

# Commercial Mortgages product guide



Through our unique combination of tailored expertise, human relationships and powerful technology, we're empowering brokers with the tools they need to serve established SMEs.

- Nick Baker, Chief Commercial Officer at Allica Bank

## Contact us

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# Lending criteria

<b>Borrower type</b>	UK registered Limited Companies, LLPs, Partnerships and Sole Traders
<b>Loan size</b>	£150,000 to £10 million
<b>Term</b>	<p>Owner-occupied: 5 to 30 years</p> <p>Commercial investment: 5-year interest only or 5-year partial amortisation over a 25-year profile</p> <p>Specialist buy-to-let: 5 year interest only</p>
<b>Base Rate type</b>	<p>Variable – Bank of England Base Rate (subject to a minimum Base Rate of 1.5%)</p> <p>Fixed – reverts to a margin above Bank of England Base Rate equal to the fixed rate less 1.5%, subject to a Base Rate floor of 1.5%</p>
<b>Security</b>	<p>First charge over Freehold &amp; Long Leasehold Property in England, Scotland &amp; Wales</p> <p>Debentures and guarantees on a case by case basis</p>



# Commercial investment

## Available discounts

### Energy efficiency discount

0.25% for EPC rating A-C evidenced at application.

OR

### Large loan discount

Discount of 0.25% for loans of £750k or over.

### Repayment type

Interest Only (5-year term)

Partially amortising (5-year term)

### Debt Service Cover

Variable - 130% for commercial or 120% for semi-commercial property, using gross rent at margin, plus Base Rate plus 1%

Fixed – 130% for commercial or 120% for semi-commercial property at pay rate. Interest only loans must evidence affordability over a 25-year amortising term.

All discounts are available for variable and fixed rate loans.

## Commercial

LTV	Up to 60%	Up to 65%	Up to 70%
5-year fixed	8.35%	8.45%	8.75%
Variable (margin over Base Rate)	4.45%	4.55%	4.85%

## Semi-commercial

50-99% residential

LTV	Up to 60%	Up to 70%	Over 70%
5-year fixed	5.80%	6.50%	6.85%
Variable (margin over Base Rate)	1.85%	2.60%	3.25%

Semi-commercial apportionment is defined by percentage of floor space across a semi-commercial property or portfolio (confirmed at valuation). The residential element must not exceed 99%, and must be capable of being let on a separate assured shorthold tenancy. Properties less than 50% residential will be classed as commercial from a product perspective.

# Specialist buy-to-let

## Available discounts

### Energy efficiency discount

0.25% for EPC rating A-C evidenced at application.

OR

### Large loan discount

Discount of 0.25% for loans of £750k or over.

### Repayment type

Interest only (5-year term)

### Interest Cover Ratio

130% for standard rate taxpayers (Ltd companies) and 145% for higher rate tax payers (LLPs, sole traders and partnerships).

Where gross rents can be evidenced, we will use:

- Evidence of 3 months' loan repayments in cash via bank statements
- One UBO/director with Experian Consumer Score of 881+ and a supporting personal guarantee (can be partial)

Otherwise, we will use net rent assumptions:

- MUFB/residential: gross rent minus 10%
- HMOs: gross rent minus 25%

## Specialist buy-to-let

LTV	Up to 60%	Up to 70%	Over 70%
5-year fixed	5.70%	6.10%	6.25%

### Product criteria

- Lending against residential properties where we can evidence that the borrower has four or more BTL properties in their portfolio, small HMOs - up to six beds, large HMOs - over six beds (7-15 beds), and MUFBs
- Loans from £200,000 to £10 million
- Loans up to 75% of Vacant Possession value for residential properties, small HMOs and individual marketable MUFBs
- Loans up to 75% investment value / 90% Vacant Possession, value for large HMOs and block value MUFBs
- Experienced landlords only

# Owner-occupied

## Available discounts

### Energy efficiency discount

0.25% for EPC rating A-C evidenced at application.

OR

### Large loan discount

Discount of 0.25% for loans of £750k or over.

