

# TH SPECIALIST

UNITED TRUST BANK 

S U M M E R  
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## Big Data is transforming site sourcing

How Proptech is helping SME Developers and Housebuilders maximise their output



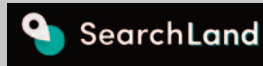
## Welcome to the latest edition of The Specialist.

The task of sourcing sites has plenty of room for improvement and innovation. Many developers find the continual hunt for potential sites a significant drain on their time and resource, impacting their efficiency, productivity and ultimately, their success. Digital solutions can make the process considerably simpler, and in this issue of Breaking Ground, Hugh Gibbs, co-founder of Searchland, describes how they are helping developers identify plots with a fraction of the effort.

# How site sourcing is being transformed by big data



**Hugh Gibbs** is one of the co-founders of a planning and property due diligence platform, SearchLand. Central to the land sourcing functionality of SearchLand is the ability to allow small and medium sized housebuilders to integrate technology into the way their businesses operate. Hugh has worked in both public and private sector planning roles and applies strong data analytics and visualisations to all his work.



Anyone who has worked in property development will know that the traditional process for sourcing sites needs to change. The constant hunt for the next site and the burden of keeping one's pipeline full of promising plots has been a drain on developers' resources, holding them back from achieving greater commercial success.

When I first started working as a land and planning graduate, I was drawn straightaway to site sourcing. Every developer, agent, and architect dedicated a huge amount of time and effort to searching for suitable off-market sites – such as back-land plots and infills between existing properties. However, finding potential sites, and then assessing their viability, has hitherto been a time-consuming and painstaking process.

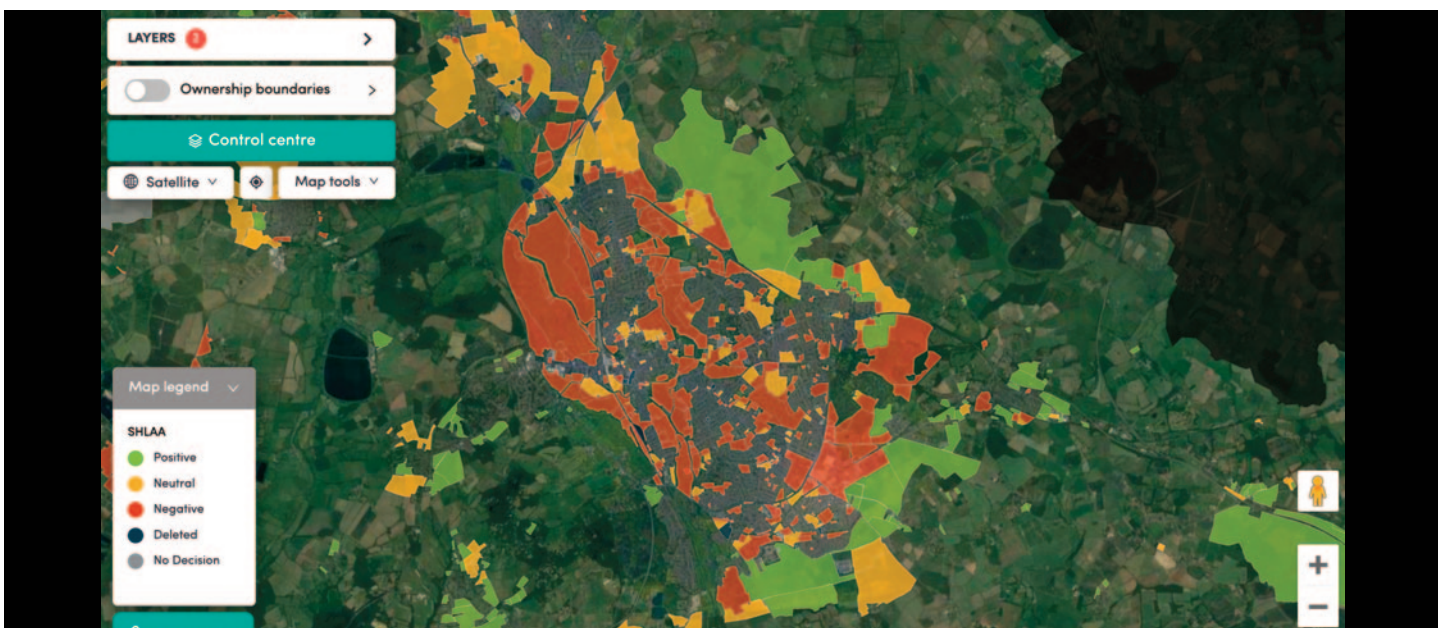
The data needed to identify sites was out there – the problem was getting it. What should have been 20 per cent of my job ended up taking up 80 per cent of my time; I was constantly going to Land Registry and local councils for planning constraints, approval rates, price-paid data, title ownership and boundaries... it just wasn't sustainable. The few services that provided access to the necessary data were priced far too high for SME developers.

