The Criteria Corner

Top tips from the Paradigm Mortgage Helpdesk

Paradigm MORTGAGE SERVICES

Our mini newsletter is designed to give you insights into the topics we see frequently on the Mortgage Helpdesk. We aim to provide you with some great hints and tips which will help you with future cases.

If you think we may be able to assist with your next case, please don't hesitate to get in touch!

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Property and Construction

In this edition of Criteria Corner, we focus on Property and Construction, the most frequently queried topic on the helpdesk.

Introduction

The most common enquiries we get within this area span non-standard construction, unusual property types, self-build, conversions and complex tenure or planning arrangements, all falling outside standard criteria for conventional brick-built properties. We are going to focus on Spray Foam Insulation, Low Leases and provide a case study.

Lender appetite varies significantly, with construction type, condition, location, floor level, block size and lease terms all influencing viability. Identifying the right Lender early is essential to avoid wasted time for adviser and client alike.

Non-Standard Construction

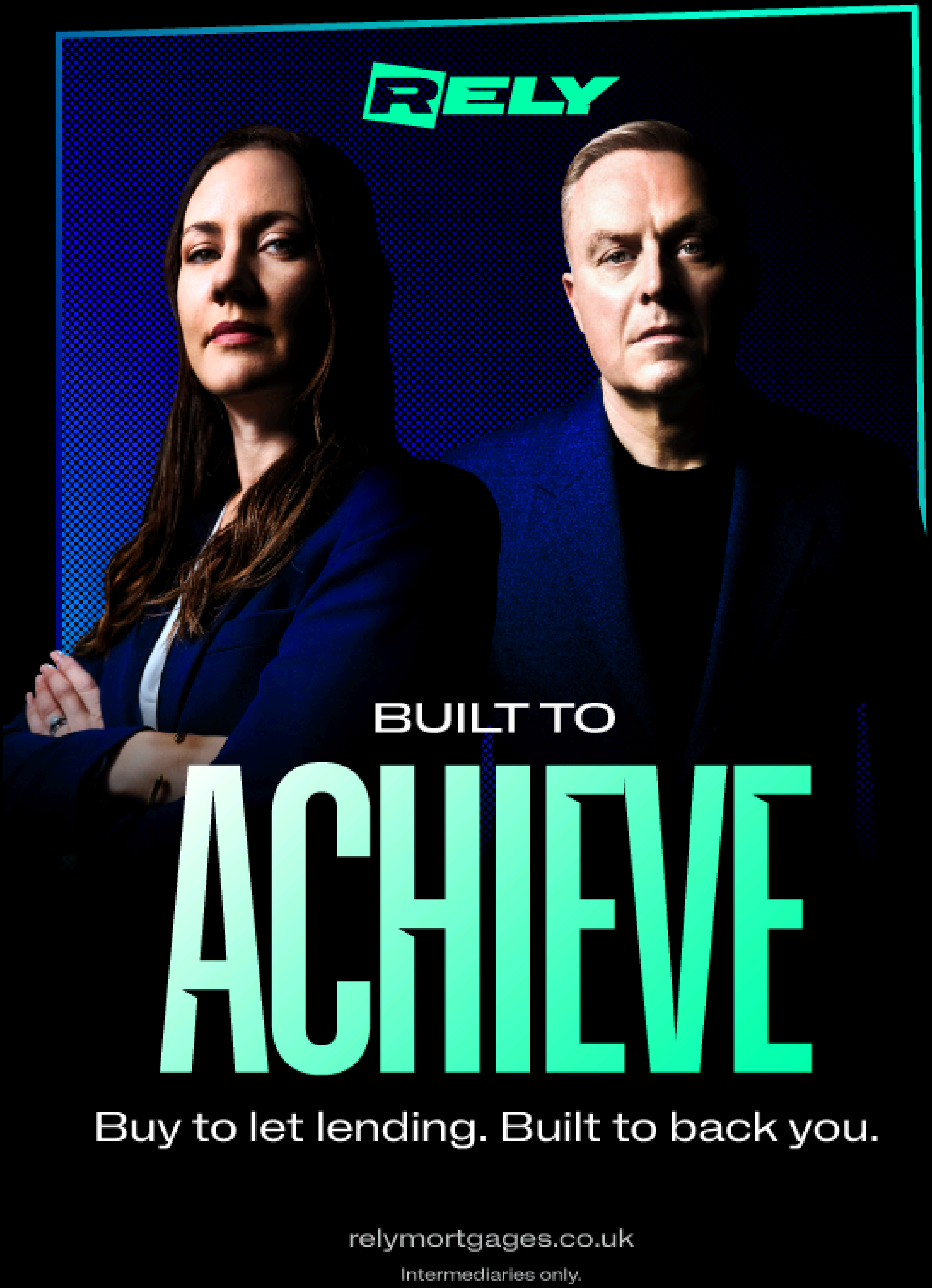
Non-standard construction covers any property not built with a traditional brick or stone exterior and a pitched tiled or slated roof.

