

Specialist property finance

A product guide



octopus real estate
A brighter way

All data correct as at 4 September 2020.

For professional intermediaries only.

Octopus Real Estate is the trading name of Octopus Investments Ltd (Reg No 03942880), Bridgeco Ltd (Reg No 6629989), Fern Trading Ltd (Reg No 6447318), Nino Ltd (Reg No 9015082), Octopus Healthcare Development Ltd (Reg No 03788979) and Octopus Co-Lend Limited (Reg No 8913299), all registered in England & Wales at: 33 Holborn, London, EC1N 2HT, and Octopus Real Estate S.ar.l. (Reg No B189290) registered in Luxembourg at: 412F, Route d'Esch, Grand Duchy of Luxembourg, 2086, Luxembourg. Octopus Investments Ltd and Octopus Co-Lend Ltd are authorised and regulated by the Financial Conduct Authority. OP000157

Welcome to our product guide, with detailed information on our residential, commercial and development products.

Find it fast

	Product	Max LTV	Loan term	Rates	Page
Residential	Bridging	70% unregulated 65% regulated	1-23 months 1-12 months	From 0.69% p.m.	4
	Refurbishment	70%	9-21 months	From 0.7% p.m.	6
Development	Development light	75% day one	12-24 months	7% p.a.	7
	Senior development	70% net day one	12-30 months	From 6.25% p.a.	8
	Stretched senior	70% net day one	12-30 months	8.5% p.a.	9
Commercial	Bridging	70%	1-24 months	From 0.75% p.m.	10
	Auction	50% net day one	6 months	9.99% p.a.	11

Why us?



We're customer obsessed

We've spent ten years building a business known for putting its customers first. Our customers come back to us time and again, because they trust us to put together the right deal, at the right time.



We relish the unconventional

There's always a better way to do business. We take pride in achieving what others think is impossible, and our unique approach has helped us win numerous property lending awards.



We're not your average lender

We provide funding to property investors and developers at every stage of the property life cycle. You won't get that type of commitment anywhere else. And we're not a bank, so don't think like one.



We're part of something bigger

We're proud to be part of Octopus, a group of companies that invests in the people, ideas and industries that will help to change the world.

Your business development managers

Local support, national coverage. Our business development team are always on hand to help, and by working with us, you'll also have direct access to the rest of our teams.

[Find your local BDM](#)

Borrower profile

Property developers

Typically SME firms looking to build 5 to 200 units.

Property companies

Wide variety including UK and offshore entities, limited companies and special purpose vehicles.

Individuals

Both domestic and international investors in UK real estate including foreign nationals, first time buyers and expats.

Asset profile

- Houses of multiple occupation (HMOs)
- Student accommodation
- Multi-unit freehold blocks
- Holiday lets
- High-rise buildings
- Ex-local
- Standard residential

Residential

Bridging

Key features

Min property value	£100k
LTV	Up to 70%
Rate	From 0.69%
Term	1-23 months
Arrangement fee	2%
Early repayment charge	None

We can help

- Foreign nationals, expats, first time buyers and landlords, UK and offshore company structures, adverse considered, rental shortfalls.
- Auction purchases, semi-commercial, HMOs.

For regulated

- Interest is added to the loan (it can't be serviced)
- Maximum term 12 months
- You must be an FCA authorised adviser (or have someone who is) to provide advice about whether this is the right product for your client. Your client's home or property may be at risk if they do not keep up repayments on their mortgage

Key facts

- No exit fees
- No ERCs
- No minimum income requirements
- Interest is typically retained as part of the loan
- Maximum term 12 months

Your home may be repossessed if you do not keep up repayments on your mortgage.

Residential

Refurbishment

We define a refurbishment as a property of sound structure requiring internal re-configuration or improvement works that are generally non-structural. Our refurbishment loans are managed by our asset manager for a one-off fixed fee of £995, regardless of the number of drawdowns. This saves the borrower excessive quantity surveyor fees, and keeps the process simple and in house. No hidden extras or creeping charges. Simple lending at its best.

