

# COMMERCIAL MORTGAGES

BROCHURE

Your guide to choosing a  
Commercial Mortgage with  
Positive Lending

# Welcome to Positive Lending

**Founded in 2008, we are a professional mortgage packager and broker based in Ringwood, Hampshire.**



**We are directly authorised by the Financial Conduct Authority and have won more than 25 industry awards in specialist finance.**

**Every year we arrange thousands of specialist loans for our customers, either directly or via 9000 mortgage brokers who recommend our services, so rest assured that you are in safe hands.**

**We have an unrivaled and extensive panel of lenders giving us the power to search the whole of the market and help you find the perfect need for your financial needs.**

**We have an exceptional team, all of whom are dedicated to supporting you in making your property dreams a reality.**





# How Does Your Commercial Mortgage Work?

A commercial mortgage is a loan specifically designed for individuals and businesses to finance the purchase or refinance of commercial & semi-commercial properties either as an investment or as their company's premises. This can be anything from an office building, retail spaces, warehouses, industrial premises, and shops with flat/s above.



## Types of commercial mortgages

*Mortgage loans can be divided into two categories:*

- 1. Owner-occupier mortgages:** This is used to buy property that will be used as trading premises for your business.
- 2. Commercial investment mortgages:** This is used for property you're planning to let out.

## Here's how commercial loans typically work:

Having a well-established business, a good credit history, and a sufficient deposit or equity in the property being financed. Or if an investment purchase would be details of other property you may own to establish your property investment experience.

**Loan Amount and LTV:** The lender determines the loan amount based on factors such as the value of the property and the borrower's ability to repay. Typically, commercial mortgages in the UK have loan-to-value (LTV) ratios ranging from 70% to 75%, meaning the lender will finance a percentage of the property's value, and the borrower is responsible for the remaining percentage as a deposit. Higher LTV's are available depending on the business sector.

**Interest Rate:** The interest rate on a commercial mortgage can be fixed or variable. It depends on factors such as the borrower's creditworthiness, the loan term, and market conditions. Interest rates are usually quoted as a margin above the Bank of England base rate or LIBOR (London Interbank Offered Rate).

**Repayment Term:** Commercial mortgage terms in the UK can range from 5 to 30 years. The repayment structure can be either interest-only or amortizing, where the monthly payments consist of both principal and interest. We will discuss your requirements and agree on the repayment schedule based on the loan term and the borrower's financial situation.

**Valuation and Survey:** Before approving a commercial mortgage, the lender typically requires a professional valuation of the property to determine its market value and assess the level of risk. A survey may also be conducted to identify any potential issues or defects with the property.

**Legal and Administration Fees:** The borrower is responsible for covering the legal and administrative costs associated with the commercial mortgage. These fees include solicitor fees, valuation fees, arrangement fees, and potentially other charges, which vary depending on the lender and the complexity of the transaction.

**Security and Recourse:** Commercial mortgages in the UK are typically secured against the property being financed. This means that if the borrower defaults on the loan, the lender has the right to seize and sell the property to recover the outstanding debt. In some cases, lenders may also require personal guarantees from the business owners or directors to provide additional security.

**It's important to note that the specific terms and conditions of commercial mortgages can vary among lenders. Our team are highly experienced in commercial lending and will be able to support you in finding the most suitable options and navigate the application process effectively.**



