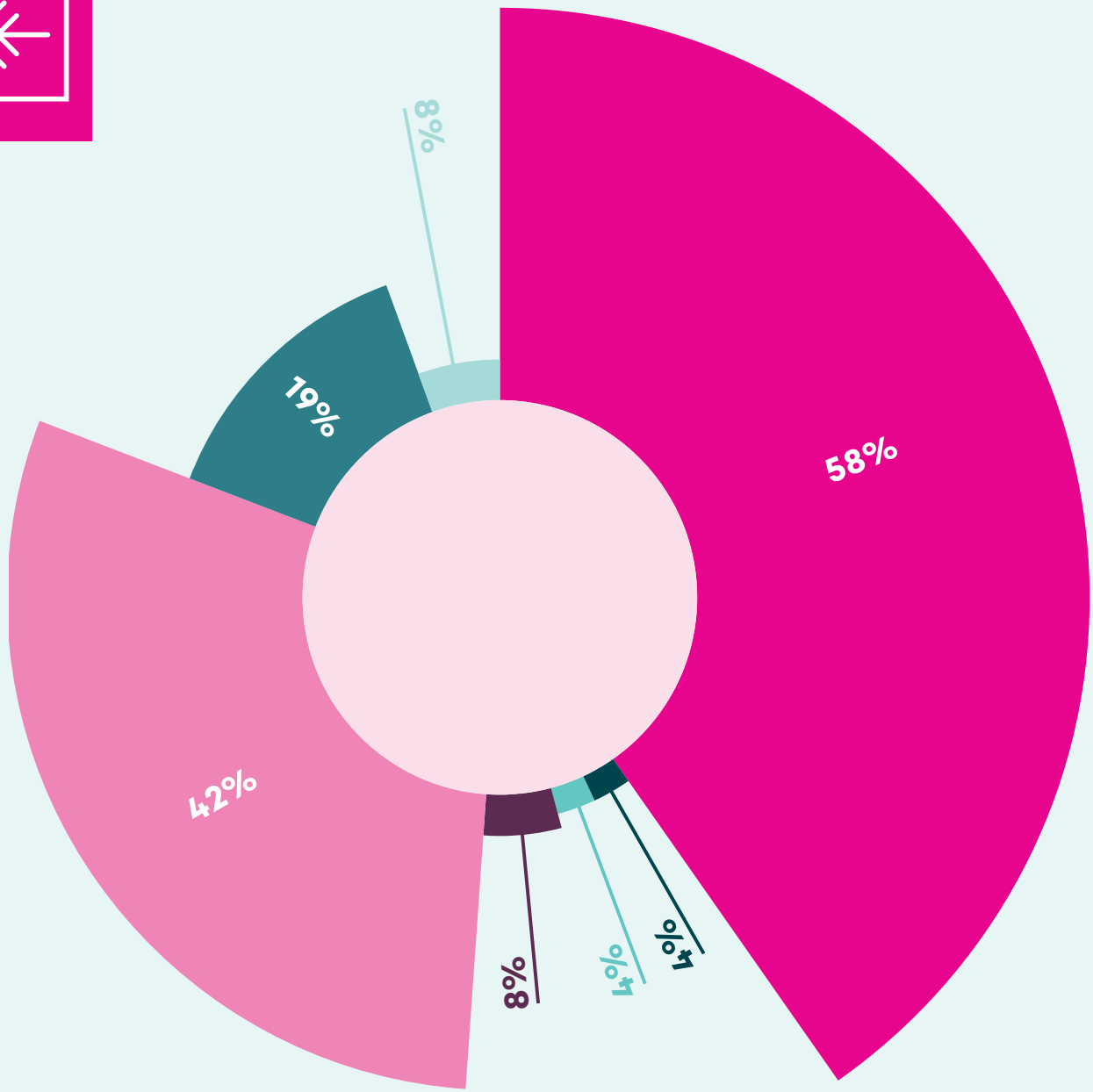

- Increased investment in the property market
- Regional inequality
- Higher LTVs