## Additional discounts

### Current account discount

0.25% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

### Repayment cover discount

An additional 0.25% discount will apply if 200% Debt Service Cover can be evidenced at application.

All discounts are available for variable and fixed rate loans.

## New! Limited-time offer Owner-occupied mortgages

No commitment fee when you apply by 31 March 2026 - plus 0.5% cashback of the loan amount (excluding fees) if the loan completes by 30 June 2026. **T&Cs apply**, see page 15 for full details.

## Commercial

LTV	Up to 60%	Up to 70%	Over 70%
5-year fixed	6.70%	7.25%	7.60%
Variable (margin over Base Rate)	2.65%	3.20%	3.55%

## Semi-commercial

50-99% residential

LTV	Up to 60%	Up to 70%	Over 70%
5-year fixed	5.70%	6.05%	6.55%
Variable (margin over Base Rate)	1.60%	1.95%	2.45%

### Repayment type

Capital & Interest

5 year interest-only available at the start of the loan term for loans up to 75% LTV

### Debt Service Cover

Variable - 130% using adjusted EBITDA at margin, plus Base Rate plus 1%

Fixed - 130% at pay rate using adjusted EBITDA

# Owner-occupied hotels

Up to £1.5m

## Available discounts

### Energy efficiency discount

0.25% for EPC rating A-C evidenced at application.

OR

### Large loan discount

Discount of 0.25% for loans of £750k or over.

## Additional discounts

### Current account discount

0.25% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

### Repayment cover discount

An additional 0.25% discount will apply if 200% Debt Service Cover can be evidenced at application.

All discounts are available for variable and fixed rate loans.

## New! Limited-time offer

### Owner-occupied mortgages

No commitment fee when you apply by 31 March 2026 - plus 0.5% cashback of the loan amount (excluding fees) if the loan completes by 30 June 2026. **T&Cs apply**, see page 15 for full details.

Over £1.5m

Debt service cover	LTV - VP	LTV - MV
130%-200% debt service cover	70%	65%
>200% debt service cover	80%	65%

Type of hotel	LTV - VP	LTV - MV
Branded hotel	100%	65%
Unbranded hotel	90%	65%

## Pricing

Loan to VP value	Up to 60%	Up to 70%	Up to 80%	Up to 90%	Up to 100%
Fixed rate	6.90%	7.25%	7.60%	7.85%	8.10%
Variable margin	2.85%	3.20%	3.55%	3.80%	4.05%

### Product criteria

- A dedicated relationship manager will be assigned to all customers where the loan exceeds £1.5m and the LTV exceeds 70% of VP value
- Management accounts to be provided on a quarterly basis for loans over £1.5m
- Loan over 80% of VP value and must be fully amortising from day 1
- Personal guarantee to be given for any amount in excess of 70% of VP value

# Healthcare - care homes

## Repayment type

Capital & Interest  
Up to 2 year capital repayment holiday available

## Debt Service Cover

130% Adjusted EBITDA

## Maximum loan term

25 years (20 years for non-purpose built)

## Minimum number of bedrooms

20

## Current account discount

0.25% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

## New! Limited-time offer

### Owner-occupied mortgages

No commitment fee when you apply by 31 March 2026 - plus 0.5% cashback of the loan amount (excluding fees) if the loan completes by 30 June 2026. **T&Cs apply**, see page 15 for full details.

## Experienced operators

(a minimum of two years as care home owner-operator)

## Loan size for experienced operators:

£500,000 to £10m (subject to a maximum of 6.0x EBITDA)

## Loan-to-value for experienced operators:

up to 70% MV and 100% MV2, whichever is lower.

- Margins are above Bank of England Base Rate (subject to a minimum Base Rate of 1.5%)
- Interest Rate Margins are subject to status and due diligence
- Extending above 90% MV2: considered subject to borrower profile, valuation and DSCR
- For care home transactions, please speak with your BDM/SRM for full details on required information

Product	Rate
Up to 60% MV	2.60%
Up to 65% MV	2.80%
Up to 70% MV	3.00%

<sup>1</sup>'MV2' - Market Value on the special assumption that property is open, accounts are not available and restricted sales period of 9 months.

