

Alicca Bank Commercial Mortgages

Standard Terms	
Product type	Owner Occupied, Semi Commercial Investment, Commercial Investment
Borrower type	UK registered Limited Companies, LLPs, Partnerships, Sole Traders and NewCos not yet incorporated
Loan size	£150,000 to £5 million
Base rate type	Bank of England Base Rate (subject to a minimum of 0%)
Interest rate type	Variable
Term	5 to 25 years
LTV	See table overleaf for LTV by property and business type
Purpose	Purchase, re-mortgage and capital raising
Security	First charge over freehold & long leasehold property in England & Wales Debentures & guarantees - on a case by case basis
Early repayment charges	3% for the first 5 years
Overpayments	10% overpayments allowed per year without charge
Fees	Arrangement Fee - 2% which can be added to the loan Commitment Fee - £500 payable once a formal Loan Offer is made and before we instruct a formal valuation. Refunded at completion
Owner Occupied	
Repayment type	Capital & Interest Up to 2 year Capital Repayment Holiday (CRH) available
Typical margin range	4.55% - 5.85% subject to status
Affordability	130% (using Adjusted EBITDA) If CRH taken DSCR must cover the remaining amortising loan
Semi & Commercial Investment	
Repayment type	Capital & Interest Interest Only (5 to 10 year term)
Typical margin range	Commercial: 5.00% - 6.30% subject to status Semi Commercial: see table overleaf
Affordability	135% (using Gross Rent) Interest Only loans must evidence affordability on a 25 year repayment profile

Interest rate margins: Semi-commercial investment (all property types)

	Up to 60% LTV	Above 60% LTV
20% to 50% residential space	4.95%	5.55%
51% to 80% residential space	4.50%	4.80%

- Maximum residential space to be no more than 80%
- Semi-commercial apportionment based on floor space (verified upon receipt of a valuation)
- Residential space must have independent access and is, or can be, let on a separate lease/ AST

Acceptable types of property and business:

Standard property type	Maximum loan to value (Vacant Possession) For Owner Occupied and Investment Mortgages
Warehouses/ industrial units/ factories	70%
Offices	70%
Mixed use/ multi-let (exc residential and retail)	70%
Retail units with residential uppers	70%
Retail units with commercial uppers	70%
Retail units (lock up)	70%
Professional practices	70%
Company holiday lets	70%
Garages/ vehicle showrooms	65%
Food outlets/ restaurants	65%
Student accommodation	60%

Business property type	Maximum loan to value Commercial Investment	Maximum loan to value Owner Occupied
Convenience stores	70% Vacant Possession	65% Market Value/ 80% Vacant Possession
Childrens' day nurseries	70% Vacant Possession	65% Market Value/ 70% Vacant Possession
Hotels/ public houses/ guest houses/ B&Bs	70% Vacant Possession	65% Market Value/ 70% Vacant Possession
Leisure	70% Vacant Possession	60% Market Value/ 70% Vacant Possession

What you will 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

At this point you can choose to submit for a Decision in Principle or continue with a full application. For a full application you will need:

- Last 2 years accounts or proof of income (upload documents)
- Up to date Management Accounts/ Information (upload documents)
- Details and evidence of cash stake/ deposit (upload documents)
- Last 3 months business bank statements (upload documents)
- Details of any ongoing debts/ repayment obligations
- Nominated bank account details
- A Proposal Summary which must include:
 - 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
 - impact COVID-19 and Brexit has had on the business / tenant performance
- Any other information that may help us assess the application (e.g. Asset and Liabilities & Income and Expenditure (ALIE), CV, business plan)

Tel 0330 094 3333

Allica Bank Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (FRN: 821851). Registered office: First Floor, Eldon House, 2-3 Eldon Street, London EC2M 7LS. Registered in England and Wales with company number 7706156. Copyright © Allica Bank Limited. All rights reserved.

www.allica.bank

 **Allica Bank**