



BLACKTOWER FINANCIAL ADVISERS LIMITED

Commercial Mortgage Update

July 2005

Why do businesses have loyalty to their banks?

This is a question we often ask ourselves when talking to clients. Hopefully this month's update will explain why they shouldn't!

We're highlighting cases where our clients' existing bankers have simply failed to support them. In each situation, within the last 2 months, we have successfully achieved highly competitive 'standalone' funding; enabling the clients to realise their aims and objectives through our support and guidance.

- **SIPPS PROPERTY PURCHASE.**

Members of a SIPPS approached their personal bankers to assist with the purchase of office premises for their business. Their bankers were prepared to provide 65% of the purchase price at 2.5% over bank base with 1% arrangement fee.

BFA SECURED: - 75% of purchase price and associated costs of purchase at 1.2% over bank base with 1% arrangement fee (including BFA's fee).

- **RESCHEDULE AND CAPITAL RAISING FOR BUSINESS EXPANSION.**

Client has equity within his existing substantial residential and commercial investment portfolio. He wished to release some of this for investment into property development opportunities. Existing Bankers were unwilling to support him.

BFA SECURED: - additional funding of £1m on an interest only basis at 1.25% over bank base with 1% arrangement fee (including BFA's fee).

- **LIGHT INDUSTRIAL PURCHASE.**

These clients have been with their existing bankers for many years and enjoyed a good relationship until they wanted to expand their business and move to larger premises!! Their bank would only support them to 70% funding at 2.25% over bank base.

BFA SECURED: - with a Building Society, 80% funding at 1.25% over bank base with 1% arrangement fee (including BFA's fee).

- **OFFSHORE LTD COMPANY REMORTGAGE OF LIGHT INDUSTRIAL PREMISES.**

Offshore Company owns premises occupied by an incestuous UK tenant. That tenant went into voluntary liquidation 2 months ago with 'New Company' established as tenant. Existing bankers chose to call the mortgage in.

BFA SECURED: - 70% funding at 1.75% over bank base with a High Street lender structured over 20 years with 1% arrangement fee (including BFA's fee).



STOP PRESS!! STOP PRESS!! STOP PRESS!!

2 EXCLUSIVE SCHEMES

a) SIPPS REMORTGAGE PRODUCT.

If you feel that existing lending terms could be improved upon or you have clients wishing to improve or extend their premises held within SIPPS they **MUST** act before 6th April 2006. After this date all SIPPS borrowings, including simple remortgages, will come under the new restrictive borrowing limits, which may mean the SIPPS is unable to move to a new lender. Now is therefore the time for Schemes to evaluate their mortgage terms and ensure they are competitive.

We are delighted to announce that we have designed an exclusive 'fee saver' remortgage product with a leading Commercial Lender. Product features are:-

- No valuation fees.
- No lenders legal fees.
- Interest rate margin at a guaranteed margin of 1.4% over Bank Base Rate for the life of the mortgage.

Based on an interest only mortgage of £500,000 currently paying 2% over bank base structured over 20 years, that is a **saving of £60,000** over the life time of the mortgage!!

b) 80% COMMERCIAL MORTGAGE – BOTH PURCHASE AND REMORTGAGE.

Available on owner occupier and investment office, retail and light Industrial premises – with built in VAT bridging loan and a discount to our clients of 0.35% per annum for the first 2 years of the term.

This will provide an initial margin of just 1.05% over Bank Base Rate on transactions of more than £350,000 and 1.3% on smaller deals.

We continue to work on a '**NO SUCCESS, NO FEE**' basis and look forward to discussing yours and your clients funding requirements **WITHOUT COST OR OBLIGATION.**

**For Further information call
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