# Healthcare - care homes

## Repayment type

Capital & Interest  
Up to 2 year capital repayment holiday available

## Debt Service Cover

150% Adjusted EBITDA

## Maximum loan term

20 years

## Minimum number of bedrooms

20

## Current account discount

0.25% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

## New! Limited-time offer

### Owner-occupied mortgages

No commitment fee when you apply by 31 March 2026 - plus 0.5% cashback of the loan amount (excluding fees) if the loan completes by 30 June 2026. **T&Cs apply**, see page 15 for full details.

## First-time buyers/new entrants

(operator with less than two years experience/first-time buyer)

## Loan size for first time buyers/new entrants:

£500,000 to £5m (subject to a maximum of 5.0x EBITDA)

## Loan-to-value for first time buyers/new entrants:

up to 70% MV and 120% MV3, whichever is lower

- Margins are above Bank of England Base Rate (subject to a minimum Base Rate of 1.5%)
- Interest rate margins are subject to status and due diligence
- Extending to 120% MV3 considered subject to borrower profile, valuation and mock CQC inspections for first two years
- For care home transactions, please speak with your BDM/SRM for full details on required information

Product	Rate
Up to 70% MV/90% MV3	3.00%
Up to 70% MV/100% MV3	3.25%
Up to 70% MV/120% MV3	3.50%

'MV3' – Market Value on the value of the property closed with no trading accounts.

# Healthcare - care homes

## Specialist care operators

### Repayment type

Capital & Interest  
Up to 2 year capital repayment holiday available

### Debt Service Cover

130% Adjusted EBITDA

### Minimum number of care bedrooms/ homes

Single-asset: 4 bedrooms  
Multi-asset: 3 homes

### Current account discount

0.25% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

## New! Limited-time offer Owner-occupied mortgages

No commitment fee when you apply by 31 March 2026 - plus 0.5% cashback of the loan amount (excluding fees) if the loan completes by 30 June 2026. **T&Cs apply**, see page 15 for full details.

## Specialist care operators

(a minimum of three years as care home owner-operator, strong links to regulatory bodies and mature operational team)

### Loan size for experienced operators:

£500,000 to £10m (subject to a maximum of 6.0x EBITDA)

### Loan-to-value for experienced operators:

up to 70% MV and 120% MV3, whichever is lower

- Margins are above Bank of England Base Rate (subject to a minimum Base Rate of 1.5%)
- Interest Rate Margins are subject to status and due diligence
- Extending above 100% MV3 subject to borrower profile, valuation and DSCR
- For care home transactions, please speak with your BDM/SRM for full details on required information

### Specialist care operators:

- Children's learning disability care – 5-18 years with complex needs ranging from lower acuity social, emotional and mental health issues (SEMH) through to more complex acquired brain injury/autistic spectrum conditions (ABI/ASC).
- Adult learning disability residential care
- Adult supported living (where operator owns the freehold assets)

Product	Rate	Maximum loan term
Up to 70% MV/75% MV3 (single-asset)	3.00%	18 years
Up to 70% MV/80% MV3 (multi-asset)	2.60%	18 years
Up to 70% MV/100% MV3 (multi-asset)	2.80%	15 years
Up to 70% MV/120% MV3 (multi-asset)	3.00%	15 years

# Healthcare - children's day nursery owner-occupied

## Repayment type

Capital & Interest

Up to 2 year capital repayment holiday available

## Debt Service Cover

130% Adjusted EBITDA

## Maximum loan term

Up to 20 years

## Minimum number of registered places

40

## Current account discount

0.25% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

## New! Limited-time offer Owner-occupied mortgages

No commitment fee when you apply by 31 March 2026 - plus 0.5% cashback of the loan amount (excluding fees) if the loan completes by 30 June 2026. **T&Cs apply**, see page 15 for full details.

