

# APEX BRIDGING.

Lending Guide.



# OUR PROFILE

We offer some of the highest loan-to-value funding with products well suited to investment purchases, refurbishments and acquisitions at below market value.

Our non-regulated loans provide borrowers with a solution which is structured around current market value, rather than purchase price.

With a flexible approach, we ensure that each application is assessed upon its own merits. Apex look for reasons to lend, rather than reasons not to.

***A unique view on lending, backed by experience and reputation.***

# CRITERIA

## LTV

- Up to 90% of OMV
- Up to 95% of OMV for auction purchases only
- Over 100% of Purchase price considered for BMV deals
- Maximum 80% of GDV for standard residential or maximum 75% of GDV for HMO's.

90%

## PROPERTY

- Residential purchases
- Refurb, lease extension and title splits
- Freehold and leaseholds considered. Small blocks of flats only



## GEOGRAPHICAL AREA

- Securities accepted in England and Wales.



## LOAN SIZE, TERM & RATE

- Min £75k, Max £1m. Sub £75k product available for loans of £25k-£74,999 at a flat rate 1.5%
- Term available 6, 9, 12 months.



Initial Term	Secondary Term	Overall blended rate if taken to full term
0.995% p/m	2% p/m	1.33%

## EXIT

- Sale/refinance/other strategy – within a realistic term
- There are no exit fees - minimum 4 months interest payable.



## BORROWER

Experienced investors preferred however First Time Buyers and First Time Landlords considered.



# CRITERIA

## Main Summary

### Loan Size

Gross loan funding available from £75,000 to £1m. Sub £75k product available for loans of £25k-£74,999 at a flat rate 1.5%.

### Loan Term

Terms offered for 6 -12 months

### Security Types

Residential house or flat

### Charges

1st charge required  
2<sup>nd</sup> charges considered on BTL assets at max 70% LTV inc current 1<sup>st</sup> charge.

### Location

Securities accepted in England and Wales

### Applicant

Our borrower's are required to have a valid passport from: UK, any country in the EU, the Channel Islands, Switzerland, USA, Canada, Australia or New Zealand. We are also happy for our borrower's to live within 1 of these localities however if they do not live in the UK, we may require them to have property already in the UK and sign documents in the UK at legals stage subject to underwrite.

### Credit History

CCJ's, arrears and defaults considered

### Exit Strategy

Sale/refinance/other strategy - within a realistic term

### Construction Types

All construction types considered if you have refinance available/agreed.

### Tenures

All tenures considered. Short leases accepted on a case by case basis.

### Asset Defects

Structural defects, Japanese knotweed, fire damage, uninhabitable dwellings, spray foam considered.

### Interest

Retained, charged at our daily rate. Minimum of 4 months interest charged upon redemption.

### Arrangement Fee

0.5% of gross loan  
Sub £75k Product £1995 fee

### Exit Fees

None payable

### Refurbishments

Schedules of work required. We prefer our borrower's to have the funds for the works themselves, however if the property is being purchased significantly BMV we can look to try and cover some of these costs along with stamp duty within the 90% of OMV. Also a 2<sup>nd</sup> charge on another BTL property can be considered to raise funds for refurb's where there is sufficient equity in the property.

**Notable Exclusions** - Regulated loans, Commercial property, Semi-Commercial properties, Ground up developments or large build costs needed, Conversions currently without planning.

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# BELOW MARKET VALUE

Suitable for acquisitions below open market value.  
Funding weighted upon value, not purchase price.

Terms at 6 - 12 months.  
Sale or refinance exits considered.  
1st charge basis.  
Rates from 0.995%

Loan to Value **90%** Max  
Gross  
Loan to GDV **80%** Max  
Gross

Securities accepted throughout England and Wales.

Terms provided at up to 90% LTV, subject to 100% of purchase price, plus stamp duty, plus refurb costs.

1st charge basis (2nd considered as additional security).

Funds allocated against OMV.