- Increased valuation requests
- Resilient property prices
- No real impact
- Other

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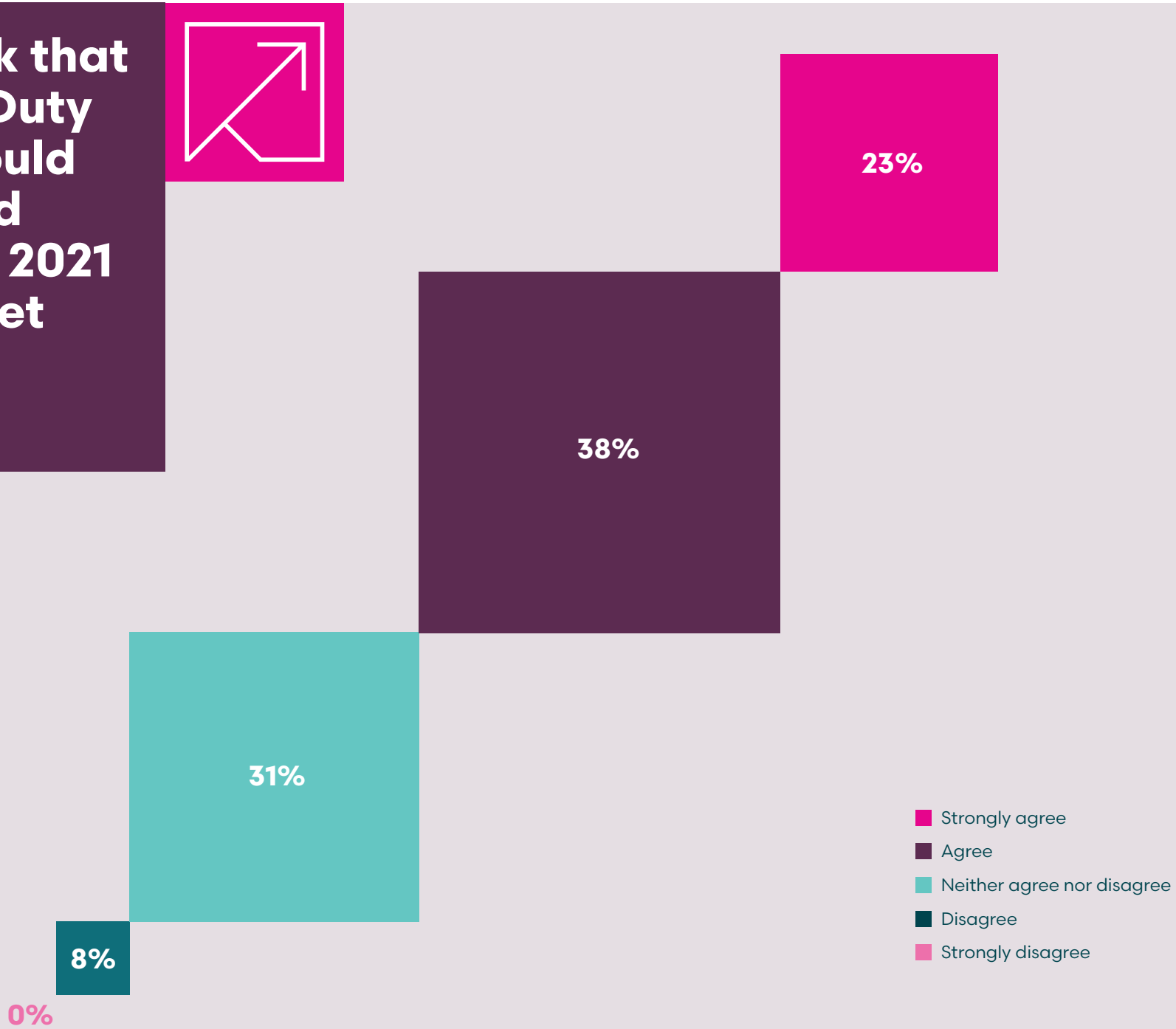

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