## Experienced operators

(a minimum of two years as children's day nursery owner-operator)

## Loan size for experienced operators:

£500,000 to £10m

## Loan-to-value for experienced operators:

up to 70% MV and 100% MV2, whichever is lower

- Margins are above Bank of England Base Rate (subject to a minimum Base Rate of 1.5%)
- Interest Rate Margins are subject to status and due diligence
- Extending above 90% MV2: considered subject to borrower profile, valuation and DSCR
- For children's day nursery transactions, please speak with your BDM/SRM for full details on required information

Product	Rate	Maximum loan term
Up to 70% MV/90% MV2	2.60%	20 years
Up to 70% MV/100% MV2	3.00%	15 years

'MV2' - Market Value on the special assumption that property is open, accounts are not available and restricted sales period of 9 months.

# Healthcare - children's day nursery owner-occupied

## Repayment type

Capital & Interest

Up to 2 year capital repayment holiday available

## Debt Service Cover

130% Adjusted EBITDA

## Maximum loan term

Up to 20 years

## Minimum number of registered places

40

## Current account discount

0.25% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

## New! Limited-time offer

### Owner-occupied mortgages

No commitment fee when you apply by 31 March 2026 - plus 0.5% cashback of the loan amount (excluding fees) if the loan completes by 30 June 2026. **T&Cs apply**, see page 15 for full details.

## First-time buyers/new entrants\*

### Loan size for first-time buyers/new entrants:

£500,000 to £5m

### Loan-to-value for first-time buyers/new entrants:

up to 70% MV and 100% MV3, whichever is lower

- Margins are above Bank of England Base Rate (subject to a minimum Base Rate of 1.5%)
- Interest Rate Margins are subject to status and due diligence
- Extending above 90% MV3: considered subject to borrower profile, valuation and DSCR
- For children's day nursery transactions, please speak with your BDM/SRM for full details on required information

### \*First time buyers/new entrants must meet one of the following criteria:

- Have a minimum of three years direct experience working in a childcare setting with a senior position (e.g., primary school teachers, nursery setting, childminder, out of school clubs, social workers) or
- Have suitable academic qualifications, such as HNC and HND Childcare and Education, BA Childhood Practice, Health and Social Care.

'MV3' – Market Value on the value of the property closed with no trading accounts.

Product	Rate
Up to 70% MV/90% MV3	3.00%
Up to 70% MV/100% MV3	3.25%

# Property type

Standard property	Investment	Owner-occupied***	Owner-occupied with 2 x DSC
	VP	VP	VP
Residential property (portfolios, HMOs and MUFBs)*	75%	-	-
Semi-commercial property (50-99% residential)	75%	75%	80%
Factories	70%	75%	80%
Food outlets (takeaway)	70%	70%	70%
Garages/vehicle showrooms	70%	75%	75%
Holiday lets	70%	75%	80%
Industrial units	70%	75%	80%
Offices	70%	75%	80%
Retail unit	70%	75%	80%
Student accommodation**	60%	-	-
Warehouses	70%	75%	80%

\* Loans up to 75% of VP for small HMOs, residential portfolios and individually marketable MUFBs. Loans capped at the lower of 75% MV/90% VP for large HMOs and MUFBs capable of block sale only.

\*\*Student accommodation properties are classed as commercial investment.

\*\*\* An additional 5% LTV may be available for borrowers in the following sectors: Accountancy, Veterinary, Architects & Surveyors, Manufacturing, Machining & Storage/distribution.

Trading property	Investment	Owner-occupied	
	VP	VP	MV1
Children's day nurseries	70%	See healthcare – children's day nursery (page 11 and 12)	
Convenience stores	70%	80%	70%
Food outlets - restaurants	70%	70%	65%
Guest houses/B&Bs	70%	70%	65%
Hotels	70%	See owner-occupied hotels (page 7)	
Professional practices	70%	80%	70%
Leisure	70%	70%	60%
Public houses	70%	70%	65%

All loan to values above are maximum and are subject to credit view on quality of the asset and other factors of the application

