COMMERICAL FINANCE
CASE STUDIES

VINTAGE
WEALTH MANAGEMENT

BRIDGING LOAN £38,310,000

BACKGROUND

As a vastly experienced property developer with a substantial semi-commercial portfolio, our client was seeking to refinance his portfolio and site with planning.

ADDITIONAL CHALLENGES

The client's long-standing relationship with their existing bank had deteriorated dramatically and receivers had been instructed, so there was an urgent requirement to refinance the current facility with a provider who could transact at speed. The potential pool of lenders was restricted by the fact that the portfolio was owned in various different offshore entities including trust structures. Furthermore, the commercial properties were also located in sectors seriously impacted by Covid, resulting in lenders reducing their exposure or withdrawing from the marketplace altogether.

ACTIONS & OUTCOME

A £38,310,000 facility was secured against their portfolio valued at £15,000,000, vacant office building in the City of London valued at £12,000,000, and a site with planning consent for 150 new homes valued at £32,000,000. This provided the client with funds to redeem the existing loans, and allowed them further time to sell the office building.

REGULATED BRIDGING LOAN £2,050,000

BACKGROUND

The clients had purchased a house in West London for £3,300,000 and had subsequently obtained planning consent to dig out a basement and convert the loft with further plans to refurbish the rest of the building. The total anticipated cost of the works was £450,000 with an estimated 6 month turnaround.

ADDITIONAL CHALLENGES

The client also had a £500,000 tax bill due within four weeks for which he needed to raise funds.

ACTIONS & OUTCOME

A net loan of £2,050,000 arranged within three weeks, on a 9-month term at 0.59% per month, raising funds to cover the existing £1,100,000 mortgage, pending tax bill and the full cost of building works. Upon completion of the works, the client re-mortgaged the property based on a new valuation of £4,600,000.

BRIDGING LOAN & DEVELOPMENT FINANCE

£600,000 + £1,575,000

BACKGROUND

The borrowers constituted a joint venture partnership between an experienced property developer (UK national) and Singaporean national, the latter of whom was providing the majority of the capital, buying via a limited company registered in the Isle of Man. The clients were looking to buy a semi-detached house and adjacent coffee shop in West London for £900,000, with a view to demolishing the coffee shop and extending the house to create six flats with an anticipated end value of £2,800,000.

ADDITIONAL CHALLENGES

The Singaporean national was unable to come to the UK to sign any documents, so a lender who was comfortable with the borrower instructing a firm of solicitors with offices in both Singapore and the UK, and lending to an Isle of Man registered company was required.

ACTIONS & OUTCOME

A short-term facility of £600,000 was arranged to enable them to complete the purchase; this was then converted to a 12 month development facility of £1,575,000 to be released in five stages once planning consent had been granted. The works took 9 months, after which the clients sold half of the units and retained the others as rental investments.

COMMERCIAL BRIDGE FOLLOWED BY COMMERCIAL MORTGAGE

£700,000 + £750,000

BACKGROUND

Three high-profile international artists had exchanged contracts on the acquisition of a vacant building in East London for £3,500,000. They planned to convert it into three separate art studios, one for each of them.

ADDITIONAL CHALLENGES

One of the artists had a £700,000 shortfall and funds were required within two weeks so that they could complete the purchase.

ACTIONS & OUTCOME

A commercial bridging loan was arranged at 0.5% per month within the required timescales despite two of the artists being abroad for the duration of the application process. A refinance was subsequently arranged for a commercial term mortgage on a product with no early redemption penalties, allowing the loan to subsequently be cleared from the sale of their works

REGULATED CHAIN BREAK BRIDGING LOAN £800,000

BACKGROUND

A couple in their early 80s who were looking to downsize from their three-storey townhouse and move to a lateral flat closer to their family. The property they were purchasing was a new build, and they wanted to be able to pay the holding deposit with the confidence that they could complete without being reliant on selling their home. They had investments in place with their financial adviser that would have covered the purchase, but didn't want to disrupt these arrangements given that they were expecting to receive the sale proceeds within a short period of time.

ADDITIONAL CHALLENGES

They also wanted the flexibility of being able to move home at their own pace, rather than having to complete simultaneously on their sale and purchase.

ACTIONS & OUTCOME

During the loan application, the couple received an asking price offer on their home meaning funds were only needed for one month. The loan amount required was £800,000, secured against both properties which had a combined value of £2,200,000 at a rate of 0.49% per month.

COMMERCIAL MORTGAGE £1,300,000

BACKGROUND

The client was an experienced investor who had recently agreed to purchase the virtual freehold interest on a commercial building in East Sussex, let to a major UK supermarket chain on a new 15-year lease at a price of £1,320,000 with initial rent of £70,000. They also owned a building near Old Street valued at £750,000 with no outstanding debt, and were looking to raise as much of the purchase price as possible.

ACTIONS & OUTCOME

A total of £1,300,000 was raised on two separate mortgages to enable the client to complete the purchase.

BRIDGING LOAN £503,000

BACKGROUND

The client owned three houses in Southend which he had bought to renovate and either sell at a profit or keep as rental investments. As he was nearing the completion of the works on one property, he saw a dilapidated house in shell condition which he intended to purchase as his next project. His offer was accepted at £437,000, and he intended to spend £40,000 on renovations to increase the value to £575,000 at which point he would either sell or refinance on to a buy-to-let mortgage.

ADDITIONAL CHALLENGES

There were two other interested parties and most of his money was tied up in the other properties.

ACTIONS & OUTCOME

A loan amount of £503,000 was arranged within three weeks to cover the purchase price, Stamp Duty liability and full renovation costs, secured against both the new house and the one he had almost completed works on, which was valued at £725,000

VINTAGE
WEALTH MANAGEMENT

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