

For business. For family. For life.



## Product Guide



# Short-Term Lending. Long-Term Relationships.

Arbuthnot Specialist Finance Limited (ASFL) is the short-term property finance arm of Arbuthnot Latham, a private and commercial bank serving clients since 1833. The Arbuthnot Specialist Finance team provides real estate finance solutions for purchase, refinance and construction projects throughout the UK. This client-focused property financing service aims to build long-term relationships with clients and introducers, bringing a private banking-style service to the specialist finance market.

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The landscape for the specialist finance market has changed in recent years. High street banks have become more selective in their real estate lending, encouraging more property professionals to rely on specialist lenders like Arbuthnot Latham for funding of construction projects and property purchases.

The Specialist Finance team's decades-long experience combined with more than 185 years of Arbuthnot's banking heritage enables us to provide a full range of property finance facilities ranging from purchase and refinance through to large construction funding. Clients will see the benefit of our short reporting lines, dedicated specialist finance credit functions and highly experienced lending teams.

At Arbuthnot Specialist Finance, we don't see these projects as a transaction, but the beginning of a relationship which we aim to develop with you over time. Our product offerings are clear and transparent from the outset with the added feature of having no exit fees, default charges or early repayment charges. Making it easy for the client to understand the total cost of the facility.

We have the experience and connections to generate creative solutions that add value to your client's property portfolio.

This guide will give you a background into our lending capabilities. Our service relies on traditional personal relationships and our experts are available on direct dial to hear how we can add value to your property portfolio, so please do get in touch.

“We are a dedicated Specialist Finance Lender providing introducers and clients with a dynamic and flexible approach to real estate funding. Our modern approach is underpinned by the heritage and stability of Arbuthnot Latham Private Bank which has supported clients since 1833.”

**Yasin Patel, Managing Director, Arbuthnot Specialist Finance Limited**



**We are clear and transparent with our pricing.**

**We charge:**

- Daily interest

**We do not charge:**

- Default interest
- Extension fees
- Early repayment fees
- Non utilisation fees
- Exit fees
- Minimum interest periods

## Residential

### Purpose

Individual or corporate borrowers who require fast and efficient finance to purchase or refinance residential investment properties, HMOs, or land with planning approval for residential development.

Maximum LTV	75% of MV including interest and fees (Up to 85% of the 90 day MV or 95% of the purchase price whichever is the lower.)
Loan Amount	From £30,000
Rate (per month)	From 0.6%
Arrangement Fee	1% - 2%
Term	Up to 24 months
Early Repayment Charge	None
Interest	Charged on a daily basis
Exit Fee	None
Property Type	Residential
Procurement Fees	Payable from the arrangement fee

## Commercial

### Purpose

Individual or corporate borrowers who require flexible finance to purchase commercial property such as retail, office or other commercial proposals.

Loans are secured against the property or land with the benefit of an agreement for lease, existing lease and/or planning approval for development.

Exit analysis will be in line with conventional senior debt credit risk standards, taking into account underlying cash flow analysis.

Maximum LTV	50% for single units up to £1m (Up to 85% of the 90 day MV or 95% of the purchase price whichever is the lower.)
Loan Amount	From £30,000
Rate (per month)	From 1.00%
Arrangement Fee	1% - 2%
Term	Up to 24 months
Early Repayment Charge	None
Interest	Charged on a daily basis
Exit Fee	None
Property Type	Commercial
Procurement Fees	Payable from the arrangement fee

## Light Refurbishment

### Purpose

Covers light refurbishment projects where there is a structure in place and the client is working within that structure to refurbish and/or convert to enhance value, for example to install kitchens and bathrooms or enhancing value by refurbishing dilapidated properties.

There may be site visits by either a member of Arbutnot Specialist Finance or an Arbutnot-appointed Asset Manager.

Maximum LTV	70% of MV including interest and fees (Up to 85% of the 90 day MV or 95% of the purchase price whichever is the lower.)
Loan Amount	From £30,000
Maximum Loan to GDV	70% including interest and fees
Rate (per month)	From 0.65%
Arrangement Fee	1% - 2%
Term	Up to 24 months
Early Repayment Charge	None
Interest	Charged on a daily basis
Exit Fee	None
Property Type	Residential
Procurement Fees	Payable from the arrangement fee

## Heavy Refurbishment & Conversion

### Purpose

PDR and planning permission-led projects including extensions to residential properties, HMO conversions, change of use of commercial premises into multiple residential dwellings and refurbishment of commercial or residential properties of a more significant nature.

