Number 1

Large ticket commercial funding for case generative assets for up to 60 years

This Assets Under Management Fund that can provide stabilization debt for up to 60 years at very low interest rates. The profile is as follows:

Geographically- Austria, Germany, Netherlands, Republic of Ireland, USA, and the UK.

Products available:
- Large ticket long term mortgage
- Large debt and refurbishment facilities
- Stabilisation loan when the asset is about to generate income

Asset Sectors:
- Build to rent, offices (pre-let)
- Hotels
- Student accommodation

i.e., assets that are 'about to open their doors' to generate income.

When do they lend:
- An asset has just been built or refurbished, is about to generate income and needs a long-term facility.
- Refinance a cash generative asset needing a long-term facility

Minimum loan £70 Million
Maximum loan £500 Million

Term:
- 15 years interest only
- 60 years capital and interest

Interest rate:
- On 15 years the interest rate all in is 4.5%
- On 60 years, the interest rate all in is 3.75%

Maximum loan to value:
- 45% but with a syndicated partner 60% to 75% loan to value.

Number 2

Preferred Equity Provider alongside Hotel 'Operator' or 'Flag' initiative

A major investment fund that can provide mezzanine or preferred equity. Their profile is:

Geographically:
Greece Italy Cyprus Spain France Poland Romania

Asset Sectors:
- Living Sectors
- Hotel and Resort

Term: 3 to 5 years
Maximum Advance: 85% of project costs

Minimum Ticket: €15 Million
Maximum Ticket: €100 Million

Also note:
We are working with the following hotel operators who will operate hotels funded by the above:
IHG Hyatt Marriott

Number 3

Residential development finance provider operating in the Nordics area.

The lender profile is:
Funded by- Pension Funds, Family Offices, and a major Financial Institution
Geographical Locations- Denmark, Finland, and Sweden
Product- Residential Real Estate Development and potentially Logistics
Minimum Loan- €5 Million
Maximum Loan- €50 Million
Sweet Spot-€10 Million to €2 Million
Max Loan to Value- 75% pre finance costs
Term- 15 months to 30 months
Interest rate- 10%
Note- Sponsor needs good NET worth and the contractor needs to show experience

Number 4

Major bank based in New Jersey, USA. They have $60 Billion Assets Under Management.

The bank has the following profile:

Products:

- Stabilisation Loans
- Construction Loans
- Long Term Finance
- Revolving Facilities
- Business Finance
- Acquisition Finance

Asset Sectors- All business and property sectors

Mezzanine Strip 80% LTV
Term 2 to 5 years
Interest Rate SOFR +2% to 4%

Minimum Loan $20 Million
Maximum Loan $200 Million
Loan to Valuation 65%
Loan to Costs 65%

Geographically - All major locations

This lender is very well capitalised and eager to do business.

Number 5

A very flexible and common-sense thinking investment fund. The profile is as follows:

Founded in 2019. The fund uses its own capital as well as syndicated funding with pension funds, high NET worth individuals etc.

Geographically - UK, All Europe (including Eastern Europe), Israel, Caribbean Islands, US, and Canada.

When will they lend or invest

- Repositioning an asset (office to hotel)
- Liquidity requirement
- They will acquire for their own portfolio
- Developers or operators in distress
- Ground up development

What are their products:

- Preferred equity
- Whole loan (stretch senior debt)
- Mezzanine Finance

Minimum Loan

- Preferred equity: €20 Million
- Whole loan: €25 Million
- Mezzanine loan: €15 Million

Maximum Loan- There is no maximum loan

Preferred asset sectors (where all products available including preferred equity:

- Marinas
- Hostels
- Hotels
- Public Houses
- Holiday Parks

Additional Asset Sectors - 'Bed' (preferred equity Not available)

- Build to sell
- Build to rent
- Student accommodation

Additional Comments:

With reference to the client's capital input or 'skin in the game' a sensible contribution needs to be input to show commitment, i.e. a small contribution to be negotiated with the fund manager as is the profit share.

Planning risk can be considered where it is possible to have a 'Plan B' or 'Safety Net'. For example, an office block being rented out. If the proposal is to obtain planning permission to convert this to residential apartments etc, but the planning application is declined, there is the safety net of the office rental income.

Number 6

A bespoke fund that is active in various jurisdictions in Europe and the USA. Their profile is:

Geographically: USA, Western Europe, The Nordics, India.

