The UK's Most Expensive Mistakes

New Brickflow data reveals how much leverage property investors lose by not comparing enough lenders

(Aug 2026)

BRIDGING LOANS

£250,000

average net loan difference on a £1.4m loan

DEVELOPMENT FINANCE

£842,000

average net loan difference on a £3.7m project with £5.2m GDV

COMMERCIAL MORTGAGES

£306,000

average net loan difference on a £1.5m loan

Same scenario. Huge differences.

The Cost Of Not Comparing

Using average-sized scenarios from Brickflow's 2026 data, we ran 100s of searches across bridging, commercial mortgages & development finance to see how much lenders vary on the same deal. We then compared the highest and lowest leverage deals available in the market.

The gaps are colossal. Here's some examples of what we found:

Bridging loan

£1.4 resi purchase, London

Most competitive net loan
£979,265

Least competitive net loan
£646,106

Difference
£333,159

That's **52%** more borrowing

Commercial mortgage

£1.5m retail purchase, Midlands

Most competitive net loan
£1,125,000

Least competitive net loan
£750,000

Difference
£375,000

That's **50%** less deposit

Development finance

£3.7m resi project, £5.2m GDV, Wales

Most competitive net loan
£3,371,262

Least competitive net loan
£2,340,936

Difference
£1,030,326

That's **94%** higher ROCE

Same expensive mistake. Every finance type. Every time.

Nearly every search we ran across bridging, commercial mortgages and development finance revealed HUGE differences in net loan amounts.

Property investors and developers who still rely on manual loan sourcing and don't compare lenders from across the market stand to lose **hundreds of thousands of £££s** in leverage.

COMMERCIAL MORTGAGES
£306,000
Avg net loan difference on £1.5m deal

DEVELOPMENT FINANCE
£842,000
Avg net loan difference on £3.7m project with £5.2m GDV

BRIDGING LOANS
£250,000
Avg net loan difference on £1.4m deal

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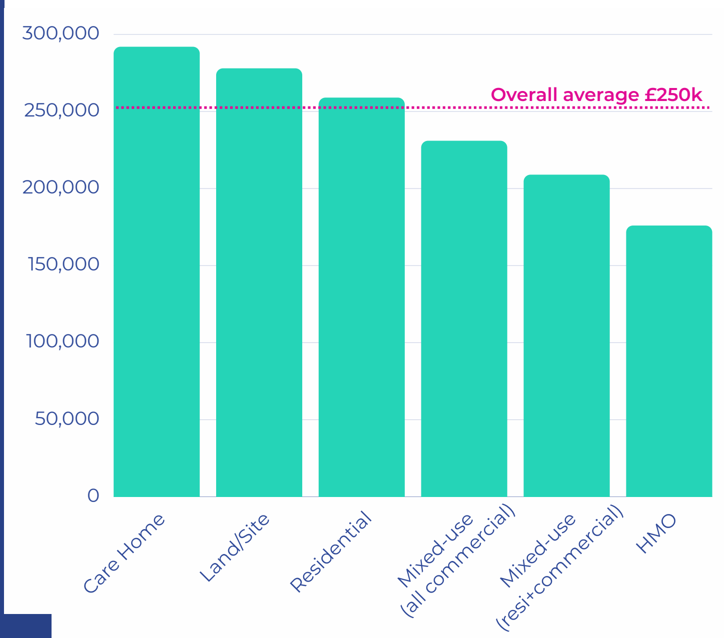
BRIDGING

£250K average net loan difference

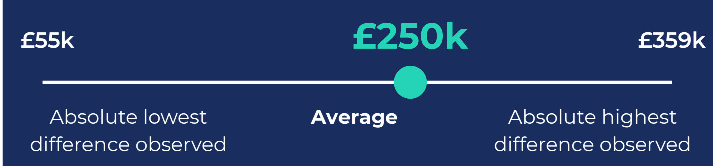
On 100 bridging deals at £1.4m purchase price with varying location, property & project type.

When borrowers are forced to put more of their own money into a deal, that capital is locked up. It can't be deployed on the next site, the next acquisition, or the next opportunity

Average difference in net loan by asset type



The range in net loan gaps



Where results cluster

What we learnt

- **The most common deals = huge leverage gaps.**
  - Pure Residential averages over £251k in lost leverage per deal.
- **No deal type escapes it.**
  - Every asset class in the data shows a significant gap. Not one exception.
- **The best case is still £55,000.**
  - That's the smallest average gap we found.