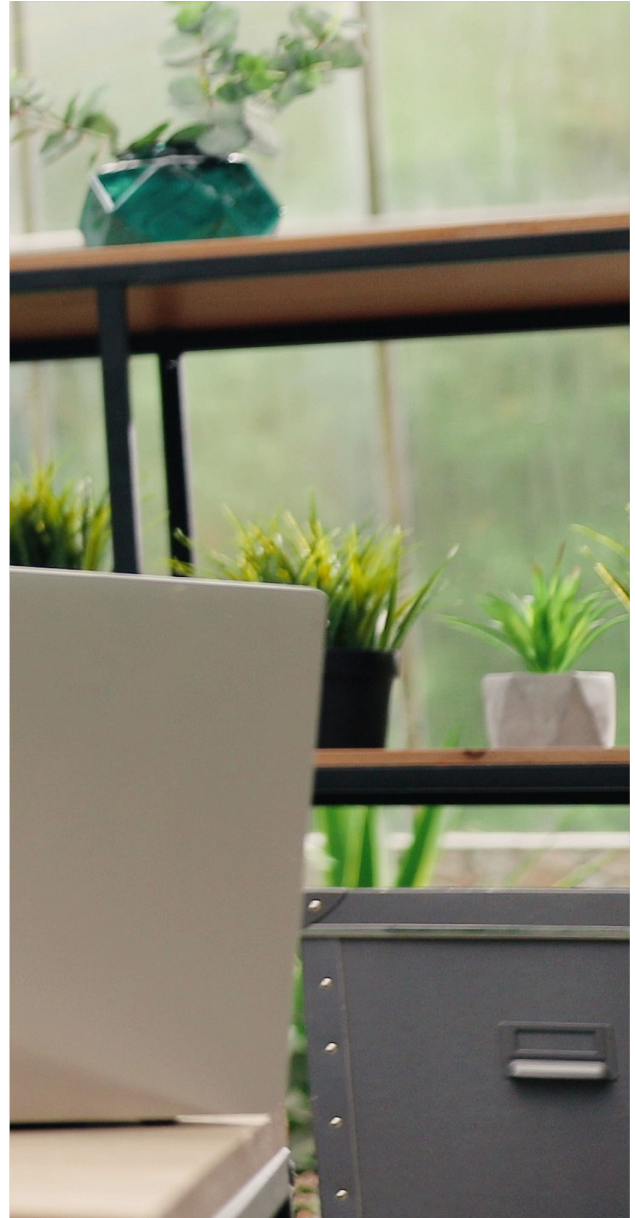
# What happens next?

**After you speak with one of our team:**



**1** After discussing your requirements with you, we will speak to various lenders on your behalf and make an appropriate recommendation to you. We aim to ensure you have written terms from a lender within 24 hours.

**2** If you are happy to proceed we will request the documents we will need and apply for a formal agreement from the lender. Once we have these, we will discuss again with you.



**3** We will complete an application with you and submit to the lender. We will ensure the survey, if required is booked. We may need some documentation from you whilst this is taking place, but the advisor will tell you more about that at the time.

**4** A survey/s is completed. We will contact you when we have seen the report or had confirmation from the lender that they have reviewed the report.

**5** If the survey is ok and all outstanding items are received for the lender an offer will be provided to you. At this

stage you may be using the services of a solicitor to complete the enquiries about the property from the lender's solicitor, but not always. If so, your solicitor would usually receive a copy of the mortgage offer too.

**6** You will need to sign the legal documentation with a solicitor.

**7** Once all enquiries are satisfied the funds will be released to you.



**We regularly  
commercial  
for customer  
experiencing a  
scenarios**

- ✓ Purchases and refinance
- ✓ Full commercial, semi-commercial and buy-to-let portfolios
- ✓ Owner-occupied or investment properties
- ✓ Land acquisition
- ✓ Short-term leasehold
- ✓ Longer term loans
- ✓ Portfolio remodelling and acquisitions.
- ✓ Purchase against bricks and mortar or goodwill value





