

BTR Develop / Stabilise / Hold Finance

Finance for development and stabilisation of Build-to-Rent residential projects throughout England and Wales

Key terms		Pricing by Leverage Annual interest rates from		
Loan Size	£7m - £70m (over £70m considered on an ad-hoc basis)	LTV	Interest Rate Over BOE	Margin Reduction on Stabilisation (3.00% Floor)
Max LTV	60%	≤50%	3.50%	-0.50%
Max Duration	60 Months	≤55%	3.75%	-0.50% to -1.00%
Typical Term:	24 months to PC 12 months to stabilise 18 months hold	≤60%	4.00%	-0.50% to -1.00%
Arrangement / Exit Fee	1.25% in / 1.25% out	Key Advantages		
Interest Method	Rolled	Rate reduction upon stabilisation (1.2x ICR). No further legal fees or lender fees on stabilisation		
Geography	England and Wales	Interest rolled during construction period (to be kept current once stabilised)		
Nature of Facility	Committed (Non-Utilisation Fee applies) and On Demand available	Allows borrower to capture rental growth during life of loan versus forward sale		

Lending Criteria

Property

- ✓ Any strong location considered throughout England and Wales
- ✓ Un-restricted and BTR planning permission

Borrower profile

- ✓ Experienced borrowers
- ✓ Construction route: In-house or third-party; modular
- ✓ Lettings management: in-house or third-party lettings operators;

Equity & Mezzanine Finance

- ✓ Recognition of value uplift (e.g. through planning) in LTC assessment
- ✓ Third-party equity and mezzanine allowed

Valuation and Legals

- ✓ Valuation of Current Market Value assuming 180 day sale process; Gross development value of the property.
- ✓ Valuer and Lender Legals from Panel Firms.