

# Certainty during times of uncertainty is essential to a successful bridging business

Opinions

01.12.20



Looking back over the course of 2020 and the impact the Covid-19 pandemic has had on the world, it is evident that factors that are out of your control can alter your plans in an incredibly short amount of time. What I have learnt over the past year, and how as a business TAB has been able to navigate through this, is by being certain during this uncertain time is essential to a successful [bridging business](#). What I mean by this is that by not letting deals slip, keeping your word with transactions and deadlines, being fully transparent throughout the process and providing consistent terms and rates help to keep the market moving.

## The bridging loan market

In property, we have seen the banks retreating from the lending market, and conventional lending is at one of its lowest points in terms of new business. This has been further exacerbated by Covid-19 where some have introduced lending caps and restrictions, while others have stopped lending altogether. The certainty traditional banks once provided has diminished, and the need for alternative lenders flexible and committed funding lines have never been more essential. Being able to provide brokers with the comfort that their clients' needs will be met and in a timely fashion is something that TAB and alternative lenders are accomplishing.

## Alternative finance lending

Despite the lack of traditional finance available, alternative finance lenders have funding ready and are empowering borrowers to realise their opportunities. For example, some landlords that have been unable to collect rent throughout the pandemic and have opted for using alternative lenders. Through several flexible initiatives such as AVM, automatic extensions for all new loan facilities, and recorded video conferencing signing, borrowers have the breathing space they need to manage their property portfolios. Furthermore, as interest is deducted at the beginning of the loan, borrowers can focus their cash flow operations on what is coming in rather than the interest payments going out.

## Fast bridging loans

Many of TAB's clients over the past year have found a level of encouragement that when we proceed with a transaction, we are not there moving goalposts. We do not send out terms just to hit numbers we opt for quality over quantity. Our consistency and certainty about the service we provide and the products we offer are what I believe has kept us on track and allowed us to steer through these challenging times. As a result, TAB has been able to double the loan book, double the team and double the product offering. Our clients know what they are getting with us, and this is exactly what they need during times of uncertainty.

**Capital is at risk.** Property values can go down as well as up. Borrowers may default and investments may not perform as expected. Interest and income are not guaranteed. Returns may vary. You should not invest more than you can afford to lose. TAB is not authorised by the Financial Conduct Authority. Investments are not regulated and you will have no access to the Financial Services Compensation Scheme (FSCS) or the Financial Ombudsman Service (FOS). Past performance and forecasts are not reliable indicators of future results and should not be relied on. Forecasts are based on TAB's own internal calculations and opinions and may change. Investments are illiquid. Once invested, you are committed for the full term. Tax treatment depends on individual circumstances and may change.

You are advised to obtain appropriate tax or investment advice where necessary. Understand more about the key risks [here](#).

TAB is a trading name of TAB London Limited. Registered in England and Wales with registration number: 11225821 and whose registered office is at 101 New Cavendish Street, London W1W 6XH.