Drawdowns may be subject to a panel-appointed QS certification or an Arbuthnot-appointed Asset Manager.

Maximum LTV	70% of MV including interest and fees (Up to 85% of the 90 day MV or 95% of the purchase price whichever is the lower.)
Maximum Loan to GDV	70% including interest and fees
Loan Amount	From £100,000
Rate (per month)	From 0.75%
Arrangement Fee	1% - 2%
Term	Up to 24 months
Early Repayment Charge	None
Interest	Charged on a daily basis
Exit Fee	None
Property Type	Residential
Maximum Units	Up to 10 units for HMO conversions or 6 self-contained flats. Extensions limited to 40% of the gross external area of a property.
Procurement Fees	Payable from the arrangement fee

## Development

### Purpose

This product is for larger construction projects that do not fall within the Heavy Refurbishment & Conversion Product. Projects such as ground up construction, permitted development schemes, change of use of commercial property into multiple residential units, refurbishment of commercial or residential properties of a more significant nature.

Drawdowns may be subject to a panel-appointed QS certification or regular site visits by an Arbuthnot-appointed Asset Manager.

Maximum LTV	70% of MV including interest and fees (Up to 85% of the 90 day MV or 95% of the purchase price whichever is the lower.)
Maximum Loan to GDV	65% including interest and fees
Maximum LTC	80%
Drawdown Facility	Maximum £2,000,000
Rate (per month)	From 0.85%
Arrangement Fee	1% - 2%
Term	Up to 24 months
Early Repayment Charge	None
Interest	Charged on a daily basis
Exit Fee	None
Property Type	Residential
Procurement Fees	Payable from the arrangement fee

## Product Features

We prefer to tailor our facilities to your needs. Our products do not have a set price based on LTV as we look at the whole deal and prefer to offer a competitive price reflecting the overall risk.

Feature	Description
Interest	Calculated daily. Payment can either be serviced by the client or retained at the outset (interest element deducted from the gross loan).
Solicitors	Client will appoint a solicitor at a firm with a minimum of 2 SRA members. Arbuthnot Specialist Finance will appoint a firm from our panel. Fees will be paid by the client.
Valuation	Arbuthnot Specialist Finance will instruct a panel firm via our panel management company, VAS. The client will pay the valuation fees directly prior to the inspection.
Minimum Interest Term	There is no minimum interest term. Interest is calculated daily.
Quantity Surveyors	Arbuthnot Specialist Finance will instruct a QS to prepare an initial report prior to lending on construction facilities. The same may apply to heavy refurbishment loans. Interim reports may be required throughout the project. The fees are payable by the client up front. For the light refurbishment product, Arbuthnot Specialist Finance may appoint an asset manager for monitoring.
Fees	We do not charge; default interest, extension fees, an early repayment fee, non utilisation fees or exit fees. Therefore making it easy for the client to understand the total cost of the facility.

## Lending Criteria



Clients over the age of 18 with an acceptable credit history\*.



Appropriate track record in property transactions and an understanding of the legal requirements relating to the sector. We will consider less experienced property developers, supported by strong management and construction teams.



Our facilities are bilateral transactions secured against property in England, Wales and mainland Scotland.



Borrowers with simple and transparent corporate structures domiciled in the UK, Isle of Man and Channel Islands are preferred.



All facilities are supported by a security package including a debenture, first legal charge over the property(ies) and personal recourse to the main stakeholders/sponsors.

\* An acceptable credit history would be considered during underwriting, but would include no CCJs in the last 12 months and no more than two in the last three years. The client should not have any insolvency events in the last 12 months (receiverships, IVA, bankruptcy etc.), be disqualified as a Director or have any current or historic criminal convictions, including fraud charges or other irregularities.

## Meet your Specialist Finance Team



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# Short-Term Lending. Long-Term Relationships.

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