

Healthcare commercial mortgages product guide



Lending criteria

Borrower type	Elderly care home operators, specialist care operators, children's day nursery operators
Loan size	£500,000 to £15 million
Term	Elderly care homes for experienced operators: up to 30 years Elderly care homes for first-time buyers: up to 20 years Specialist care homes: up to 30 years Children's day nurseries for experienced operators: up to 30 years Children's day nurseries for first-time buyers: up to 20 years
Base Rate type	Variable – Bank of England Base Rate (subject to a minimum Base Rate of 1.5%) 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%



Elderly care homes: experienced operators

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

Repayment type

Capital & interest
Up to 2 year capital repayment holiday available

Debt Service Cover

130% Adjusted EBITDA

Maximum loan term

30 years

Minimum number of bedrooms

20

Current account discount

0.50% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

Loan size:

£500,000 to £15m (subject to a maximum of 6.0x EBITDA)

Loan-to-value:

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

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

Product	Rate
Up to 60% MV	2.10%
Up to 70% MV	2.30%

All rates shown are exclusive of the Business Current Account discount (0.5%)

Elderly care homes: first-time buyers/new entrants

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

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

0.50% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

Loan size:

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

Loan-to-value:

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

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

Product	Rate
Up to 70% MV/90% MV3	2.50%
Up to 70% MV/120% MV3	2.75%

All rates shown are exclusive of the Business Current Account discount (0.5%)

Care homes: specialist care operators

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

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

0.50% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

Loan size:

£500,000 to £15m (subject to a maximum of 6.0x EBITDA)

Loan-to-value:

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)	2.50%	up to 30 years
Up to 70% MV/80% MV3 (multi-asset)	2.10%	up to 30 years
Up to 70% MV/120% MV3 (multi-asset)	2.30%	up to 30 years

All rates shown are exclusive of the Business Current Account discount (0.5%)

Children's day nursery owner-occupied: experienced operators

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

Repayment type

Capital & interest
Up to 2 year capital repayment holiday available

Debt Service Cover

130% Adjusted EBITDA

Maximum loan term

Up to 30 years

Minimum number of registered places

40

Current account discount

0.50% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

Loan size:

£500,000 to £15m

Loan-to-value:

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

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

Product	Rate	Maximum loan term
Up to 70% MV/90% MV2	2.10%	up to 30 years
Up to 70% MV/100% MV2	2.50%	up to 30 years

All rates shown are exclusive of the Business Current Account discount (0.5%)

Children's day nursery owner-occupied: first-time buyers/new entrants

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

0.50% if you open a current account with Allica and use it for 50% of your annual turnover. Additional terms and conditions apply.

Loan size:

£500,000 to £5m

Loan-to-value:

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

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

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.

Product	Rate
Up to 70% MV/90% MV3	2.50%
Up to 70% MV/100% MV3	2.75%

All rates shown are exclusive of the Business Current Account discount (0.5%)

Mandatory information checklist

What you'll need to provide to your Allica specialist relationship manager to progress your 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
- ✓ Product details - term, repayment profile, how arrangement fee is to be paid
- ✓ Affordability - turnover/ EBITDA
- ✓ Regulatory rating of the service (if applicable)
- ✓ Occupancy and fee information of the home

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	✓
Debt schedule (to cover external debt with more than 1 facility)	✓
<p>Proposal summary which must include:</p> <ul style="list-style-type: none"> • the structure of the loan (eg. Newco, OpCo/ PropCo) • evidence of affordability (show how EBITDA has been calculated) • background experience of the directors/ partners/ individuals • brief description of the security property • an overview of how rising prices and energy/ fuel costs have affected business/ tenant performance and how has this been managed 	✓
Assets, Liabilities, Income and Expense Report (ALIE)	✓
Nominated Bank account details	✓

Fees and charges

Fees	Arrangement fee – 1.5%, which can be added to the loan for loans up to £3m Owner-occupied mortgage applications will incur an arrangement fee of 1.5%
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

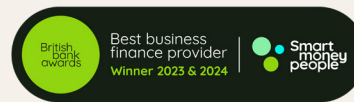


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