

Q4 2020 rebound for SME housebuilder lending

By [Anviksha Patel](#) Wed 14 April 2021

The lending market for SME housebuilders rebounded in Q4 2020 after dropping 30% year on year in Q2, data from a real estate finance advisor has revealed.

Research from LEXI Finance found over 120 lenders resumed funding of SME developers at the end of the year. By Q4 2020, activity had rebounded and overshot levels of funding seen in Q4 2019.

LEXI Finance also reported the number of lenders in the sector has increased fourfold since 2010. Following the global financial crisis, only 30 lenders remained active in 2010 whereas the financing market in 2020 contained four times as many development lenders.

Sam Le Pard, co-founder at LEXI Finance, said: “We’re still seeing the economic impact of the pandemic pan out. While many lenders remain hesitant about certain types of commercial property, the market funding housebuilders is bullish. Partly this resilience stems from the fragmentation which occurred following 2008, but it has also clearly been driven by massive levels of government support. The development finance market may have needed a shot in the arm as much as the rest of the country, but now it’s back.

“Help for all corners of the lending market will remain invaluable if we are to meet the country’s need for new homes. While the high-volume PLC housebuilders will continue to be supported by high-street banks, it is the continued strength of the lenders supporting SME developers that will be crucial.”

Read the article [here](#).

