

JANUARY 2022 | COMMERCIAL VIEW



COMMERCIAL SOLUTIONS

How Can We Help You in 2022?

Commercial Finance Solutions 'Kick Off' Edition 2022



## WHERE WILL 2022 LEAD US?

### And How Fiducia Commercial Solutions Will Help You To Get There.

We know one thing that Financial Services does not like is uncertainty, and as we ended 2021 and begin the New Year in 2022 that is unfortunately exactly where we were at again.

In terms of the pandemic we are so much better placed than we were a year ago; unfortunately that is cold comfort to those suffering from the lack of capacity to deal with everything in the NHS, or to the hospitality sector, whose rug was pulled from under it not far into December and the start of its biggest chance to date to recover and recoup from the last 21 months.

Fiducia doesn't have a crystal ball and cannot predict every step of the way to the other side of this period - but there will be another side, and we will work with our partners and their clients to get them there with suitable funding where this is available to them.

It's not 16 years of experience as a directly authorised master broker in Commercial Finance that will progress your clients' requirements - that helps, but like everybody, we weren't prepared for Covid.

How we have spent the last 21 months, going the extra mile and doing whatever it takes to help fund eligible clients will be invaluable for you in 2022. Our lender relationships keep our finger on the pulse of what funding is available - and our partnership with you will put your clients in safe hands to navigate 2022, and wherever that leads us.

#### **THIS MONTH:**

**- Where Will 2022 Lead Us?**

**- Fiducia's Commercial Finance Proposition - The One Pager**

**- Residential Investment Property Funded With Commercial Finance**

**- Semi-Commercial Property Investment**

**- Fixing Your Client's Commercial Mortgage Rate - The Ship Hasn't Sailed**

**- The Fiducia Commercial Network Proposition**

We value the long standing and close working relationship that we have with The Openwork Partnership, and all of our introducing partners in the network.

**WE CAN HELP VIRTUALLY EVERY BUSINESS SECTOR - IF THEY ARE ELIGIBLE FOR FUNDING THEN WE HAVE THE ACCESS TO SOURCE IT FOR THEM - AND WE ARE 100% IMPARTIAL WITH OUR WHOLE OF MARKET LENDER PANEL.**

## COMMERCIAL PROPERTY FINANCE SOLUTIONS:

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- Commercial Mortgages
- Bridging Finance
- Property Investment (BTL, HMO, MUF, Commercial)

- Development Finance

## COMMERCIAL FINANCE SOLUTIONS:

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- Business Loans
- Invoice Finance
- Trade & Supply Chain
- Asset Finance
- Vehicle Solutions

## OUR LENDERS' PANEL:

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- High Street Banks
- Challenger Banks
- Product Specialist Lenders
- Peer To Peer
- Fintech

## FIDUCIA SPECIALISES IN SOURCING COMMERCIAL FINANCE:

### SCOPE

- National client coverage
- Any client size and stage, from Start Up to Multi National
- Funding sourced for any business purposes

### TRUST

- Independent, unbiased and impartial
- Direct FCA authorisation
- NACFB membership
- Robust compliance monitoring function

### RELATIONSHIP

- We work for your client, and not the lender
- We source suitable funding solutions - suggesting options that the client may not have considered
- With the client for the whole funding journey - from requirement gathering to successful funding
- Relationship, and not a transaction - it's how we treat every client that we work with

### VALUE PROPOSITION

- Funding sourced from the 'whole of market' - including lenders and rates you cannot access directly
- We do all of the leg work, so that the client can get on with running their business - and you can get on with yours

## **RESIDENTIAL PROPERTY INVESTMENT AND BUY TO LET All Part Of The Day Job For Commercial Finance Brokers!**

An easy assumption is that all Commercial Finance brokers would look at is commercial buildings – shops, offices, pubs, restaurants, factories etc. **But the term ‘commercial’ applies to the purpose, not the property.**

So, who can we help to fund residential Buy To Let properties for?

