

Commercial Term

Unregulated

Loan criteria

Suitable properties	Let commercial investments and owner-operated properties located in mainland UK
Exclusions	Owner-occupied, vacant property, development and/or planning risks
Loan size	£0.50m–£25.00m
Loan term	2–5 years
Interest rate per annum	From 4.50% plus SONIA Both variable and fixed rates available. Margins commensurate with risk
Loan to Value (LTV)	Max 70%
Amortisation	Interest only to 65% LTV
Arrangement fee	1.5% of which 1.0% typically paid as Introducer commission
Interest cover ratio (ICR)	Minimum of 1.0x for the duration of the loan
LTV Covenant	Set reflecting underlying risk throughout the facility term
Early Repayment Charges	Fixed: 4% / 3% / 3% / 2% / 1% for repayment in 1 st / 2 nd / 3 rd / 4 th / 5 th year; Variable: make-whole provision for first 24 months, nil thereafter
Repayments	Up to 10% repayment permitted each year without triggering ERC's
Personal Guarantees	Personal guarantees at 55% LTV or higher, capped at typically 15% of the property value

The big print

- We will consider all types of let commercial investment properties across the UK except owner-occupied
- This is a fixed term product for which we calculate and charge interest on a daily basis
- When we come to value the property we will use a valuer and valuation methodology appropriate for the type of asset that we are lending on

The interesting stuff

- **Interest-only to 65% LTV:** Interest only allows the borrower to retain surplus income; a key customer motive for holding investment property
- **1.0 ICR Covenant:** Based on net rental income at all times throughout the facility term
- **Payment holiday available:** This option is available should there be breaks or expiries during the facility term

Questions?
We're here to help

sales@octopus-realestate.com
0800 294 6850
[octopus-realestate.com](https://www.octopus-realestate.com)

Octopus Real Estate is the trading name of Octopus Investments Ltd (Reg No 03942880), Bridgeco Ltd (Reg No 6629989), Fern Trading Group Ltd (Reg No 6447318), Octopus Commercial Term Ltd (Reg No 13486553), Nino Ltd (Reg No 9015082), Octopus Administrative Services Ltd (03974202), Octopus Healthcare Development Ltd (Reg No 03788979), ORE Lending Ltd (Reg No 12908588) and Octopus Co-Lend Ltd (Reg No 8913299), all registered in England & Wales at: 33 Holborn, London, EC1N 2HT, and Octopus Real Estate S.ar.l. (Reg No B189290) registered in Luxembourg at: 412F, Route d'Esch, Grand Duchy of Luxembourg, 1471, Luxembourg. Octopus Investments Ltd and Octopus Co-Lend Ltd are authorised and regulated by the Financial Conduct Authority. February 2022. OP000262-2201