

Building your world: construction finance



The construction industry is a mainstay of the UK economy. That’s why it’s also vulnerable to its ups and downs. When the economy is healthy, construction flourishes; in a downturn, construction companies are often squeezed. Whatever the context, specialist finance is a constant, reliable enabler for companies balancing these challenges while maintaining investment in materials and equipment. Here John Kennedy, Siemens Financial Services (SFS), explores the broad range of assets that can be supported with tailored financing arrangements.

From new roads, rail and buildings, construction sites all over the UK are developing a wide range of crucial infrastructure. SFS is supporting this construction with innovative finance solutions for an equally wide range of assets. Take a look at the breadth of equipment and technology funded by SFS below:



Offsite, a **mobile mixing plant** is producing the raw materials required for construction. The **wheel loader** shovels the concrete components into a **volumetric lorry** for transit mixing. The lorry makes its way to the construction site with concrete ready for use upon its arrival.

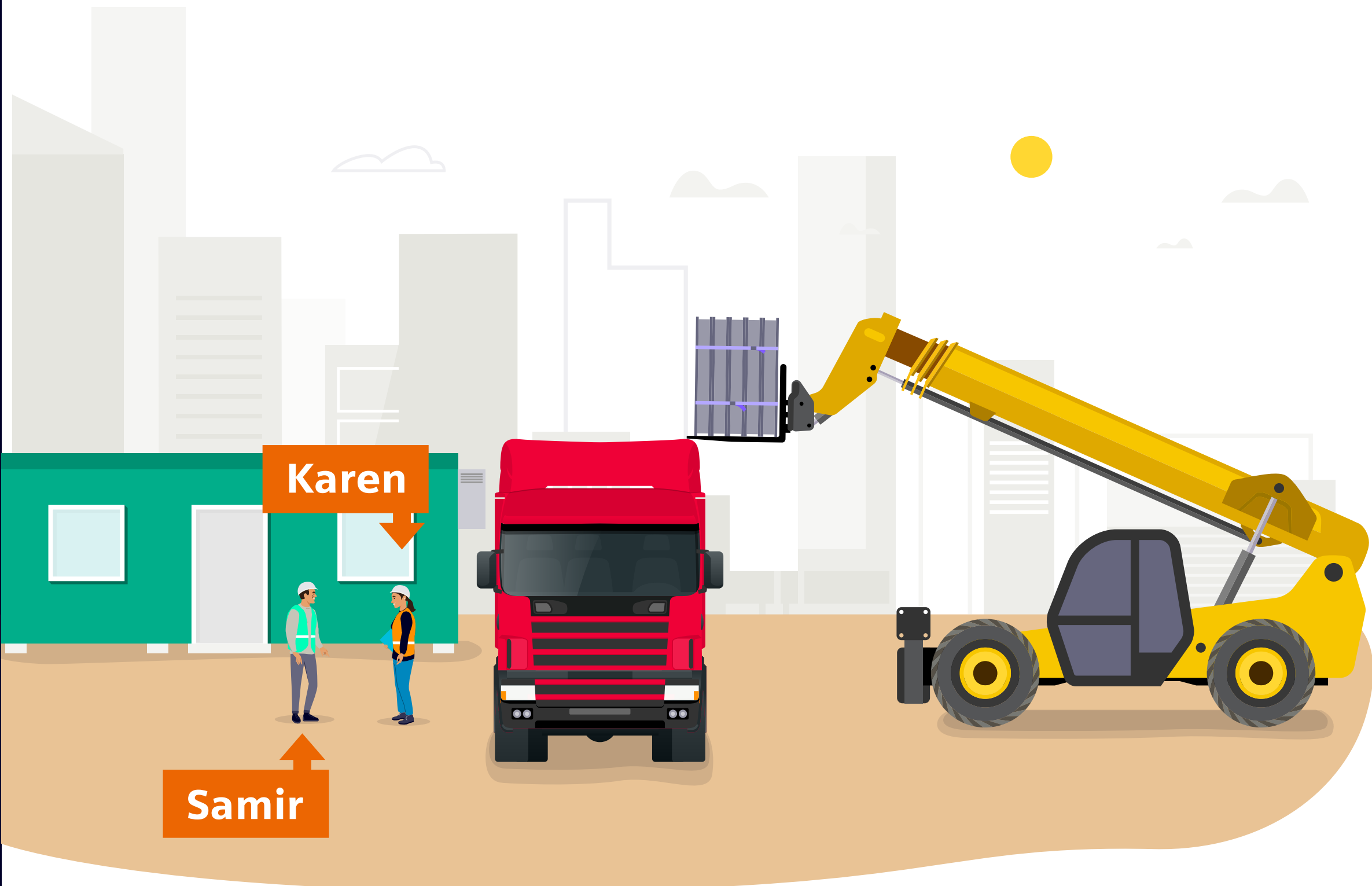
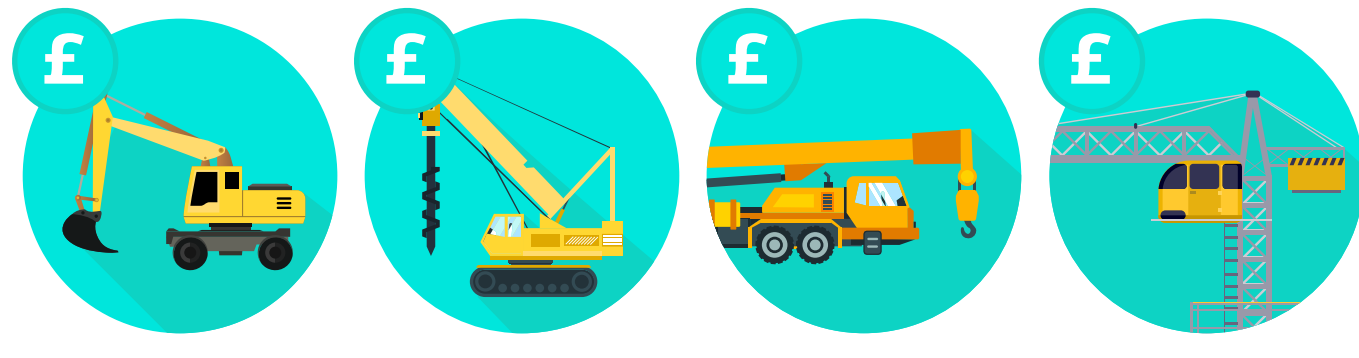
The batching plant, crusher, screener, wheel loader, and volumetric lorry are all funded by SFS.



