THE LATEST SPECIALIST LENDING NEWS AND CLIENT TRENDS

BRIGHT INSIGHTS

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June 2025

This publication is for mortgage professionals and is not intended for the general public.

CONTENTS:

MOMENTUM IS BUILDING.
Let's work together to make it count.

As we move through 2025, the specialist lending market is gaining real momentum and that brings exciting opportunities for brokers.

After a period of cautious optimism, we're now seeing activity rise across multiple sectors. Buyers are returning, landlords are re-engaging, and developers are pressing ahead with paused projects.

Importantly, lenders are not just responding, they're competing. We're seeing lenders stretch criteria into areas they haven't operated before, loan-to-values are increasing, and appetite is strong across both residential and investment-led cases.

This growing competition amongst lenders has created a real opportunity for brokers to add value and help more clients. By working in close partnership with the Brightstar Group, you can access our specialist sector expertise and exclusive products to transform this market momentum into real, completed cases.

We're seeing tangible evidence every day in our business. Second charge lending is increasingly being used to raise capital without disrupting existing mortgage arrangements. Semi-commercial is on the rise as landlords diversify. Social housing and supported living are gaining traction among investors seeking stable returns, and bridging continues to offer a vital lifeline for those seeking speed, certainty, or flexibility beyond the mainstream.

These aren't just product trends, they're signals of a broader market evolution. As affordability remains tight and client circumstances more complex, it's the specialist sector delivering solutions.

This issue of Bright Insights showcases some of the most innovative cases, lender shifts, and niche opportunities shaping our world right now. Whether it's a downsizer needing to bridge a high-value purchase, an HMO investor expanding into semi-commercial, or a landlord refinancing for growth, specialist solutions are driving positive customer outcomes.

You'll find practical guidance, market commentary, and success stories that reflect what's possible when expertise meets ambition.

This is a time for brokers to lean into complexity: to look beyond the tick-box and uncover the client story, to position deals creatively, navigate lender nuances and act as true advisers. At the Brightstar Group, we're here to help you do exactly that.

So, as lender competition heats up and product innovation returns to the forefront, my message to brokers is simple: there is business to be won.
Clients need your advice. Lenders want to lend, and the Brightstar Group is ready to support you every step of the way.

Written by:
Gina Blagden
Group Head of Sales

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Securing a second charge on an investment portfolio.

SUBMIT AN ENQUIRY

In recent years, there's been a marked shift in the landlord landscape. More property investors are choosing to professionalise – expanding their portfolios and relying on rental income as their primary source of earnings. But with larger portfolios come higher costs, and for those whose main occupation is property investment, affordability assessments can present real hurdles.

Traditional financing routes may not always align with the complex financial circumstances of these landlords. Fortunately, there are specialist solutions available, and second charge lending can be one of the most effective tools in the box.

We recently worked with a full-time landlord who was in the process of refinancing an extensive buy-to-let portfolio comprising 32 of properties. As part of this wider strategy, he needed to raise additional capital to cover associated legal and valuation fees.

However, a further advance on his first charge mortgage wasn't an option due to affordability constraints. A full remortgage, meanwhile, would have triggered significant early repayment charges (ERCs), making it an expensive and inefficient route.

The client's sole income was rental yield from his portfolio, and all mortgages were held in his personal name. This created a sticking point for many lenders, that applied standard affordability models and ultimately declined the case.

Recognising that the client had robust rental income but didn't meet mainstream criteria, we explored second charge options and placed the case with a lender we knew would take a more flexible and rental-income-aware approach to affordability.

This lender took a holistic view of the client's financial position and agreed to proceed with funding. We secured a £162,000 second charge mortgage on a two-year fixed rate at 6.89%, which enabled the client to raise the capital needed without disturbing the existing mortgage or incurring ERCs.

The case progressed from fact find to completion in just three weeks and this swift turnaround allowed the client to continue with their broader refinancing plan, which is now being finalised by Adam Fulcher on our commercial team.

