

Semi-Commercial Bridging Loan

Our Semi-Commercial Bridging Loan provides short-term funding for properties that combine residential and commercial elements, designed to support purchases, refinancing, refurbishment and development exit strategies.

This bridging solution is ideal for borrowers needing speed, certainty, and a practical funding partner for semi-commercial opportunities.

Overall Product Criteria

Term Length	1-18 months
Loan size	£150,000 - £4m Net £3.5m cap applies to Below Market Value transactions
Property Security	First charge only – second charges may be taken as additional security
Security Types	Semi-Commercial property
Maximum Loan to Value [LTV]	Up to 75%
Fees	2% arrangement fee

The product supports a wide range of acceptable uses –including retail, offices, industrial units, restaurants, surgeries and mixed-use schemes— while excluding higher-risk or specialist properties such as pubs, nightclubs, care homes and Grade I listed buildings.

A full red-book valuation, personal guarantees and clear evidence of affordability or project viability are required on all cases.

Purchase Bridge

Standard Purchase

- Up to 70% LTV
- Pricing from 0.89% PCM
- Net worth requirement - 30% outside of our security
- PG limited to 25% for all sub 60% LTV
- Limited to 50% for all 60-70% LTV facilities
- subject to net worth criteria and experience criteria being met

Below Market Value Purchase

- Clear rationale for 'below market value' purchase.
- Pricing from 1.04% PCM
- Min PG worth coverage required of 50% of the loan amount through owned properties
- Min requirement of 2 portfolio properties
- Loan capped to 85% of gross loan to purchase price if coverage can't be met
- Unlimited PG required for all BMV facilities
- Ability to fund up to 90% of the purchase price or 70% LTV if lower.

Development Exit

- Up to 75% LTV
- Pricing from 0.94% PCM
- Must be able to evidence one previously completed and successfully sold / refinanced project.
- PG limited to 25% for all sub 65% LTV facilities and 50% for 65-75% LTV facilities subject to net worth and experience criteria being met

- We can step in and refinance current development lender subject to a maximum of £50k works remaining, subject to kitchens being installed & utilities connected
- PG worth coverage required for 20% of the loan amount through owned properties. Should coverage not be met then pricing will be increased by 0.5% PCM

Development Finish and Exit

- PG worth coverage required for 20% of the loan amount through owned properties. Should coverage not be met then pricing will be increased by 0.5% PCM
- Must be able to evidence one previously completed and successfully sold / refinanced project.
- Subject to experience and net worth criteria being met and good conduct within the project, PG's will be limited to 25% for all sub 60% LTV facilities and 50% for 60-70% LTV facilities.
- We will allow an equity release against the completed property, up to a maximum of 70% LTGDV following building warranties being issued and building regulations sign off

	<£100k remaining works	>£100k remaining works
Max works % of current value	10%	50%
LTGDV	70%	65%
Pricing	From 0.99% PCM	From 1.04% PCM

Refurbishment

- We will fund works up to the value of 50% of the current “as is” day 1 value or £500k maximum refurbishment loan.
- Maximum works period of 12 months, inclusive of contingency period
- Up to 70% LTV (gross) based on current “as is” market value, we will then look to fund up to 100% of the refurbishment costs in arrears monthly, subject to a maximum overall position of 65% LTGDV (gross)
- Pricing from 0.94% PCM
- Adverse credit considered – clean 12-month credit profile needed for above 65% LTV deals
- PG worth coverage required for 30% of the loan amount through owned properties. Should coverage not be met then pricing will be increased by 0.5% PCM
- Unlimited PG’s required for all cases
- Must be able to evidence two previously completed and successfully sold / refinanced projects
- Maximum loan to cost (LTC) of 90%
- We will allow an equity release against the completed property, up to a maximum of 70% LTGDV following building warranties being issued and building regulations sign off

	Light	Medium
Max LTV	70%	70%
Max LTGDV	65%	65%
Max Refurbishment Loan	£200k	£500k
Max % of current value	30%	50%

Pricing

LTV	Standard Purchase	BMV Purchase	Dev Exit	Dev Finish & Exit <100k works	Dev Finish & Exit >100k works	Refurb Light	Refurb Medium
60%	0.89%	1.04%	0.89%	0.99%	1.04%	0.94%	1.04%
65%	0.89%	1.04%	0.89%	0.99%	1.04%	0.94%	1.04%
70%	0.94%	1.09%	0.94%	1.04%	1.09%	0.99%	1.09%
75%	N/A	N/A	0.94%	N/A	N/A	N/A	N/A

Frequently Asked Questions

What is the maximum loan size?