Asset Sector: Multifamily, hospitality, data centres etc

Finance Products:
- Equity
- Whole Loan
- Debt
- Mezzanine

Minimum Ticket: $100 Million
Maximum Ticket: $350 Million
Return on capital required: On the whole loan 15% IRR.

Number 7

A global fund willing to invest as Equity Partners or outright purchases. They will support Developers and specialist asset purchases.

Geographically: UK, Ireland, Netherlands, Portugal, Spain, and Italy
Minimum investment: €10 Million

Maximum investment: €50 Million

Target returns: 20% IRR

Asset sectors:
- Student accommodation
- Build to sell
- Hospitality/Hotels
- Office to residential conversions

Examples of when they invest:
- Distressed projects that have gone into insolvency
- Joint Ventures with Developers wishing to grow quickly
- Hotels being bought undervalue and being repositioned
- Speculative purchase of land with planning permission to build hotels
- To achieve the minimum ticket size of €10 Million, the fund will support a Developer with 3 projects needing €5 Million equity per project.

Number 8

Pan European fund that focuses upon student accommodation. The fund is happy to forward fund the project whereby they purchase the land and pay the developer to build out the project. This means the developer inputs little capital. The fund is also content to fund simultaneously up to five projects with the developer. The fund will enter into a Joint Venture agreement with the developer. Furthermore, this fund is very actively invested and has large funds to deploy. Finally, the following points are appropriate:

Geographically: Netherlands, Italy, Germany, UK
Deal Size: 500 units €100 Million
Locations: Tier 1 and Tier 2 cities in the above jurisdictions

No planning risk is acceptable

Forward Funding over 2 years to complete the project. Thereafter the asset is stabilised over the following three to five years. Thereafter the fund may sell the project.

Number 9

A global fund with an excess of $70 Billion AUM. The fund is a very active source of corporate finance, brief details of which are below:

Client profile - Business achieving profits of €15 Million or more.

Geographically - The UK, Europe (except France) and the USA

Sectors - All trading businesses sectors including property investment such as self-storage.

Finance facilities-

- Acquisition or mergers
- Expansion
- Restructuring
- Asset based lending
- Working capital
- Cash flow financing

Minimum Loan- $15 Million

Maximum Loan- €200 Million

Term- 5 to 7 years

Interest rate- Euribor + 6% to 8%

This fund is well capitalized and able to move quickly to support companies in a ‘transition phase’.

Number 10

A major fund in the USA who focuses on real estate only. They are flexible and innovative. Their profile is as follows:

Geographically- USA

Asset Sectors- Property related only i.e. No business loans.
The asset sectors include:

- Hotels
- Residential- multifamily and BTR etc
- Commercial

Products available-

- Discounted debt or distressed
- Preferred equity
- Construction/ Development
- Bridging
- Mezzanine

Loan size- $25 Million to $125 Million

Term- Maximum 5 years

Interest rate- Debt is SOFR + 3 %

Mezzanine and Preferred equity- high teens

Maximum LTV- 75%

Number 11

A Wealth Management Fund within an International Bank. It is a little different to our usual Real Estate funding. However, I do believe that it can be very helpful where a wealthy client is asset rich but cash poor. The London office usually funds up to £10 Million. But the main office can fund up to £100 Million + loans.

The purpose of the facility can be quite varied, but it must be legal. The facility can be a term loan for 5 years or a 'revolving facility' like an overdraft. The maximum LTV is 60%. The interest rate is very competitive at the Bank of England Base rate +1.35%. The arrangement fee is 0.5%. There are no early repayment fees. As noted within the below, overseas borrowing is possible.

The asset security should be real estate. However, shares in listed companies are also acceptable.

Case Studies

A KC Barrister with property valued at £26 Million was provided with an 'overdraft' facility of £13 Million at BBR +1.35%
Shares in listed companies but held in a BVI structure were security for a loan
A client with no income but £10 Million cash offshore was granted a mortgage of £6 million.

Number 12

For more experienced developers looking grow but lack liquidity
New Equity Provider Partner
Guidelines for Developers

Location

- UK wide - excluding inner London, not within North and South Circulars
- Product appropriate attractive locations
- Demonstrable demand Property Type
- 5-20 units typically over a single phase
- Ideally 3-5 bed family housing, albeit a small number of apartments could be considered
- May consider PD for the right scheme
- Traditional Build
- Price point up to circa £1million in unit values
- £800per sq ft max subject to local values
- Must have planning.