This is a textbook example of how second charge finance can support landlords with complex needs. For brokers, it highlights the importance of working with specialist distributors who not only understand the nuances of portfolio lending but also have the relationships with lenders that make solutions possible.

Written by:
Andrew Stean
Second Charge Mortgage Specialist
Brightstar Financial

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BRIDGING SHOULD BE VIEWED AS A FINANCIAL OPTION:

Alan Kimber, Precise

Alan Kimber, Head of Bridging at Precise, speaks about the common bridging myths he'd like to dispel, what trends he's seeing in the bridging space, and the key points he'd give to a broker with a client who's looking for bridging finance.

CAN YOU SHARE A BIT ABOUT YOUR BACKGROUND AND WHAT INSPIRED YOU TO GET INVOLVED IN BRIDGING?

I've worked in specialist lending for 25 years and progressed through a variety of sales-based roles including as a BDM on the road and as an area manager looking after a team and these experiences have been invaluable.

I've been with OSB Group for 13 years, working across long term lending in Precise and Kent Reliance for Intermediaries as area manager before stepping into the Head of Sales role. Then early this year, I was offered the opportunity to progress to Head of Bridging for Precise.

We have an amazing specialist bridging team, and we've really hit the ground running as we've already made incredible in-roads. By working closely with the proposition team, we've recently improved the criteria around automated valuation models (AVMs)which have sped up caseloads for brokers and this along with rate cuts and the launch of developer exit shows our focus.

WHAT APPEALS TO YOU ABOUT WORKING IN THE BRIDGING SECTOR?

Bridging has had a chequered reputation and, in the past, this reputation may have been deserved. However, those days are gone, so together with my team, we're looking forward to dispelling the myths and focusing on the opportunities where we can not only add value but also help those brokers who may be new to bridging.

I've always been a logical thinker so being able to put the pieces of a case together to create a solution has always appealed and when you bring speed into the mix, it's an exciting mix!

For example, we've just had a case recently complete using the new AVM changes, which resulted in app to offer in under 10 working hours!

WHAT ARE SOME COMMON MISUNDERSTANDINGS ABOUT BRIDGING THAT YOU'D LIKE TO CORRECT?

Historically, bridging has been seen as an expensive funding option but in my opinion, bridging should be viewed as a financial option, enabling a customer to reach their end goal.

Our bridging range has no exit fees, no charges for early repayments and the interest on our bridging loans are calculated daily meaning that customers are only charged for the period they use the bridging for.

Bridging can provide an affordable short-term option in many situations, especially where a chain may be in danger of collapse or you need to move quickly such as for an auction purchase, but there are many other ways in which bridging can help:

- Cash flow funding for short term requirements
- Meeting tight transaction deadlines
- Extensions
- Loft conversions
- Single unit to multi-unit and vice versa
- Multi-unit properties currently at 'wind and watertight' stage that require completion
- Barn conversions

At Precise we have the added advantage that we cover regulated and unregulated bridging, including developer exit so we're really a one-stop shop.

ARE THERE ANY EMERGING TRENDS IN THE BRIDGING SECTOR?

Currently and over the next few months, we are highly likely to see bridging increase across chain break situations as the deadline for stamp duty changes approach. There will no longer be SDLT relief on properties priced between £125,000 and £250,000 from 1st April 2025, instead buyers with properties in this bracket will have to fork out an extra 2% cost that was very unlikely to be factored into people's budgets when they were first looking to move.

Recent reports reveal that the bridging market broke the £10bn mark at the end of 2024, a 28.6% increase on Q3 2024, evidencing the growing demand for short term financing. It is also suggested that there should be a further 25% growth in the bridging market over the next five years*.

WHAT IMPORTANT ADVICE WOULD YOU OFFER TO A BROKER WITH A CLIENT LOOKING FOR BRIDGING FINANCE?