VP - vacant possession

# Mandatory information checklist

## What you'll need to start an application:

- ✓ Company/ business details
- ✓ Details of the officer applying on behalf of the business - full name, DOB, and address details (address to cover min 3 years) and email/ mobile details
- ✓ Property address, estimated value, age, freehold/ leasehold, and type
- ✓ Details of tenant and lease terms (name, rent, start/ break/ expiry date)
- ✓ Product details - term, repayment profile, how Arrangement Fee is to be paid
- ✓ Affordability - turnover/ EBITDA/ rent
- ✓ Details of any other income sources

## Mandatory checklist

	Investment	Owner-occupied
Historical financial/ income information - last 2 year's financial accounts (to include detailed profit and Loss and Balance sheet) - excludes newly formed SPV's	✓	✓
Up to date financial/ accounting information - Management Accounts	○	✓
Full tax returns of Ultimate Beneficial Owners/ Applicants	✓	✓
Bank statements - personal - last 3 months	✓	✓
Bank statements - business - last 3 months	✓	✓
<u>Debt schedule</u> (to cover external debt with more than 1 facility)	○	✓
A <u>proposal summary</u> which must include: <ul style="list-style-type: none"> <li>the structure of the loan (eg. Newco, OpCo/ PropCo)</li> <li>evidence of affordability (show how EBITDA has been calculated)</li> <li>background experience of the directors/ partners/ individuals</li> <li>brief description of the security property</li> <li>an overview of how rising prices and energy/ fuel costs have affected business/ tenant performance and how has this been managed</li> </ul>		
A <u>proposal summary</u> which must include: <ul style="list-style-type: none"> <li>tenant performance over last 12 months to include - rental voids, rental arrears and any management expenses incurred</li> <li>background experience of the directors/ partners/ individuals/ purpose of funds (if Capital Raise)</li> <li>brief description of the security property</li> </ul>	✓	○
<u>Property schedule</u>	✓	○
<u>Assets, Liabilities, Income and Expense Report (ALIE)</u>	✓	✓
Nominated Bank account details	✓	✓

# Fees and charges

Fees	<p>Arrangement fee – 2%, which can be added to the loan for loans up to £3m</p> <p>Owner-occupied mortgage applications will incur an arrangement fee of 1.5%</p> <p>Commitment fee – £500 payable once a formal Loan Offer is made and before we instruct a formal valuation, refunded at completion</p>
Overpayments	10% allowed per annum
Early repayment charges	3% for the first 5 years (variable rates only)
5-year fixed rate breakage cost	5% in year one, 4% in year two, 3% in year three, 2% in year four, 1% in year five
Fixed rate pricing	Fixed rates are guaranteed for 5 months from the date of the Offer Letter. Beyond 5 months, we have the right to amend the rate if market funding conditions have changed

## \*New! Limited-time offer: owner-occupied mortgages

### Terms and Conditions

- This offer applies to a new commercial owner-occupier mortgage applications received between 26 November 2025 and 31 March 2026.
- Re-submissions of previously approved applications, further advances or investment loans will not be eligible.
- Commitment fee will be waived.
- If your loan completes by 30 June you will qualify for 0.5% cashback of the loan amount, excluding any fees.
- Offer is subject to standard lending criteria and approval.
- Cashback will be paid by the end of the second month following legal completion of the loan.
- This promotion may be withdrawn or amended at any time without prior notice.

# Residential bridging

## Loan purpose

- Auction/acquisition purchase
- Refinance
- Capital raise
- Securing planning permission
- Short-term business cash flow
- Light and medium refurbishment
- Development exit
- Mortgage delays
- Buy to let portfolios
- Below market value purchases considered (up to 90% of purchase price)

## Fast track process

- ✓ Term sheet within four hours
- ✓ Automated valuation models (AVMs)/ desktop valuations
- ✓ Electronic KYC
- ✓ Title & indemnity insurances
- ✓ No personal guarantees for <65% LTV
- ✓ 'Asset first' underwriting approach

Exit strategy	Up to 50%	Up to 60%	Up to 65%	Up to 70%	Up to 75%
Refinance	0.71%	0.74%	0.74%	0.79%	0.84%
Sale	0.79%	0.79%	0.89%	0.95%	0.99%

\*Rate shown is per month and is a variable rate inclusive of Bank of England Base Rate. Fixed rate is also available.