- Property in a personal name that is 100% for investment purposes, and NOT that was previously or intended to be lived in by the client or their close family
- Property that is in a limited company ‘special purpose vehicle’ (SPV) – basically a limited company set up to own, manage and let out properties
- Portfolio Landlords – owners of multiple properties, and these can be in personal or limited company names

What types of properties can we help fund?

- Standard BTL – houses, flats, bungalows etc
- HMO – Home of Multiple Occupancy – single property with multi tenants
- MUFB – Multi Unit Freehold Block – eg. Block of flats
- Holiday Lets

We custom fit rates and terms to your client, your client's property and the financials in each case – and share your client's 'best outcome' as our goal too.

## **SEMI-COMMERCIAL: NON-STANDARD ONLY BY THEIR DIMENSIONS Does It Matter How The Property Is Divided? Well, Yes It Does To Lenders.**

Semi-Commercial properties aren't any sort of standard size, and aren't often split exactly 50-50 between commercial and residential elements. The majority of Semi-Commercial properties make up our high street landscape: they are retail, restaurants, take-aways or financial services with residential above.

Residential property remains hot, and the larger the residential element - in value, income or square footage depending on lender – the larger the LTV available to you.

- Some lenders need 60%+ of the property value to be in the residential
- Some lenders need 51%+ of the square footage to be residential
- If the residential rental income is enough to cover the required commercial mortgage then we work with lenders that can apply residential Buy To Let rates

So like our high street landscape, not many properties are the same, but it can be a diverse investment and there is lender appetite to support it.

We know who has appetite for what - why not ask us to match your client's unique property to the most suitable lender?

## **FIXING YOUR COMMERCIAL MORTGAGE RATE**

### **Even With The December Rate Hike, The Ship Hasn't Sailed**

Without a fixed interest rate on a Commercial Mortgage what is it? You could say it's 'variable', or a margin to wherever the current Bank of England base rate is?

Both true, but it is also: **Changeable | Uncertain | Left to chance | A question mark | A toss of a coin | Out of your control**

It is likely to be one of, if not THE biggest, fixed overhead to a business – and if your clients don't currently have a fixed rate Commercial Mortgage then their repayments could increase if interest rates go up – at a time when so many other business costs are increasing out of their control.

**Even beyond the rate hike by the Bank Of England MPC in December, the ship has NOT sailed on fixing a commercial mortgage rate in advance of any future interest rate rises.**

Clients will likely spend so much time planning for their business in 2022, and not leaving the way forward to chance. Why leave the cost of one of their biggest overheads to chance when you can do something about it for them – fix the interest rate of their Commercial Mortgage today.

#### **THE FIDUCIA COMMERCIAL NETWORK**

#### **OUR COMMERCIAL FINANCE APPOINTED REPRESENTATIVE NETWORK**

**A PARTNERSHIP WITH YOU THAT ENABLES YOU TO DELIVER SUITABLE COMMERCIAL FUNDING SOLUTIONS - AND SO MUCH MORE**

#### **THE CORE COMMERCIAL NETWORK PROPOSITION**

- FCA authorisation, including all regulatory reporting
- PI Insurance - a significant saving on its own
- NACFB membership - unlocks a whole of market panel of commercial finance lenders
- NO UPFRONT FEES to join the Fiducia Commercial Network

#### **AND SO MUCH MORE!**

- Training and set up support while your application is authorised
- Compliance, Admin and Finance support
- System support with a CRM and sourcing system plus white label documentation
- Full direct access to BDMS at our entire 'whole of market' lender panel
- Direct access to the internal Fiducia broking team for business support with your cases
- Access to the Fiducia brokers can include jointly working cases - ask for more details
- Monthly lender webinars for the network
- Monthly newsletter, and frequent news and product / rate updates from lenders

E-Mail Mark Grant at [mark@fiduciagroup.co.uk](mailto:mark@fiduciagroup.co.uk), and start a conversation about how we can work together in commercial finance.

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