Key features

Min loan size	£200k
Max LTV	70%
Max LTC	85%
Max LTGDV	65%
Rate	0.7-0.8% p.m.
Term	9-21 months
Arrangement fee	2%
Exit fee	0%

We can help

- Borrowers converting a house into flats, including single storey structural works into flats.
- Borrowers converting a commercial asset into residential.
- A full internal rework of a house in need of more than a bit of TLC.

Key facts

- An exciting blend of gearing and pricing
- No non-utilisation fees. It's only fair you pay for what you use
- Interest is added to the loan monthly and compounded
- All refurbishment costs are funded in arrears, so your client will need to put the first amount in to start the works

Development

Development light

Some lenders won't provide loans on smaller development schemes. Not us. We can help with 'light' development projects ranging anywhere from heavy refurbishment to ground up multiple unit developments. These schemes do not always require the same level of monitoring as larger schemes, so we will consider light touch quantity surveyor monitoring.

Limited time offer | Cheap funding for small development schemes (from 7.00% p.a.)

Min loan size	£1m
Max loan size	£3m
Max initial LTV	75%
Max LTGDV	65%
Term	12-24 months
Arrangement fee	1.5%
Exit fee	2%

We can help

- Residential and mixed used schemes including new build/ground up (two units and more), permitted development, change of use conversions and heavy refurbishments (including structural work).

Key facts

- Light- touch quantity surveyor monitoring with easier and more commercially minded reporting. This cuts down on the costs and makes the process smoother for the borrower
- We'll use an asset manager where possible (conversions and refurbs only)
- Dedicated underwriting team
- The interest will be rolled for the whole duration of the project including sale period

Development

Senior development

From small housing projects to large student accommodation developments, we support developments of all sizes, all across the UK. Since 2014, our development finance has supported the construction of over 3,000 new homes. We like to work with developers who have experience of delivering similar projects in the past so will ask about your client's track record.

Key features

Min loan size	£3m	£3m
Max initial LTV (net)	70%	70%
Max LTGDV	60%	65%
Max LTC (net)	80%	80%
Term	12–30 months	
Rates from	6.25% p.a.	7.00% p.a.
Arrangement fee	1%	
Exit fee	From 1% of the loan amount	

We can help

- Developers looking for a first charge facility at 80% LTC.

Key facts

- Get an allowance for planning uplift (capped at 50%) enabling your client to maximise the use of their cash
- Flexibility on terms to meet your client's needs
- Interest is added to the loan monthly and compounded

Development

Stretched senior

We know from experience that sometimes developers need to secure a higher level of borrowing in order to proceed with a scheme. Which is why we were one of the first lenders to launch a senior product to market.

Key features

Min loan size	£3m
Max initial LTV (net)	70%
LTGDV	70%
LTC	85%
Term	Typically 12–30 months
Rate	8.50% p.a.
Arrangement fee	0 – 1%
Exit fee	c1.50% of the loan amount

We can help

- Developers looking for us to cover an enlarged lending facility at 85% LTC.

Key facts

- Maximising your client's gearing. This can also include an uplift gained on planning, allowing your client to make the most of their cash
- Flexible on terms to meet your client's needs

Commercial

Bridging

Working across the commercial spectrum, our flexible bridging loans are structured around individual needs, to fund acquisitions, refinances and equity release.

Key features

Max LTV	70%
Rate	From 0.75% p.m.
Term	1-24 months
Arrangement fee	From 0.50%
Procuration fee	From 1%
Early repayment charge	None

We can help

- Commercial assets, from industrial wharfs to 5-star hotels.
- Active management, turnaround and vacant assets.
- Day one loans based on existing use value with further advances to reflect value enhancement through planning, refurbishment or reletting.

Key facts

- Loans can be completed in as little as one week
- Our experienced in-house lending team are all fully qualified Chartered Surveyors who have decades of investment experience and know how to structure loans to achieve your client's objectives

Commercial

Auction

Buying a property at auction can mean a scramble to get the necessary finance together in time. Our pre-approved loans, for assets purchased at Acuitus commercial property auctions, mean investors are guaranteed the finance they need, the moment the hammer falls.