Procuration Fee 2%

Exit Fee None

Arrangement Fee 0.5% of gross loan

Interest Retained

	Maximum LTV	Discounted Rate	Overall Rate
Below Market Value	90%	0.995%	1.33%

Auction only purchases of C3 house/flat is now max 95% of OMV  
Subject to 80% of GDV for loans between £75k and £1 million

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# CASES



## NEWBURY - 3 BED FLAT

OMV £330,000  
SOLD PRICE £230,000  
NET LOAN £223,110

CASH REQUIRED TO PURCHASE - £6890  
PLUS STAMP DUTY AND LEGAL FEES



## ALFRETON - 3 BED END TERRACE

OMV £235,000  
SOLD PRICE £153,000  
NET LOAN £153,000

CASH REQUIRED TO PURCHASE - £0  
PLUS STAMP DUTY AND LEGAL FEES



## TODMORDEN - 2 BED MID TERRACE

OMV £105,000  
SOLD PRICE £80,000  
NET LOAN £75,633

CASH REQUIRED TO PURCHASE - £4,367  
PLUS STAMP DUTY AND LEGAL FEES



## BARNSLEY - 2 BED MID TERRACE

OMV £115,000  
PURCHASE PRICE £64,590  
NET LOAN £64,590

CASH REQUIRED TO PURCHASE - £0  
PLUS STAMP DUTY AND LEGAL FEES



## WEST DRAYTON - 1 BED SEMI DETACHED

OMV £285,000  
PURCHASE PRICE £165,000  
NET LOAN £165,000

CASH REQUIRED TO PURCHASE - £0  
PLUS STAMP DUTY AND LEGAL FEES

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# CASES

Bristol Refurbishment | 80% LTV | £208k Loan | Experienced Developer



## The Detail

HMO End value £275,000

OMV £260,000

Purchase price £210,000

Gross Loan from Apex £208,000

Net Loan from Apex £190,000

Cash in £20,000 plus purchase costs and refurb costs.

Deposit Required 9%

This client is based in Bristol, when he saw that we were selling this 3 bedroomed end of terraced property Below Market Value, he knew the market well and could see the opportunity to add value. He had never used bridging before, but the property was appealing to him because of the low price and the highly geared funding available for him as a package.

The exceptional deal here was the small amount the borrower had to invest himself! The purchase price was below market value at £210,000 and our loan was £208,000 over 6 months, so he only needed a deposit of £20,000 to buy the property and as it only needed a light refurb and HMO conversion it only cost him another £2,000.

The property refurbishment was completed and was valued at £275,000. The client secured tenants paying £2,300 per month providing a 12% yield and has exited our bridge with a BTL mortgage.

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# BELOW MARKET VALUE

## Navigating the niche of BMV Purchasing

As the Bridging market's leading experts in below-market-value Investment purchases we have prepared some useful information below to help you navigate the successful placement and completion of your BMV Purchase case.

All applications are subject to survey, and whilst we do not disclose the Purchase Price of the property to the Surveyor on instruction, there are some common reasons to look out for, as to why a BMV survey might actually return a Valuation at Purchase Price rather than expected Market Value:

## On market transaction

Is the marketing of the property freely available in the public domain (RightMove, Estate Agent website)? If we can see it, the surveyor can see it! and it may colour their valuation of the property. In addition a surveyor may call the estate agents to confirm the purchase price and understand how many viewings / offers the property had.

## Auction Purchase

Although the client may think they are getting a bargain on the expected market value, Auction Houses record the purchase price in the public domain, creating a similar problem to the on-market transaction above. This very commonly shapes a Surveyor's valuation of a property once they see this, which they usually will.

## Lack of Comparable Properties

Where did the client get their OMV from? Websites such as Zoopla, MousePrice and other online algorithm-based software can vary widely from a Surveyor's estimate depending on the postcode. When you submit a query to Apex, we will check out the comparables in the area, and feed this back to you, to either move forward with more confidence, or have a conversation with your client before they get too far into the process.

## Poor Market Strength

Are properties actually selling well in the postcode, and local area? This could impact what a surveyor returns at Survey stage. Again, right at the beginning of the process when you send your enquiry to Apex, we will check out the market strength for the purchase and feed this back to you.

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# MEET THE TEAM



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