

Case Study: Bridge to Let - Delivering flexibility and certainty to your clients

Our products are structured to give your clients the flexibility they need. Here's an example of how:

The client

The clients were two married investors, a British national and a foreign national, with properties in the UK, Japan and Malaysia. The clients were looking to purchase a three-bed terraced house valued at £300,000 and convert it into a six-bed HMO.

The situation

The clients intended to use their own funds for the HMO conversion, as well as completing a loft conversion, a refit and refurbishment – all of which fall under permitted development. The planned works would significantly increase the value of the property and so the clients were looking for a short-term loan where they only need to contribute 20% towards the purchase, freeing up funds to complete the works, moving on to a term loan when the refurbishments were completed.

Have a case to discuss?



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The solution

Using our Bridge to Let loan, we provided an 80% gross day one bridging loan of £240,000 at 0.67% pcm on an interest roll up basis. The client had 9 months of interest roll up available, without any payments, to allow for any over runs and to allow time for letting or sale.

The works were completed quickly and after 3 months, the client opted to switch without an ERC to TermTen, our 10 year Buy to Let loan, fixed at 5.29% for the first 5 years. The gross TermTen loan of £318,000 was for 75% LTV of the uplifted value of £425,000. This enabled the client to replenish the cash they spent on the refurbishment, and facilitate their next purchase.