The Mintel report highlighted that speed and flexibility remain key drivers for growth in UK bridging loans market. Therefore, brokers need to make sure they have the full story, it's always better to have all the information upfront than stumbling over potential challenges further down the line as this really does delay everything which is something that needs to be avoided when trying to secure bridging funding.

Intermediaries only.
* https://thebdla.org/index.php/2025/02/26/bridging-loan-books-break-through-10bn/#more-73609

Secure returns stable tenants

Why investors should take a closer look at social housing for vulnerable tenants.

In today's uncertain market, many landlords are rethinking their investment strategies and the prospect of long-term stability, reduced voids, and dependable rental income is appealing.

One area that meets this criteria but remains under-explored is social housing for vulnerable tenants, often under lease agreements with providers such as Mears, Serco, and other supported living organisations.

This isn't a short-term trend. Demand for housing for vulnerable groups – such as asylum seekers, former prisoners, and young people in care – is growing rapidly. And for investors with the right finance partner, this niche offers a compelling blend of social impact and commercial viability.

Despite the strong fundamentals, securing lending for these properties can be challenging. Mainstream lenders often struggle to accommodate the complexity of lease agreements or the nature of the tenancy arrangements. But that's where the opportunity lies. At Sirius Finance, we specialise in bridging that gap, giving our clients access to lenders who not only understand the sector but actively support it.

We work closely with lenders like Quantum, Fleet, and Together, who are open to:

- Lease agreements for ex-offenders, and vulnerable adults
- 24/7 care or live-in support models for young residents under 18
- Dispersed accommodation and multi-tenancy properties with no upper room limits
- Longer-term lease agreements, often up to five years, delivering secure income
- Structures that resemble corporate lets, but with a clear social purpose

From an investor's perspective, these arrangements offer several advantages. They typically include guaranteed rent for the duration of the lease, significantly reducing the risk of void periods. The agreements are often backed by government or institutional bodies, offering a level of security that surpasses standard ASTs.

Additionally, tenant management is minimal, as the leaseholder usually takes full responsibility for both maintenance and occupancy. For landlords looking to diversify, this sector provides access to a stable, demand-driven asset class that's increasingly supported by specialist lenders.

Rates are already competitive and expected to fall below 6% as the wider interest rate environment improves. Much like corporate lets, these investments combine longer-term contracts, dependable rental streams, and lower day-to-day involvement—making them an ideal option for hands-off investors seeking reliable, sustainable returns.

What's surprising is how few brokers operate confidently in this space. The complexity of leases, tenant types, and lender requirements can be a barrier – but for those who navigate it well, it's a sector rich with opportunity.

At Sirius, we've already supported multiple investors in financing these properties, helping them align strong social impact with robust financial outcomes. With the right expertise, the perceived complexity becomes a strategic advantage.

If you're looking for secure, socially responsible investment opportunities, now is the time to take a closer look.

Written by:

Nick Higgs

Senior Associate
Sirius Finance

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SOLSTAR
INSURANCE BROKERS

There are often many hurdles to overcome when it comes to arranging specialist finance and some of these can be as a result of the complex insurance requirements around the deal, rather than the loan itself.

By partnering with Solstar, the specialist commercial and property insurance division of The Brightstar Group, you don’t need to let these hurdles become an insurmountable obstacle. Our team of experts are on hand to source the right cover specified by a lender. These requirements are often not fully known until quite late in the finance journey, but we are proficient in resolving these issues. We have already worked on many cases where we have saved the deal at the eleventh hour.

Here are just three examples of cases where we have helped:

Renewal negotiation for 9 London flats

A longstanding client with nine residential flats in Hackney had a difficult claims history, including a major water damage incident in 2022.

Ahead of renewal, Solstar worked with the client to detail the claim and highlight preventative measures. This led to significantly improved terms at no extra cost, including reinstated flood cover, higher liability limits, reduced excesses, and added loss of rent cover.