Back onsite, the team have excavated the building area and installed the frame’s deep steel foundations with help from a **piling rig** and **line pump**.

Next, **Andrew** uses a **mobile crane**, in combination with a **tower crane**, to move the materials up to the required levels as the steel skeleton of the project develops.

The excavator, piling rig, mobile crane and tower crane are all funded by SFS.



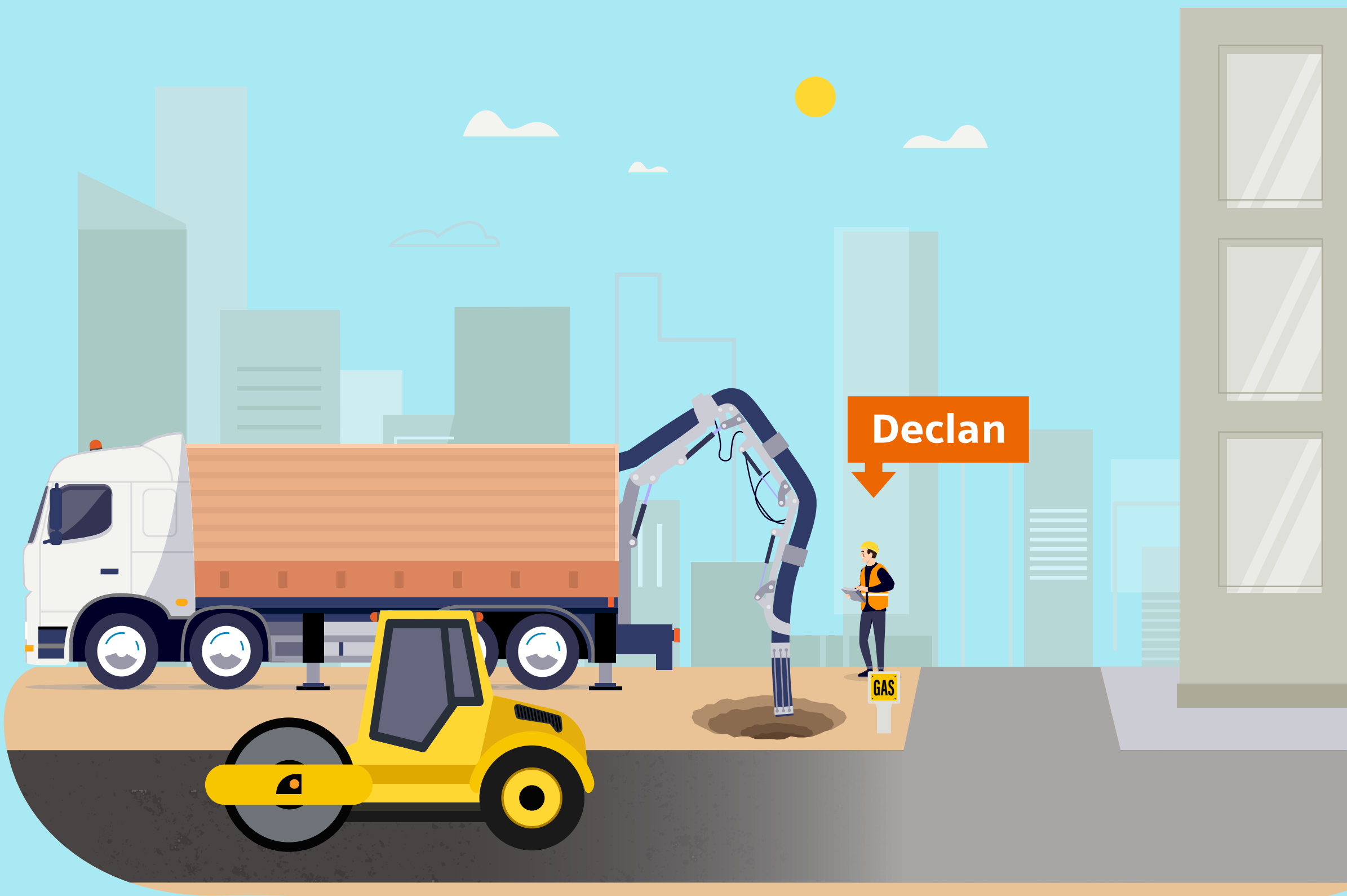
Given the size of the project, site manager **Samir** has arranged for onsite **temporary office buildings** where surveyors can work as needed. **Karen** arrives onsite with the pre-made panels that will form the walls of the building and Samir, spotting her from the office, comes out to meet her. After the **truck** is unloaded, the panels are moved around site using **telescopic handlers**.

The temporary office building, transport truck and telescopic handlers are all funded by SFS.



The site is joining an existing road with an office block beside it. **Declan** safely uses a **vacuum excavator** to dig the area and join infrastructure without hitting the existing gas main. A **wheel loader** shovels the excess debris into a **dump truck** to be removed from site. Once complete, a **roller** readies the ground for the **asphalt paver** which will pave the adjoining road system around the new building.

The vacuum excavator, wheel loader, dump truck, roller and paver are all funded by SFS.



Specialist finance supporting the construction industry

Siemens Financial Services (SFS) frequently works internationally with technology experts at Siemens – alongside other vendors and equipment manufacturers – to help construction businesses achieve their goals. Thanks to this in-house expertise, we’re able to tailor financing arrangements to suit the cash flow and aims of a business, instead of offering out-of-the-box solutions that often require significant up-front capital investment.



Hire Purchase

A flexible way of financing construction equipment, in which the customer spreads the cost of purchasing the asset across the agreement period and has an option to own the asset at the end of the term.

Benefits:

- Spread the cost of purchase over an agreed duration
- Ownership at the end of term for a nominal fee
- May benefit from flexible deposits and fixed payments



Finance Lease

SFS buys the equipment and retains ownership; the customer has use of the equipment by making payments over an agreed period and can choose between various options at the end of the primary term.

Benefits:

- May benefit from a low up front payment
- Minimal Cash flow impact
- Flexibility at the end of the primary lease term



Operating Lease (Lease with Residual Value)

At the start of the lease the equipment’s residual value is forecasted, the customer then pays a fixed payment over the contract term for use of the equipment and returns it at the end.

Benefits:

- Assumption of resale value means lower rentals, making cash flow easier to manage
- SFS bears residual value risk and costs associated with disposal
- Service & Maintenance packages can be included within the rental price