

STL6 (SHORT TERM LOAN FOR HEAVY REFURBISHMENT)

PURCHASE OF AN EX-CARE HOME TO CONVERT TO RESIDENTIAL

Thinking outside the box is something every property developer must do when looking at new projects. They need to project their aspirations for that property to their broker who in turn must use their experience to select an appropriate lender. So when an enquiry to help with the purchase of a large property in Walthamstow, previously a care home, came in from one of our newer brokers - this was definitely paramount.

The intention was to convert the property back into two residential properties and retain them within the client's existing large portfolio. At this stage the only concern was that the necessary planning was not in place, meaning we would not be able to release the funds until planning had been confirmed.

The request was for 100% of the purchase price with the funds for the refurbishment coming from the client's savings - this meant that additional security was required. A 2nd charge was offered over nine properties in lieu of the deposit all within the same area as the ex-care home, and after valuations were carried out on the various properties, the LTV finished at a reasonable 70% and a formal offer was issued.

Demand was confirmed as strong for the property, both in terms of saleability and rental, and it was also determined that the post works value would provide us with even more comfort in terms of LTV.

Both borrowers had excellent net worth and great experience in these types of renovation projects, and had retained many of them within their growing portfolio. Our dedicated short term lending team made sure that the case went through as quickly and efficiently as possible - even when we were advised very late in the process that the planning consent had been changed. The lending team reacted quickly to this new pressure and successfully processed the case through to completion to the immense satisfaction of both broker and client.

Shawbrook is hugely proud of our teams and we have confidence in their ability to adapt to the changing needs of your clients, whilst retaining a strong appetite to lend via our experienced broker partners.



Product: STL6

Arrangement fee: 1.95%

Loan to value: 70%

Lee Grandin from Landlord Mortgages comments:

"The mortgage landscape has changed since the credit crunch and this has resulted in our company seeking out alternative finance for our Buy To Let landlord clients. Shawbrook is the only lender who has a strong grip on the requirements of our landlords and this deal shows their willingness to lend. Their staff from BDM to completions team is highly skilled and will work with you to get the deal done. Our most demanding clients can take confidence from Shawbrook's processing and this reflects very well on a broker's reputation"

Loan amount: £1,223,600

Area: Walthamstow

Property type:
Ex-care home being converted into two residential homes.

*Images shown are for illustrative purposes only.

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LAST UPDATED 13/10/14 SB/STL6HR/131014/D2