

For the use of Professional Mortgage Intermediaries only



Commercial Property Finance criteria

- Shariah-compliant financing for Commercial Investment, Semi-Commercial & Commercial Owner-Occupied Property
- For UK residents/entities and Expats/International residents

Effective from 8 January 2020



Why choose Gatehouse Bank?

- We have a dedicated, professional and experienced Commercial Finance Manager
- We offer Commercial Property Finance for both purchase and re-finance (including capital raising) for Commercial Investment, Semi-Commercial and Owner-Occupied purposes from £500k up to £2m, for both UK residents/entities and Expat/International clients.
- We understand that each transaction is unique, and for this reason, we assess each proposal on its own merits, offering a personal service and a flexible underwriting approach.



Commercial Property finance at a glance

COMMERCIAL FINANCE FOR

- COMMERCIAL INVESTMENT
- SEMI-COMMERCIAL
- OWNER-OCCUPIED

PROPERTY TYPES INCLUDE

- OFFICE & RETAIL
- INDUSTRIAL & WAREHOUSING
- RETAIL WITH LIVING ACCOMMODATION
- PURPOSE BUILT STUDENT ACCOMODATION

**NO EARLY
SETTLEMENT CHARGES
IF SETTLED AT AGREED
BREAK POINTS**

AVAILABLE TO

- UK RESIDENTS/ ENTITIES
- EXPAT/INTERNATIONAL CLIENTS

FINANCE AVAIABLE FOR

- INDIVIDUALS
- PARTNERSHIPS
- LIMITED COMPANIES
- LLPs
- OFF-SHORE & ON-SHORE SPVs

MIN/MAX FINANCE

**£500K - £2M
MAX FTV 70%**

Product Criteria



	Commercial Investment	Semi-Commercial	Commercial Owner-Occupied
Financing			
Purpose	<ul style="list-style-type: none"> • Purchase or Re-finance - (not within 6 months of purchase – unless financed via bridging finance) • Finance capital raising allowed 		
Max FTV	<ul style="list-style-type: none"> • 70% Amortising • 65% Profit Only (non-amortising) of Vacant Possession value 		
Finance Basis	The finance offered will be based on the Purchase Price or Valuation, whichever is the lower		
Payment	Amortising & Profit Only (non-amortising)		
Portfolio Size	No limit		
Affordability Test	<ul style="list-style-type: none"> • 125% for amortising • 130% for Profit Only • Based on Market rent or passing rent whichever is the lower Profit Cover Ratio (PCR) calculated against initial pay rate		<ul style="list-style-type: none"> • 125% for amortising • 130% for Profit Only • Based on NOI (Net Operating Income) • NOI calculated against initial pay rate
Supporting documents *This list is a guide and not exhaustive*	Evidence of ID Evidence of Residency / Proof of Address Fully completed and signed application form Evidence of personal income Last 3 months personal bank statements Last 3 months business bank statements Last 2 years company accounts – if applicable Copy of Lease Full details of all investment properties	Evidence of ID Evidence of Residency / Proof of Address Fully completed and signed application form Evidence of personal income Last 3 months personal bank statements Last 3 months business bank statements Last 2 years company accounts – if applicable Copy of AST and Lease Full details of all investment properties	Evidence of ID Evidence of Residency / Proof of Address Fully completed and signed application form Evidence of personal income Last 3 months personal bank statements Last 3 months business bank statements Last full 2 years company accounts – if applicable Copy Lease (if asset is in different name to business) Full details of all investment properties
Applicant Type	<ul style="list-style-type: none"> • Individuals • Partnerships • Limited Liability Partnership (LLP) • Private Limited companies (LTD) including Special Purpose Vehicle (SPV) 		
Min/Max Finance size	£500K - £2M (max 70% FTV)		
Min/Max Term	Minimum term: 5 years Maximum term: Profit Only - 10 years / Amortising - 20 years		