A borrower can access funding between £150k and £4m (net).
For BMV purchases the maximum loan size is £3.5m (net).

What is the maximum LTV?

We can lend up to 75% LTV however the LTV will be dependent on the use of funds.

Is there a minimum requirement for residential within a semi-commercial property that you will fund against?

There must be a minimum of 50% residential **(based on value split rather than sq ft)** within the asset make up, however if the borrower can evidence ownership of one or more semi-commercial assets with a term facility in place, the minimum residential threshold can reduce to 40%.

How quickly will I get a decision on my case?

Subject to completion of our online application form and provision of any information we specifically request, we anticipate a decision on your case within 24hrs of receipt of the information.

What type of commercial property will you fund?

Inclusion	Exclusion
Standard retail	Speculative planning plays
Dentist Practices	Short leaseholds – minimum term of 50 years at the end of our facility
Vets	Non-standard construction types
GP Surgeries	Properties without the required EWS1 certification
Coffee Shops	High street retail in weak trading areas. See list
Restaurants	Pubs and Night Clubs
Salons	Vape/E-cig Shops
Vehicle Showrooms	Charities
Industrial Units	Betting Establishments
Takeaways	New tenancies with weak covenants
Offices	Listed buildings – Grade 1 (strong rationale)
Office conversion projects - with planning permission or permitted development	Office conversion projects without permitted development consent or without full planning permission
	Care Homes
	Petrol Stations

How do you value the properties?

We use open market valuations utilising the comparable methodology of valuing the vacant possession of both the residential and commercial aspect of the property. We have a specialist panel of commercial valuers that we use for our valuations.

Do you fund against vacant units?

Across all our use of funds categories, we can now consider applications where the unit is vacant, provided the valuer is comfortable with the expected "void" period.

For Below Market Value (BMV) cases specifically:

- If the commercial unit has been vacant for more than 12 months, we won't be able to fund.
- We also won't be able to proceed if the valuer indicates it's likely to take longer than 9 months to secure a new tenant.

What interest rate will you use for the stress test of a refinance exit route?

The lower of passing rent or marketing rent will be used to stress test the viability of the borrower's exit route.

What would you classify as a legitimate reason for a BMV purchase?

For a BMV purchase we would consider option agreements, probate, fire sale or auction.

With a Development Exit facility will you fund against a property that isn't complete?

Yes, we will fund a property which has a maximum of £50k of works remaining however we will require kitchens to be fitted and utilities to be connected.

Do you use block value when valuing the residential aspect of a semi-commercial property?

Yes, however where there are nine or less residential units, we will utilise the aggregated value of these units subject to individual titles being created at completion.

With a Development Exit facility how much of the net sales proceeds will you keep?

We will keep 100% of the net sales proceeds until the LTV of the remaining loan and properties is below 60% LTV at which point we will retain 85% and release 15% to the borrower.

Do you need to see a contingency within the schedule of works?

Yes, we will need to see a minimum contingency of 10% built into the schedule of works.

Do refurbishment projects require a Project Monitoring Surveyor (PMS) in place?

Yes, a PMS must complete an upfront inspection and full project review prior to completion. This must include due diligence on the site, team, planning consents inclusive of all aspects, S106 and CIL requirements. For refurbishment facilities of more than £200k a PMS will inspect and report on the project every month.

How often are the drawdowns for a refurbishment facility?

Tranche drawdowns must be monthly and include a borrower completed drawdown request, updated schedule of works, Open Banking review of transactions, and sample of invoices paid.

What works will you cover with your refurbishment loan?

The works we will and won't permit are:

Permitted	Excluded
Decoration	Demolition and re-build
Kitchens and Bathrooms	Complex utilities work including HVAC system replacements
Internal partitioning and re-configuration	Structural works including:
Electrical works – re-wire, etc	• Roof replacement
Minor gas works	• Under-pinning
Minor utilities works	• Creation of mezzanine floors
Fire Risk Assessment works	• Addition/removal of load-bearing beams
Minor roof and/or façade repairs	• Airspace development

Will you fund against listed buildings?

Yes, however we will only fund Grade 2 listed buildings.

For more information on our Semi-Commercial Bridging Loans or to refer a new case to us, please speak to your dedicated Regional Director.