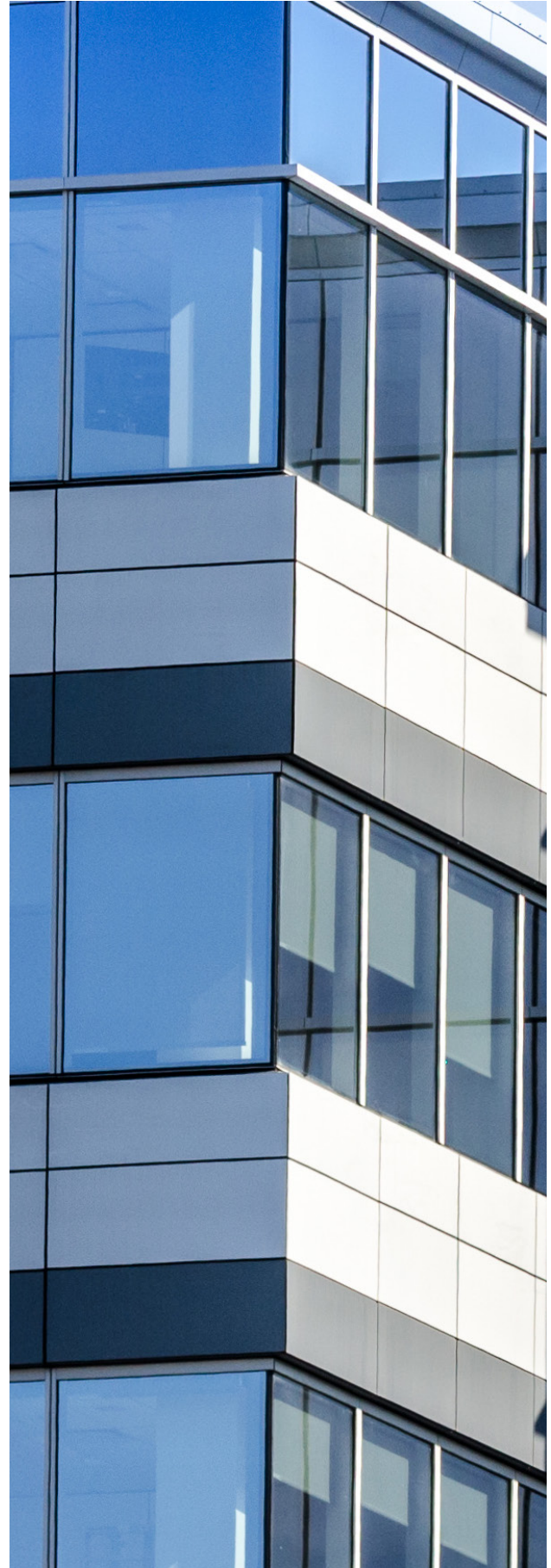


**ly arrange  
mortgages  
ers who are  
wide variety of  
including:**



# Commercial Mortgage Highlights

- ✓ Loans can be arranged from £30,000
- ✓ Our professional range offers commercial mortgages up to 90% LTV, Doctors and Dentists up to 100% LTV
- ✓ Loans to 100% of purchase price with additional security
- ✓ Available in England, Scotland and Wales
- ✓ Interest-only and repayment mortgages
- ✓ All industries considered
- ✓ All credit portfolios considered



# Did you know...

We are a multi-award winning packager, regularly recognised for providing first class service to intermediaries and borrowers.

Our team have over 400 years' combined experience, working for financial services and blue chip companies.

We also offer:

- ✓ Second charge mortgages (Residential and BTL)
- ✓ Bridging finance
- ✓ Development Finance
- ✓ Specialist Residential and BTL mortgages
- ✓ Equity release

**"Together has a long standing and successful relationship with Positive lending, who are a key Gold Status packaging partner. The team at Positive Lending are second to none, expertly distributing the entire range of Together's specialist commercial and residential products. Their attention to detail, and quality of cases received, ensures customers receive a smooth and fast journey to completion."**

**Marc Goldberg**  
*Director*  
*Together*



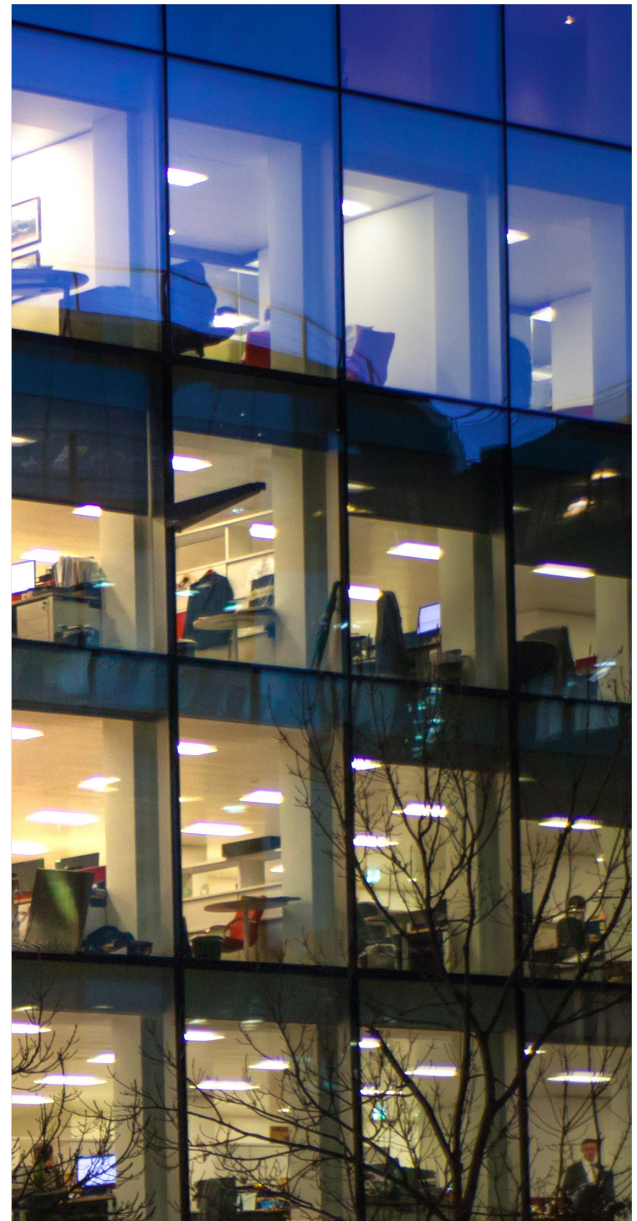


# Top Tips



**1** Ensure you have all your business information and financial documents, such as accounts and bank statements, readily available to streamline the application process.

