

West Midlands is a magnet for property lenders

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L-R: Richard Round, Lloyds Bank Commercial Real Estate; Neil Odom-Haslett, Aberdeen Standard; Nicole Lux, Cass Business School; David Smith, Strata Real Estate and Bryan Hawkins, Laxfield Capital

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Real estate developers in the West Midlands looking to beef up their borrowings can expect a more sympathetic ear from property funders.

A panel of experts at the launch of the Cass Commercial Real Estate Lending Survey, hosted by the Midlands branch of the Investment Property Forum, reported that the region is now “an internationally recognised market for lenders.”

Nicole Lux, of Cass Business School and the author of the report, presented its findings at the Brindleyplace offices of GVA. Emma Huepfl, co-principal of real estate debt specialists Laxfield Capital, and Neil Odom-Haslett, head of

commercial real estate lending at Aberdeen Standard, fielded questions from a 60-strong audience, drawn from the region's property community.

Emma Huepfl said: "The quality of office schemes in Birmingham, a strong regional logistics markets and rising house prices mean the fundamentals across the West Midlands have never been better.

Investment turnover last year in the Midlands was £2.5bn, with Birmingham accounting for half of that. Overseas investors make up thirty per cent of the demand – which means from a Lender's point of view it's a very substantial and internationally recognised market and one we naturally want to be part of."

The Cass survey (formerly De Montfort) is the leading research in its field, with 80 lenders, including UK and overseas banks and building societies, insurance companies and non-bank lenders surveyed.

This year's report showed that development loans of £8.7bn were advanced in 2017, up 13 per cent on the previous year. Residential development accounted for the bulk of this, but the survey revealed lenders are willing to fund commercial developments and are prepared to take on more risk.

The expert panel, chaired by David Smith of Strata Real Estate, anticipated that the current property cycle had a further 18-24 months to run.

Neil Odom-Haslett said: "We are at the mature end of the property cycle, but we are far from the peak of the lending cycle. There is a good weight of capital, with more to come."

Richard Round, relationship director for Lloyds Bank Commercial Real Estate in the Midlands, who chaired the event, added: "The commercial property debt market is at its strongest for many years. Borrowers in the West Midlands, in particular, should be encouraged by the extremely positive sentiment lenders have towards the region and its prospects."