Insurance for 33-property BTL portfolio

A landlord with a 33-property mixed portfolio turned to Solstar after receiving poor renewal terms that didn’t reflect their risk profile. Despite a complex claims history, Solstar reviewed all details and negotiated a tailored policy—with key covers reinstated, improved terms, and a £3,000 premium saving.

8-month renovation insurance

A client, referred by Brightstar Financial, was securing finance for a property purchase and non-structural renovation, with plans to sell upon completion. They needed specialist insurance that could adapt to the project’s timeline. Solstar assessed the scope of works and arranged a flexible 8-month renovation policy, ensuring full cover throughout the renovation and planned sale period.

When unexpected legal delays pushed the timeline, Solstar acted quickly to secure a 2-month policy extension, maintaining uninterrupted cover and protecting the client’s investment. The renovation and sale were completed successfully, and the client praised Solstar’s responsive, professional support - expressing confidence in returning for future property projects.

SOLSTAR
INSURANCE BROKERS

Insurance solutions to support your renovation clients.

SUBMIT AN ENQUIRY

At Solstar, we're seeing a lot of demand for specialist insurance cover for properties bought for the purpose of renovation, either at auction or in the open market. These cases bring a unique set of risks and requirements, and our specialist insurance solutions are designed to meet them head-on.

Many of the clients we support are investors transforming properties into HMOs or buy-to-let units. These buildings are often vacant for extended periods while significant works are carried out, from new roofs and structural alterations to the installation of new bathrooms and kitchens. That's why we offer renovation-specific cover that protects the property during its unoccupied and active refurbishment phases, with the option to convert to a standard policy once tenants are in place.

It's not just a best-practice approach – it's a lender requirement. Most refurbishment loans stipulate specialist buildings insurance covering renovation as a condition of the loan. The risks are too great without it. Unoccupied properties are more vulnerable to theft, vandalism, and environmental damage. At the same time, active works increase the chances of incidents such as water damage or accidental fire. A leaking pipe during a kitchen refit, for example, can have significant financial consequences without the right protection in place.

We also offer the option to insure the works themselves. However, in many cases, we find that contractors already have their own cover. Our role is to identify any gaps and ensure the client's interest in the property – and the lender's – is fully protected.

A recent example illustrates a typical scenario. We arranged insurance for a dilapidated property purchased at auction, set to remain unoccupied for around eight months while being converted into a 6–7 bedroom HMO. This is exactly the kind of scenario we're seeing more frequently—and where our expertise can make a tangible difference.

Our advice to brokers? Get insurance conversations started early. Renovation projects are complex and the more lead time we have, the better we can tailor a policy to suit the lender's requirements and the client's plans. At Solstar, we're here to ensure that insurance never becomes the reason a project stalls or a completion is delayed.

Written by:
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Allica Bank

Bridging just got better: Allica launches two flexible bridge-to-term products

In response to growing demand for more adaptable commercial property finance, Allica Bank has unveiled two new **bridge-to-term** products.

The **Stabiliser** and the **Improver** are aimed at supporting both **owner-occupiers** and **commercial property investors.**

The Stabiliser:

Designed to help businesses meet commercial mortgage criteria over time, with loans from **£250,000** to **£5 million**.

The Improver:

Tailored for refurbishments, especially those enhancing a property's environmental credentials. Loans range from **£500,000** to **£5 million.**

To learn more about Allica's bridge-to-term products, visit
https://www.allica.bank/bridging-finance
bridging@allica.bank

Securing certainty & support amid complexity in a high-value bridge.

CONTACT

In bridging finance, it's often said that no two cases are the same – and that was certainly true of a recent deal that tested every facet of specialist knowledge, lender relationship, broker tenacity and enhanced customer care.

