



CASE STUDY - APR 2020

CARE HOME CONVERSION



A large detached property formerly used as a care home had been converted into six apartments.

The client wanted to increase the lending secured by these properties to fund the next property project.

RELEASING CASH AGAINST AN ASSET

BACKGROUND

A freehold property consisting of six separate apartments was owned with the client wanting to release more cash against the property to fund their next acquisition. The property was non-standard with various quirks and unusual aspects.

THE CHALLENGES

The freehold was a multi-unit block, one of the flats had limited access and another was too small for a conventional mortgage lender to secure against. In addition, the property had been converted without all planning restrictions having been signed off.

WHAT WE DID

Our first challenge was to source a lender who would lend for a 'multi unit freehold' property. After that we needed to clarify the true size of the smaller unit and work with the client's architect to get the remaining planning issues satisfied.

By working with the architect we could provide layout details and plan that satisfied the lender's concerns over the layout of the property. We also used the gross income for five larger units to support the borrowing and got around the issue of one unit being too small. A mortgage of £940k was agreed and drawn in April 2020.

WHO WE ARE

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