Positively, the world is currently going through a data revolution, with sector after sector discovering how data can drive growth and increase efficiency – eCommerce, recruitment, logistics, transportation all now benefit from it. My Searchland co-founders and I believed the property sector had a lot to gain by adopting a more advanced use of technology and data, so we designed a platform that had the potential to make a property company of any size data-driven overnight.

An example of how SearchLand delivers these time-saving features through data is with the recent addition of our strategic land tool. This brings the much talked about council 5-year housing land supply figures, local plan positions, housing delivery test results and strategic housing land availability assessments (SHLAA for short) all into one place. It makes sense for a single organisation to do the hard work of digitising the hundreds of thousands of data points into one place and then share that with its user base for quicker and more complete insights.

Proptech solutions like Searchland allow users to quickly and easily identify plots of land with high development potential, simplifying the associated due diligence and data analysis of site sourcing into a one-click process. Developers can act as their own land agent, In the case of Searchland using a map-based search engine to specify a target area, then using our linked datasets to filter out potential obstacles like planning constraints and title boundaries. It would have previously taken days for developers to whittle down a list of a hundred potential sites to the select few that match every one of their criteria – with all the data in one place, it takes seconds.

SME housebuilders and developers need to be empowered to build more. SearchLand, and other innovative Proptech, is allowing businesses of all sizes to maximise their output and provide them with the right tools to become more efficient and more productive. We'll continue to upgrade and improve our offering to support developers however we can.





## Wise Owl Partners

Supporting SME housebuilders in challenging times

Gordon More



What makes truly sustainable housing?

Nicholas Boys Smith



Building alliances to build homes

Harry Swales



Managing Risk-Opportunity in Volatile Times

Julian Sullivan



Giving customers choice is key to the future of housing

Tom Bloxham



Help to Buy 2.0 – Much more than just a refresh

Stewart Baseley



Is the picture any clearer for new build purchasers?

Terry Higgins



Market outlook

Gráinne Gilmore



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## All in favour of phasing...

Phasing is an excellent way for developers to maximise their loan facility, keep their equity to a minimum and help smaller housebuilders move on to developing larger sites by dividing the build into more manageable stages. Development finance lenders look more favourably at schemes where each phase is broadly similar to the housebuilder's previous experience, even though the entire site may be a significant step up in the total number of units. Also in an industry challenged with cost inflation and product shortages, phasing can help manage these risks whether the borrower is self-procuring packages or contracting through a Main Contractor.

In this example, UTB was pleased to support the acquisition and development of a site in the North West of England which will eventually provide 70 new homes with a GDV of £16m.

The borrower wished to retain as much of their own cash as possible and was working with the Housing Growth Partnership to provide the balance of the acquisition and development costs not covered by UTB's senior debt.

The first phase of 25 homes has a GDV of £7.76m with the land set aside for phase 2 (45 homes) having a residual value of £1.44m. By taking a charge over the entire site but initially funding the build of the first 25 homes, UTB was able to provide a Day 1 acquisition and development facility of £6m. The 27-month term will allow the borrower to complete and market the first phase of 25 units and in the later stages negotiate the funding required to complete the remaining 45.

# Stop Press

United Trust Bank's balance sheet now exceeds £2bn following a remarkable and busy start to the year. Whilst a fast changing political and economic environment points to uncertain times ahead, UTB will continue to offer a full suite of Property Development funding options supporting the building activities of developers and housebuilders through the ups and downs of the economic cycle.

## Our memberships & partnerships



### HOUSING ACCELERATOR FUND

A five year alliance between Home England and UTB to improve financial support for the building activities of small and medium sized housebuilders and developers.

#### Key features:

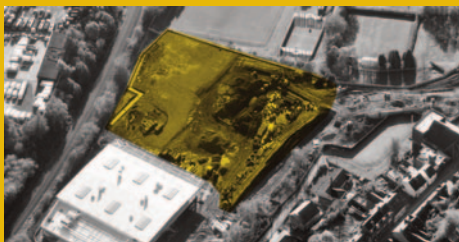
- Loans from £1m to £10m
- Maximum Loan to GDV 70%
- Available in England

# UTB PROPERTY DEVELOPMENT LIFECYCLE FUNDING

## ACQUISITION FINANCE

Max 60% LTV  
•  
Loans up to £30m  
•

Residential, Mix-use & Commercial



**BUY**



## DEVELOPMENT FINANCE

Max 65% LTGDV  
•  
Loans up to £30m  
•

Residential, Mix-use & Commercial



**BUILD**



## DEVELOPMENT EXIT

Max 75% LTV  
•  
Loans up to £30m  
•

Residential, Mix-use & Commercial



**SELL**