My client, recently widowed, lived in a substantial seven-bedroom detached property valued at £3.9 million. The home had become too large and impractical, and she wanted to downsize to a new home valued at £1.75 million. Although she had savings, her aim was to fund the entire purchase, plus stamp duty through bridging finance, allowing her to move without being reliant on a sale.

From the outside, this might seem like a straightforward chain-break bridge. But the high-value nature of both assets – and a series of valuation-related complications – meant this was anything but routine.

In addition to this, it was recognised that the client was potentially vulnerable, and it was important that we handled the entire process in a way that reduced unnecessary stress or complication whilst delivering the best possible outcome.

Two major issues emerged that could have derailed the process.

First, it emerged that the client's current property had a damp and timber issue that was picked up by the valuer, calling into question the security's condition and potentially affecting loan-to-value eligibility.

Second, the onward purchase property had legacy spray foam insulation in the loft space – an issue that continues to ring alarm bells with many lenders due to perceived resale and structural concerns.

Navigating both issues swiftly was vital as any delay would have put the onward purchase at risk and potentially left the client without viable housing options.

We acted quickly to coordinate with a trusted damp and timber surveyor, who was able to assess and report on the issue in a matter of days. This helped provide the lender with the confidence needed to proceed.

On the spray foam issue, we leveraged our strong working relationship with the lender. Rather than commissioning a costly and time-consuming specialist inspection, we secured agreement for the removal to be verified via the standard Homebuyer's Report, allowing the case to progress without delay or added expense.

When it came to the loan itself, I had cross charged the two properties to ensure that we could make the most of our Semi-exclusive rates. This allowed us to structure a single loan for more than £2m on a rate of just 0.56% per month.

The client was able to proceed with the downsizing purchase on time, with minimal disruption, and without the emotional and financial stress of a failed transaction.

This is a case that exemplifies what bridging is all about – speed, flexibility, the ability to resolve obstacles with pragmatic, lender-backed solutions whilst providing additional layers of support to clients in vulnerable circumstances.

For brokers working on high-value residential bridges, this is a timely reminder that strong relationships, product knowledge, and tenacious problem-solving are often what separate success from delay.

Written by:
Benjamin Peace
Bridging & Development Finance Specialist
Brightstar Financial

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• Call us on 0345 878 7000

One year on: What complex cases have taught me about specialist finance.

SUBMIT AN ENQUIRY

I'm approaching my one-year anniversary at Sirius Finance, and it's prompted a moment of reflection. After more than two decades of advising on mortgages – across residential, bridging, development and everything in between – I've seen a lot. But this past year has reinforced something I've always believed: the more complex the case, the greater the need for true specialist advice.

My career has taken me through a number of firms and client scenarios, but joining Sirius marked a step into something different. The scale and complexity of the deals here, many involving high-net-worth clients, niche asset types, or unconventional circumstances, have challenged me in the best way possible. I've supported the Brightstar Group since its inception, and moving into Sirius—the specialist arm—felt like a natural evolution.

In this market, product knowledge alone isn't enough. What really makes a difference is knowing how to construct a deal, how to frame it for a lender, and how to get ahead of any barriers before they arise. Relationships count, but so does tenacity, and at Sirius, I've seen how the two go hand-in-hand.

Over the last 12 months, I've handled cases that many brokers might walk away from at first glance. One, for example, involved 11 HMO properties being purchased with a bridging loan. Planning permission was in place, but several key documents were missing. Rather than let that stall the deal, we leaned on our relationship with the lender and pushed forward using indemnity cover.

In another instance, we completed a regulated bridge in just five days—tight timelines, high stakes, and no room for error. We made it happen by moving quickly and pulling every lever we could.

Then there was the HMO located above a nightclub – never an easy sell, but with the right lender, we got it over the line. A concessionary purchase that included agricultural land, a semi-commercial unit with a chocolatier business below and a short lease of just three years – each of these scenarios brought a unique challenge, but a challenge we have been able to overcome.

