

Case Study: Limited Company Purchasing Multi Unit Block

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

The client

The client was a newly incorporated UK-based Ltd Co. formed of two Directors, both with existing UK lending experience. The clients planned on purchasing a multi-unit block of flats, all held on one freehold, based in the West Midlands.

The situation

The MUB contained 14 units, all above 35sqm with a cross collateral charge and had a property value of £1.7m. The clients were looking to raise 75% LTV to purchase the whole block on one loan, however no leaseholds were yet created equating to 14 units' worth of exposure on the single block.



The solution

Using our TermTen loan, we enabled the client to purchase the whole block with no need to divide out the securities to different lenders, saving the client from additional fees and administration delays.

Despite the leaseholds of the units not yet being created, we were comfortable with offering the loan considering we were taking the freehold of the 14 units with a cross collateral charge. Structuring the loan this way allowed us to offer the client the full 75% LTV with a 2 year fixed term rate rolling onto an SVR after that.

Have a case to discuss?



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