**2** For commercial investment properties, having a tenant in place or a draft lease for a new tenant is often a minimum requirement to secure a commercial mortgage.



**3** Properties often are valued on the basis of vacant possession (Bricks and Mortar) therefore will not attribute any value to the trading business or lease on a property.

**4** Familiarise yourself with the different commercial mortgage types, like fixed-rate, variable-rate, and interest-only mortgages, to choose the one that aligns best with your financial goals.

**5** Develop a robust business plan that includes your financial history, current operations, and future projections to demonstrate your business's viability to potential lenders.

**6** Be ready with a substantial deposit, typically ranging from 20% to 40% of the property's purchase price, and allocate additional funds for legal fees and surveys..

**7** Maintain good personal and business credit to strengthen your application, as lenders often review both credit histories to determine your creditworthiness and eligibility for favorable loan terms.



# Understanding Terminology

Here are some common jargon terms related to commercial mortgages and their meanings



**Principal:** The principal refers to the initial amount of money borrowed from the lender. It is the total amount that needs to be repaid over time.

**Interest Rate:** The interest rate is the percentage of the loan amount charged by the lender as interest over a specific period. It represents the cost of borrowing the money.

**Amortisation:** Amortisation refers to the process of repaying a loan through regular payments over a set period. It includes both the principal and interest portions.

**Term:** The loan term is the agreed-upon period during which the borrower makes regular payments to repay the loan. It is usually expressed in months or years.

**Collateral:** Collateral is an asset or property pledged by the borrower to secure the loan. If the borrower defaults on the loan, the lender can seize the collateral to recover the outstanding amount.

**Personal Guarantee:** A personal guarantee is a commitment made by an individual, usually the business owner or a company director, to repay the loan if the business fails to do so.

**LTV (Loan-to-Value):** LTV is a ratio that compares the loan amount to the appraised value of



the collateral. It helps determine the level of risk for the lender and may affect the loan terms and interest rate.

**Debt Service Coverage Ratio (DSCR):** DSCR is a measure used by lenders to assess a borrower's ability to cover debt payments. It compares the borrower's net operating income to the debt obligations, including the proposed loan.

**Early Repayment Charge:** This is a fee charged by the lender if the borrower pays off the loan before the agreed-upon term. It discourages early repayment and compensates the lender for potential interest income loss.

**EBITDA:** This stands for Earnings Before Interest, Taxes, Depreciation, and Amortisation, is a financial metric used to assess a company's operational profitability by excluding non-operating expenses and financial factors. It provides a clearer picture of a company's core business performance, making it a valuable measure for investors and analysts.

**SALIE:** the Statement of Assets, Liabilities, Income, and Expenditure, is a comprehensive financial document that summarises an individual's or organization's financial position. It outlines all assets (what is owned), liabilities (what is owed), income (revenue received), and expenditures (expenses incurred) to provide a holistic view of their financial health and sustainability. ridding loan and property transactions.

**Remember - It's important to ensure that you fully understand the terms and conditions of any financial obligations you may take on, so please don't hesitate to ask if you have any questions.**

# Further info



[Positivelending.co.uk](https://www.positivelending.co.uk)

You will have a dedicated advisor and support staff to assist you with your Commercial mortgage application.

You can always call us directly on **01202 850 830** (Option 3) or email us on [SpecialistSales@positivelending.co.uk](mailto:SpecialistSales@positivelending.co.uk) and one of our team of experts will be happy to help you.





## BRIDGING BROCHURE

**THINK CAREFULLY BEFORE SECURING ANY DEBTS AGAINST YOUR HOME OR PROPERTY. YOUR HOME OR PROPERTY MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.**

Positive Lending (UK) Limited, trading as 'Positive Lending', is Authorised and Regulated by the Financial Conduct Authority FRN 607682

Registered Office: Positive House, GP Centre, Yeoman Road, Ringwood, Hampshire BH24 3FF.  
Registered in England and Wales No. 6700848

01202 850 830 | [www.positivelending.co.uk](http://www.positivelending.co.uk) | [specialistsales@positivelending.co.uk](mailto:specialistsales@positivelending.co.uk)

**Copyright © 2023 Positive Lending. All rights reserved**

**Date of issue: 22/11/23**