

One in five developers facing pressure from lenders, Octane Capital warns

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Jonathan Samuels, CEO of specialist lender [Octane Capital](#) has highlighted how traditional lenders are often too quick to apply pressure to the nation's property developers, instead of taking a collaborative approach to help them negotiate cost inflation, market uncertainty and project delays.

The latest research from Octane Capital has revealed that one in five UK developers are currently struggling under pressure from their existing lenders, with many facing cost overruns, project delays, and tighter funding conditions that are putting schemes at risk.

The survey* of UK developers, commissioned by Octane Capital, found that 20% are facing pressure from their lender.

Among those affected, late-stage projects were most exposed, with 18% of developers saying their lender had turned the screw during the sales or completion phase, compared with 10% at the early stage and 7% during construction.

The main triggers for this pressure were cost overruns (20%), project delays (17%), and unfavourable market conditions such as higher interest rates and softer values (17%).

The most common methods deployed by lenders when applying pressure include demanding higher fees or rates (24%), withholding or delaying drawdowns (22%), and in some cases selling or transferring loans to another party (20%). Others have pushed developers to sell units at reduced prices to accelerate repayment (17%), while 17% said their funding had been threatened altogether.

Perhaps most concerning is the lack of support reported.

Just 16% of developers described their lender as very supportive, while 57% said their lender was not supportive.

As a result, 23% have looked to specialist lenders for support in the last year, highlighting the growing importance of alternative finance in today's challenging development landscape.

Jonathan Samuels, CEO of Octane Capital, commented: "Cost inflation, market uncertainty, and delays are part of the reality of development, but traditional lenders are often quick to apply pressure rather than work collaboratively. This can leave projects at risk of stalling or being sold off prematurely.

Specialist finance can provide a vital lifeline in these circumstances, offering the speed, flexibility, and partnership approach that developers need to overcome challenges and deliver homes. At Octane Capital, we understand the pressures developers face and are committed to providing solutions that keep projects moving, even when the unexpected happens."

Data Tables and Sources

- *Survey of 119 UK property developers carried out by ProperPR on behalf of Octane Capital via consumer research platform [Find Out Now](#) (16th September 2025).
- [View full data tables and sources online here.](#)