

Self-build Lending Guide



Hanley
ECONOMIC
Building Society

thehanley.co.uk



INTRODUCTION

The Society supports a number of lending schemes to help individuals wishing to complete a self build project for their own residence.

The scheme aims to support applicants who choose to:

- Purchase land and build a new property
- Raise capital and build a property on land that they already own
- Convert an existing structure, for example a barn into a home
- Extend their existing home, home improvements or renovate
- Purchase a new home and build an extension, home improvements or renovate

The Society can consider applications in accordance with the lending criteria and indemnity insurance provider requirements and specific products are available to support this.

BASIC REQUIREMENTS

Maximum Advance: (Advance Basis Only)	£500,000*	
Maximum Advance: (Arrears Basis Only)	Maximum Loan	Maximum Final LTV
	Upto £500k	Upto 80%
	>£500k - £750k	70%
	>£750k - £1m	65%
	>£1m - £1.25m	50%

Available for house purchase and remortgage in England, Wales and Scotland only.

A structural warranty will be required.

SCHEMES AVAILABLE

ADVANCE STAGE PAYMENTS SCHEME

Available for borrowers who choose to have funds released in advance of each stage of the project. Restrictions apply in respect of the maximum amounts released at each stage of the build.

ARREARS STAGE PAYMENTS SCHEME

Available for borrowers who choose to have funds released in stages as works progress and after each stage of the project is completed. Restrictions apply in respect of the maximum amounts released at each stage of the build.

CUSTOM BUILD SCHEME

Available for, borrowers who choose to have input into the design of their home, and to purchase a serviced plot which has reached foundation stage (Golden Brick).

The borrower is able to bespoke the property to their requirements, subject to this being within the guidelines of the developer, planning rules and conditions within the footprint of the property.

LOAN TO VALUE – DURING CONSTRUCTION & FINAL VALUE

Advance basis	Arrears basis
Maximum 85% of build costs during construction. Maximum 80% at final value upon completion. A valuation will be required at every stage.	Maximum 80% of valuation during construction. Maximum 80% at final value upon completion upto £500k. For loans in excess of £500k refer to the maximum final value details. A valuation will be required at every stage.

Advance Stage Payment – Maximum 85% during construction. Maximum 80% Final Value

Arrears Stage Payment – Maximum 80% during construction. Maximum 80% Final Value

Custom Build (Arrears) Scheme – Maximum advance £500k. Maximum 80% during construction.
Maximum 80% Final Value.

LOAN BASIS

Repayment – (Capital and Repayment)

Interest Only – maximum 2 years

WHAT WILL THE HANLEY LEND ON

Acceptable property and construction types are shown in the attached Appendix 1.

DURATION OF PROJECT & TIMESCALES

Works must start within 6 months of the mortgage commencing. The Society will undertake monitoring of build progress on a 3 monthly basis, or more regularly if deemed necessary. All works must be completed and a final completion sign off received from the warranty provider within 2 years from the first date of funds being released, or 6 months following release of the final stage payment (whichever occurs first).

SITE INSURANCE MINIMUM REQUIREMENTS

A copy of the insurance schedule is required to include the following:-

- £5 million public liability
- £10 million employers' liability
- Contract works (for the re-instatement value)
- Reinstatement cover for any existing structure
- Hanley Economic Building Society to be noted as mortgagee

PLANNING PERMISSION

You will need to provide planning permission for the project, which must have a minimum of 12 months to run. Outline planning permission is acceptable for the purchase of the plot, however full planning permission is required prior to release of the first stage advance.

PLANS

A copy of the plans will be required for the Society and Valuer, and which should be to scale, or have the room sizes clearly marked. Where available elevations of the proposed property should also be submitted.

As a mortgage condition, an undertaking signed by the applicants will be required confirming that the plans on which the original valuation is based are/have/will not be altered.

The Society will require a schedule of works for proposed alterations where plans are not required for conversions or renovations.

BUILDING REGULATION

Copies of Building Regulations are required for all self-build, conversion and renovation projects. The society does not accept a Builders Notice as suitable approval for the works carried out.

VALUATION

The Society will instruct all valuations.

INTERIM & FINAL VALUATIONS

Valuations will be carried out at each stage release. In addition, the Society reserves the right to carry out interim valuations during any stage of the build/renovation.

ACCEPTABLE WARRANTY CERTIFICATION

- Premier's "Guarantee for New Homes" (minimum warranty term 10 Years)
- NHBC 'Buildmark' (minimum warranty term 10 years)
- Self-Build Zone (minimum warranty term 10 years)
- LABC Warranty (minimum warranty term 10 years)
- Architects Certificate (minimum warranty term 6 years)
- Building Lifepans Ltd (BLP Allianz Guarantee) (minimum warranty term 10 years)
- Castle 10 (Checkmate) (minimum warranty term 10 years)
- Protek (minimum warranty term 10 years)

ACCEPTABLE CERTIFYING PROFESSIONALS

PROFESSIONAL QUALIFICATIONS.

