BRIDGING&COMMERCIAL

Is the bridging market facing a skills crisis?

Tom Belger, Bridging & Commercial Tuesday 17th May 2018

A number of bridging lenders have expressed concern regarding the current pool of skilled workers amid a surge of new entrants to the sector.

Since the start of 2018, a stream of new bridging lenders, including ActivTrades, Tuscan Capital and Glenhawk, have entered the market.

However, there is a fear that the pool of talented professionals within the bridging finance sector is becoming thinly stretched, which could make it harder and more expensive to recruit and expand.

'What we are seeing is a merry-go-round'

"While there are always going to be a number of new people coming into the bridging market, mostly what we are seeing is a merry-go-round of the same skilled staff moving from lender to lender," said Jonathan Sealey, CEO at Hope Capital.

"In particular, we have seen a number of senior staff from existing lenders move on and set up their own operation, typically they will take with them many people they have worked with previously, recruiting from other lenders as they expand, but bringing in people from outside of the industry for more junior jobs."

Michael Dean, Principal at Avamore Capital, said that although there had been talented people from outside the bridging sector coming into the space, he felt it was difficult to say if there had been a big influx of people entering the market at a mid-lower tier.

"My view is that the same pool of people are being spread out more thinly.

"There is an increased number of lenders who will now take less experienced people or individuals from outside the sector and give them the skills and training they need.

"This means that this time next year there is likely to be a deeper pool."

Paul Riddell, head of marketing and communications at Lendy, added: "At Lendy, we have attracted people from an institutional background, such as RBS and HSBC.

"However, we are now seeing signs of people moving around within the sector as it has grown and people have developed skills."

Paresh Raja, CEO at Market Financial Solutions, added that it was seeing a higher influx of skilled workers entering the specialist finance market.

"The reason for this influx is partly due to the wave of redundancies sweeping high street banks, with workers looking to apply their skills and experience in the specialist finance market.

“This should be seen as positive news for the industry – not only does it increase the number of experienced and competent workers available to lenders, it also helps the industry maintain a high quality of service.”

Nigel Alexander, head of bridging and commercial at Amicus Property Finance, added: “What’s important for us and the wider industry is to provide the right environment, support and training for the next generation of talent through internal development initiatives.”

Is it becoming more expensive to recruit?

Colin Sanders, CEO at Tuscan Capital, said it was proving much more of a challenge than he expected to find people with the requisite skills and experience.

“Where we have identified a promising candidate, we often find their current employer pulls out all the stops to retain them – and who can blame them for that?

“But it’s frustrating and suggests to me that there simply isn’t much slack in the industry when it comes to available talent.

“We’re also a little concerned about unmerited salary inflation. “While an obvious way of enticing new recruits, it is ultimately self-defeating.”

Michael said Avamore was searching for an assistant underwriter and finding it “considerably” more expensive than it was six to nine months ago.

Adam Tyler, executive chairman at the Financial Intermediary & Broker Association, added: “The market for certain roles will always be dictated by the surfeit or shortage of particular talents and how much those talents are needed.

“The more lenders there are means that there is probably a premium having to be paid to secure the best talent.”

Shahil Kotecha, CEO at Pivot, said it was normal for employers to respond with higher wages to attract talent.

“We are in this cycle in the alternate lending space and, as such, we believe there is currently a shortage of skilled, experienced staff.

“We have mitigated this risk by having a resource pool of people with deep industry experience, supplemented this with staff who have experience from other affiliated sectors and are nurturing the next wave of talent.”

Alan Margolis, credit and operations director of short-term lending at Masthaven, agreed that there had been an upward salary expectation for certain roles, driven in part by new lenders who have to build teams from scratch.

“However, potential recruits should look past the headline salaries and consider the security and experience that comes with working with established lenders who have a proven track record of trading through an entire business cycle and not just the boom times.”

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