

## Hallmark Developments (Essex) Limited - Priory Hall, Halstead, Essex



Hallmark Developments (Essex) Ltd required a timely injection of additional funding to complete the third and final phase of their Priory Hall project. As a solution to this problem it made good sense for their business to re-apply to the Homes and Communities (HCA) for further financial help. The flexible funding solution agreed has bridged the gap between the money provided by their mainstream lender and total construction costs for the final phase. The end result will be the completion of the final 20 homes at Priory Hall, a retirement development providing 69 homes for the over 55's in Halstead, Essex.

The Home Building Fund is designed to make this happen for other small developers by supporting them to access the development finance they need to get building and grow their businesses. The £3bn fund provides government finance to increase the number of new homes being built in England. It combines existing recoverable investment funds, including the Builders Finance Fund, into one fund that provides borrowers with a simple application process to make it easier to borrow from the HCA.

Norman Ewen, Finance Director at Hallmark Developments (Essex) Ltd, describes below how working with the HCA through the life cycle of this project has had a positive impact upon the business.

### How has working with HCA made a difference to Hallmark Developments (Essex) Ltd?

**Working with HCA has enabled us to complete the development at Priory Hall. After completing the first phase the company was unable to obtain sufficient development funding from its bankers to move on to the second phase. The company's own capital had been fully utilised in investing in the site and obtaining the various planning consents. Fortunately this coincided with the availability of funding from the HCA to**

kickstart stalled developments. The company obtained top up funding to complete the second phase to deliver 33 new homes and all the communal facilities.

Having successfully completed the second, and with available development funding once again coming up short, we again turned to the HCA and secured additional funding for the final phase to deliver a further 20 new homes.

### **What was it like working with HCA?**

My own experience of working with the HCA has been an extremely positive one. The people that I have dealt with have been highly professional but at the same time friendly, approachable and willing to help where they can. I have always found them to be quick to respond to questions and queries and also clear regarding whatever the HCA requirements are of myself and the company. In respect of the online application process I found it easy to use with plenty of guidance notes available to steer you through the relevant sections.

Finally I have found the HCA online monitoring system simple to use and follow in keeping them informed with site progress.

### **Would Hallmark Developments (Essex) Ltd recommend working with HCA to other SMEs wanting to build homes?**

I would absolutely recommend other SME's that require top up funding in order to start a development to work with the HCA in trying to bring their particular scheme forward. Working with the HCA has allowed our company to continue trading through what has been a particularly challenging period for SME developers.

### **The project**

Hallmark Developments have been involved in house building for over 20 years specialising in the retirement sector. They have an established track record in this sector and their development of 55 retirement properties in Braintree, Essex won best retirement village in the Daily Mail new home awards in 2008.

Priory Hall is a high quality development for the over 55's. It is located on the outskirts of the town of Halstead in Essex. The development offers secure living within an established community. Originally the site of a school, the Victorian school building of local historic interest has been refurbished to house apartments, a residents' lounge and guest accommodation. A range of 2 and 3 bed homes have been built in the grounds, in addition to a 70 bed care home and day centre which provides care and respite facilities with its own

hair dresser and cinema. Residents are within a short walking distance or bus journey to access the local facilities in Halstead town centre.

The HCA additional development loan of £400,000 has funded the final 20 homes at Priory Hall. In addition, Hallmark Developments received an earlier £2m loan to construct 33 properties in the earlier phases of this project.

### **Interested in applying for the Home Building Fund ... so what do I do next?**

The aim of the recoverable investment fund isn't to make life more complicated but to facilitate development. The team at the HCA are there to help progress your application for a loan. All you need to do next is answer 5 simple online questions. Within 72 hours the HCA will then be in touch with you to start a conversation about building more homes. For more information on how to do this please either:

- **telephone** 0300 1234 500;
- **email** [HomeBuildingFund@hca.qsi.gov.uk](mailto:HomeBuildingFund@hca.qsi.gov.uk) ; or,
- **visit** [www.gov.uk/homebuildingfund](http://www.gov.uk/homebuildingfund) to complete a short form to request a call back or register your interest.

The HCA has been providing loan finance to the private sector since 2008. During this time, the HCA has made available loans and investments totalling over £4.4 billion to support the private sector to build new homes and bring forward land for development. Finance from the Home Building Fund is available to draw down up to 31 March 2021.

The Fund is one of the ways HCA is delivering the Government's housing ambitions alongside the Shared Ownership and Affordable Homes programme, Starter Homes and the Single Land Programme. More details about these other initiatives can be found on [GOV.UK](http://GOV.UK).