	Commercial Investment	Semi-Commercial	Commercial Owner-Occupied
Applicant			
Applicant Experience	First Time Landlords Allowed		
Maximum Numbers	<ul style="list-style-type: none"> • Individuals – 4 applicants • SPV – All directors and any shareholder with 25% share of more will need to be party to the application • Trading companies – All directors and any shareholder with 25% share of more will need to be party to the application 		
Minimum Age	21 years		
Maximum Age	85 years at end of finance term		
Applicant Background Assets	One applicant must have a residential mortgage/home finance or home owner		
Employment			
Employed Income Verification	Employed: Most recent P60, 3 months most recent payslips & 3 months most recent bank statements		
Employed Acceptable Income	<ul style="list-style-type: none"> • Basic pay • Car allowance • 50% of average bonus over the previous 2 years • Second job • Child benefit, working and/or Child Tax Credits • Maintenance • Disability living allowance on behalf of a child under 16 		
Self Employed Income Verification	<ul style="list-style-type: none"> • 2 years, SA302s • 3 months most recent personal bank statements • 3 months most recent business bank statements • Sole trader/Partnership/Company Director: <ul style="list-style-type: none"> - If trading for less than 2 years, minimum 1 year accounts with management accounts and/or cash flow forecasts - If trading for longer, min 2 years most recent accounts. 		<ul style="list-style-type: none"> • 2 years, SA302s • 3 months most recent personal bank statements • 3 months most recent business bank statements • Sole trader/Partnership/Company Director: <ul style="list-style-type: none"> - Minimum 2 years full accounts required
Retired	Evidence of pension income		



	Commercial Investment	Semi-Commercial	Commercial Owner-Occupied
Income			
Minimum Income Experienced – First Time Landlord –		None £25,000	None N/A
Finance to Income	N/A		
Additional Income	Additional income can be considered but must be verifiable		
Deposit Details			
Evidence of Deposit	Evidence of the source of deposit is required		
Deposits	<ul style="list-style-type: none"> • Proof of deposit required • Gifted deposits accepted from family members subject to interested party waiver. 		
Finance Criteria			
Credit History	<ul style="list-style-type: none"> • No Bankruptcy /CVA or IVA in last 3 years • No CCJs in last 3 years • No missed mortgage or other property finance payments in last 12 months <ul style="list-style-type: none"> • No voluntary or enforced possession • Up to date UK credit report required • Defaults – can be considered subject to satisfactory explanation 		
Existing Mortgage/ Financing	Proof of conduct for all mortgages / home finance		
Residency			
Applicant Residency Status	UK or EEA citizens International and Expats (off shore SPV customers living abroad)		



	Commercial Investment	Semi-Commercial	Commercial Owner-Occupied
Property			
Location	England & Wales		
Tenure	Freehold or Leasehold		
Property Type	Office Retail with living accommodation Retail without living accommodation Industrial Warehouse Purpose built student accommodation	Office Retail with living accommodation Retail without living accommodation Industrial Warehouse	
Lease Type	Fully repairing and insuring lease		Fully repairing and insuring lease (if asset ownership name differs from occupier business name)
Valuation Basis	Market Value (Investment)		Market Value (Vacant Possession)
Unacceptable Property Type	Agricultural properties / land	Kennels & Catteries	Nightclubs
	Equestrian Centres	Gymnasiums	Nursing / Care Homes
	Grade 1 listed buildings	Land	Pubs
	Amusement Arcades	Caravan Sites / holiday parks	Petrol Stations
	Social clubs	Sports clubs	Casino's
	Banks	Bookmakers	Off Licence
	Adult Entertainment		
	*Property assets are varied and the market is constantly changing, as such it is not possible to provide a definitive list to cover off all unacceptable securities. The key for any security is that it should have good demand for sale and rent and that in its current configuration /use the asset operates well in the market.		
Non-Shariah Compliant Activities	<p>The following commercial activities are prohibited activities:</p> <ul style="list-style-type: none"> ➤ Selling tobacco ➤ Anything relating to pornography / nudity ➤ Conventional financial services, including banking, securities and insurance including brokers and intermediaries ➤ Gambling / Casino / Lottery ➤ Defence / Weapons ➤ Advertisements of any of the above prohibited items ➤ Any other activities considered to be non-Shariah compliant 		



Procuration Fees

	Commercial Investment	Semi-Commercial	Commercial Owner-Occupied
Intermediary / Introducer		0.75%	

All fees are based on the finance amount

Valuation fees

Property Value	Commercial Valuation Fee (including VAT)
£725,000 - £800,000	£1,955
£800,001 - £900,000	£2,100
£900,001 - £1,000,000	£2,245
£1,000,001 - £1,250,000	£2,590
£1,250,000 - £2,000,000	Quote available on request

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* The valuation report will be for the benefit of Gatehouse Bank plc, although a copy will be provided with the offer. Gatehouse Bank plc will enter into commercial agreements for the provision of valuation reports, where the fee payable by Gatehouse Bank plc to the valuer will be lower than the applicant fee quoted above. The valuation fee is not refundable once the valuation has been carried out.



FOR THE USE OF PROFESSIONAL MORTGAGE INTERMEDIARIES ONLY

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