

A photograph of a modern, two-story house with large windows and a covered patio area, illuminated at dusk. The house is light blue and white, with warm interior lights glowing through the windows. A large orange arrow graphic points from the text towards the house.

STAGE PAYMENT FUNDAMENTALS

A practical guide for brokers

Most brokers understand the idea of stage payments - but the practical differences between funding models can have a major impact on how a client's project runs from start to finish.

These five fundamentals make advising on self build and renovation cases clearer, more confident, and more aligned with Consumer Duty expectations.

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1 Not all stage payments behave the same

The three models:

Valuation-based



Funds released after work is completed - vulnerable to delays and down-valuations.

Cost-based



Releases linked to pre-agreed project costs, more predictable and aligned to planned stages.

Guaranteed stage payments



Funds released before each stage - maximising cashflow certainty and keeping the build moving.

Why it matters: Choosing the right model is the foundation for a smooth project.

2 Most mid build problems are timing issues, not overspend

Projects frequently stall because funds arrive after the work is done.

Even when budgets are realistic, the wrong release structure can cause delays and cashflow pressure.



What to consider: Match the funding model to the build schedule - not just the client's budget.

3 Clients often need less capital than expected

With stage payment products available through BuildLoan, clients can access:

UP TO **95%**
OF LAND PURCHASE

UP TO **95%**
OF BUILD COSTS

Why this matters: This dramatically improves affordability and helps more clients get started sooner.

4 Costings are a risk management tool - not admin

High-quality costings reduce risk for both the client and the broker. BuildLoan and our panel lenders:

- Review costings for accuracy
- Flag unrealistic allowances
- Check sequencing for viable stage releases
- Identify potential shortfalls early

Why it matters: A robust costings review provides a safety net and reduces foreseeable harm under Consumer Duty.

5 Predictability usually matters more than speed

Whilst bridging can be fast, the predictable releases from a BuildLoan stage payment mortgage provide the stability most self build and renovation projects need. And regulated bridging loans have to be repaid within 12 months - the average self build project takes 18 months.

Guaranteed stage payments help clients avoid delays, keep trades on site, and maintain momentum throughout the build.

Want help choosing the right stage payment model for a client?

Our team can walk through the build structure, costings and funding options with you.

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