Key features

Max LTV	Max LTV 50% (net day one)
Rate	0.83% p.m.
Term	6 months
Minimum property value	£500k
Arrangement fee	1%
Amortisation	Nil – interest only
Early repayment charge	0%

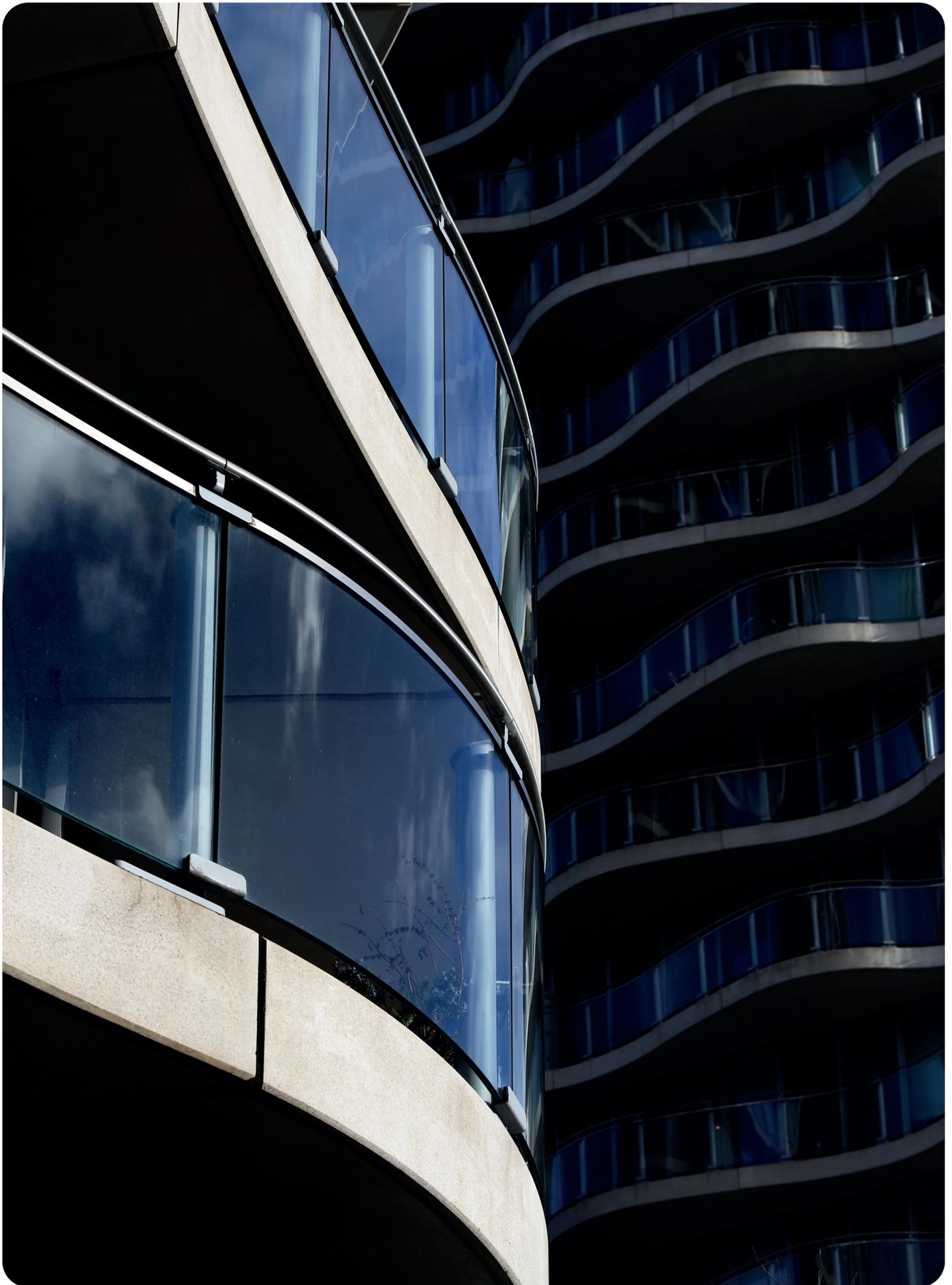
We can help

- Any property sold in the Acuitus auction room.
- No valuation required.
- Title indemnity insurance removes the requirement for lengthy and expensive legal due diligence.