## Key lending criteria

<b>Borrower type</b>	UK registered limited companies, LLPs, partnerships and sole traders
<b>Borrower location</b>	England, Scotland and Wales
<b>Loan size</b>	£150,000 to £10 million**
<b>Term</b>	3 to 24 months
<b>Max day 1</b>	75%***
<b>Interest</b>	Retained or serviced
<b>Fees</b>	Arrangement fee: 2% Exit fee: 1% (applies to the sale exit strategy)
<b>Valuations</b>	AVMs and desktop valuations considered on a case by case basis
<b>Insurance</b>	Title insurance and search indemnity applied where possible
<b>Security</b>	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)

\*\*Maximum loan size can be higher on a case by case basis

\*\*\*100% of purchase price can be achieved by using additional security

# Semi-commercial and commercial bridging

## Loan purpose

- Auction/acquisition purchase
- Refinance
- Capital raise
- Rental stabilisation periods
- Securing planning permission
- Short-term business cash flow
- Light and medium refurbishment
- Mortgage delays
- Investment portfolios

## Security types

- Mixed use
- Retail
- Office
- Industrial
- Warehouse
- Hotels
- Student accommodation
- Garages/showrooms
- Food outlets
- Factories

## Contact us

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LTV - VP (unrestricted)	Up to 60%	Up to 65%	Up to 70%	Up to 75%
Semi-commercial property	0.84%	0.87%	0.90%	0.93%
Commercial property	0.92%	0.95%	0.98%	-

\*Rate shown is per month and is a variable rate inclusive of Bank of England Base Rate. Fixed rate is also available.

## Key lending criteria

<b>Borrower type</b>	UK registered limited companies, LLPs, partnerships and sole traders
<b>Borrower location</b>	England, Scotland and Wales
<b>Loan size</b>	£150,000 to £10 million**
<b>Term</b>	3 to 24 months
<b>Interest</b>	Retained or serviced
<b>Fees</b>	Arrangement fee: 2% No exit cost or early redemption fees
<b>Insurance</b>	Title insurance and search indemnity applied where possible
<b>Security</b>	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)

\*\*Maximum loan size can be higher on a case by case basis

# Bridge-to-term stabiliser: owner-occupied

## Loan purpose

Owner-occupiers can take out a single loan that covers both the early stage before their business meets affordability and debt service cover (DSC) requirements and the long term five year term loan. This avoids the need to refinance.

Once the agreed financial conditions, known as trigger conditions, are met, the loan automatically moves to the lower pricing set for the term loan.

## Security types

Commercial and semi-commercial property types covered.

## Trigger points

The trigger point occurs when the borrowers pre-agreed trigger conditions are satisfied, the pricing falls to the term period rates and the trigger fee is due. No new valuation is needed.

## Trigger conditions

- DSC dependent on LTV
- Make 12 interest payments equivalent to 130% of flexed debt service amount
- EPC of E or above
- Minimum borrower Experian credit score of 46

## Equity release

On satisfaction of the trigger conditions, the borrower has access to pre-agreed further borrowing if the financial performance supports.

LTV - VP (unrestricted)	Up to 60%	Up to 65%	Up to 70%
Stabiliser period	6.45%	6.80%	7.15%
Term period	2.65%	3.20%	3.55%

\*Rate shown is per annual variable (margin over Base Rate)

## Key lending criteria

Borrower type	UK registered limited companies and LLPs
Borrower location	England, Scotland and Wales
Loan size	£250,000 to £5 million**
Term	7 years with a maximum stabilisation period at 2 years and a 5-year term period
Interest	Serviced monthly, with a 6-month rolled interest option available
Fees	Trigger fee: 1% Early repayment charge: 3%
Other fees	Arrangement fee: 2%
Repayment type	Part amortisation (rate dependant on LTV)
Security	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)

\*\*Maximum loan size can be higher on a case by case basis

# Bridge-to-term stabiliser: commercial-investment

## Loan purpose

Investors can take out a single loan that covers both the early stage before their rent roll meets affordability and debt service cover (DSC) requirements and the long term five year term loan. This avoids the need to refinance.