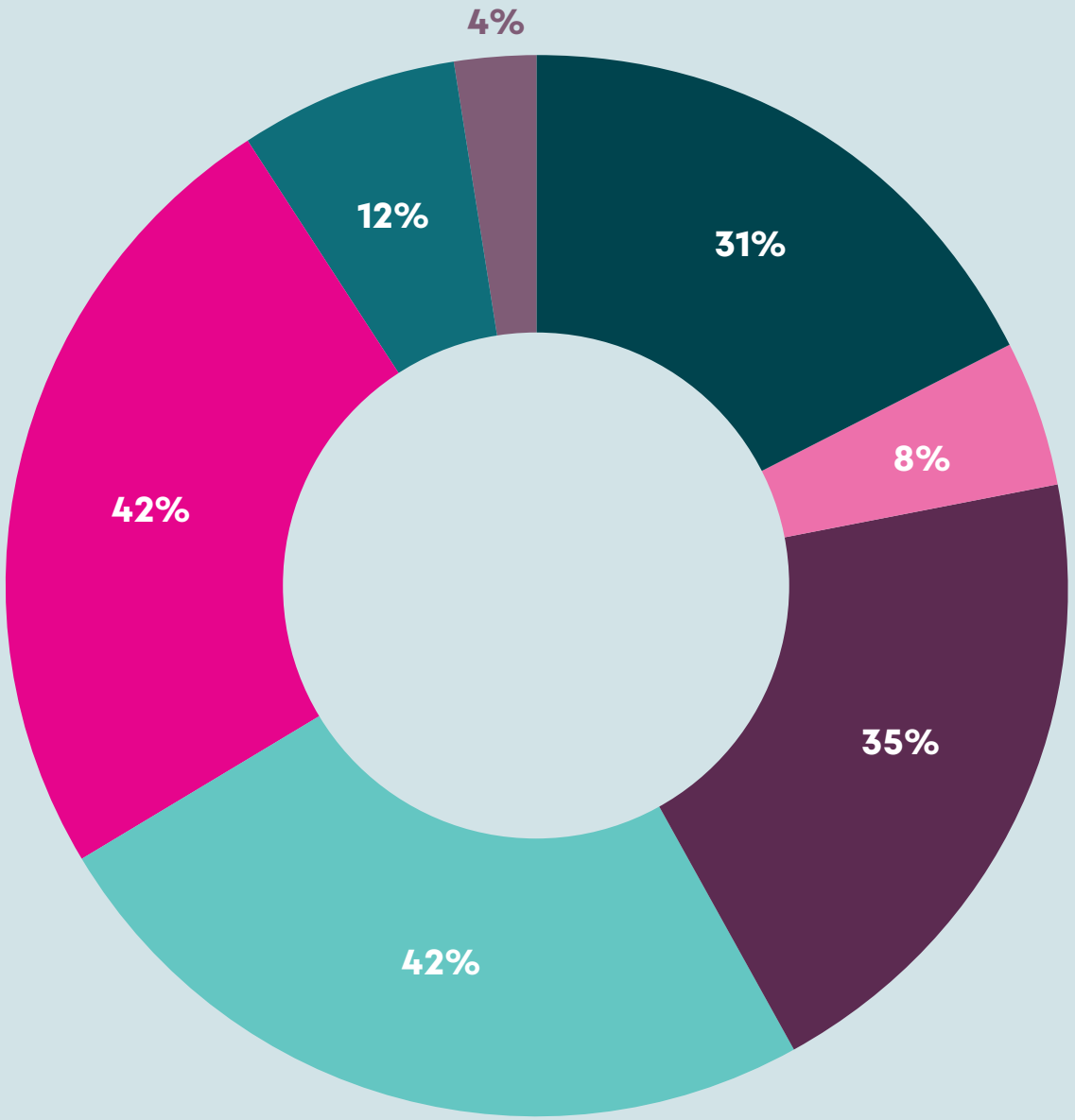

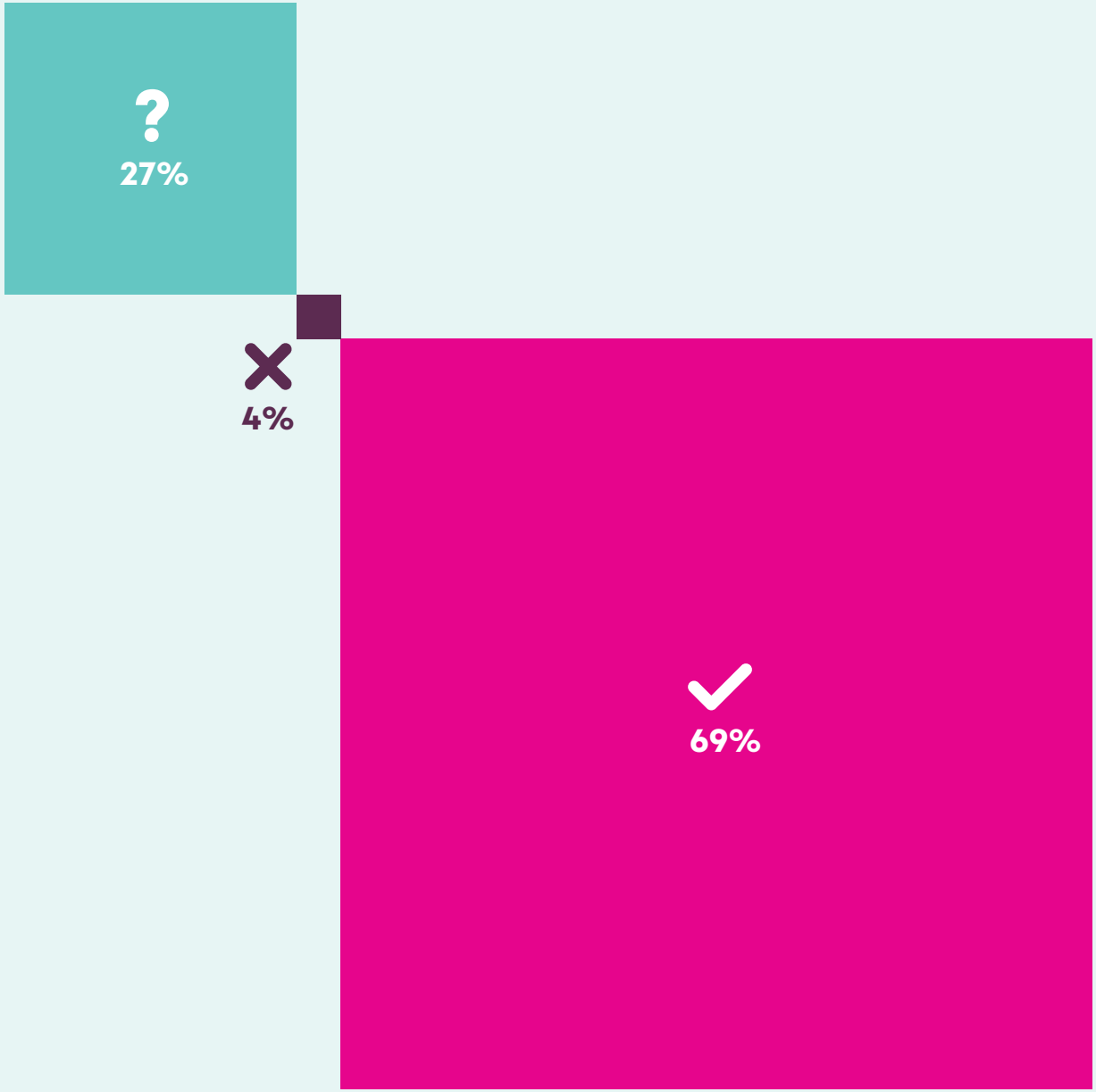

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