

What the Budget Means for the Bridging Market
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Following the latest Budget announcements, two policy shifts stand out for specialist property and financial advisers. The increase in property income tax coming in April 2027, and the temporary rise in bank corporation tax starting in January 2027.

While headline figures often trigger market noise, the actual day-to-day implications for bridging finance point to clear structural shifts in landlord behaviour and underwriting dynamics.

1. Reshaped Landlord Portfolio Landscape

Rising tax burdens will inevitably prompt private landlords to review portfolio viability. While some investors will rationalise and dispose of underperforming units before April 2027, others will seize the opportunity to acquire discounted stock requiring refurbishment. This rebalancing is set to generate steady demand for short-term, heavy-refurbishment, and fast-acquisition bridging facilities.

2. Tighter Focus on Exit Strategy

An influx of investor sales will not automatically yield a risk-free bridging boom. If main-street lenders pass on their increased bank tax burden through tighter pricing or stricter underwriting criteria, exit options could become constrained. For advisers, ensuring robust exit viability remains paramount, strong equity alone will not compensate for a borrower unable to pass a term lender's heightened affordability stress tests.

3. Proactive Client Planning Over Speculative Assumptions

An increase in bridging business is a potential outcome rather than a certainty. Proactive advisers should begin stress-testing landlord portfolios early, assessing long-term debt servicing, reviewing refinancing timelines, and establishing secondary exit strategies well before tax changes take effect.

Specialist lending will present distinct opportunities over the coming years, but successfully executing short-term transactions will demand sharper exit diligence than ever.

Positive Lending’s access to specialist funding, expert structuring, and tailored bridging solutions can help support your landlord and investor lead clients.

Get in touch with our award winning second charge mortgage team:
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