Developer Profile

- Experienced developer: young teams with relevant professional background considered
- Existing and demonstrable track record
- Strong preference for developer procuring via sub-contract management
- Will consider 3rd party contractors on JCT basis
- Will recognise land gain where the developer can show they have added value. (and willing to consider a release of a proportion of such equity on Day 1)
- 100% equity for those with suitable track records etc
- We seek long-term relationships, not one-off transactions
- Due diligence process undertaken to approve developer as partner (thereafter repeat scheme decision based on project)
- Willingness to engage in sustainability objectives.

Project Financial Profile

- Senior interest normally rolled up
- Typically requires min 25% ROC
- Senior debt arranged (0.5% fee to project)
- Will accept developers lender subject to suitability
- Term 18 - 30 months
- Typically, 12 month build then sales period determined by volume.

JV Terms

- £0.75million to £3million equity.
- Will consider and will go materially larger for mixed use schemes
- 7% priority profit-share on equity (as look - back IRR), then
- Profit shares typically between 40/60 to 60/40 subject to scheme returns
- May require min' fixed multiple
- Will negotiate alternatives
- Typically, 100% equity to approved development partner.

Senior Lending

- Typically, 60% GDV on senior; max 65%
- Established reputable lenders
- No mezzanine or split capital stacks.

Structure

- JV structure - Vehicle will be a fund SPV (UK LLP)
- Normally fund and Developer as partners
- Developer contracted through an LLP Agreement and DMA which covers profit sharing arrangements
- Developer responsible for cost-overruns
- Developer provides cost-overrun guarantee to senior debt provider
- Fund normally provides interest cover guarantee to debt provider
- Full step-in rights for breaches
- Materiality clauses for variation to spec'
- Keyman cover required if appropriate
- Professional Indemnity Insurance required
- Straightforward legal documentation

Number 13

The below facility of a flexible lender for Northern Europe providing refurbishment funding and owner-occupied commercial term loans.

Geographically:

Sweden
Norway Austria
Germany
France
Netherlands
Denmark

Products:

- Owner occupied commercial loans
- Renovations and refurbishments

Asset Sectors:

Mixed use properties
Commercial investments
Hotels
Care Homes
Residential investments

Interest rate: 1% per month
Fees: 2%

Minimum loan: €5 Million
Maximum loan: €20 Million
Loan to value: 65% to 70%

Please note: In France, during any renovation works, the asset (hotel etc) needs to be empty because of the insolvency laws in France.

Number 14

This fund operates across a wide range of geographical jurisdictions and asset sectors. They have a commonsense approach to underwriting, and they will consider 'the story' for the right sponsor and the right project. They understand that a newly built asset or refurbished asset needs a stabilization period before serviceability can be demonstrated. The lender profile is as follows:

They have offices in:
Frankfurt
Singapore
New York
London

Preferred jurisdictions include:
Asia to include Mauritius
Australia
Europe (as far east as Poland)
UK
USA

Preferred Asset sectors:
Residential portfolios
Logistics
Hotels
Student accommodation

Minimum advance: £35 Million
Maximum advance: £300 Million
Maximum loan to value: 65% (OMV)
Interest rate: Local base rate +2%

Purpose of Loan:
Development exit to retain
Acquisition
Restructure

At the moment this fund will not provide development finance.

With reference to hotel funding, they prefer the operator to sign a hotel management agreement instead of a lease.

In summary, this is a real estate fund that understands property and has a very wide jurisdiction reach.

Number 15

This Pan European Fund provides a commercial mortgage facility for a variety of clients secured upon a variety of assets across a variety of jurisdictions.

Geographical range
USA
All of Europe as far east as Poland
All of the UK

Asset Sectors
Hotels
Retail
Residential Portfolios
Business parks
Commercial investment
Logistics
Student Accommodation

Maximum Loan- £300 Million

Minimum Loan- £35 Million

Interest Rate-

- Bank of England Base Rate + 2%
- Euribor + 2%

Maximum term- 7 years
Maximum loan to value - 65% of the GDV open market value
Ideal clients- Property investors wishing to acquire or refinance

Property developers wishing to retain the asset

Number 16

A specialist lender providing:

- Senior debt
- Mezzanine
- Stabilisation term loans once the project is completed.

Geographical areas are:

- UK
- Europe

Asset Sectors:

- Student accommodation
- Build to rent
- Co Living

Please note, as an office we can also arrange in certain countries equity finance to support the above.

Number 17

I have a long-term commercial mortgage lender who will provide the facility below.