What these cases have taught me is that complexity doesn't have to mean compromise. With the right approach, almost anything is fundable. You just need the knowledge, creativity, and confidence to navigate the detail.

That's also why I'm currently studying for my Certified Practitioner in Specialist Property Finance (CPSP) qualification. Even after more than 20 years in the industry, I believe in continually pushing myself to set a higher standard. We owe it to borrowers to be more than just intermediaries; we need to be problem-solvers, educators, and trusted partners.

So, one year on, what have I learned? That specialist finance isn't about box-ticking - it's about building bridges, unlocking options, and giving clients certainty in situations others might see as uncertain. With the backing of Sirius and the Brightstar Group, I'm more excited than ever about what lies ahead.

Written by:

Mark Wadmore

Senior Associate
Sirius Finance

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Excellent

Based on 3,478 reviews

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Really helpful

Really helpful, explained everything thoroughly. Checked in and kept me informed throughout the whole process.

Cheryl, 18 June

Found a solution to a...

From first contact, Brightstar were responsive and efficient. They solved a problem no one else could, and delighted...

Alexis Bennett, 18 June

Working along Brightstar...

Working along Brightstar is always a good experience. All team members are great and very helpful. Thanks Harry for...

Jaspreet Singh, 17 June

Showing our latest reviews

Why semi-co is the next sto landlords.

At Sirius Finance, we've noticed a clear trend of more and more residential landlords turning their attention to semi-commercial property. For those looking to diversify their portfolio, semi-commercial offers a compelling next step, especially for investors who aren't quite ready to commit to a fully commercial asset.

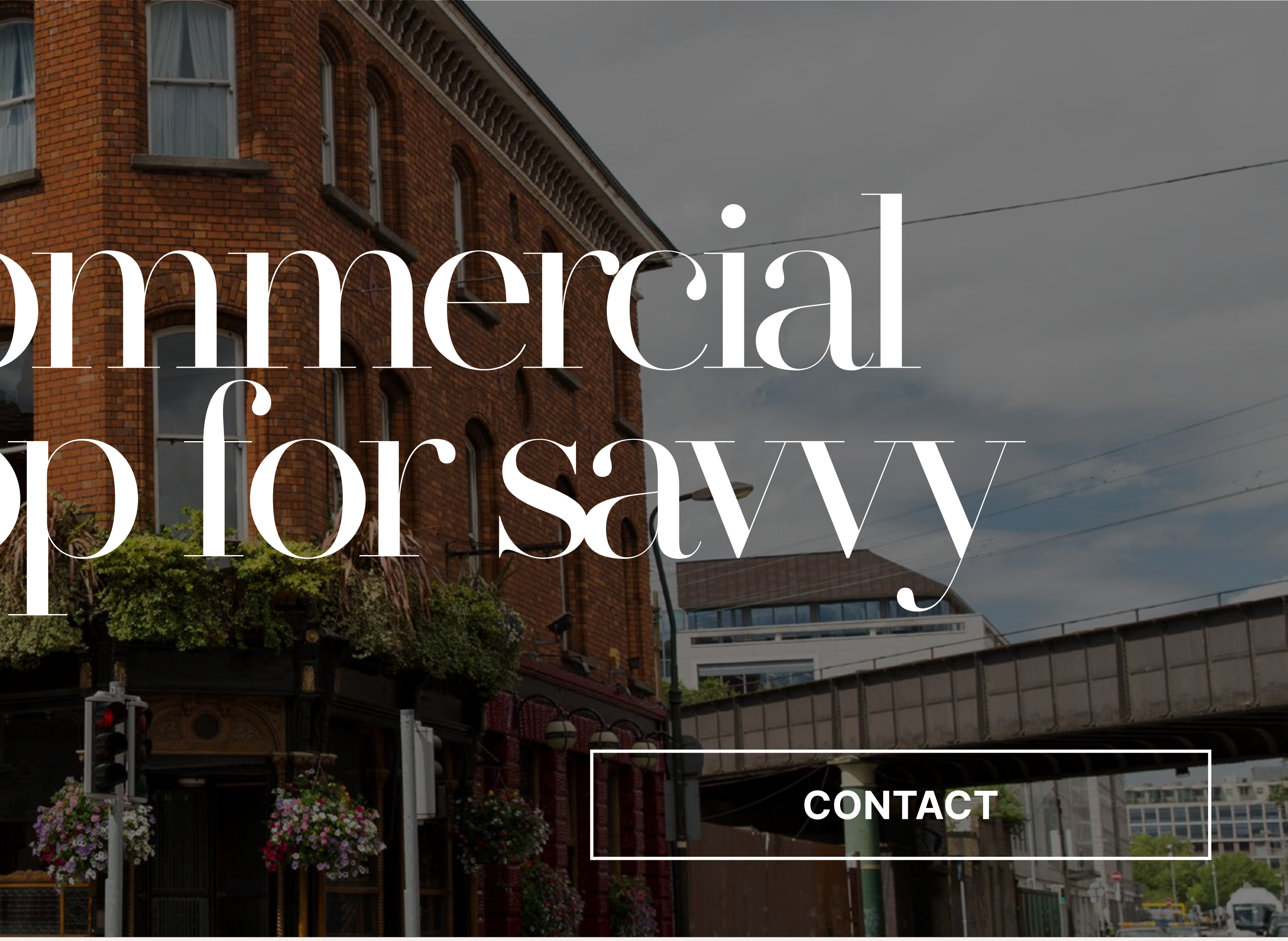
Semi-commercial property – typically comprising a retail or business unit on the ground floor with flats above – offers a balance of risk and reward. These assets often come with longer commercial leases for stability, combined with residential rental income that many landlords are already familiar with. It's a format that appeals to investors seeking both income resilience and manageable complexity.