Once the agreed financial conditions, known as trigger conditions, are met, the loan automatically moves to the lower pricing set for the term loan.

## Security types

Commercial and semi-commercial property types covered.

## Trigger points

The trigger point occurs when the borrowers pre-agreed trigger conditions are satisfied, the pricing falls to the term period rates and the trigger fee is due. No new valuation is needed.

## Trigger conditions

- DSC dependent on LTV
- Make 12 interest payments equivalent to 130% of flexed debt service amount
- EPC of E or above
- Minimum borrower Experian credit score of 46

## Equity release

On satisfaction of the trigger conditions, the borrower has access to pre-agreed further borrowing if the financial performance supports which will be funded at the trigger point.

## LTV - VP (unrestricted)

	Up to 60%	Up to 65%	Up to 70%
Stabiliser period	6.45%	6.80%	7.15%
Term period	4.45%	4.55%	4.85%

\*Rate shown is per annual variable (margin over Base Rate)

## Key lending criteria

Borrower type	UK registered limited companies and LLPs
Borrower location	England, Scotland and Wales
Loan size	£250,000 to £5 million**
Term	7 years with a maximum stabilisation period at 2 years and a 5-year term period
Interest	Serviced monthly, with a 6-month rolled interest option available
Fees	Trigger fee: 1% Early repayment charge: 3%
Other fees	Arrangement fee: 2%
Repayment type	Part amortisation (rate dependant on LTV)
Security	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)

\*\*Maximum loan size can be higher on a case by case basis

# Bridge-to-term improver: owner-occupied

## Loan purpose

Owner-occupiers can take out a single loan that funds refurbishment cost and interest in the early stage before their business meets affordability and debt service cover (DSC) requirements and the long term five year term loan. This avoids the need to refinance.

Once the agreed financial conditions, known as trigger conditions, are met, the loan automatically moves to the lower pricing set for the term loan.

## Security types

Commercial and semi-commercial property types covered.

## Trigger points

The trigger point occurs when the borrowers pre-agreed trigger conditions are satisfied, the pricing falls to the term period rates and the trigger fee is due. Valuation undertaken at lenders cost.

## Trigger conditions

- DSC dependent on LTV
- Make 12 interest payments equivalent to 130% of flexed debt service amount
- EPC of C or above
- Valuation equivalent to pre lend GDV
- Minimum borrower Experian credit score of 46

## Equity release

On satisfaction of the trigger conditions, the borrower has access to pre-agreed further borrowing if the financial performance supports.

LTV - VP (unrestricted)	Up to 60%	Up to 65%	Up to 70%
Improver period	7.05%	7.40%	-
Term period	2.65%	3.20%	3.55%

\*Rate shown is per annual variable (margin over Base Rate)

## Key lending criteria

Borrower type	UK registered limited companies and LLPs
Borrower location	England, Scotland and Wales
Loan size	£500,000 to £5 million**
Term	7 years with a maximum stabilisation period at 2 years and a 5 year term period
Interest	Serviced monthly, with a 12-month rolled interest option available
Fees	Trigger fee: 1% Early repayment charge: 3%
Other fees	Arrangement fee: 2.5%
Repayment type	Part amortisation (rate dependant on LTV)
LTGDV	65% maximum
Works	Up to 100% of initial valuation, minimum cost plan is £100,000 and non-structural works only
Security	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)

\*\*Maximum loan size can be higher on a case by case basis

# Bridge-to-term improver: commercial investment

## Loan purpose

Investors can take out a single loan that funds refurbishment cost and interest in the early stage before their business meets affordability and debt service cover (DSC) requirements and the long term five year term loan. This avoids the need to refinance.

Once the agreed financial conditions, known as trigger conditions, are met, the loan automatically moves to the lower pricing set for the term loan.

## Security types

Commercial and semi-commercial property types covered.

## Trigger points

The trigger point occurs when the borrowers pre-agreed trigger conditions are satisfied, the pricing falls to the term period rates and the trigger fee is due. Valuation undertaken at lenders cost.

