

a.s.k

Real Estate Loan Product Guide

Lending in the living sector



September 2023

www.askpartners.co.uk

This product is for investors and developers with built assets in the living sector who require a more flexible financing approach in the higher interest rate environment.

>£5m

6 months minimum term

No minimum ICR

Flexible underwriting

Fast turnaround

Welcome to our product guide for real estate loans in the living sector

ASK is a specialist real estate lender providing bespoke finance solutions across all sectors and the full dept stack. We adopt a flexible rather than metric-driven approach and often provide funding in situations where institutional lenders and clearing banks are not willing or able to lend because of restrictive internal credit policies.

Many of our loans have supported investors and developers in their transition between practical completion and stabilisation or realisation of an asset, as well as refinancing assets that no longer suit traditional lenders.

The higher interest rate environment has accelerated this trend as many assets cannot satisfy the strict interest coverage ratio (ICR) banks require, leaving borrowers unable to refinance their loans. In response, ASK has specifically designed this product to support borrowers in this situation and crucially it **does not have a minimum ICR requirement**. This flexible underwriting approach enables us to ensure our clients can continue to hold assets as well as **take time to sell/rent assets at the right price and achieve their profit targets**.

Elliot Blatt
Head of Origination



The Brick: Residential development exit loan of £25.5m provided to refinance development lender, further equity release provided after sales of 26 units

Spotlight on ASK's product

The product aims to support borrowers whose assets require a more flexible financing approach in the higher interest rate environment. This could be through the need to refinance a development lender or provide a bridge to sell/rent while more traditional long-term finance is arranged.

This loan product specifically has no minimum interest coverage ratio, ICR, and the loan parameters are for built assets in the 'Living Sector'.

Product criteria

Property types	Residential, BtR (fully let, lease up, or vacant), build to sell, mixed-use with residential, PBSA, HMO, hotels (with occupational lease), and co-living Permitted development considered dependant on circumstances, e.g. minimum mortgageable size, opening windows, balconies or amenity in a proportion of units, acceptable cladding
Valuation	Full valuation and inspection required
Location	England, Scotland, and Wales
Tenure	Freehold or leasehold; leaseholds must have an acceptable unexpired lease term
Minimum amount	£5m
Minimum term	6 months
Maximum LTV	70%
ICR	No minimum
Guarantees	Not necessarily required, however considered on a case-by-case basis

Interest & fees

Margin	From 4% plus Bank of England base rate
Arrangement fee	From 1%
Exit	From 1%

Case studies



The Brick, Maida Vale

ASK provided a development exit loan secured against a completed residential development known as "The Brick". Following successful sales to pay down this facility, ASK provided a further facility secured against the remaining units at the development which released further equity to the developer.

Key value add

Refinance of development lender, provided time to sell units at good market values, and provided equity release to borrower.

Development Exit Loan

Asset: Residential
Loan Amount: £25.5m
Term: 24 months
LTV: 56% OMV

Sanctum Hotel

ASK completed this loan during Covid lockdown underwriting the recovery of the hotel market and the value of a prime freehold, income-producing central London asset. At the time the hotel sector was majorly affected by the pandemic so most other lenders weren't lending.

Key value add

ASK took a commercial view when other lenders would not and assisted the borrower in achieving stabilisation of the asset.

Stabilisation Loan

Asset: Hotel
Loan Amount: £12.75m
Term: 30 months
LTV: 65%



Case studies (cont.)



Westbrook Mill, Goldaming

ASK, in conjunction with our partners at GRE Finance, provided a development exit loan secured against a near completed 87-unit residential development in Godalming, Surrey. ASK provided a bridge allowing the developer to complete a part sale and part lease-up strategy with no ICR covenant in place.

Key value add

Refinance of development lender, providing time to sell units in order to reduce LTV and create an income stream that produces an ICR that is attractive to long-term investment facility lenders.

Development Exit Loan

Asset: **Residential**
 Loan Amount: **£17.4m**
 Term: **12 months with extension option**
 LTV: **68% OMV**

Amory Tower, Canary Wharf

The client had acquired 133 apartments in this prime residential tower in Canary Wharf. The majority were on short hold tenancy agreements and the borrower required financing whilst waiting to sell them on the open market.

Key value add

Borrower needed to refinance its original lender. ASK's loan was sized with an ICR <1.0x.

Sales Bridge

Asset: **Residential Apartments**
 Loan Amount: **£62m**
 Term: **30 months**
 LTV: **65%**



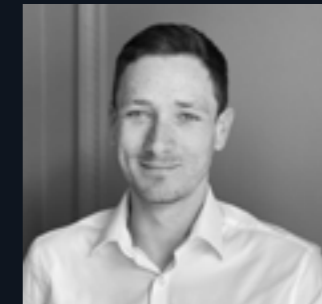
Contact our team if you think this product could fulfil your financing requirements.



Elliot Blatt

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A specialist lender

Unique funding model

ASK is backed by PRA regulated, OakNorth Bank and has a pool of institutional investors, family offices and high net worth individuals which combine to make a unique and diverse funding model.

Experienced

Over £1bn total funds lent, across over 100 transactions in multiple real estate sectors.

Flexible

Innovative approach and bespoke deal structuring methodology ensuring satisfaction for all parties.

Fast and professional

Our streamlined processes and in-house legal team allow us to provide fast turnarounds even on complex deals.

ASK Partners

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