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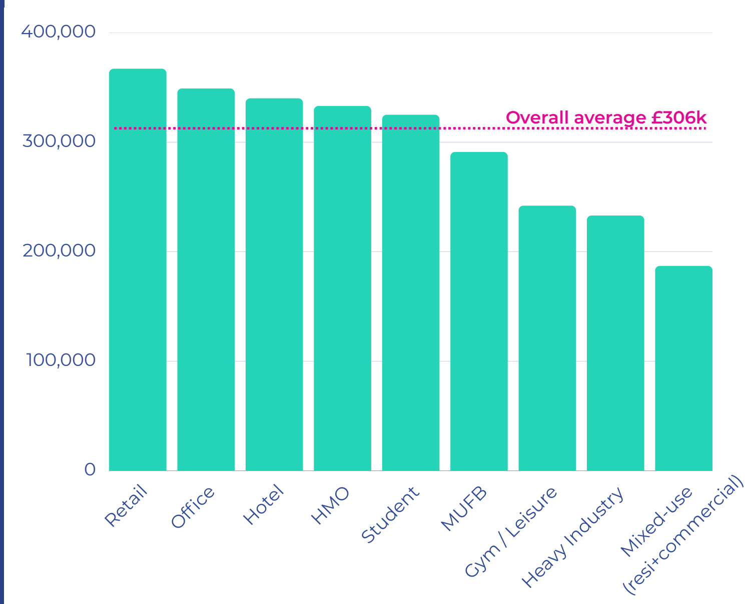
COMMERCIAL MORTGAGE

£306K average net loan difference

On 100 commercial mortgage deals at £1.5m purchase price with varying location, property & asset type.

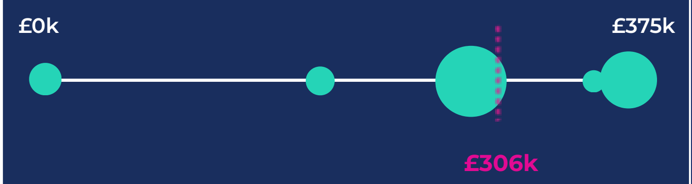
When borrowers settle for the wrong lender on a commercial mortgage, they could miss out on anything up to £375k in net borrowing, tying up unnecessary capital that could be working harder across their portfolio.

Average difference in net loan by asset type



The range in net loan gaps

Where results cluster



What we learnt:

- **Retail assets leads the lender disparity**
  - With an average gap of £367k between the highest and lowest net loan, retail investment shows the widest spread, with office properties closely behind at £349k.

- **Leverage varies by region**
  - Lender appetite in both Northern Ireland and the Channel Islands is less competitive than elsewhere, often with zero gap between the highest and lowest leverage loans, and significantly lower net loan offers in general compared to other regions.

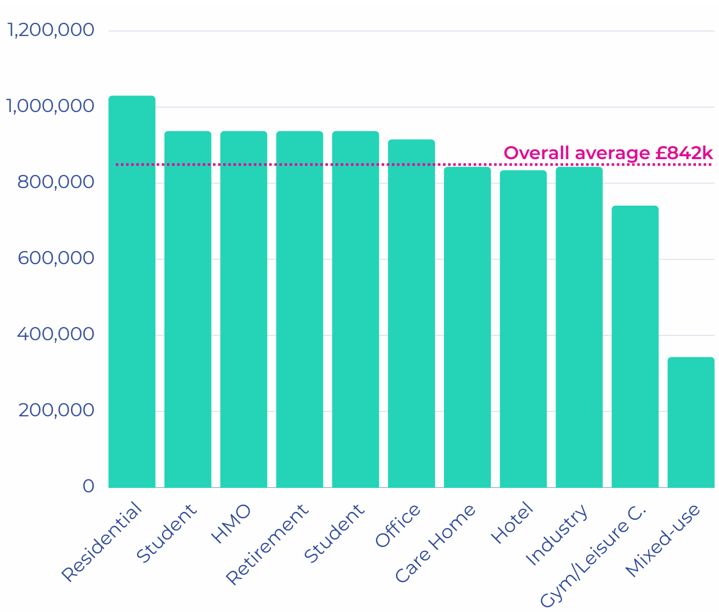
DEVELOPMENT FINANCE

£842k average net loan difference

On 100 development finance deals with a £3.7m project and £5.2m GDV, varied by location, property & asset type.

Most developers still source finance the way they always have — a few calls, a trusted broker, a gut feeling. When the difference between lenders on a single £5m+ GDV deal can exceed £1m in net loan, manual loan sourcing has become the most expensive habit in the industry.