Geographically

Europe UK USA

Asset Sectors

Retail
Offices
Business Parks
Logistics
Hotels
Student Accommodation
Residential Portfolios

Loan size - £35m to £300m (They fund in local currency and an appropriate base rate)
Loan Terms - 7 years
Interest rate of Base rate +2%
65% of the Open Market Valuation

Number 18

We continue to expand our range in the USA.

Whilst we can call upon major funds for support concerning requirements for mezzanine and equity with ticket sizes of $50 Million upwards, it is very important to also provide the SME market with support. Subsequently, I can outline the following profile of a fund with which we now work:

Source of funding- A single family office
Investment size- $2 Million to $10 Million
Geographically- USA
Term- 1 to 5 years
Produce offering- Mezzanine and Preferred equity.
Preferred asset sector- Multifamily residential opportunities and hotels
The asset needs to be generating income.
The returns required- 12% to 20%.

When will they invest:
Where a client is short in the capital stack on an acquisition
When a sponsor needs to de leverage senior debt to avoid breaching senior debt covenants.
Distressed situations whereby a capital injection is required.

Recent case studies
A hotelier wanted to buy two hotels. One was a Hilton flag and the other was an IHG Flag
A local bank provided 70% of the purchase price
The sponsor input $4 Million
The shortfall of $4 Million was covered by the fund by way of a mezzanine facility charged at 12% with an exit 'kicker' of 8%.

The acquisition completed.
The hotelier was overleveraged due to 4 new hotels being constructed. He was suffering huge cost overruns. The new builds look to be 'under water' before they even open. The hotelier was facing bankruptcy. Fortunately, the hotelier had a group of four trading hotels which have equity. The solution was provided by the fund who bought the four trading hotels and leased them back to the hotelier with a 'buy back' option.

Number 19

A well-capitalized fund that offers the following facility:

Geographically: Denmark, Sweden Finland
Product: Residential development. Both out of the ground and repositioning an asset.
Asset sectors: Mainly residential, including student accommodation, build to rent, build to sell. Also, logistics/warehouses
Minimum loan: €5 Million
Maximum loan: €50 Million
Maximum loan to value: 75% of the gross development value pre- finance costs

Term: 15 to 30 months
Interest rate: 10% coupon
Fees: 2% in and 1% exit
Developer experience: Must have built out at least five projects. Contractor strength must be good.

Number 20

I am now working with a private equity fund with the following profile:

- €3.5bn Assets Under Management
- Geographical preference is Cyprus, Greece, and Italy
- Products available are Preferred Equity and Mezzanine Finance
- All Asset sectors are acceptable i.e., hotels, residential, commercial
- Minimum advance is €10m
- There is no maximum advance
- On Mezzanine, the maximum loan to cost advance is 85%
- The interest rate on mezzanine is 16%
- On the Preferred Equity Product, the required return is 1.5 times the money invested
- The client/developer must have 10% of the project costs as "skin in the game"
- The fund will co invest with other investors in a project
- The fund will help to arrange local bank finance for the project to help the client.

Number 21

A major investment fund whose profile is as follows:

Geographically - Greece and Cyprus.
Asset sectors - Logistics, Hotels, Office blocks to upgrade and rent out
Minimum investment is €5m
Maximum investment is €50million
They like to co invest with a developer on a forward purchase basis whereby they retain the asset long term.

Number 22

- I am now working with an investment bank in New York that offers funding from $25m to $5bn. They cover all asset sectors except oil and gas.
- Real estate is a very good sector for them.
- Geographically, they cover USA, Canada, Western Europe, Middle East, Asia, and Australia. They will provide debt, mezzanine, and equity.

Number 23

I have a "softer" private equity house that offers first charge funding from £15m to £40m at 10% across the "beer drinking" countries of Western Europe.
They take a 10% or 20% share in the business.
They are a "patient" investor in that they allow the management team to dictate the exit strategy and allow interim pay offs to the fund.
They will:

- Allow a principal to take cash out of the business on day 1
- Encourage acquisition and expansion
- The asset sectors that they invest in are general but "no" to property development.
- Invest in the techy sector, recruitment, hospitality, healthcare, service industry etc

Number 24

A new fund is offering the following.

Israeli Property Loans

Loan Size: Up to £2,000,000
Max LTV: 50% of valuation
Rate: 8-12%
Term: Up to 3 years

Targeting individuals not domiciled in Israel, our loans are secured on Israeli property with a personal guarantee and are suitable for second homes or similar investments. The loan is executed under UK jurisdiction, with the charge on the Israeli property being the only aspect occurring outside the UK. Execution time is up to 6 weeks.