

# Alicca Bank Commercial Mortgages

For intermediaries use only

## Standard Terms

<b>Product type</b>	Owner Occupied, Semi Commercial Investment, Commercial Investment
<b>Borrower type</b>	UK registered Limited Companies, LLPs, Partnerships, Sole Traders and NewCos not yet incorporated
<b>Loan size</b>	£150,000 to £5 million
<b>Base rate type</b>	Bank of England Base Rate (subject to a minimum of 0%)
<b>Interest rate type</b>	Variable
<b>Term</b>	5 to 25 years
<b>LTV</b>	See table overleaf for LTV by property and business type
<b>Purpose</b>	Purchase, re-mortgage and capital raising
<b>Security</b>	First charge over freehold & long leasehold property in England & Wales  Debentures & guarantees - on a case by case basis
<b>Early repayment charges</b>	3% for the first 5 years
<b>Overpayments</b>	10% overpayments allowed per year without charge
<b>Fees</b>	Arrangement Fee - 2% which can be added to the loan  Commitment Fee - £500 payable once a formal Loan Offer is made and before we instruct a formal valuation. Refunded at completion
<b>Procurement fee</b>	50% of the Arrangement Fee

## Owner Occupied

<b>Repayment type</b>	Capital & Interest  Up to 2 year Capital Repayment Holiday (CRH) available
<b>Typical margin range</b>	4.55% - 5.85% subject to status
<b>Affordability</b>	130% (using Adjusted EBITDA)  If CRH taken DSCR must cover the remaining amortising loan

## Semi & Commercial Investment

<b>Repayment type</b>	Capital & Interest  Interest Only (5 to 10 year term)
<b>Typical margin range</b>	Commercial: 5.00% - 6.30% subject to status  Semi Commercial: see table overleaf
<b>Affordability</b>	135% (using Gross Rent)  Interest Only loans must evidence affordability on a 25 year repayment profile

## Interest rate margins: Semi-commercial investment (all property types)

	Up to 60% LTV	Above 60% LTV
20% to 50% residential space	4.95%	5.55%
51% to 80% residential space	4.50%	4.80%

- Maximum residential space to be no more than 80%
- Semi-commercial apportionment based on floor space (verified upon receipt of a valuation)
- Residential space must have independent access and be let on separate lease/ AST

## Acceptable types of property and business:

Standard property type	Maximum loan to value (Vacant Possession) For Owner Occupied and Investment Mortgages
Warehouses/ industrial units/ factories	70%
Offices	70%
Mixed use/ multi-let (exc residential and retail)	70%
Retail units with residential uppers	70%
Retail units with commercial uppers	70%
Retail units (lock up)	70%
Professional practices	70%
Company holiday lets	70%
Garages/ vehicle showrooms	65%
Food outlets/ restaurants	65%
Student accommodation	60%

Business property type	Maximum loan to value Commercial Investment	Maximum loan to value Owner Occupied
Convenience stores	70% Vacant Possession	65% Market Value/ 80% Vacant Possession
Childrens' day nurseries	70% Vacant Possession	65% Market Value/ 70% Vacant Possession
Hotels/ public houses/ guest houses/ B&Bs	70% Vacant Possession	65% Market Value/ 70% Vacant Possession
Leisure	70% Vacant Possession	60% Market Value/ 70% Vacant Possession

## What you will need to start an application:

- Company/ business details
- Details of the officer applying on behalf of the business - full name, DOB, and address details (address to cover min 3 years) and email/ mobile details
- Property address, estimated value, age, freehold/leasehold, and type
- Details of tenant and lease terms (name, rent, start/break/expiry date)
- Product details - term, repayment profile, how Arrangement Fee is to be paid
- Affordability - turnover/ EBITDA/ rent
- Details of any other income sources

## At this point you can choose to submit for a Decision in Principle or continue with a full application. For a full application you will need:

- Last 2 years accounts or proof of income (upload documents)
- Up to date Management Accounts/ Information (upload documents)
- Details and evidence of cash stake/ deposit (upload documents)
- Last 3 months business bank statements (upload documents)
- Details of any ongoing debts/ repayment obligations
- Nominated bank account details
- A Proposal Summary which must include:
  - the structure of the loan (eg Newco, Opco Propco)
  - evidence of affordability (show how EBITDA has been calculated)
  - background experience of the directors/ partners/ individuals
  - brief description of the security property
  - impact COVID-19 and Brexit has had on the business / tenant performance
- Any other information that may help us assess the application (e.g. Asset and Liabilities & Income and Expenditure (ALIE), CV, business plan)



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