Average difference in net loan by asset type



The range in net loan gaps

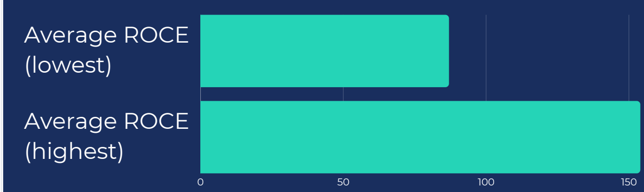
£216k — Absolute lowest difference observed

£842k — **Average**

£1.03m — Absolute highest difference observed

Average ROCE (%)

Highest vs lowest leverage deals



What we learnt:

- **Residential dominates the gap**
  - A disparity of £1.03m net loan on a residential development finance deal can be career killing. That's a deposit on your next site (or two).
- **No asset class escapes**
  - Even Mixed-Use properties — the category where lenders most aligned — show an average gap of £343k.
- **Higher leverage directly boosts your returns**
  - The highest leverage deals delivered an average ROCE of more than 67% higher than the lowest. Less capital in means higher return on equity.

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DEVELOPMENT FINANCE

The compound effect

IIn our £3.7m scenario, the lowest deposit required by one lender was £450,000, the highest nearly £1.4m - **on the same deal**. That's nearly £1m difference.

With those numbers, and an equal starting equity of £1.4m:

Borrower A uses Brickflow to search for development finance, finds the highest leverage deal and spreads capital across 3 developments.

Borrower B goes direct to a lender, gets the lowest net loan and has to inject all their capital into just 1 project.

Losing £1m leverage on a deal is gut-wrenching. But factor in opportunity cost, and it could be a colossal loss of **20 extra developments over a career.** That's life changing.

Why investors & developers lose hundreds of thousands in leverage

One lender ≠ the market

There's over 160 lenders in CRE. Going direct to one lender or using brokers who still source loans manually will cost you ££££.

Low rates ≠ the best deal

Low rates often come with low LTVs and high deposits. Paying 0.1% higher can decrease your capital input and 2x your ROCE.

Manual loan sourcing

Manual loan sourcing covers a tiny fraction of the market. Brickflow covers 100s of lenders instantly. No more legwork, no more guessing.

BRICKFLOW | Smarter decisions, bigger pipelines

This campaign was developed by the Brickflow team, combining platform data, lender insight and specialist property finance expertise.

The research and content were led by Jenna Young, Content Writer at Brickflow, with strategic input from Sabinder Robinson-Sandhu, Head of Growth. The campaign was overseen by Ian Humphreys, Brickflow's Founder and CEO, to ensure the findings reflect the real-world borrowing challenges faced by property investors and developers across the UK.

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Bridging Finance | Commercial Mortgages | Development Finance

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Methodology

How we collected our data

Based on 2026 platform data, we selected average deal sizes for bridging, commercial mortgage and development finance and created sample scenarios for each. We than ran and analysed 100s of simulated finance searches.

Our core scenario numbers remained constant, with variations in location, asset type, borrowing entity and certain loan terms.

Each scenario was run through Brickflow's lender comparison platform, with data collected on gross and net loan amount, deposit requirements, profit, ROCE and more. This allowed us to compare how different lenders responded to the same borrowing scenario and assess how much net lending could vary between lenders.

Our scenarios:

Bridging Loans

- £1.4 million purchase price
- £70,000 purchase costs
- Loan types including purchase, planning, refurbishment and development exit
- Property uses inc. residential, mixed-use, HMO, care home, land/site

Commercial Mortgages

- £1.5 m purchase, £10,000 gross rental income
- C&I and IO repayments
- 20-25-yr terms, 5-yr fix
- Ltd company, company, sole trader, individual
- Asset type inc. mixed-use, HMO, MUFB, retirement, student, gym & leisure, hotel, retail, office

Development Finance

- £1 m purchase + £50k costs
- £2.3m build + 5% contingency (£115,000)
- £241,500 prof. costs & fees
- £5.2 million GDV
- Property developments including residential, mixed-use, HMO, care home, student (inc PSBA), retail, hotel, MUFB and industry

Locations included North East/West, South East/West, East England, London, the Midlands, Scotland, Wales, Northern Ireland.

For each search, we calculated **the difference between the highest and lowest net loan amounts** available from lenders in the market, highlighting the funding gap borrowers face by not comparing options.

We used these figures to calculate **the average difference in net loan amounts** in each finance type, producing average shortfalls of £250,000 in bridging, £306,000 in commercial mortgages and £842,000 in development finance.

The data reflects a live snapshot of available lender terms, for specific scenarios at the time the searches were carried out (Aug 2026). Excludes lender results below 50% LTV/LTC to reflect realistic borrowing scenarios.

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