Common types include concrete construction (Wimpey No-Fines, Unity, Reema, Cornish Type 1, Woolaway), steel-framed (BISF), timber-framed, prefabricated or system-built properties, those with a significant flat roof or single skin, thatched properties and barn or commercial conversions.

Key considerations are whether the property appears on the PRC register, whether a PRC repair certificate is in place, structural condition and age, and whether any remedial works meet an approved standard. These factors will determine both Lender appetite and available terms.

We have provided insight below as to which Lenders will consider Spray Foam Insulation in a loft and which Lenders will consider properties that have a low lease.

Top Tip! If you have a non-standard construction case on your desk, please call the Mortgage Helpdesk Team who can help identify a suitable Lender. **03300 536061**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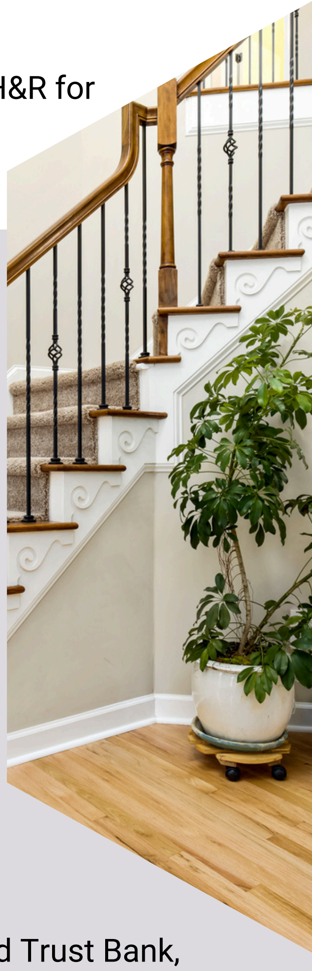
Intermediaries only.

Spray Foam Insulation

We have found that there are some Lenders willing to consider properties where there has, or is, spray foam insulation applied in the loft. Whether this is placeable with a mainstream or specialist Lender will depend on the spray foam itself and how it has been applied.

Lenders who will consider this type of scenario, subject to valuers comments are:

Barclays, Cambridge BS, Coventry for Intermediaries, H&R for Intermediaries, HSBC, Perenna, Santander, Together, UTB and West One.



Low Leaseholds

Properties with a short lease (typically below 80 years) can mean stricter lending criteria, increased extension costs due to marriage value, declining value and limited options for buyers.

Since January 2025, the Leasehold Reform Act removed the 2-year ownership requirement before extending a lease, making bridging finance an increasingly effective solution to secure the property and extend before refinancing to a mainstream product.

The Residential and BTL Lenders listed below can consider short leasehold properties, though all will rely heavily on the valuer's comments to confirm acceptable resale prospects:

Afin Bank, Bath BS, Beverley BS, The Cambridge BS, Ecology, Family BS, Foundation, Harpenden BS, Landbay, Market Harborough BS, Metro Bank, Nationwide, NatWest, Progressive, Raw Capital Partners, Santander, Scottish BS, The Mortgage Lender, United Trust Bank, Vernon BS, Vida Homeloans and West One.

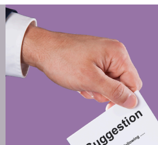
Case Study

The Helpdesk received an enquiry regarding a cliff-top property situated within a Coastal Change Management Area (CCMA). Subject to a satisfactory valuation and evidence of home insurance covering the associated risks, the following Lenders confirmed they would consider the case:

Buckinghamshire BS, Market Harborough BS and Skipton for Intermediaries.

Top Tip! Look out for our Summer Mortgage Newsletter! Reading this and Criteria Corner counts towards CPD. Don’t forget to log your time in the CPD Academy

As always, we must advise that criteria does regularly change and therefore it is always prudent to double check with a Lender prior to submitting an application. Lenders provided are based on findings at the time of research, and may not include every option available.



Do you have a suggestion for a topic? **Email** us!