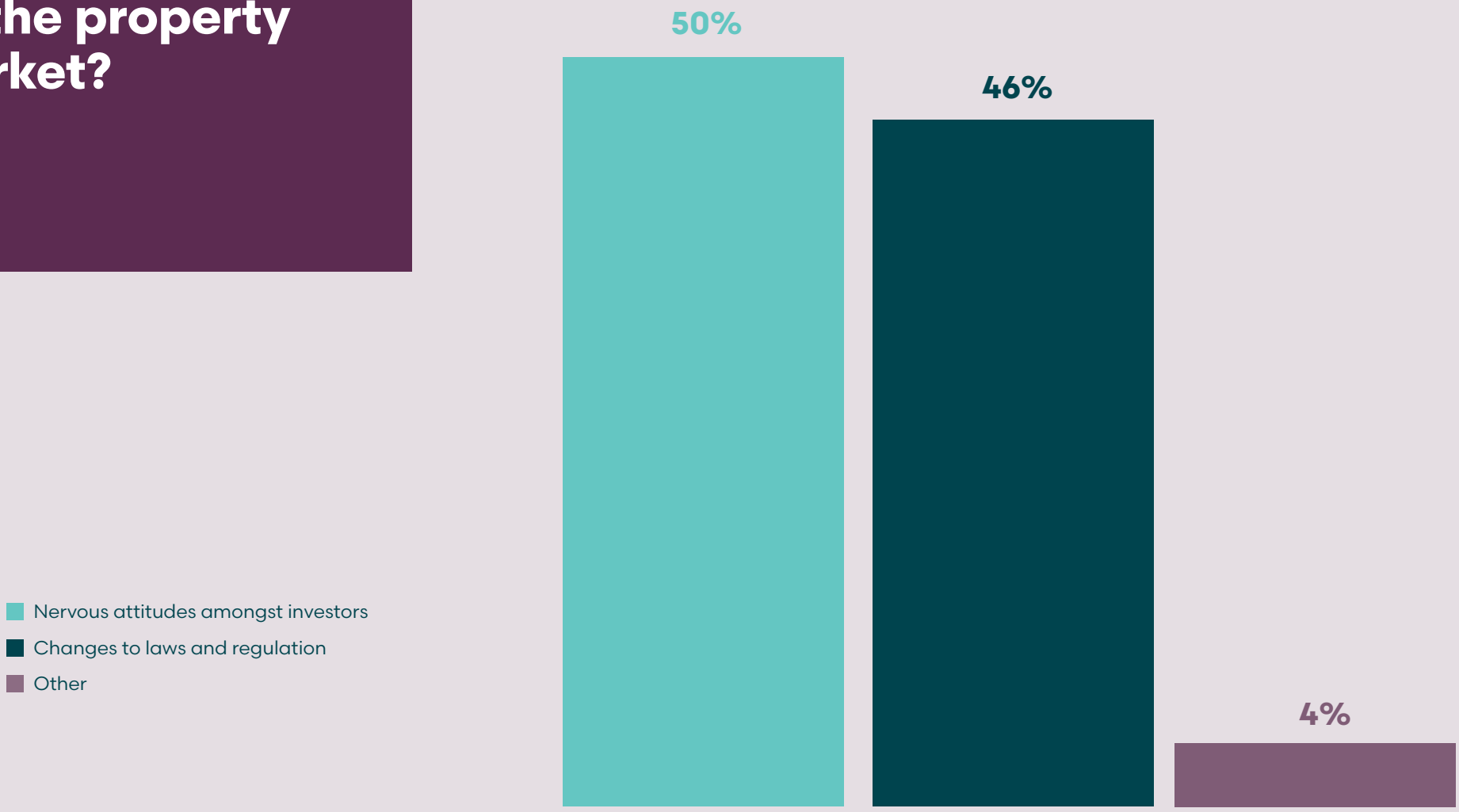
What do you think will be the most challenging impact of Brexit on the property market?