Finance is subject only to title insurance, satisfactory credit and anti-money laundering checks.

Key facts

- Pre-approved finance
- Subject to KYC and Title Insurance
- Potential to refinance onto longer term loan or development funding

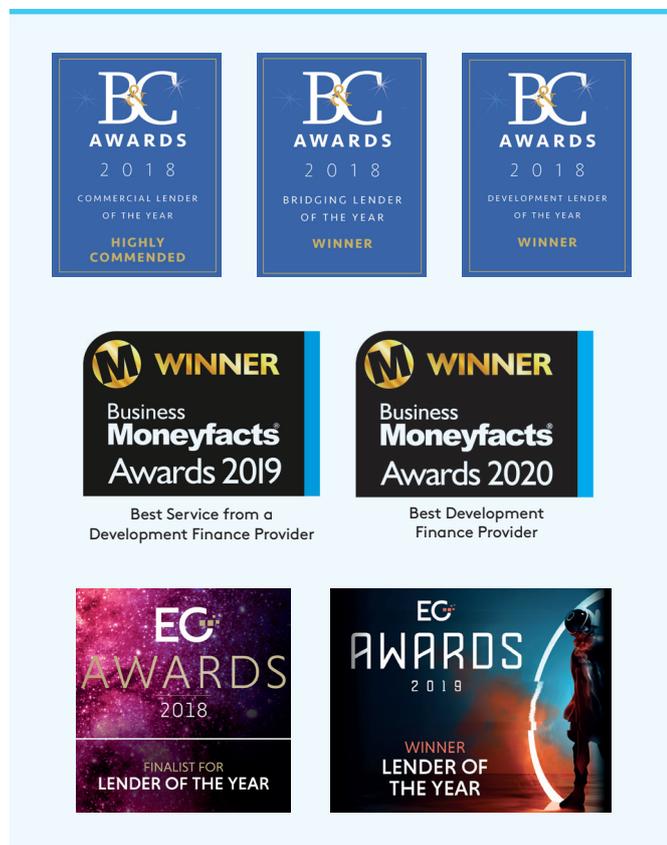


About Octopus Real Estate

Octopus Real Estate, part of Octopus Group, is a leading specialist real estate investor, with over £2 billion under management and a highly experienced team of over 110 professionals. We focus on the property lending and healthcare sectors.

The property lending team provides bespoke, customer focused financing solutions across the UK residential, commercial and development sectors. The team has lent more than £4 billion across over 3,000 loans, providing competitively priced financing throughout the UK and spanning the property investment lifecycle, with loans typically ranging from £100,000 to £50 million.

The healthcare team manages over £1 billion of investments, with a focus on care homes and retirement communities – sectors requiring significant investment given the UK's ageing population. Octopus Real Estate also creates strategic partnerships with leading operators, to deliver exceptional healthcare facilities you'd choose for your loved ones.



£8.6bn
funds under management in the Octopus Group

Over 90
property professionals

Over £4bn
lent

3,500
loans

Octopus through and through

Octopus is a group of innovative, entrepreneurial businesses investing in the people, ideas and industries that will help to change the world. We are experts in financial services and energy, transforming these markets by offering our customers access to smart and simple solutions that do what we say they will.

Today we manage more than £8 billion on behalf of retail and institutional investors. Octopus Energy, Octopus Investments, Octopus Energy Investments, Octopus Real Estate, Octopus Ventures and Octopus Wealth are all part of Octopus Group.

[octopusgroup.com](https://www.octopusgroup.com)

How to apply

Complete 

Your specialist packager distributor



023 8045 6999



enquiries@complete-fs.co.uk



www.complete-fs.co.uk