## Trigger conditions

- DSC dependent on LTV
- Make 12 interest payments equivalent to 130% of flexed debt service amount
- EPC of C or above
- Valuation equivalent to pre lend GDV
- Minimum borrower Experian credit score of 46

## Equity release

On satisfaction of the trigger conditions, the borrower has access to pre-agreed further borrowing if the financial performance supports.

LTV - VP (unrestricted)	Up to 60%	Up to 65%	Up to 70%
Improver period	7.05%	7.40%	-
Term period	4.45%	4.55%	4.85%

\*Rate shown is per annual variable (margin over Base Rate)

## Key lending criteria

Borrower type	UK registered limited companies and LLPs
Borrower location	England, Scotland and Wales
Loan size	£500,000 to £5 million**
Term	7 years with a maximum stabilisation period at 2 years and a 5 year term period
Interest	Serviced monthly, with a 12-month rolled interest option available
Fees	Trigger fee: 1% Early repayment charge: 3%
Other fees	Arrangement fee: 2.5%
Repayment type	Part amortisation (rate dependant on LTV)
LTGDV	65% maximum
Works	Up to 100% of initial valuation, minimum cost plan is £100,000 and non-structural works only
Security	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)

\*\*Maximum loan size can be higher on a case by case basis

# Refurbishment (GDV) lending

## Residential

### Light refurbishment

- Works loan limited to 50% of open market value (OMV)
- Energy Performance Certificate (EPC) enhancements such as upgrading electrics, boilers, insulation for walls and floors, new double/triple glazed windows and doors

### Medium refurbishment

- Loft conversions
- Reconfigurations
- Single storey extensions
- Commercial to residential schemes

Floor area not to increase by more than 25%, a maximum cost plan 100% of open market value (OMV), and works duration limited to 12 months.

LTV	Up to 70%	Up to 75%
Light refurbishment	0.95%	1.00%
Medium refurbishment	1.00%	1.05%

\*Rate shown is per month and is a variable rate inclusive of Bank of England Base Rate. Fixed rate is also available.

## Key lending criteria

<b>Borrower type</b>	UK registered limited companies, LLPs and partnerships
<b>Borrower location</b>	England, Scotland and Wales
<b>Loan size</b>	£250,000 to £2 million
<b>Term</b>	3 to 24 months
<b>Max day 1</b>	Up to 75%
<b>Interest</b>	Rolled
<b>Works funded</b>	100%
<b>Maximum Loan to Gross Development Value (LTGDV)</b>	Up to 65%
<b>Fees</b>	Arrangement fee: 2% Exit fee: 1% (based on gross loan rather than gross development value)
<b>Insurance</b>	Title insurance and search indemnity applied where possible
<b>Security</b>	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)

# Refurbishment (LTV) Bridge

## Residential and semi-commercial

### Light refurbishment

#### Work examples:

- EPC improvements
- Internal reconfigurations
- Residential to HMO conversions
- Change of use projects
- Small permitted development projects

85% / 80% LTV gross bridge, with post works value (GDV) limited to:

- 75% LTV for residential
- 70% LTV for semi-commercial (residential element to be >50%)
- Commercial elements valued on a vacant possession basis (VP)
- Works scheduled to be no longer than 12 months
- Competent contractor carrying out works
- NO MS/QS reporting

Security type	LTV	Post works (LTV)	Max loan	Rate
Residential	85%	75%	£2m	0.95%
Semi-commercial*	80%	70%	£2m	1.05%

\*residential element required to be >50%

### Key lending criteria

Borrower type	Experienced property developers, UK registered limited companies, LLPs and partnerships
Borrower location	England, Scotland and Wales
Loan size	£150,000 to £2 million
Term	3 to 18 months
Interest	Rolled
Fees	Arrangement fee: 2% Exit fee: 1% (if sale is exit)
Valuations	AVMs and desktop valuations considered on a case by case basis
Insurance	Title insurance and search indemnity applied where possible
Security	Secured by way of First Legal Charge over the Freehold or Long Leasehold Title(s)



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