

# UPDATE 2023

## COMMERCIAL FINANCE

It's all we do. We don't do regulated mortgages, we don't do equity release, insurance, key person, we are **100%** focused on commercial finance.

Which is why **we work** so well with **mortgage brokers**, we do the lending you don't and you do the lending we don't.

We love property development, commercial property, mixed use property and the complex unusual buy to let.

Any client referred to us is logged and anything that crops up is referred back to you, we also **commission split** on completion to ensure you are properly earning for anything we do.

Our Introducer Scheme is properly structured, worded and meets our FCA obligations.

## WORK TOGETHER

90% of our business is introduced, whether that be by Mortgage Brokers, IFAs, Accountants or another business professional.

We all know introduced business works best, we all understand that combining skills and referring cases we can't do means we all earn more. It also means happier clients, something we all know the benefit of.

How about we take that a step further in 2023 and see how we can work better and make 2023 a prosperous one?



## GOOD NEWS

Good news is rare these days, especially when it comes to anything financial.

One **hidden gem** is the renewal of the Government backed Recovery Loan Scheme for commercial property. The scheme sees a guarantee from the Government to the lender in return for the lender sanctioning borderline lending or discounting deals they are happy to do.

As a guide, commercial mortgages using this scheme are **around 2% cheaper\*** than standard **commercial mortgage** lending.

Leaving price aside, the scheme can be used for refinancing existing borrowing - including deals with fixed rates expiring - for capital raising, new purchases or a straight remortgage.

The scheme is set to run for 2023 but may well close in the Autumn if it becomes oversubscribed.

For anyone looking at commercial mortgage finance then this may be one to explore before it goes for good.

The strange thing? Almost every business or commercial borrower has **no idea** it exists. Lower rate commercial borrowing and borderline affordability cases being cut slack. Win win.

Our clients love this scheme, yours will too.

## RECENT WORK THIS IS WHAT WE DO



Part built development of 7 residential units where the developer had run out of cash.

A capital injection of £1.3m arranged to release cash to restart the build and fund through to completion.

We paid the introducing broker £4,780



Bridging finance for small landlord who had a vacant property and needed to refinance pending sale.

Complex freehold with issues around the title, outbuildings and two units on one title.

Finance agreed, we paid the broker £10,800



Commercial freehold industrial unit where the client wanted to complete within 4 weeks, undertake works then release capital against the increased value of the asset.

Two stage finance agreed, £240k total lending where we paid the introducing broker £2,040

# INTEREST RATES

What is happening with commercial interest rates?

We are seeing a broader spread of interest rates now than we have for several years.

When the mini budget happened and base rates jumped we saw rates pulled and replaced by much higher five year rates. Since then we have seen several more base rate rises but very little change in commercial mortgage rates.

When it comes to property development and short term lending, we have seen very little change from pre Liz Truss to today. Shorter term borrowing costs have remained very static, something many property developers don't realise.

For commercial borrowers with fixed rates expiring this year then the Recovery Loan Scheme, whilst it's here, offers a great alternative to mitigate some of the interest increase.



## WHY FCA MATTERS

Commercial finance brokers don't have to be regulated by the FCA but it is recommended and a requirement of some lenders who will only work with regulated brokers.

Lime Consultancy is FCA directly authorised and regulated. We do this because it is the right thing to do. It protects the client and gives them the assurance and recourse they deserve.

For us, it isn't about being regulated but why some commercial brokers aren't and why anyone would work with a broker who isn't.

You do things right, so do we.

From a business perspective, being directly authorised means we can work with a wider range of lenders and provide those more varied solutions to our clients.

## AWARD WINNING



Lime Consultancy have been awarded 'Sole Trader of the Year', recognising us as the best small commercial finance broker in the UK for 2022

A massive thank you to our clients and lenders who nominated us and remain the bedrock of our business.

## GET IN TOUCH

For any questions on commercial finance, property or development lending then please get in touch.

Lime Consultancy is built on being open, happy to talk and partnering with our clients to get the best results for them.

Any questions then pick up the phone and let's talk.

*David*  
David Farmer



## CAN WE WORK TOGETHER?

hello@limeconsultancy.net 01293 541333

\*Comparison of rates offered to our clients for same terms on RLS lending versus rates offered by Allica Bank and/or Hampshire Trust Bank January 2023

Lime Consultancy is a trading name of Lime Coaching & Consultancy Ltd. Registered in England 07975038. The Beehive, City Place, RH6 0PA. Authorised & Regulated by The Financial Conduct Authority. Lime Consultancy is a specialist commercial finance intermediary working with a wide range of lenders, we will always disclose how and what we get paid by any lender we work with.