

JUNE 2021 | COMMERCIAL VIEW



COMMERCIAL SOLUTIONS

Fiducia Commercial Solutions' Monthly Newsletter For
Introducers, Network ARs and Partners



BRIDGE-TO-LET

One Process For Two-Stage Properties

Property Investor clients often buy properties that require refurbishment before they are in a habitable state for tenants.

The traditional route is:

Two credit assessments - Two valuations - Two conveyancing processes - Two totally separate conversations!

The Bridge-To-Let offering varies by lender:

- A lender may provide dual offers at the start of the process
- Some lenders pay for the legal and re-valuation fees

Significant time can be saved, and costs reduced, from not having a totally separate stage for the Buy-To-Let mortgage. Plus the client can gain the confidence of knowing costs, possibly fixing the rate of the Buy-To-Let mortgage up front.

Talk to us about simplifying the whole process, and removing duplicated funding and conveyancing tasks for your clients.

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BRIDGE-TO-LET

- BORROW UP TO 75% OF THE PROPERTY VALUE
- CARRY OUT LIGHT OR HEAVY REFURBISHMENTS
- EXIT ON OUR BTL BORROWING AGAINST THE INCREASED VALUE

[HTTPS://WWW.LENDINVEST.COM/](https://www.lendinvest.com/)

THIS MONTH:

- Bridge-To-Let
- Asset-Backed Recovery?
- Commercial View
- Just a Bridging Loan?

ASSET-BACKED RECOVERY?

With the economy in 'Recovery', a business's assets are in sharp focus.

- Investment in assets facilitates growth
- New assets help to meet the needs and changing demands of customers
- Keep up with the volume of demand by increasing capacity with additional assets
- Easy to quantify the economics of the investment in assets: Additional business generated – Cost of asset = Return On Investment

Every Asset Finance lender will be comfortable with understanding and pricing different sectors or types of assets, which can broadly be split into Hard and Soft categories:

Hard Assets - Normally higher value assets, with longer retention of value:

Heavy goods vehicles, light goods vehicles, commercial vehicles and cars | Agricultural machinery | Construction machinery | Manufacturing machinery and plant | Recycling processing equipment | Printing presses

Soft Assets - Normally Leased and low residual values:

IT (Hardware and Software) | Audio visual | Furniture, fixtures and fittings | Security systems | EPOS (Electronic Point Of Sale) card terminals

Adding the new tax relief incentive to the already strong case for investing in assets – growth potential and the ability to capitalise on new opportunities among others – should mean that your client's next step is to decide how best to fund the asset.

Help make your client's recovery Asset-Backed – and talk to Fiducia Commercial today.

FIDUCIA'S COMMERCIAL VIEW

This Month - Andre Parcian - Broker Business Development Manager - Midlands Region - NatWest Group

Q: Have you seen an increase in interest in Asset Finance in relation to the Super Deduction tax relief scheme announced in March's budget?

"We have seen a real up turn in lead volume and enquiries since super deduction has been brought in.

Fiducia are one of our select brokers who have full access to our panel so please send in any opportunities you may have for us to assess."

<https://lombard.co.uk/>

Find out more about the super-deduction and 50% FYA allowance here:
gov.uk/guidance/super-deduction





WHEN IS A BRIDGING LOAN NOT JUST A BRIDGING LOAN?

It's just the way you buy one property while you still own another, right?

Refurbishments and Conversions are a common reason for a limited company to take a Bridging Loan :

- Converting a commercial space to residential
- Converting a single residential property into an HMO
- Improving and refurbishing an existing property to add value and/or make habitable

The client's exit is then commonly from selling the finished property or refinancing into a longer term Buy-To-Let product.

And yes, if a business hasn't disposed of an existing property yet, then a Bridging Loan could be a great solution to buy a second property!

A Bridging Loan can be used to buy a property at Auction, or on the open market where there is not the normal time available for a regular financing and conveyancing cycle.

Clients can release working capital for their business from properties with equity in them; the speed of a Bridging Loan completion makes it an option against other cash flow products.

A Bridging Loan can be custom fit to your client's business requirements – why not let us help them source suitable funding?



THE OPENWORK PARTNERSHIP AND THE FIDUCIA NETWORK

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.

The Fiducia Network gives you the opportunity to work more broadly with commercial finance opportunities - by becoming a Fiducia Commercial Finance AR.

In addition to Commercial, Investment and Development property finance, The Fiducia Network allows you to source Business Loans, Asset Finance and Leasing, Invoice Finance, Trade and Supply Chain Finance and much more for your clients.