All Architects supervising the build must have Professional Indemnity cover of no less than £1m and one of the qualifications below.	
ARB UK	Architects Registration Board UK (previously known as ARC)
*RIBA / ARIBA / FRIBA	Chartered Member/Associate/Fellow of the Royal Institute of British Architects
MCIAT	Corporate Member of the Chartered Institute of Architectural Technicians
MASI/FASI	Corporate Member/Fellow Member of the Architects and Surveyors Institute (excludes AMSI)
C. Build E MCABE/ C. Build E FCABE	Chartered Member/Chartered Fellow of the Chartered Association of Building Engineers (excludes A B Eng)
MICE/ FICE	Member/Fellow of the Chartered Institute of Civil Engineers (Excludes AMICE)
FCIOB/MCIOB	Fellow or Member of the Chartered Institute of Building
MRICS / FRICS	Member or Fellow of the Royal Institution of Chartered Surveyors (RICS)
MI Struct Eng/ FI Struct Eng	Chartered Member or Fellow of Institute of Structural Engineers
* only acceptable if also registered with the Architect's Registration Board (ARB)	

FURTHER ADVANCE BORROWING

Further advance borrowing will not be considered until the total advance has been released, and only available on an arrears based scheme.

Where the borrower requires a further advance to complete the project, the borrower should contact the Society to discuss their requirements.

A referral will be made to the Insurance provider to establish if insurance is available, and any conditions which may be applied. Confirmation will be required in writing from the insurance provider.

A valuation will be required.

The account must have been conducted satisfactorily for a minimum of 6 months, with no arrears.

MAKING AN APPLICATION

Please refer to the Societys website for details on the application process, together with the required documentation.

Festival Park (Head Office)

Granville House, Festival Park,
Hanley, Stoke-on-Trent, ST1 5TB

01782 255161
e: festivalparkbranch@thehanley.co.uk

Opening Hours
Monday: 9am-5pm / Tuesday: 9am-5pm
Wednesday: 9am-5pm / Thursday: 9am-7pm
Friday: 9am-5pm / Saturday: 9am-4pm

Biddulph

51 High Street, Biddulph,
Staffordshire ST8 6AD

01782 255140
e: biddulphbranch@thehanley.co.uk

Opening Hours
Monday: Closed / Tuesday: 9am-4pm
Wednesday: 9am-4pm / Thursday: 9am-7pm
Friday: 9am-4pm / Saturday: 9am-4pm

Cheadle Agency

Cheadle Shopping Centre, Cheadle,
Staffordshire ST10 1UT

01538 751976
e: cheadle@thehanley.co.uk

Opening Hours
Monday: Closed / Tuesday: 10am-3pm
Wednesday: 10am-3pm / Thursday: 9.15am-5pm
Friday: 9.15am-5pm / Saturday: 9.15am-12pm

Hanley

5 Lamb Street, Hanley, Stoke-on-Trent,
Staffordshire ST1 1PF

01782 255110
e: hanleybranch@thehanley.co.uk

Opening Hours
Monday: Closed / Tuesday: 9am-4pm
Wednesday: 9am-4pm / Thursday: 9am-7pm
Friday: 9am-4pm / Saturday: 9am-4pm

Longton

93 The Strand, Longton,
Stoke-on-Trent, Staffordshire ST3 2NS

01782 312027
e: longtonbranch@thehanley.co.uk

Opening Hours
Monday: Closed / Tuesday: 9am-4pm
Wednesday: 9am-4pm / Thursday: 9am-7pm
Friday: 9am-4pm / Saturday: 9am-4pm

Newcastle

83 High Street, Newcastle-under-Lyme,
Staffordshire ST5 1PS

01782 615262
e: newcastlebranch@thehanley.co.uk

Opening Hours
Monday: Closed / Tuesday: 9am-4pm
Wednesday: 9am-4pm / Thursday: 9am-7pm
Friday: 9am-4pm / Saturday: 9am-4pm

Stone

1 Mill Court, Mill Street, Stone,
Staffordshire ST15 8BA

01785 814776
e: stonebranch@thehanley.co.uk

Opening Hours
Monday: Closed / Tuesday: 9am-4pm
Wednesday: 9am-4pm / Thursday: 9am-7pm
Friday: 9am-4pm / Saturday: 9am-4pm



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