



CASE STUDY - SEP 2017

CONVENIENCE STORE



Recently redeveloped convenience store in Surrey required further finance to complete the works and release capital from the freehold.

The existing finance in place was due to expire and the business had been declined lending by their bank due to the development not yet being complete.

FINANCE RAISE £345K

The business had been trading for over 10 years as a small convenience store in a rural location. The opportunity to develop and expand the store arose in 2016 at which time the client financed the expansion of the retail unit via development loan and family money.

The development had neared completion in September 2017 when the funds for the development ran short and the family who injected the capital wanted to recoup some of their investment. At this stage the development was not fully completed.

The client's bank declined to assist as there was no proven trading history of the expanded business and given the client required funds to complete the development, they say this as too high risk.

The challenges in this case were that the funds were required quickly and for a mix of purposes. We also had the client living at the same address which caused an issue for some lenders.

By understanding the split of the property between residential and commercial and by clarifying the issues behind their bank's decision to decline we were able to obtain some assurances over future refinancing and put in place a facility which allowed the client to raise the funds required and gave them an 18 month period to prove the business in it's new format.

This case completed in November 2017 following some extended legal work to put things in place.

WHO WE ARE

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