Lenders are responding to this increased demand and where semi-commercial once sat firmly in the specialist bracket, we're now seeing several traditional buy-to-let lenders expanding their offerings to include this property type. We also know of others that are actively exploring how they can enter the space.

As result, competition is increasing and this is putting downward pressure on rates.

From my perspective, this trend is very similar to what we witnessed a few years ago with limited company buy-to-let. Initially a niche product with limited lender participation, the market quickly adapted to growing demand, and limited company products and criteria are now common across the sector. While it's unlikely that semi-commercial rates will match those of standard buy-to-let – given the different risk profiles – we fully expect them to become a core part of many more lenders' propositions.

As with any specialist segment, more experienced investors are generally able to access the most competitive pricing. That said, semi-commercial is no longer the preserve of seasoned professionals. There are increasingly good options available for first-time investors, and the space is becoming more accessible to a broader range of landlords.



At Sirius, we pride ourselves on having a team with deep roots in specialist finance. Our collective experience allows us to approach each case with insight, agility, and innovation. We collaborate closely, share ideas, and leverage strong relationships with lenders to ensure we're presenting each deal in the most compelling light. That ability to structure and position cases effectively can often makes the difference between a good deal and a great one.

With the semi-commercial market on the rise, there's real opportunity here for landlords ready to evolve their strategy. With the right guidance, it could be the ideal time to explore what this sector has to offer.

Written by:
Simon Nichola
Senior Associate
Sirius Finance

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SEE WHAT PEOPLE ARE SAYING

EXCELLENT

Based on 846 reviews

Trustpilot

Simply great.

Simply great.
24hrs responsive. Wide variety of products to choose from. Well done Neil and the Team.

Victor Isibor, 18 June

These folks were brilliant...

These folks were brilliant when we were needed their help. Calm, collected and highly efficient. Reassuring...

Elliot Reuben, 10 June

Excellent, professional...

Excellent professional service from both Kelly and Keagan. Thank you for your hard work getting this done for us.

John S, 6th June

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Book with Andrew **Book with Lee**

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